

INDIAN TARIFF BOARD

Oral Evidence

recorded during enquiry on the

GRANT OF PROTECTION TO THE

SERICULTURAL INDUSTRY

Volume II



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GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Evidence of Messrs. N. RAMA RAO, Director of Industries and Commerce in Mysore, H. S. GOVINDA RAO, Superintendent of Sericulture, and M. K. SHAMSUDDIN KHAN, Assistant Superintendent of Sericulture, recorded at Bangalore on Wednesday, the 15th March, 1933.

President.—Mr. Rama Rao, you are Director of Industries and Commerce?

Mr. Rama Rao.—Yes.

President.—Mr. Govinda Rao, you are Superintendent of Sericulture?

Mr. Govinda Rao.—Yes.

President.—Mr. Shamsuddin Khan, you are Assistant Superintendent of Sericulture?

Mr. Khan.—Yes.

President.—I take it that the memorandum sent by yourself represents the views of the Mysore Government as well?

Mr. Rama Rao.—It does.

President.—I would like to take up first the memorandum which was sent to the Government of India on the 12th April, 1929, through the Resident in Mysore. The letter from the Department of Industries went to the Resident on the 5th of February, 1929, asking that the question of granting protection to the Sericultural industry might be considered by the Government of India.

Mr. Rama Rao.—Yes.

President.—The next letter which was sent by the department was dated the 1st of September, 1932.

Mr. Rama Rao.—This was a letter from the Government. The letter that you are referring to is one from the Dewan of Mysore which represents the views not of the department, but of the Government of Mysore.

President.—I am talking of the representation sent to the Government of India in connection with protection in the year 1929.

Mr. Rama Rao.—Our representation to the Government of India was made in the beginning of 1929, but our request for protection was made much earlier. When the Royal Commission on Agriculture was here, we made a representation to that body about the need for protection to the Sericultural industry.

President.—That has not been sent on to us. Which year was that approximately?

Mr. Rama Rao.—In 1926. I was examined as a witness by the Royal Commission on Agriculture. I presented a memorandum to that body about the state of the Sericultural industry and I supported it with oral evidence. I was examined in great detail by the Royal Commission on Agriculture.

President.—You did not send that to the Government of India?

Mr. Rama Rao.—No.

President.—Then the statement which I made at the beginning was correct.

Mr. Rama Rao.—Yes. I thought that I might add this information.

President.—In 1929 when you submitted this memorandum the duty was 15 per cent.

Mr. Rama Rao.—Yes.

President.—And your proposal as far as the amount of protection was concerned was to levy an additional duty of 15 per cent.

Mr. Rama Rao.—Yes, that was our proposal in 1929.

President.—You also proposed a correlated duty of 45 per cent. on silk fabrics?

Mr. Rama Rao.—That was our representation in 1929.

President.—The period asked for was 20 years.

Mr. Rama Rao.—Yes.

President.—In 1932 on the 1st of September, practically after a period of about 3½ years, the proposal which you put forward to the Government of India was that you wanted an *ad valorem* duty of 100 per cent. on the correct invoice value of the silk imported into India with a correlated duty of 125 per cent. on silk fabrics.

Mr. Rama Rao.—Yes.

President.—Both duties being *ad valorem*?

Mr. Rama Rao.—Yes, on the invoice value.

President.—So that in 3 years the industry's demand has been considerably increased.

Mr. Rama Rao.—The position worsened very rapidly and the protective duty that was considered adequate in 1929 was found to be sadly inadequate under the conditions which prevailed in 1932.

President.—The first time when Government noticed the decline of the industry was as far back as 1926.

Mr. Rama Rao.—Yes. Even in the earlier reports of my department—I was then Superintendent of Sericulture and I had intimate knowledge of the conditions of the Sericultural industry—even then I noticed the menace from foreign imports. We tried to improve our industry, when we found that we were up against the competition of foreign imports, I felt that our industry could not improve and develop as rapidly as we wanted it to do unless we had some measure of protection. In my Administration Reports of the Department, I suggested that some protection was necessary to enable us to realise our objects. The position got bad in 1926. In 1926 the Agricultural Committee of the Economic Conference of the State recommended a strong measure of protection for the Sericultural industry, and it was in pursuance of that recommendation that I made a representation before the Royal Commission on Agriculture. The position has been getting steadily worse since then, and now it is so critical that without protection, I am afraid, the Sericultural industry is bound to disappear.

President.—What was the response you got from the Agricultural Commission?

Mr. Rama Rao.—It came within the scope of their enquiry only incidentally, I think. They sympathised with our aspirations generally but they did not make any specific recommendation about the Sericultural industry.

President.—In the memorandum submitted in 1929 you gave the Government of India to understand that Mysore was producing as much as 11½ lakhs of lbs. of silk out of the total Indian production of 23,69,000 lbs.

Mr. Rama Rao.—Yes.

President.—The position as revealed in 1916—I don't know whether you have seen Maxwell Lefroy's report—is practically the same.

Mr. Rama Rao.—Yes. I have seen it.

President.—In that it is stated that the production of Mysore in 1916 was about 11,60,000 lbs.

Mr. Rama Rao.—Yes.

President.—That shows that the industry as far as production was concerned did not make any rapid progress.

Mr. Rama Rao.—It had made some progress. We had remedied defects. I was connected with Sericulture when Professor Maxwell Lefroy visited the State, and I assisted him in his investigations. We had just got over some initial difficulties by then. Between 1916 and 1926 a good many defects had been remedied, but it was too early for the fruits of these improvements to become visible. There had not been time enough for us to realise the results of our work.

President.—Now I would like to take up your replies to the questionnaire which the Board has issued with regard to the Sericultural industry. For the purposes of discussion it would, I think, be much better if I divided the subject matter of the questionnaire into three distinct groups. First of all I would like to discuss the question about mulberry and its cultivation. The second group would be the rearing of silk worms, and the third would be the reeling and the different methods adopted in Mysore for purposes of reeling.

Mr. Rama Rao.—That would be very convenient.

President.—As far as the first question is concerned in Mysore you have got two kinds of lands. One is dry and another irrigated.

Mr. Rama Rao.—Yes.

President.—In the irrigated there are 3 or 4 kinds of gardens.

Mr. Rama Rao.—Yes.

President.—But generally speaking most of the area at present is under dry land.

Mr. Rama Rao.—A very large percentage of the area under mulberry is unirrigated.

President.—And generally cultivation is bush mulberry.

Mr. Rama Rao.—Yes.

President.—Have you made any experiments with the tree mulberry?

Mr. Rama Rao.—We have conducted experiments with the mulberry tree and we have got a *tope* (grove) of mulberry trees planted in Mysore, and we are forming similar *topes* at Kunigal, Kolar and Chennapatna. We have got some data about tree cultivation from the Mysore farm. The trees in the other farms are yet too young to give any reliable data.

President.—May I take it that the experimental stage as far as mulberry tree is concerned is practically over?

Mr. Rama Rao.—It is over. As a matter of fact there was no experimental stage at all. We had before us the experience of other countries. We had to reduce that experience into terms of our own experience before we could carry out any propaganda. So far as we are concerned the application of knowledge to our conditions is now complete. We have got reliable figures of the mulberry trees we have planted in Mysore.

President.—How many trees have you distributed to the cultivators up till now?

Mr. Govinda Rao.—About 10,000.

President.—What is the annual distribution?

Mr. Rama Rao.—About 2,000 a year. I think this distribution has been going on for about 5 years. The figures are only approximate. I shall give more accurate figures later on.

President.—In the dry land the cost of cultivation is about Rs. 84 per acre.

Mr. Rama Rao.—The recurring expenditure of a garden on dry land is Rs. 84.

President.—And for the other the cost varies from Rs. 130 to Rs. 200.

Mr. Rama Rao.—Yes, according to the facility that exists for irrigation.

President.—What figure shall I take as the average? May I take Rs. 175 as the average?

Mr. Rama Rao.—Not so much as that.

President.—Shall I take Rs. 150?

Mr. Rama Rao.—Anything between Rs. 130 and Rs. 150 would be about the average.

President.—From an acre of irrigated garden the yield is about 10,000 to 15,000 lbs. of leaves per year.

Mr. Rama Rao.—Yes.

Mr. Boag.—As regards the average cost, you have suggested Rs. 130. What would be the average yield?

Mr. Rama Rao.—I would say 7,000 or 8,000 lbs. per acre. The highest yield is round about 14,000 lbs.

President.—You have mentioned the kinds of mulberry which are grown in Mysore. They are at present I understand only bush mulberries. The names of the varieties of mulberry are given in the book.

Mr. Rama Rao.—Bush is only a method of cultivation. It is not a variety of mulberry. Any mulberry can be grown either as a tree or as a bush. The general method of cultivation practised in Mysore is bush cultivation. So the mulberry that has been mentioned

President.—That is the point which I wanted to come to.

Mr. Rama Rao.— is mulberry cultivated as bush.

President.—The present variety mentioned in the book is cultivated as a bush.

Mr. Rama Rao.—The trees also are of the same variety.

President.—That is what I wanted to ask you. Are the trees also of the same variety?

Mr. Rama Rao.—Yes.

President.—The plants are pruned once a year.

Mr. Rama Rao.—Yes.

President.—Are any precautions taken to avoid cavity or disease?

Mr. Rama Rao.—No special precautions are taken and diseases are unknown. No diseases supervene at that stage and so we take no particular precautions.

President.—What is the percentage of the trees or the bushes die?

Mr. Rama Rao.—Replanting is necessary in about 10 to 13 years. Generally some plants die for reasons that could not be foreseen. As a rule a bush which is once established is allowed to remain for 15 years.

President.—There is no kind of disease which demolishes the plant.

Mr. Rama Rao.—There is a leaf disease, a kind of fungus disease, which sometimes affects the crop of leaves, but the plant itself remains healthy and its vitality is not affected by it. A grey incrustation forms on the hind part of the leaf and the leaf becomes unfit for silk worms. The leaves have to be stripped off. Generally the next crop is then free from disease. We have no diseases which destroy the tree or the bush.

President.—From the experience that you have gained with regard to the tree mulberry, would you be in a position to say that the tree mulberry cultivation is more economical than the bush?

Mr. Rama Rao.—Certainly. If you want me, I shall give you figures.

President.—I want the figures to be properly worked out.

Mr. Rama Rao.—They are here in the replies. I shall give the figures and shall also furnish the Board with a note containing these figures. But I may say in general terms that it takes about 5 years to establish a plantation of tree mulberry and during that period the establishment does not entail heavy expenditure, because intercrops can be grown. No special cultivation is necessary for mulberry. At the end of five years the tree begins to yield. All the expenditure involved in getting leaves from these trees is the wages paid for plucking them. That is all. We find that the cost of a lb. of leaf from tree mulberry after the plantation is once estab-

lished is about $1\frac{1}{2}$ pies per lb. as against 4.4 pies of bush mulberry in the case of Government gardens. The figures about our tree mulberry are got from our gardens in Government farms. The raiyats have not as yet established any *topes*—mulberry *topes*—and the difference that we have in the cost of getting leaves from mulberry trees has been derived from our own experience in Government farms.

President.—Do I understand that as far as the bush mulberry is concerned, the price in Government farms is much higher than that of the raiyat?

Mr. Rama Rao.—It is, and since we are taking tree mulberry figures from Government farms, the only right thing to do is to take the cost of the bush mulberry from Government farms also for purposes of comparison.

President.—As you have said that you have distributed about 10,000 trees, it will be interesting to get the cost also from the raiyats if possible.

Mr. Rama Rao.—We have been distributing these trees because we wanted to encourage the raiyats to plant trees.

President.—Is there any system of grafting?

Mr. Rama Rao.—Yes, but it is not generally practised. We have collected a lot of data about grafting. We have imported a number of very superior varieties of mulberry from Japan and we have grown them in our gardens. We have grafted them successfully upon Mysore stock and we have got some samples and they are a very promising line.

Mr. Boag.—Grafting, I take it, is done with the object of increasing the yield of leaf?

Mr. Rama Rao.—Yes, the yield as well as the quality. These are the ordinary Mysore leaves (handed in an album of sample leaves mounted on paper). We have 22 superior Japanese varieties and 3 superior Korean varieties and 3 varieties from other parts of the world. We have also 3 Indian varieties. I may mention incidentally (in reply to a question put by Mr. Batheja) that the Japanese varieties were grown here and they did not suffer in the growing. I am instructed that the Japanese varieties actually did better in our gardens than they do in Japan.

Mr. Boag.—On how many years' experience do you speak?

Mr. Rama Rao.—6 years.

Mr. Boag.—Do the Japanese varieties maintain their strength?

Mr. Rama Rao.—Yes, we have had the same experience with Japanese worms.

President.—In other countries there is what is called a scientific pruning. I suppose here it cannot be practised?

Mr. Rama Rao.—It is practised here.

President.—On the modern scientific lines?

Mr. Rama Rao.—Yes.

President.—And the grafting at present is done in the nurseries?

Mr. Rama Rao.—Yes. That is a branch of work which we have not been able to hand over to the raiyats as it requires special implements and expertness.

President.—Is there any kind of lopping done as distinct from pruning?

Mr. Rama Rao.—No.

President.—Such a system is not practised here?

Mr. Rama Rao.—Lopping would be practised with the growth of trees. Since our method of cultivation is mainly bush, lopping is not practised.

President.—There are various factors on which I am told the yield of leaf depends and the main consideration is manure.

Mr. Rama Rao.—Water and manure.

President.—You have suggested some kind of manure which you use but having regard to the experience that you have gained in other countries,

would you consider the manure which you are using at present in Mysore is capable of yielding more leaves per acre than it is the case at present?

Mr. Rama Rao.—Yes. The application of manure is bound to result in an increased yield and at present not much manure goes into the mulberry tree. We introduce the application of artificial manure some years ago but owing to the drop in the prices of silk and the generally unsatisfactory condition of the sericultural industry the application of artificial manure is not largely practised. The raiyat could put in more manure if there was a better return from the sericultural industry. In fact the depression of the industry has acted as a handicap on our efforts at improvement. But there is no doubt whatever that the application of manure is bound to result in an increased yield of leaf.

President.—Would it not be to their advantage to get more leaves per acre in order to make their cost of production cheaper?

Mr. Rama Rao.—Yes, it would be to their advantage.

President.—Therefore the depression ought to encourage them?

Mr. Rama Rao.—But they must have the means. It means an initial outlay. This is an industry practised by people with very limited means and we have submitted to the Board that it is generally practised by very small peasant proprietors, and the main advantage of this industry is that it does not involve any great outlay and the application of manure does mean capital outlay.

President.—At present the initial expenditure is Rs. 75 to Rs. 100 in the case of dry land?

Mr. Rama Rao.—Yes.

President.—As far as the diseases of mulberry are concerned, I don't think you are troubled much.

Mr. Rama Rao.—Not much.

President.—Except in respect of leaf which is due to fungus?

Mr. Rama Rao.—Even that is not a very considerable pest. It is only under moist conditions that the disease spreads.

President.—As regards the area under mulberry, in the year 1928-29, the area was 46,312 acres and the quantity of raw silk was 920,000 lbs. I would like to know how this figure corresponds to the figure that you have given in the letter which was sent to the Government of India that in 1929 production was 11½ lakhs of lbs.

Mr. Rama Rao.—I believe that the statement in the letter to the Government of India is a general statement without reference to any particular year. Probably they were taking the figure for 1926-27 which they considered to be the normal year. At the time when they addressed the letter to the Government of India, the Mysore sericultural industry had already received a set back and the figure given here is what the Government of Mysore believe to be the normal production under normal conditions.

President.—That production has been stationary for quite a long time and it only went down in the year 1927-28 onwards.

Mr. Rama Rao.—Would you like to know about the fluctuations in production?

President.—I would like to know whether the figure of 53,483 acres in 1926-27 was not a steady figure for a number of years?

Mr. Rama Rao.—It was not. When the Government of Mysore first took the sericultural industry in hand—that was in the year 1913—we had then the Economic Conference in the Mysore State which took up the sericultural industry in hand—the acreage under mulberry was about 28,000—I am giving the figures from memory but I think my memory is not far wrong. When the agricultural committee of the Conference took up the industry in 1914, the sericultural industry was in a bad way. The acreage under mulberry had come down to 25,000.

President.—In 1913-14?

Mr. Rama Rao.—Yes, and it was then that Government found that if this industry was to survive, it had to be taken in hand, investigated and remedial measures adopted. Then Government approved of a programme of work and took the industry seriously in hand and organised the department of sericulture. An investigation was conducted and measures were taken. All that has been referred to in the memorandum that was placed before the Royal Commission on Agriculture. The diagnosis was correct and the remedial action adopted was in the main suitable. And this has been proved by the fact that the industry responded satisfactorily and thereafter began steadily to improve. This improvement was maintained till 1926-27 when we reached the maximum area of 53,483 acres. After that we were faced with foreign competition. Foreign competition began to be felt very severely in 1927-28 and then it went on increasing in severity till the present year when we came to you with a petition for rescue.

President.—Do I understand that if protection is granted, since the soil and the climate of Mysore are suitable for sericulture, the figure of 53,483 acres would be quadrupled.

Mr. Rama Rao.—That is a possibility certainly. I shall first state what the opinion is of foreign experts who have been here. We had an Italian and a Japanese expert under our own employ and afterwards we had a visitor from Japan, a gentleman called Suzuki.

President.—Is he a sericultural expert?

Mr. Rama Rao.—Yes. He came here. He went over our sericultural area. He was struck by the favourableness of our conditions. He said that we were far more favourably situated for sericulture than his own country. We had also more than one Italian sericulturist touring here. They were all struck with the suitability of our environment for the silk industry. Our own experience is that there is hardly a part of Mysore, except perhaps the extreme Malnad—where mulberry cannot be cultivated and silkworms cannot be reared, and there is no doubt whatever that with such suitable conditions we can expand to several times our present acreage under mulberry. This 53,483 acres, if the industry is improved, can be made to produce about four times the quantity of silk that we are producing.

President.—That is the point.

Mr. Rama Rao.—Even if we did not extend the area, with the present area and with the improvements that we have now started, we can produce four times the quantity that we are turning out.

President.—With this area?

Mr. Rama Rao.—Yes, with this 53,483 acres we can produce four times the quantity of silk that we are producing.

President.—Taking the present area and the present production of raw silk, it amounts to 20 to 22 lbs. of raw silk per acre?

Mr. Rama Rao.—For one acre I think on the average we get about 260 lbs. of cocoons. With 260 lbs. of cocoons on the country charka we ought to get 20 lbs. of charka silk. So you may take it that on an average for 20 lbs. of charka silk, you require the cocoon crop of about one acre of mulberry.

President.—You have stated that in 1931-32 the production of silk waste was 370,000 lbs. and the export of raw silk in that very year was 367,440 lbs.

Mr. Rama Rao.—Yes.

President.—As far as the silk waste is concerned there is no difficulty in disposing of the total quantity of waste produced in Mysore except that the price has fallen considerably.

Mr. Rama Rao.—I take it that disposal means disposal at an attractive price.

President.—I am asking you this question because in reply to a question yesterday it was said by the witness who appeared before us that the waste was unsaleable.

Mr. Rama Rao.—I was present when that question was asked. Might I amplify the statement made yesterday? This silk waste, as the Board knows, is a by-product of the reeling. The reeler sells the silk waste and subtracts the return he gets from his costs. If he can dispose of the silk waste at a favourable price, his cost of reeling will be to that extent reduced. What happens just now is that he is not able to dispose of the silk waste at a favourable price, and as men always hope for a better state of things some of the reelers have been keeping their stock, and others have been induced to sell to people who think that they are going to make money in the future by cornering the supplies of silk waste, but they have not been able to get anything like a remunerative price so far, and that in its turn reacts upon the cost of production of silk and puts us in a more unfavourable position than we would otherwise be.

President.—In the memorandum you have given us the cost of producing 25 lbs. of cocoons as Rs. 7-12-10.

Mr. Rama Rao.—Yes.

President.—You write in the N. B. that the 2 pies is the cost of the plucking of leaves by the members of the family?

Mr. Rama Rao.—Yes.

President.—I think practically that figure is negligible?

Mr. Rama Rao.—It is negligible.

President.—Rs. 7-13 works out exactly to 5 annas per lb. of cocoons. Therefore the balance is only 2 pies.

Mr. Rama Rao.—It has been entered to make the statement round off.

President.—The object is to round off the figure?

Mr. Rama Rao.—Yes.

President.—In this cost which you have given, you have stated that rent is not included?

Mr. Rama Rao.—Quite so.

President.—Will you please tell me what the figure would be?

Mr. Rama Rao.—What is the statement you are referring to?

President.—Please see page 4 of the memorandum. I find that the details of the cost of production as furnished by you do not include any provision towards rent. Will you tell me what the figure will be for rent?

Mr. Rama Rao.—Rearing has to be done in one of the rooms in the dwelling house as the Members of the Tariff Board saw. There the question of rent does not arise. If a man wanted a room like that, for rent he would not be able to get it in a village. But if one was available I suppose he would have to pay one rupee a month or somewhere about that.

President.—The reason why I asked you this question is this. I consider the question to be of some importance for this reason that the Board has been considering the question of rearing houses. You have given us a figure of Rs. 2,000 or Rs. 3,000 as the cost of erecting a rearing house and somewhere else we notice that you say that the rearing house would cost about Rs. 400. Therefore instead of considering the question of rent, we might have to consider the question of interest on the capital that might be involved in putting up a rearing house.

Mr. Rama Rao.—Might I respectfully refer you to our reply to question 6 where the cost of a rearing house has been given as Rs. 3,000. That is the cost actually incurred in the construction of a rearing house by the Department of Sericulture. They have had to incur such high cost because their rearing houses have to satisfy certain conditions. They ought to be capable of disinfection. They ought to be pucca houses. Raiyats' rearing houses which are not pucca would cost about a tenth of the cost given by me.

President.—You have said Rs. 200 to Rs. 300. I have seen a figure of Rs. 300 to Rs. 400 in other provinces. I want to know whether the rent would be in accordance with the interest on the money invested or is there a separate amount which is usually charged?

Mr. Rama Rao.—You mean in the villages?

President.—In the villages I take it that the general practice is to rear the worms in one of the rooms of the dwelling house?

Mr. Rama Rao.—That is so. The very organisation of the industry, the manner in which it is practised in our villages, makes it necessary that the silkworm should be reared in the dwelling house, and not in a separate room. As the Members of the Board say, the worms are looked after by the woman of the house just as she looks after her children. If they were in a separate room, she would not be able to attend to them along with her other work. The very distribution of the industry makes it necessary that the rearing of the silkworm should be conducted in the dwelling house.

President.—What about the question of taxation? Do the sericulturists pay any tax to Government?

Mr. Rama Rao.—Not as sericulturists. Of course there is the assessment on the land which is grown with mulberry, but there is no separate tax

Mr. Boag.—That you would include in the cost of growing mulberry?

Mr. Rama Rao.—Yes, in the cost of mulberry leaf.

President.—That will be included in the figure shown as the cost of food for worms?

Mr. Rama Rao.—Yes.

President.—What is the land tax?

Mr. Rama Rao.—To start with, mulberry is grown on two kinds of land, dry land and wet land. The average rent in the case of dry land is about Rs. 1-12 per acre. The average rent of wet land may be as much as Rs. 6.

President.—If we take the figures with regard to the total cost, as Rs. 8-12 for Government Silk Filature it is inclusive of overhead charges, but as far as country charka and Mysore domestic basins are concerned, the charges for depreciation, interest on capital and owner's remuneration are not included?

Mr. Rama Rao.—That is so.

President.—Can you tell me what the figure would be approximately?

Mr. Rama Rao.—The figure for what?

President.—For country charka and domestic basins?

Mr. Rama Rao.—The raiyat gets the Mysore Domestic Basin at Rs. 600 for a set of five and the life of it is 20 years. So, about 5 per cent. may be taken as the depreciation of the plant. For the charka the cost is about Rs. 15 and its life under favourable conditions is about 5 years. So, depreciation will have to be calculated at 20 per cent.

President.—There is one point in regard to this question which I want to ask you and that is about the alternative crops. Mulberry as you have pointed out has gone down in acreage, and you have discussed the question of likely substitutes such as paddy, ragi, sugarcane, etc.

Mr. Rama Rao.—Yes, there is one point with regard to that reply which I wish to make here. When going through that reply I found that I had not made my meaning very clear. These are not present in the mind of the mulberry raiyat as possible substitutes at all. Nothing really is a substitute for his mulberry in his mind. It is only mulberry that is possible in his mind. I have mentioned other crops that can be grown on the land, for it is like other land of that sort; but it never occurs to the sericulturist that the place of mulberry can be taken by other crops.

President.—The point that arises out of that is that if the cultivator does not get a reasonable price for his mulberry then either he has to starve or has to look for some other crop as a substitute?

Mr. Rama Rao.—I am afraid that if he grows jowar or ragi in place of mulberry he will have to starve. Those crops would be no substitute for his mulberry.

President.—That was the point I wanted to get at. I take it that those lands which have gone out of mulberry are lying idle?

Mr. Rama Rao.—Some of the lands are lying idle as I saw myself. Others are being grown with paddy. Some lands are cultivated with ragi, but I would not look upon them as substitutes for mulberry. They cannot do what mulberry does. They are not substitutes; they cannot be considered as economic substitutes. They are not in the same plane with mulberry.

President.—In Annexure II, you have given general index numbers of wholesale prices of all commodities including raw silk. For September 1932, the general index number is 107 whereas it is 64 for silk. Then, you have said in the statement that whereas the commodity prices are still up by 7 points, the silk prices have gone down by 36 points.

Mr. Rama Rao.—But this 64 cannot be compared to 107. 64 is the price of silk as compared with the basic price of 100 for silk only. 107 is the composite figure for a number of commodities, and has to be compared with a figure of the same kind and not with a figure which relates to silk alone. There is also another point. It may be that the price for ragi is now 7 points higher than the normal but the price of ragi can never be compared with the price of silk. Even 64 in terms of silk is very much more than 107 in terms of ragi.

President.—You are thinking of the prosperous times which the sericultural industry had and the amount of money that the sericulturists used to derive out of the sale of mulberry leaves. If the consumer is to take advantage of the lower price and if the country is to advance, then the cost of production must become lower, so much so that the prices which they realised in fat years cannot be realised now.

Mr. Rama Rao.—May I put in a word in order to make my meaning clear. Now the raiyat can raise 260 lbs. of cocoons from an acre of mulberry. Even if he made only 4 annas per pound of cocoons—he is at present making 5 annas and not doing very well either—supposing he made only 4 annas, he would be getting Rs. 25. He could not get so much from an acre of ragi or paddy.

Mr. Batheja.—What about sugarcane?

Mr. Rama Rao.—Sugarcane is grown on a different kind of land and it is a capitalist crop. The raiyat would have to put in a lot of money before he could get anything out of sugarcane. If the poor raiyat who generally practises rearing were to attempt to grow sugarcane, he would probably lose the land. It would pass from his hands altogether, so that so far as he is concerned really sugarcane does not compare with mulberry. Even under present unfavourable conditions, he would make Rs. 25 with mulberry which he would not be able to do with any other crop which is within his competency at all. Of course, the prices of silk have fallen far more, proportionately, than the prices of many other commodities. The prices of other commodities are so small initially that even if they remained at par they would not help the man who is thrown out of silk.

President.—You say that the total number of families that were engaged in the sericultural operations were 2 lakhs.

Mr. Rama Rao.—Normally. At present it has shrunk by about 25 per cent.

President.—It is now about 1,50,000.

Mr. Rama Rao.—Yes, that is sufficiently approximate.

President.—Then in this case also the question arises as to what these families are doing at present?

Mr. Rama Rao.—The families who have gone out are families who were not practising sericulture as a whole-time occupation. As we have explained in our memorandum, in a sericultural village almost every family living in that village takes some part in operations which may be described as sericultural.

President.—I want to know what percentage of these families you would classify as people who were mainly occupied in sericulture?

Mr. Rama Rao.—You mean people who rear silkworms and reel silk?

President.—But the general practice according to your memorandum is that the reelers are separate from the rearers?

Mr. Rama Rao.—They are as a rule.

President.—Both the reelers and rearers are classified under this one heading and included in the number of families engaged in the silk trade?

Mr. Rama Rao.—They are also in that class and I may say they are the most important section of that class.

President.—I wanted to know if you could give me the percentages.

Mr. Rama Rao.—I think I can give you. I find that the distribution of $1\frac{1}{2}$ lakhs of families is made as follows:—

Mulberry cultivation and silk rearing which go together—60,000 families.

President.—That is not the point I want. I only want to know about the mulberry cultivation.

Mr. Rama Rao.—60,000 families are engaged in mulberry cultivation.

President.—I want to know what proportion of the people who practise sericulture—we will take mulberry cultivation—will have mulberry cultivation as their main occupation. Generally I find that it is subsidiary to agriculture.

Mr. Rama Rao.—I find that I have not given you the figures. I take it what you want to know is whether there are any people who do nothing but rear silkworms.

President.—Exactly.

Mr. Rama Rao.—In some places that kind of concentration has taken place. It is the exception rather than the rule. In some places like Sidlaghatta and Kempanahalli, a certain amount of concentration has taken place. In those places, there are some people who do nothing but sericulture, but they are a very small percentage. I would put them at 5 per cent.

President.—May I take it that as a general proposition there are hardly any persons with sericulture as their main occupation.

Mr. Rama Rao.—I would say about 5 per cent.

President.—The reason why I wanted to know that is this. In case protection is not granted how many people would be directly affected?

Mr. Rama Rao.—As having some bearing upon that point, I would say that sericulture plays a very important part in the lives of those who practise it even as a subsidiary occupation for it yields a very large proportion of their income even when practised along with agriculture. It is probable that about two thirds of their income is derived from sericulture. They would find it impossible to balance their budget if sericulture was thrown out.

President.—In spite of the fact that sericulture is subsidiary to agriculture, two thirds of the income of a raiyat consists of the income derived from mulberry cultivation?

Mr. Rama Rao.—Mulberry cultivation is not practised by itself. It is always practised in conjunction with silkworm rearing. I would say that two thirds of the income of sericultural families is derived from sericulture.

President.—You have pointed out that 2 lakhs of families practise sericulture. Approximately that is one sixth of the population of Mysore?

Mr. Rama Rao.—Yes.

President.—What proportion of these 2 lakhs of families would consist of the agricultural population?

Mr. Rama Rao.—I have to look into the statistics.

President.—You might give me that information later.

Mr. Rama Rao.—Yes.

Mr. Boag.—I think about 80 per cent.?

Mr. Rama Rao.—About that.

President.—The next point about cultivation is the amount of money spent by Government on the silk trade if I may so call it. I think that it includes also reeling?

Mr. Rama Rao.—Yes.

President.—I find from the figures that you have given that at present you are spending Rs. 1,25,000 on the maintenance of the Sericultural Department.

Mr. Rama Rao.—Yes, but as a matter of fact, that is only the expenditure on the Department of Sericulture proper. A good deal of the expenditure on the Industries and Commerce Department is also chargeable to sericulture. For instance my salary and that of my staff is not charged to the budget of the Department of Sericulture, but sericulture is part of my work, and by no means the least important part. So a good deal of the expenditure incurred in the Department of Industries and Commerce has also to be charged to sericulture.

President.—May I take it as Rs. 2 lakhs?

Mr. Rama Rao.—That would be quite a safe figure.

President.—As regards the figures that you have given in reply to question 10—I am now dealing with your expenditure side—there are three kinds of irrigated lands for which the initial expenditure per acre is given. Which of the three irrigated lands do you consider gives a large amount of leaves?

Mr. Rama Rao.—Do you mean potentiality or the actual return now?

President.—Actual return.

Mr. Rama Rao.—Deep well irrigated lands at present give the largest yield.

President.—What is the proportion of that to the irrigated land? How much is deep well irrigated land?

Mr. Rama Rao.—I shall collect the information and send it to you later. I think that it is a very small percentage.

President.—In this you are spending as much as Rs. 60 for manure.

Mr. Rama Rao.—That is why it yields more. Since the water is costly cultivators want to make the most of it, and the cultivation is very intensive.

President.—I find that the cost of cuttings is not given in the case of gardens irrigated by shallow wells.

Mr. Rama Rao.—That is because pruning takes place at a time when cuttings are available for distribution gratis. The practice there is not to charge anything for the cuttings. The cuttings are a by-product of the cultural operations and new plantings take place at the same time. It is a kind of mutual co-operation practised in those parts where anybody is quite welcome to take all the cuttings he requires.

President.—From Government lands?

Mr. Rama Rao.—From one another's lands. They supply each other with cuttings.

President.—As far as the three other kinds of lands are concerned, prices are paid?

Mr. Rama Rao.—That is because the planting takes place at a time when nobody is willing to prune the mulberry. The planting takes place when people have a crop of worms to look after.

Mr. Boag.—I do not quite understand why the conditions are different for this one particular kind of land.

Mr. Rama Rao.—It depends partly upon the season. It is after the monsoon that a new garden on dry land will have to be established. That is just the period.

Mr. Boag.—These are irrigated lands. Three out of the four are irrigated. We are discussing the difference between one kind of irrigation and two others.

Mr. Rama Rao.—I shall tell you the difference. The places where these gardens are situated are along river banks. The rivers are perennial. Take for instance the Closepet area. There all the cultural operations take place at about the same time because they all depend more or less upon the same conditions. There prunings and plantings take place at about the same time whereas in the case of the deep well irrigated gardens the garden is always in bearing because it is irrigated artificially. It does not depend upon rainfall and a man has to prune specially to supply cuttings to anybody else.

President.—May I take it as a general proposition that as far as the gardens irrigated by shallow wells are concerned, this expenditure on cuttings never arises.

Mr. Rama Rao.—Not in the case of gardens along river banks. The main point is that the gardens are along the river banks. These are figures actually collected from the people on the spot and I know as a matter of fact that cuttings need not be paid for for gardens along river banks.

President.—It would give the Board a better idea if you were to tell us the yield of leaf per acre in all these three cases. What would you put down? May I take it as 7,000 to 8,000 lbs. in the case of tank irrigated gardens?

Mr. Rama Rao.—Yes.

President.—10,000 lbs. in the case of deep well irrigated gardens?

Mr. Rama Rao.—About 14,000 lbs. I shall give you the exact figures later.

President.—As regards watering charges, in the one case it is Rs. 3 as against Rs. 30 in the other. It is a very big difference even if the yield is double.

Mr. Rama Rao.—I shall explain the difference. In the case of tank irrigated gardens, irrigation takes place by gravitation. The water flows on to the soil. So, all that is done is to attend to the distributory canals. The man has to see that it is evenly distributed. The only cost is the cost of just going round and leading the water on to the land. That is all; whereas in the other place, a pumping installation or a picota has to be installed before water can be made available for the land, so a very much higher cost has to be incurred for irrigation.

President.—Can you tell me which of the irrigated gardens is to be taken by the Board as an average in Mysore?

Mr. Rama Rao.—It would be difficult to give an average where the conditions differ so much.

President.—Can you tell me the average under each of these?

Mr. Rama Rao.—I think that tank gardens may be taken as the average because the largest area is under tanks.

President.—That is what I wanted to know.

Mr. Rama Rao.—But for the whole State, as regards mulberry land, bush mulberry on dry land is nearer the average than any irrigated form of mulberry because a very large percentage of mulberry is bush mulberry on dry lands.

President.—Can we take tank irrigated land as the average?

Mr. Rama Rao.—They are very dissimilar. Most of the irrigated land is under tanks.

President.—As regards costs, can I take Rs. 108 as the total initial expenditure?

Mr. Rama Rao.—You may take it as correct. Here are the figures of distribution of the total area under the several kinds of cultivation. For 40,000 acres of dry land—I am giving you round figures—we have about 5,000 acres classified as wet which means under some source of irrigation and 7,000 acres classified as garden which means irrigated in some way, either by private wells or from Government sources of irrigation.

President.—Of the 7,000, 50 per cent. is tank irrigated?

Mr. Rama Rao.—Yes.

President.—In the table showing the recurring expenditure you will notice that the item “manure” is considerably higher in the case of tank irrigated gardens than in deep well irrigated gardens.

Mr. Rama Rao.—The explanation is this. We do not go in for artificial fertilisers to any great extent. The manure applied is mostly farmyard manure. The cost of manure varies very greatly with different localities. These tank irrigated areas are generally sugarcane and paddy areas and manure is in great demand. It is very likely that no manure can be had for money and if a man had to buy manure, as he would have to do if he were growing mulberry, he would have to pay a very heavy price. The cost of manure is much heavier in this area than in other areas.

President.—Amongst the three irrigated gardens, the only garden which has to bear the charge of planting failed pits and miscellaneous is the deep well irrigated garden and it is as much as Rs. 15. In the case of others, no expenditure is shown under this head.

Mr. Rama Rao.—These deep well irrigated gardens are harvested in a peculiar way—rather differently from the method of harvesting in other gardens. In dry gardens for instance the leaves are stripped off the plant and the branches themselves are left intact to bear fresh buds and fresh leaves at the next season but in the deep well irrigated area the plants are not allowed to grow very high. They are pruned down close to the ground at each harvest and the tree suffers naturally more than if the leaves were only stripped. If there is the least difficulty in irrigation; if the well runs dry, then these trees that have been pruned close to the ground suffer and there is a certain percentage of loss of mulberry. So, they have to pay more.

President.—All these figures that you have given in reply to question 11 are from Government gardens or from Government Silk Farms.

Mr. Rama Rao.—Yes.

President.—The figures show a general decline except in the year 1930-31 when it went up to 6-8 pies which is the average total cost of production of one lb. of leaf, but in that year I find that the total yield has also gone up. The total yield however has not gone up to such an extent as to justify 1 pie increase. In 1928-29 the yield was 9,373 lbs. as against 9,660 lbs. in 1930-31.

Mr. Rama Rao.—There is a factor which has to be taken into account. These figures include the cost incurred in Channapattna gardens which had been in a neglected condition for some time. There we incurred some expenditure which ought to have gone into capital account. The expenditure incurred on account of repairing fences and deepening of wells has gone into the revenue account. That inflates the figures a little bit.

Mr. Boag.—In which year?

Mr. Rama Rao.—In 1930-31. In 1931-32 also the figure is high. The figures are not pure revenue expenditure.

President.—May I take it that the figure 4-4 represents the average cost of production?

Mr. Rama Rao.—Yes, in Government gardens.

President.—In your reply to question 12 which is also pertinent to the same subject, you have stated that steps have been taken to reduce the cost of production of mulberry leaves and to improve the quality of leaf. May I take it that the introduction of these improvements has led to the decrease in the cost of production which is given in reply to question 10?

Mr. Rama Rao.—These are the general steps that have been taken. It cannot be claimed that all of them have borne results yet. These are the measures that the Department has taken in pursuance of their general policy towards improvement. We already had results in some areas but we cannot claim to have reached the vast majority of sericulturists. They

are conservative and it is necessary to carry results to their very door but we have made a beginning in these directions.

President.—I don't think that you have caught my point. My point is this: the Department has taken certain steps and the effect of these steps is reflected in the cost of production which has gone down from 5·8 pies to 4·4 pies.

Mr. Rama Rao.—I don't think that this has anything to do with that. Our farms had a lot of experimental work also so that the results are obscured by a number of other issues. For instance I would say this. We have mulberry trees in some farms but we are also trying manurial and cultural experiments. So the improvements that would otherwise have been very apparent and would have been reflected clearly in the cost are obscured by other causes.

President.—Can you then tell me as to how this decrease has taken place in the various items if they are not due to the improvements you have effected?

Mr. Rama Rao.—This land has steadily improved under proper cultivation. That happens to all lands. This land was acquired by us and it was not in very good state. With continued tillage it has improved—I mean with irrigation, manuring, proper rotation of crops, etc. There is another point also. Mr. Shamsuddin Khan who is in charge of our most important farms says that some reduction is due to a drop in wages. We employ a large quantity of labour.

President.—I find that a drop has taken place in all the items. However it does not matter.

Mr. Batheja.—Is it due to the general fall of prices?

Mr. Rama Rao.—No. It is due to the general increase in the fertility of the land and to the increase in the general efficiency of management.

Mr. Boag.—What is the botanical description of the mulberry that is commonest in Mysore?

Mr. Rama Rao.—We used to call it *morus alba*. We now doubt whether it is *morus alba*. It is certainly a variety of the *morus*. It has not been scientifically classified yet.

Mr. Boag.—The Bengal one is *morus indica*?

Mr. Rama Rao.—Yes.

Mr. Boag.—It is a distinct species from *morus alba*?

Mr. Rama Rao.—I am not a botanist. I know that our mulberry has not been scientifically classified yet. We are doing work on it.

Mr. Boag.—You have enumerated and described the various lines upon which you are working for the improvement of the quality of leaf and of the yield of leaf. Could you give us some idea of the extent to which you have been able to extend these improvements beyond the scope of your Government farms to the actual farmers?

Mr. Rama Rao.—I shall try to give you an idea.

Mr. Boag.—Take each line separately which you are working on?

Mr. Rama Rao.—Manurial experiment is the first. We have tried and we have succeeded in inducing the raiyats within the range of our influence—the influence of particular farms—

Mr. Boag.—Within what radius does that influence spread?

Mr. Rama Rao.—I would say about 10 to 15 miles. We have a mobile staff attached to each farm. Generally we receive requests for the supply of mulberry cuttings. We supervise the plantings. We have got a staff for doing that and we also take that opportunity for advising the people to buy manure. We order also manure for them if required. We might say that each Government farm has influenced the raiyats within a radius of, say, 15 miles in cultural methods, in the use of manure.

Mr. Boag.—Would you say that it has influenced all the raiyats within that radius?

Mr. Rama Rao.—The more intelligent among them. We have lent money to them for the purchase of manures.

Mr. Boag.—I only wanted to have some idea of the extent to which they have actually put these improved methods into practice?

Mr. Rama Rao.—You may say that one raiyat out of every twenty has adopted our advice.

Mr. Boag.—That is with regard to manure. What about the improvement of the Mysore race? Has that gone outside your farms yet?

Mr. Rama Rao.—We have raised seedlings; we have selected seedlings and we have distributed them for the purpose of forming fresh plantations.

Mr. Boag.—In what way do these seedlings lead to the improvement of the race?

Mr. Rama Rao.—A seedling has more vitality than a plant propagated by cutting and when we issue seedlings we establish a fresh centre from which plants can be propagated. They are more vigorous, more resistant and they respond more satisfactorily to culture than the played out plants which are perhaps 100 years old.

Mr. Boag.—For how many years have you been distributing seedlings?

Mr. Rama Rao.—For about 7 or 8 years.

Mr. Boag.—Can you give us an idea of the number of seedlings which you have distributed?

Mr. Rama Rao.—I have not got the figures with me just now. We shall give you the figures later on.

Mr. Boag.—And also the percentage of success which the raiyat has succeeded in raising mulberry from the seedlings and how many are lost?

Mr. Rama Rao.—Hardly any are lost. This is how it is done. We issue a small lot of seedlings or plants for the raiyats to try. If they are found satisfactory, they are propagated from them without coming to us.

Mr. Boag.—I understand that. My point is this: do the raiyats manage to rear the seedlings which you supply them without any trouble?

Mr. Rama Rao.—Yes. May I say that we select them for ease in propagation also. We have got some excellent Japanese mulberry plants which simply refuse to be propagated by means of cuttings.

Mr. Boag.—I am coming to that. Are these seedlings that you distribute mostly of the indigenous mulberry?

Mr. Rama Rao.—Yes, so far.

Mr. Boag.—Or of the new varieties?

Mr. Rama Rao.—Not new varieties.

Mr. Boag.—You have not distributed any new varieties yet?

Mr. Rama Rao.—No.

Mr. Boag.—The next point is improvement by grafting, etc. That, I take it, is done only in farms?

Mr. Rama Rao.—Yes.

Mr. Boag.—I should like a little more information about topes. You have got some in the farms. How many trees are there in a tope?

Mr. Govinda Rao.—About 200 trees per acre.

Mr. Boag.—How close together?

Mr. Govinda Rao.—15 feet apart.

Mr. Boag.—How many of these topes have been planted outside the farms?

Mr. Govinda Rao.—10,000 trees.

Mr. Boag.—Are these trees planted singly or sporadically?

Mr. Rama Rao.—They have all been planted as topes. 50 per cent. of them have been successful.

Mr. Boag.—What happened to others?

Mr. Rama Rao.—They got dried up. They are not seedlings; they are saplings.

Mr. Boag.—At what stage do you distribute the saplings?

Mr. Rama Rao.—After two years.

Mr. Boag.—Only 50 per cent. of them survive?

Mr. Govinda Rao.—Yes.

Mr. Boag.—And these have all been planted 15 feet apart?

Mr. Govinda Rao.—Yes.

Mr. Boag.—Does that allow the raiyat to grow any other crop under them?

Mr. Rama Rao.—Yes, that is the main advantage.

Mr. Boag.—What crop?

Mr. Rama Rao.—Ragi, jawar, etc.

Mr. Boag.—The shade of the mulberry does not affect the crop?

Mr. Rama Rao.—No.

Mr. Boag.—I think you said that you had some figures regarding the results of the cultivation of the trees—in respect of yield and cost?

Mr. Rama Rao.—Yes, I have got them here.

President.—You can send them on to us?

Mr. Rama Rao.—Yes.

Mr. Boag.—There is one other point which I should like to put to you with regard to mulberry cultivation. From the figures of yield and cost that you have supplied to us I am rather led to infer that the return which a man gets from a land planted with mulberry varies exactly in proportion to the amount he spends, that is to say on dry land the average expenditure incurred by a man is Rs. 84, and the yield that he gets according to my working comes to about 72 lbs. of leaves per rupee and on the irrigated land taking the highest expenditure it works to about 75 lbs. so that for all practical purposes as regards the cost of cultivation it is immaterial whether we take the figures for dry land or for irrigated land?

Mr. Rama Rao.—Yes.

Mr. Batheja.—Have you any idea of the Kashmir mulberry tree?

Mr. Rama Rao.—I have seen it.

Mr. Batheja.—Is it the same variety as the Mysore mulberry tree?

Mr. Rama Rao.—It seems to me very different from the Mysore mulberry tree. I tried to grow the Kashmir mulberry tree in one of the farms when I was Superintendent of Sericulture. It did not do very well. I think we have a few Kashmir seedlings just now. I don't think we have yet got any comparative figures.

Mr. Boag.—The Kashmir tree is *morus alba*?

Mr. Rama Rao.—It is said to be *morus alba*.

Mr. Batheja.—We have not had the benefit of seeing the Kashmir mulberry tree. Would you give us the benefit of your experience? How does it differ from Mysore tree?

Mr. Rama Rao.—It is a big tree—much bigger than any mulberry tree that I have seen in Mysore. My visit to Kashmir was in early autumn. There seemed to be a pretty heavy crop of leaves on the trees. The leaves were very big. They seem to be a trifle less compact. It struck me that the leaves were not as rich in nutrimental value as our leaves. The Kashmir tree that I reared in Kunigal farm yielded small leaves which were not to be compared with the Mysore leaves in quality.

Mr. Batheja.—Is it different in race from the Mysore tree?

Mr. Rama Rao.—I believe it is.

Mr. Batheja.—Can it be grown as a bush?

Mr. Rama Rao.—Yes. We tried to do it. It is not as easily propagated from cuttings as the Mysore tree, but it can be grown.

Mr. Batheja.—Are you aware that it is not grown as a bush?

Mr. Rama Rao.—Not in Kashmir.

Mr. Batheja.—Is it grown as a bush in other parts of the world?

Mr. Rama Rao.—We have a small plot.

Mr. Batheja.—In the experiments conducted about the transplantation of the Kashmir tree in the Mysore soil, did you keep any kinds of costs?

Mr. Rama Rao.—We must have costs in the farm where the transplantation was done. I don't think we have got them here but I can get them for you.

Mr. Batheja.—How do these costs compare?

Mr. Rama Rao.—They must be identical with the costs of Mysore plantings because the processes are the same.

Mr. Batheja.—In Kashmir no land is specially set apart for mulberry tree?

Mr. Rama Rao.—Mulberry tree is all Government property. When I was there I was taken over a number of mulberry plantations in Kashmir.

Mr. Batheja.—The whole land being covered with mulberry trees?

Mr. Rama Rao.—Plots of 5 to 10 acres were full of mulberry trees.

Mr. Batheja.—What other crops were grown there?

Mr. Rama Rao.—No other crops.

Mr. Batheja.—In your reply to question 11, you have said that the cultivation of land with mulberry is not comparable with the cultivation of other crops on the same land. You just now said in reply to the President that if no protection was granted the industry would disappear. Supposing that land was available, to what use would that land be put supposing the industry disappeared?

Mr. Rama Rao.—It would be planted with jawar, ragi or any other crop which is grown on similar lands.

Mr. Batheja.—Could it be used for cultivating sugarcane?

Mr. Rama Rao.—Yes, if it were an irrigated land. It would depend upon the water supply.

Mr. Batheja.—What about potatoes?

Mr. Rama Rao.—It would depend upon the financial ability of the raiyat and the market that exists for potatoes.

Mr. Batheja.—I am only talking of the quality of the land. Whether the raiyat has got financial ability or not or whether there is any market for his produce or not I am not concerned with that question at the moment.

Mr. Rama Rao.—May I know, Sir, with what you are concerned? Are you concerned only with the quality of the land?

Mr. Batheja.—Yes.

Mr. Rama Rao.—That land is like any other land. Anything from roses to ragi can be grown on that land.

Mr. Batheja.—The receipts figures I think represent gross receipts?

Mr. Rama Rao.—Yes.

Mr. Batheja.—Will it be correct to arrive at the net receipts by deducting the expenditure from gross receipts?

Mr. Rama Rao.—That is the only way to do it.

Mr. Batheja.—There are no other factors to be taken into account in arriving at the net receipts?

Mr. Rama Rao.—I might tell you that these figures have been got from the agriculturists. I may say that I have not examined these figures as closely as I have examined the figures relating to mulberry. I would not, for instance, vouch for the absolute correctness of these figures but I

think that in the main they are the impressions that prevail in the locality about profits to be got from the cultivation indicated.

Mr. Batheja.—Roughly they are correct for the purpose of discussion.

Mr. Rama Rao.—In regard to dry crops I think they are correct. In regard to sugarcane I believe they are rather conservative. The returns from sugarcane are heavier than those indicated.

Mr. Batheja.—You mean the net receipts?

Mr. Rama Rao.—Both the net and gross receipts in respect of sugarcane will I think be much higher than the figures indicated here.

Mr. Batheja.—Taking the figures for the purpose of discussion, I find that the net receipts in jawar are Rs. 2 per acre, Rs. 4 in the case of ragi, Rs. 30 in the case of sugarcane and Rs. 46 in the case of potatoes. How do these returns compare with the net returns from an acre of mulberry? I don't think that you have given such figures.

Mr. Rama Rao.—I can give you the figures. I shall work them out and give them to you to-morrow.

Mr. Batheja.—I think I may explain the object of my question. I do not want to hide anything from you. One Mr. F. M. Qudus has sent a memorandum to us in which he has asserted that the profits of the silk industry in Mysore in the years before 1927 and during the war years were exceptional because the price of silk was very high then and the mulberry cultivation was extended. Now that the boom period has gone, the mulberry cultivation is giving way to other commercial crops which pay more. That is the statement made to us and I want to test the accuracy or the inaccuracy of the statement.

Mr. Rama Rao.—I don't think that the statement is accurate. There are no commercial crops in Mysore with the possible exception of sugarcane—I only say possible exception of sugarcane—which can compare with mulberry.

Mr. Batheja.—Sugarcane was mentioned by that gentleman who submitted that memorandum.

Mr. Rama Rao.—But that consideration is not of great importance when it is realised that a large percentage of the area under mulberry is not fit for sugarcane cultivation.

Mr. Batheja.—So in the case of dry lands, the only alternative crops are jawar and ragi?

Mr. Rama Rao.—Yes.

Mr. Batheja.—What about potatoes?

Mr. Rama Rao.—They require a lot of irrigation and a special kind of soil. So, I don't think that potatoes can be considered as an alternative crop.

Mr. Batheja.—So that if a statement were made that there was a tendency to substitute more lucrative crops for mulberry cultivation, you would say that it was untrue.

Mr. Rama Rao.—I would deride the statement for this reason among others, that no other crops can be used as the starting point of a subsidiary occupation and they don't give occupation to the people in the house. That is what mulberry does, and no alternative crop could be thought of unless it did for the population what sericulture is doing. There is nothing else that can take the place of sericulture.

Mr. Batheja.—I am not talking of sericultural industry as a whole; I am talking of mulberry cultivation as pursued.

Mr. Rama Rao.—Would you permit me to explain?

Mr. Batheja.—Yes.

Mr. Rama Rao.—As I have stated, mulberry is cultivated only for the purpose of silkworm rearing and silkworm rearing is a cottage occupation which gives employment to all the members of the family. So when a

family cultivates mulberry it also rears silkworms and this operation is practised because it affords occupation to the family and no other crop can take the place of mulberry because no other crop can take the place of mulberry in the domestic economy. That is why I say no other crop can be regarded as a substitute for mulberry.

Mr. Batheja.—I quite understand that. Is it possible to separate the income? There are two kinds of income, *viz.*, income obtained by mulberry cultivation and income from the labour of people who rear silkworms in the houses. As a matter of fact we find that in Bengal that is done?

Mr. Rama Rao.—Here it is not possible to separate the two.

Mr. Batheja.—We have to view the problem from the point of view of the country as a whole. I would like to see for the purpose of discussion whether these things can be separated, *viz.*, rearing of silkworms and cultivation of mulberry.

Mr. Rama Rao.—It would be impossible.

Mr. Batheja.—Therefore I am confining my remarks to the question of return from land devoted to mulberry and return from other crops.

Mr. Rama Rao.—I think I have understood the point on which you want my opinion. In places where there is a natural division of labour between mulberry cultivation and the rearing of silkworms, mulberry may have a market value of its own, but here when mulberry is cultivated for the purpose of rearing silkworms, it is not possible to draw a line and calculate the returns from mulberry separately. The two here go together. If you will permit me to say so, it is like trying to measure the amount of cutting done by each blade of a pair of scissors. The two go together. It is impossible to conceive the one as being practised except in association with the other in Mysore. In Bengal, it may be different.

Mr. Batheja.—That may be. I think that it is possible to separate the two. I think that your analogy of two blades of a pair of scissors is beside the point.

Mr. Rama Rao.—That is however my analogy.

Mr. Batheja.—I don't think that it is correct in my opinion. You are free to have your opinion. I think that it is possible to separate the two for the purpose of costs—say for instance the cost of mulberry cultivation.

Mr. Rama Rao.—That is possible and I have given you the cost of mulberry cultivation. It is quite possible to separate the cost but in apportioning the results you will have to take the results of mulberry cultivation and also the results of silkworm rearing. I beg you to understand that.

Mr. Batheja.—That we shall bear in mind. Could you give me a statement giving the net returns on that analytical basis?

Mr. Rama Rao.—I would find it difficult to give it on the analytical basis. I could not give you the *returns* separately of mulberry cultivation on the analytical basis. I can give you the *costs* on the analytical basis and in fact I have given them to you. I have given you the cost of rearing per lb. of cocoons. In giving that, I have taken the mulberry leaves at cost price.

Mr. Batheja.—Still there must be some transactions where leaves are sold as a commercial commodity?

President.—The point would be made clear if you were to inform the Board that the man who cultivates the mulberry does also the rearing.

Mr. Rama Rao.—I have said so.

President.—That is the reason why you are saying that it is impossible to separate the two costs. As there is no actual sale taking place of mulberry leaves in a great majority of cases you are unable to separate the two costs.

Mr. Rama Rao.—I find it impossible to separate the two. I have been honestly trying to do so but I find that I cannot do because the two operations are **really one**.

Mr. Batheja.—Are there no records of sale of mulberry leaves?

Mr. Rama Rao.—As the President put it, a sale of leaves might happen in exceptional cases but they are cases from which one cannot generalise. Suppose I am a rearer, and all my worms die and I have some leaves, I may sell them to my neighbour. In such a case, I am in a very unfavourable position for bargaining. Then, there might be feelings of neighbourliness and other causes also to be taken into consideration and the price I may get from my neighbour would really be no indication of the value of leaves in an open market because there is no open market for mulberry as such.

Mr. Batheja.—You have very kindly supplied us with a statement showing the fall of prices of silk and of other commodities from 1919 to 1932 and you have still further helped us by constructing for us an index number: general index number and an index number for silk. The wholesale index number of commodities I presume includes commodities which are imported and commonly consumed by masses.

Mr. Rama Rao.—I shall give the list of commodities taken into account when compiling the index number.

Mr. Batheja.—Would it be possible for you to give us a special index number for the competitive commodities for instance, sugarcane, ragi, jawar and so on as you have given us for silk to enable me to find out how far the fall of prices has kept pace with the fall in price of other commodities.

Mr. Rama Rao.—I can give it to you.

Mr. Batheja.—My object in asking this question is this. I think that the general index number and special index number are not comparable?

Mr. Rama Rao.—Probably you are right.

Mr. Batheja.—I want to make a comparison between agricultural commodities and silk.

Mr. Rama Rao.—If you want any index number for any other crop, I shall be glad to furnish it.

Mr. Batheja.—I want to compare like with like. I don't want to compare silk with any other commodity like steel.

Mr. Rama Rao.—I understand.

President.—The statement which you have just given with regard to mulberry tree is very interesting. You have stated that in one acre of land you have been able to plant 192 trees, but you could plant about 315 trees if the distance was 12' apart. May I take that as a maximum or can you go still further and say 500 trees?

Mr. Rama Rao.—The root systems would conflict.

President.—Then I take it on an acre of land you would be able to plant in course of time 315 trees?

Mr. Rama Rao.—I would confine myself to 200 trees. That is the proportion I would establish between the unplanted area and the planted area in a particular plot, because I expect to get the entire cultural cost of our mulberry out of the intercrops that I grow.

President.—I don't want the answer to be confined to Government department. Suppose a private individual were to cultivate, would he be able to reach this figure?

Mr. Rama Rao.—That was the case I had in mind. I wanted to give the raiyat a system of growing trees which would be most economical to him.

President.—At present you are in the neighbourhood of 200?

Mr. Rama Rao.—Yes.

President.—May I take that as the average?

Mr. Rama Rao.—Yes. In my opinion that is the optimum method of cultivation.

President.—In one year you have been able to substantially reduce the price and increase the yield of leaf per tree which I find is a very fair figure to take.

Mr. Rama Rao.—That is because the tree is growing up.

President.—I take it 5 pickings mean pickings in a season.

Mr. Rama Rao.—In the year.

President.—The price has considerably fallen as compared with this 441. For the tree it is 0.62. This was in your mind when you said that the tree mulberry is very economical and if propagated properly, it would reduce substantially the cost of production.

Mr. Rama Rao.—Quite so and it is exactly the reason which makes me to hope that we will be able to cut down the cost of production very considerably if we are given an opportunity by protection.

Mr. Batheja.—Depression should serve as a stimulant.

Mr. Rama Rao.—The tree takes 9 years to grow. The industry may die in the meanwhile if no protection is afforded?

Mr. Boag.—On this statement would you say the increase of yield and reduction in costs is entirely due to the growth of the tree in the year?

Mr. Rama Rao.—Yes.

Mr. Boag.—When the mulberry is grown like a tree, are the branches pruned?

Mr. Rama Rao.—Yes.

Mr. Boag.—Once a year?

Mr. Rama Rao.—Yes.

Mr. Boag.—And the cost of that is included in the cost of cultivation?

Mr. Rama Rao.—Yes.

Mr. Boag.—There is one other small point that I forgot to ask you. When you speak of the weight of mulberry as so many lbs. of leaves, does that include any of the wood?

Mr. Rama Rao.—Those are the results we got from weighing leaves stripped off the trees.

President.—As far as the yield of leaf is concerned—I am talking of the dry land *versus* the irrigated land—there is one point I want to understand. If you take the value as Rs. 84 per acre and if you take 6,000 pounds of leaf for a dry land it works out to 75 lbs. of leaf per rupee. Then as regards the irrigated land taking the figure of 7,000 lbs. of leaf and the figure of Rs. 130 to Rs. 140 which you have given works out just below 70 lbs. per rupee and you have stated that there is hardly any difference to be taken into consideration when we are estimating the cost of production, but the advantage I think in growing on irrigated land is that you get crops throughout the year.

Mr. Rama Rao.—Yes, that is one advantage and another advantage is that your plantation need not be so extensive as it would have to be if you are growing on dry land. So when a man has a large rearing, he generally grows in irrigated land mulberry in order to have the whole thing under easy control.

Mr. Batheja.—You said the question of the cost of mulberry leaf is immaterial.

Mr. Rama Rao.—There I was talking of returns. The costs are separable and I have given them.

President.—I would like to take up the next broad question about the silkworm rearing down to the stage of production of cocoons. That begins from question No. 4. As far as the silkworms are concerned you have

given the Board to understand that generally speaking it is the indigenous worm which is being reared in Mysore.

Mr. Rama Rao.—Yes.

President.—It is pure indigenous worm?

Mr. Rama Rao.—That is generally reared in Mysore.

President.—As the amount of production of silk in Mysore is about 94 per cent. by charka, I take it that the indigenous Mysore worm plays an important part in the cost of production.

Mr. Rama Rao.—A very important part.

President.—We had asked you about the silk content of the various kinds of worms which are reared in Government silk farms. I find that there is one distinction which you have made and you want us to understand that and in that line you have given us the length of filament. You have told us that the total silk content consists of the entire shell of the cocoons after the pupa is removed. Out of this shell the floss on the top and the membrane in the interior though silk in composition is unreelable and constitutes the reeling waste of commerce. Then I take it that the figure that you have given, viz., 300 to 750 yards is the continuous filament which is reelable in a filature.

Mr. Rama Rao.—That is what is called the have, i.e., continuous filament which constitutes the reelable silk.

President.—And the percentage of silk content in Mysore worm is 12·3.

Mr. Rama Rao.—Yes.

President.—Is that also reelable?

Mr. Rama Rao.—That is the total silk content.

President.—In answer to question 6 it is stated that as far as the pure Mysore is concerned, the length of filament in revolutions in eprouvette is 350 yards. I take it if you multiply it by $1 \frac{1}{8}$ th you get 394 meters for the pure Mysore breed.

Mr. Rama Rao.—Yes. Of course there is seasonal variation.

President.—As regards hybrids I suppose at present it is purely confined to Government farms.

Mr. Rama Rao.—The manufacture of hybrid seeds is confined to Government farms at present, but the issues are made to the sericulturists at large.

President.—What is the proportion?

Mr. Rama Rao.—A very small proportion.

Mr. Govinda Rao.—About 5 lakhs.

President.—What is generally the hybrid which is being distributed?

Mr. Rama Rao.—It is generally Japanese and Mysore or Chinese and Mysore.

President.—The Chinese univoltine is separately reared by you.

Mr. Rama Rao.—Yes the pure races are separately reared by us.

President.—Apart from Chinese univoltine, you are also rearing pure races?

Mr. Rama Rao.—Yes for the purpose of hybridisation. Would you like to see the cocoons?

President.—We saw the cocoons when we were at Channapatna. The silkworms that you are rearing in Mysore are multi-voltine and they are fed on mulberry leaves and produce greenish cocoon which yield a beautiful lustrous silk.

Mr. Rama Rao.—Yes.

President.—How would you compare it with the pure Chinese univoltine?

Mr. Rama Rao.—The colour is different. There are various kinds of Chinese cocoons. The univoltine cocoons are white as well as yellow.

Mysore cocoons have got a lot of floss on top. That is the special feature of Mysore. Chinese univoltines have no floss. The texture of the cocoon is very different.

President.—The reason why I asked this question is you refer to the cost of production in South China and I would like to know the quality of the cocoons.

Mr. Rama Rao.—They are not univoltines. In South China they rear a cocoon which is similar to the Mysore one.

President.—It is exactly similar.

Mr. Rama Rao.—Very similar. Some of them are slightly different from the Mysore one but the average quality is very similar to the Mysore ones except perhaps that they are not quite so lustrous.

President.—A point which is of considerable importance is that in case protection is granted, would the department be able to introduce a large quantity of hybrid races to the sericulturists.

Mr. Rama Rao.—Certainly. The improvements that the department would introduce in case protection was granted would be to prevent all the losses that at present occur from disease and then to introduce hybrids to improve the reeling quality of the cocoon and I have made a careful calculation which gives me the result that without any expansion of the area under mulberry, we could secure an increased return of almost 300 per cent.

President.—The department at present is in a position if protection is granted to supply to a large extent without any additional cost to the sericulturists.

Mr. Rama Rao.—Yes and possibly with a reduction in cost as we will be able to go in for large scale production which would result in economies.

Mr. Boag.—How long do you anticipate it would take you to work up to that?

Mr. Rama Rao.—The progress would be limited by the capacity of the population to take up the improvements suggested by us. We are dealing with a conservative population. We have to take the improvements to their very doors. So I expect it would take about 15 years.

Mr. Boag.—To work up to 300 per cent.

Mr. Rama Rao.—Yes.

President.—In answer to question No. 6 you have given the yield of cocoons for one ounce of seed as 56 lbs. whereas in another instance you have given only 50 lbs.

Mr. Rama Rao.—56 lbs. is for Government silk farms and 50 lbs. for the sericulturists.

President.—So the average we have to take is 50 lbs.

Mr. Rama Rao.—Yes.

President.—As a matter of fact I found that in Channapatna you have got a record figure of 143 lbs.

Mr. Rama Rao.—That is a very rare instance. I think many people have attained 100 lbs. Here is one gentleman sitting behind me who has invariably got somewhere about 100 lbs.

President.—I understand that as soon as the mulberry begins to bud, preparations must be made for the hatching of the caterpillars.

Mr. Rama Rao.—No. You need to have a promising growth of mulberry leaves before you went in for layings.

President.—I take it that generally rearers are able to get at present disease free seeds.

Mr. Rama Rao.—Yes, seed which is fairly disease free; but not cellular seed. I would make a distinction between the cellular seed issued from

the Government grainages and aided grainages and the seed cocoons obtained from seed areas.

President.—That is the most important point.

Mr. Rama Rao.—The rearer has no difficulty in getting his seed requirements. The seed supply at present consists of two parts. One is cellular seed as it is called, that is seed from mother moths each one of which has been examined under a microscope. The other part is seed cocoons reared in seed areas from cellular seeds. Such seed cocoons are one degree removed from the microscopic examination, but still this system is a great improvement over the former state of things, when the seed used to be got from anywhere and from anybody who had seed to offer. Now the rearers in the State have no difficulty in getting their seed requirements either in the form of cellular seeds issued by the aided grainages, or in the form of seed cocoons from seed areas.

President.—Do I understand that the Government grainages supply disease free seeds to the selected rearers who in their turn supply the seed to the cultivators?

Mr. Rama Rao.—Yes, but the Government grainages also issue hybrid seed direct to the rearers, because this hybridisation is expert work which can be done only in Government grainages. The preparation of this seed requires special equipment, cold storage arrangements for instance, and arrangements for synchronising emergency moths and artificial hatching and these are operations which can't be done in ordinary grainages.

President.—It can't be done even in the aided grainage.

Mr. Rama Rao.—Not at present. They require refrigerators. The rayats at present get hybrid seed from Government grainages, cellular seeds from aided grainages and seed cocoons reared under careful supervision from cellular seeds from the aided grainages. These are the present sources of supply and they go a long way towards meeting the requirements of the State.

President.—May I take it that in course of time you would be in a position to supply disease free seeds to all the cultivators?

Mr. Rama Rao.—Yes. That is certainly my opinion and we are working up towards it. We want to have a licensed seed system.

Mr. Batheja.—What is your ideal? Are you aiming to supply cellular seeds or seed cocoons?

Mr. Rama Rao.—My ideal is this: We know the seed organisation in Japan. We are working on the same lines. We intend to work up the same organisation, of which the salient features are to prevent people from issuing any kind of seed, to have a kind of control and supervision of the entire seed system, to license seed production and to see that the sericultural industry gets seed which is practically disease free.

Mr. Batheja.—In what shape do you want to supply?

Mr. Rama Rao.—In the form of layings through a net work of controlled grainages.

Mr. Batheja.—Do you supply disease free seed in the shape of cocoons or in the shape of small eggs?

Mr. Rama Rao.—Eggs.

Mr. Batheja.—That is the ideal at which you are aiming at?

Mr. Rama Rao.—Yes.

President.—There is another kind of distribution which is the Chawki worms. What is the percentage of that at present?

Mr. Rama Rao.—That is a method which is practised only in the Kolar district and in parts of the Bangalore district.

President.—I take it of all the kinds of seed your supply of cellular seed is the best?

Mr. Rama Rao.—Yes.

President.—What is the method of incubation adopted in Mysore?

Mr. Rama Rao.—No special method. At the atmospheric temperature the eggs hatch.

President.—There is no special method adopted.

Mr. Rama Rao.—No. We are trying to ensure uniform hatchings by teaching the raiyats to stimulate the egg by just tickling them with feathers and no special method of incubation is necessary.

President.—I find that you have mentioned that 20 to 30 per cent. of worms are lost in brushing.

Mr. Rama Rao.—Yes during the rearing.

President.—Why is the percentage so high?

Mr. Rama Rao.—Some of it is incidental to the industry itself however perfect the method may be. In the most advanced sericultural country in the world 15 per cent. is lost. A certain percentage of wastage is unavoidable in the industry. The rest is due to want of skill. There are individual variations even in percentage of loss. We have been slowly eliminating avoidable losses. When we have educated the rearer, I think we shall be able to reduce the loss from that source to about 15 per cent.

President.—You would be able to reach the figure of 15 per cent.

Mr. Rama Rao.—15 per cent. seems to be incidental.

Mr. Boag.—You say you have improved the state of things.

Mr. Rama Rao.—Yes.

Mr. Boag.—Can you measure the improvement? What percentage of loss was incurred formerly?

Mr. Rama Rao.—The improvement in this direction is reflected in the yield from a particular rearing. Please refer to page 5 of the note on the Development of the Sericultural industry. The average yield has risen from 25 to 30 lbs. for 100 layings to 40 lbs. That increase is certainly due to minimising the loss in the earlier stages. Those worms that would have been cast away are allowed to build cocoons now.

Mr. Boag.—The general period for hatching is about 10 days.

Mr. Rama Rao.—Yes.

Mr. Boag.—That is the average at present.

Mr. Rama Rao.—Yes.

President.—It is rather high compared to other countries.

Mr. Rama Rao.—No.

President.—Hatching is done in 3 or 4 days.

Mr. Rama Rao.—Normal period is 10 days.

President.—I have read somewhere that in the case of a successful incubation, hatching would not last for more than 3 or 4 days.

Mr. Rama Rao.—Now I understand the point. What happens is that the eggs of one hatch do not all hatch the same day. If the incubation is not properly done, about 20 per cent. of the eggs hatch on the 1st day and 30 per cent. next day, and so on. Hatchings are spread out over a number of days. With our eggs that thing never happens. All the hatchings are complete in the course of a day—that is to say 10 days from the date of the laying of eggs the eggs begin to hatch, and they are all hatched the same day.

President.—I think that was the distinction made there.

Mr. Rama Rao.—As a matter of fact univoltines take 10 months to hatch.

President.—The disease which is most prevalent is pebrine.

Mr. Rama Rao.—It is a disease which does a lot of mischief.

President.—Most of the worms die in the last stage.

Mr. Rama Rao.—Yes, after eating all the food that has been given and after taking all the care that has been bestowed, they disappoint the man in the last stage. This disease is the one most dreaded by rearers.

Mr. Boag.—Could you say how your statistics of production are compiled?

Mr. Rama Rao.—I shall tell you. We haven't got a Statistical Department attached to the Department of Industries and Commerce. Our statistics commence with the land, the area under mulberry. We have got a village agency for collecting statistics. Statistics are compiled by the revenue officials in the taluq. We get a copy of the figures compiled by the Revenue Accountants and we have got a staff which goes to the various villages and checks the entries as far as possible. The figures as revised by us are passed on to the Revenue Authorities and accepted by them. That is the basis of all the further statistical information that we compile. Then we take the average production from representative raiyats in each village and the output of cocoons is compiled on that basis. We get an average for particular villages and in that way we work up the average for the taluq or for the area for different kinds of cultivation. When they are consolidated, we get the figures of statistics.

Mr. Boag.—So that all your statistics are really based on the acreage of mulberry.

Mr. Rama Rao.—That is one end and at the other end we verify the figures that we get by working back the average acreage under mulberry from the volume of export trade and we also get figures about the waste. We know that waste has a certain proportion to raw silk. There are 2 or 3 methods of verification and when we get a result from one method which is corroborated by approaches from the other two methods, we take it as approximately correct.

Mr. Boag.—You are satisfied that your statistics are reasonably correct.

Mr. Rama Rao.—Yes.

Mr. Boag.—Is your sericultural industry confined to the mulberry worm or have you got any of the undomesticated worms in Mysore?

Mr. Rama Rao.—For scientific curiosity we have reared other worms, but our industrial worm is the mulberry worm.

Mr. Boag.—Do the jungles here not contain any of the worms which produce cocoons in other parts of India?

Mr. Rama Rao.—We do have tassar. It is however not of any industrial value.

Mr. Boag.—It is not common enough.

Mr. Rama Rao.—No, it is not collected.

Mr. Boag.—What about the Eri worms?

Mr. Rama Rao.—We tried that also. We do not take much interest in the rearing of Eri worm. When I was a Revenue Officer, I did prevail upon some people to rear Eri worms and they gave them up, because with the same trouble they could rear mulberry silk of twice the value.

Mr. Boag.—Is that, generally speaking, a correct comparison that the yield of mulberry silk is twice as great as that of the Eri worm?

Mr. Rama Rao.—I have not studied the question very closely. The impression I gathered then was that where the mulberry silk worm did very well, it represented a better return for the labour spent than the Eri worm or any other worm that might be reared.

Mr. Boag.—Your indigenous worm is peculiar to Mysore?

Mr. Rama Rao.—Yes.

Mr. Boag.—It is different from any of the Bengal races?

Mr. Rama Rao.—Quite different.

Mr. Boag.—What is its origin? Is it imported direct from China?

Mr. Rama Rao.—It came from South China.

Mr. Boag.—Direct and not through any other part of India.

Mr. Rama Rao.—Quite.

Mr. Batheja.—Are you aware that the South Chinese think that their worms came from India through Siam?

Mr. Rama Rao.—We reciprocate the compliment. We say that ours came from China.

Mr. Boag.—In the original memorandum you have given us a statement (Annexure I) where you say that the yield of cocoons would be 375 lbs. on the average from one acre of rainfed mulberry land.

Mr. Rama Rao.—Yes.

Mr. Boag.—I noticed that in the statement given in your answer to the questionnaire, you give the acreage of mulberry as 37,000 and the average yield of cocoons as 260 lbs. Could be explain the difference between those two figures?

Mr. Rama Rao.—May I invite your kind reference to the note at the end of Statement II of Annexure I in the original memorandum? There we say "if all the crops are successful, the yield of cocoons would be 375 lbs." Unfortunately all the crops are not successful. Two crops out of every 5 crops are lost on the average.

Mr. Boag.—These figures in Annexure I represent an ideal which you have not yet realised?

Mr. Rama Rao.—No. I have taken that into my calculation in the statement I made that in about 15 years we can increase our production threefold.

Mr. Boag.—I should like to revert for one minute to the question of silk content of cocoons. You have stated that the silk content of the pure Mysore cocoon is 12·3 per cent.

Mr. Rama Rao.—Yes.

Mr. Boag.—In your answer to question 19, you state that the average production of raw silk and waste for 100 lbs. of raw cocoons in country charkas is 7½ and 3½ lbs. respectively. That is a return of 11 per cent. I want to know what the balance is between 11 and 12·3?

Mr. Rama Rao.—The silk is a fibre which is encased in a gum and this gum holds the thread together in the form of a cocoon. Before you can get the fibre off, you have to soften the gum. The gum is also soluble in not water to some extent. In the process of reeling, a good deal of that gum gets dissolved into the basin water. The weight of this gum is lost.

Mr. Boag.—That is 1·3 which is lost.

Mr. Rama Rao.—Yes.

Mr. Boag.—The statement that you have given in answer to question 6 (b), is it possible to estimate the relative value of these different races? The rearing period takes between 26 and 33 days. What actual saving in expenditure does the reduction in the rearing period represent?

Mr. Rama Rao.—I will tell you exactly how it works out. The reduction in the rearing period generally takes place in the last stage. The reduction is very considerable then. That is the stage when the worms are most voracious. But the worms which take the shortest period to arrive at maturity are also the heavier eaters so that the reduction that takes place in the rearing period does not really represent any reduction in the total quantity of food consumed. But there are other, and rather important advantages. For one thing there is a saving in labour and for another, the risk of disease is also curtailed to the extent of the reduction of the period of rearing, because as I told you the last period is one of the periods when the worm is most liable to manifest disease. There is real advantage in yet another way. The races which take a shorter period to build their cocoons are also races which give a heavier yield of cocoons. The quantity of cocoons that they produce is greater and their cocoons are also richer in silk content, so that the advantage really consists in saving of labour,

getting better kind of cocoons, and more silk for the food consumed. Here I have got some figures showing what the cost of rearing one ounce of Mysore layings is. These are actual figures taken from the Central Farm at Mysore. Rs. 42-5 is the cost of rearing for one ounce of pure Mysore; one ounce of cross breed also cost Rs. 42-1, but the quantity of cocoons we get from one ounce of Mysore layings is only 56 lbs. whereas for one ounce of cross breed we get 75 lbs. and if we reel it we get more silk.

Mr. Boag.—Have you got figures of the yield of silk and waste?

Mr. Rama Rao.—Yes. We will give you the figures.

Mr. Boag.—For how many races have you got these figures?

Mr. Rama Rao.—For all of them.

Mr. Boag.—There is another point with regard to the different races. Is there any difference in the facility of rearing? Are they all hardy or are any of them more liable to disease than others?

Mr. Rama Rao.—That enables me to mention rather an interesting fact and an important fact. Certain hybrids are suited for certain seasons. As we have stated elsewhere, the conditions of humidity and temperature vary to some extent. Some worms that do very well under dry conditions do not do equally well under moist conditions. The seed that does very well in a particular locality does not do equally well in all localities owing to climatic conditions, so that for certain seasons in the year and for certain parts of the state certain hybrids are better than others. That is just the problem we are trying to work out. We are trying to produce certain hybrids specially suited for the requirements of the various localities.

Mr. Boag.—Could you say what is the proportion of hybrid seed to pure seed?

Mr. Rama Rao.—5 lakhs of layings.

Mr. Boag.—5 lakhs of hybrids out of a total of 310,000 ounces.

Mr. Govinda Rao.—That is the total requirement of the whole state. We sold last year 5 lakhs of hybrids.

Mr. Rama Rao.—This is rather a recent development.

Mr. Boag.—I think you stated that the foreign races which you are rearing show no sign of deterioration.

Mr. Rama Rao.—That is so.

Mr. Boag.—How many years' experience is that?

Mr. Rama Rao.—9 years.

Mr. Boag.—Is that sufficient to enable you to say definitely?

Mr. Rama Rao.—Yes. Some of them have actually improved after coming to Mysore.

Mr. Boag.—At the same time you are still importing a certain amount of fresh seed.

Mr. Rama Rao.—Yes.

Mr. Boag.—Do you import every year?

Mr. Rama Rao.—We get fresh seeds when our officers return from their deputation. We have also got a correspondent in Japan from whom we get seeds.

Mr. Boag.—You don't get them at any regular intervals.

Mr. Rama Rao.—No.

Mr. Boag.—You say 310,000 ounces of seed is the total requirement of the state.

Mr. Rama Rao.—Yes.

Mr. Boag.—The President put a number of questions on this point and I didn't quite catch your reply to one. What I want to get at is what proportion of this 310,000 ounces of seed was supplied from Government grainages and from aided grainages.

Mr. Rama Rao.—I will give you the figures. Cellular seed from Government grainages and aided grainages was 7.1 per cent. or 22,100 ounces.

Mr. Boag.—Could you give figures for them separately?

Mr. Rama Rao.—Yes.

Mr. Boag.—What quantity is produced as the result of your seed campaign?

Mr. Rama Rao.—71,000 ounces.

Mr. Boag.—Through Co-operative Societies?

Mr. Rama Rao.—Co-operative Societies' seeds are included in the aided grainages.

Mr. Boag.—The Chawki rearers?

Mr. Rama Rao.—They work in co-operation with us. What they do is to get satisfactory seeds from sources indicated and rear the worms in the early stages and distribute them.

Mr. Boag.—These two figures of 22,000 and 71,000 represent the total of protected seeds so to speak.

Mr. Rama Rao.—These are results of the seed activities of the department.

Mr. Boag.—Does it cost you any more to produce hybrids than the pure race?

Mr. Rama Rao.—It does.

Mr. Boag.—How much more?

Mr. Rama Rao.—50 per cent.

Mr. Boag.—Where does the extra cost come in?

Mr. Rama Rao.—We have to make cold storage arrangements. We have to rear the white races separately under special conditions and for seed purposes we rear cellular layings. We have to rear the layings separately from one another, so that we take no risk. If anything goes bad, we reject them.

Mr. Boag.—Can you estimate the difference in cost?

Mr. Rama Rao.—About 50 per cent. more, but the increase in yield is 40 per cent. more.

Mr. Boag.—As regards your answers to questions 17 and 18 the price of seed cocoons is a little higher than the price of reeling cocoons. If you refer back to the second statement in reply to question 17, the extra cost of the seed cocoon appears to be extra cost of food. If you take the Kunigal cost of seed, the main variation is in the cost of food. I don't quite understand how that happens.

Mr. Rama Rao.—It is this way. In rearing there is sometimes difference in feeding. When a man takes extra care of worms and hopes to get a better price, he gives more frequent food and he also rejects a certain proportion of his leaves. Supposing that some leaves are more mature than they should be or suppose that some leaves are withered; what sometimes happens is, a mass of leaves is harvested at one time. The man who rears for reeling purposes feeds the whole lot without any sorting, but the man who rears for seed purposes and hopes to get a slightly higher price for his cocoons picks out the overripe or the spoiled leaves. Some more labour and some culling takes place in the case of the more intensive rearing.

Mr. Boag.—If that is so, then the additional price of seed cocoon is a result first of more food, and secondly more careful selection of food.

Mr. Rama Rao.—Yes. More frequent feeding.

Mr. Batheja.—In reply to question No. 1, you have very kindly supplied figures about the number of families depending on the industry. How did you get those figures? What is the method of your collecting statistics about this question?

Mr. Rama Rao.—As I stated in reply to another question first of all we take the area under mulberry and we know the distribution of that area.

We know the quantity of work that it gives. We know the number of families who are engaged in the industry.

Mr. Batheja.—Have you an independent census of the number of families engaged?

Mr. Rama Rao.—Not an independent census. The village accountant (Shanbogue) will be able to give us the families engaged in silk worm rearing, and families which are engaged in mulberry cultivation. We have got a system of inspection of lands which gives the acreage cultivated by every family.

Mr. Batheja.—You regard these figures as fairly correct?

Mr. Rama Rao.—Yes, as fairly correct. I would not say absolutely correct.

Mr. Batheja.—How did you get the figures about charkas?

Mr. Rama Rao.—From the Khaneshumari accounts which are a kind of village Census. All the figures that we get from other sources are verified by our own staff before they are accepted.

Mr. Batheja.—In reply to question 3 you have given us the actual figures of production of cocoons and the quantity of silk. Then later on you have given the estimated maximum production; and you say "The variations between the estimated maximum production and the actuals are attributable to failure of, or untimely rains, unsuccessful harvests of cocoon crops due to inadequate or bad supply of seed, market for silk not being steady, or to competition of foreign silks". What would be the figure if the last two factors were omitted, market for silk not being steady and the competition of foreign silk.

Mr. Rama Rao.—I can't say.

Mr. Batheja.—This is a theoretical maximum?

Mr. Rama Rao.—Yes.

Mr. Batheja.—On the realisation of certain ideal conditions which are never realised normally.

Mr. Rama Rao.—That is correct.

Mr. Batheja.—In reply to question 4, you have mentioned the hybrids. In reply to a question from the President you stated that you have distributed some hybrids also and you have improved the production. How does the quality of the silk obtained from these two hybrids compare?

Mr. Rama Rao.—It is quite good. My own impression is that the lustre is not quite as good as that of the Mysore race, but it is far superior to either the lustre of Japanese or of the Chinese race.

Mr. Batheja.—But still something less than Mysore indigenous lustre.

Mr. Rama Rao.—Yes, that is my personal opinion, but my assistants do not hold that opinion. They are the people who are responsible for these hybrids. They think that it is just as good as Mysore.

Mr. Govinda Rao.—In the Government weaving factory hybrid silk was separately given for preparing Georgettes and Crepes. The weaving experts say that the hybrid silk is far superior to the Mysore silk so far as strength and elasticity go.

Mr. Batheja.—As regards lustre?

Mr. Govinda Rao.—It is not in any way inferior to Mysore.

Mr. Batheja.—You both differ from Mr. Rama Rao?

Mr. Govinda Rao.—Yes.

Mr. Khan.—Yes.

Mr. Batheja.—Has that difference been noticed by the market in terms of price?

Mr. Rama Rao.—No. If I were to buy a large quantity of silk I would of course be advised by my exports. I would not trust to my own impressions.

Mr. Batheja.—In reply to question 6, you say that the rearers hire out chandrikes from the neighbours and pay a rental of one to two annas per day per chandrike.

Mr. Rama Rao.—Yes.

Mr. Batheja.—Is this quite desirable? Lefroy in his report condemns the practice.

Mr. Rama Rao.—It is a bad practice.

Mr. Batheja.—Does it put up the cost very much?

Mr. Rama Rao.—It is not a question of cost. It is undesirable for this reason that it spreads infection. I would not allow anybody in my seed areas to use borrowed chandrikes.

Mr. Batheja.—Has the department taken any steps to discourage this practice?

Mr. Rama Rao.—Yes we have. We issue loans to Co-operative Societies for storing chandrikes for being lent out to their members.

Mr. Batheja.—And this also would be hired?

Mr. Rama Rao.—They would be given to people who rear disease free eggs supplied by the Societies themselves. So there would be no danger of infection and the Society would disinfect chandrikes.

Mr. Batheja.—Your objection to the system arises not from the question of cost but from the question of infection.

Mr. Rama Rao.—Not from the question of cost. Another reason also is when a man has to pay hire calculated upon the period for which he has taken it on hire, he hurries up the various processes to be undertaken unduly and the result is that in his anxiety to save hire, he loses large part of the value of the cocoon that he mounts into the chandrikes. He gathers the cocoons sooner than he should. Before the worm has spun all the silk in it, he will have separated the cocoons from the chandrikes. He will interfere with the vital processes of the worm in his anxiety to save the hire. That is undesirable.

Mr. Batheja.—As far as I remember Lefroy condemned it on the ground that it was adding to the middleman's charge.

Mr. Rama Rao.—That is negligible.

Mr. Batheja.—How does the indigenous Mysore cocoon compare with the Kashmir cocoon obtained from univoltine races?

Mr. Rama Rao.—I will tell you the various differences. The Kashmir cocoons are not so uniform as the Mysore cocoons, because we have got a uniformity of race.

Mr. Batheja.—Is that undesirable from the reeling point of view?

Mr. Rama Rao.—A mixed lot is undesirable from the reeling point of view, and also from the rearing point. From the reeling point of view with a mixed lot you cannot make any forecast or estimate of the tensile strength and other characters, and from the rearing point of view you are not rearing a pure race and for further propagation you do not know what kind of worms you get. Briefly the differences are these:—One difference is that our cocoons are more uniform and therefore they yield a more uniform quality of silk than the Kashmir cocoons. Another difference—and that differs in favour of Kashmir—is that the Kashmir cocoons being univoltine have a larger silk content. The third difference is also in favour of Kashmir. They are easier to reel, because there is less floss in those cocoons.

Mr. Batheja.—Have you ever tried to breed univoltine worms?

Mr. Rama Rao.—We are doing it now.

Mr. Batheja.—You do not propose to have a separate univoltine breed?

Mr. Rama Rao.—No, because univoltine is very difficult to rear under our conditions and cannot be issued to our raiyats for being reared. A hybrid is always easier to rear and gives a richer crop. Univoltines would only be reared here for breeding purposes.

Mr. Batheja.—In reply to question 7, you stated that in China the methods of rearing are similar to yours and that your methods of rearing are superior to South China. Is that statement based on any knowledge of the conditions in South China?

Mr. Rama Rao.—Yes. My Assistant Mr. Shamsuddin Khan was there recently and the Superintendent of Sericulture Mr. Govinda Rao himself has seen the rearings there. They have studied the methods adopted both in South China and in Japan in some detail.

Mr. Batheja.—Your method of rearing is superior specially in the points you have mentioned—suitable supply of seed, spacing of worms, feeding of worms and hygienic principles.

Mr. Rama Rao.—Yes.

Mr. Batheja.—Did you study the question of cost in South China?

Mr. Khan.—Yes, I did.

Mr. Batheja.—How does the cost of South China compare with the cost of Mysore with regard to silk worm rearing?

Mr. Khan.—Conditions since 1930 have considerably changed.

Mr. Batheja.—Your information goes back to 1930.

Mr. Khan.—I was there in August. The cost of mulberry leaves is about 30 per cent. higher than the cost of mulberry leaves in Mysore. That is what I find by comparison, and then the percentage of losses in the crops was also higher. Pebrine is uncontrolled there and flacherie is more common than it is prevalent in Mysore, and as such putting the whole thing the cost of production in 1930 in South China was higher by about 30 to 40 per cent. than in Mysore.

Mr. Batheja.—Have you got details of these costs?

Mr. Khan.—I have.

Mr. Batheja.—Will you be able to supply these costs?

Mr. Khan.—I shall look into the records and let you know.

Mr. Batheja.—These figures will be applicable to August, 1930?

Mr. Khan.—Yes.

Mr. Batheja.—When you conduct experiments on these various races, then I suppose you select a particular race for popularising in Mysore by taking into consideration all the facts given in reply to question 6 (b).

Mr. Rama Rao.—Yes. There are also some other considerations.

Mr. Batheja.—What other considerations?

Mr. Rama Rao.—Climatic consideration, whether it is a hot place or moist place.

Mr. Batheja.—All these 10 races that you have mentioned satisfy the climatic conditions.

Mr. Rama Rao.—Climatic conditions vary. So we have to study them, and bring about a combination of races which will be suitable to the climatic conditions we have to deal with.

Mr. Batheja.—Ultimately you judge the value of a race in economic terms?

Mr. Rama Rao.—Yes, the ease with which rearing can be conducted, the chances of success in the rearing and the yield generally—these are the ultimate tests.

Mr. Batheja.—When you introduced these new varieties of silk worms, what difficulties did you experience in getting them adopted by the villagers. You have not got them adopted by the villagers even now.

Mr. Rama Rao.—We don't issue them to villagers. We issue the hybrids. Here we had no difficulty, because we reared the hybrid races in our Farms and the villagers came and saw the rearings. Some of the more intelligent among them wanted to take a few layings from us and then their example was followed by others and the advantages were so obvious that soon we had a bigger demand than we could meet.

Mr. Batheja.—You think you will be able to meet the entire demand within 15 years?

Mr. Rama Rao.—Yes.

Mr. Batheja.—Is it your policy to replace the Mysore worm by the hybrid?

Mr. Rama Rao.—It is really not a replacement. The Mysore race will have to be reared, otherwise we could not hybridise. We hope to issue a very large proportion of hybrids.

Mr. Batheja.—You think that two things can go on side by side?

Mr. Rama Rao.—Yes, they are bound to go on side by side.

President.—In reply to your annexure to question 60 which you have just handed in, I should like to know why the cost of leaves has been put down as 6·7 pies per lb.

Mr. Govinda Rao.—That is for a particular Farm. The average 4·4 is for all the Government farms. This is for the particular farm at Mysore.

Mr. Rama Rao.—This is the actual cost sheet of the farm where all these layings are reared. The object is to show what the difference in cost would be as regards these comparative rearings. We did the rearing in a farm where the cost of the leaf was very high.

President.—I mean it is exceedingly high even if you see the averages of all. The highest they reached is 6·8. You said that there was special reason, so that apart from the average of 4·4, this figure is rather exaggerated.

Mr. Rama Rao.—These are the actual figures.

President.—Let us see the cost of cocoons.

Mr. Rama Rao.—Before we proceed with these figures, I would say that these figures do not represent the raiyat's costs. They are not anywhere near this.

President.—Even there you will see that the highest figure reached is 6·85 pies.

Mr. Rama Rao.—That was the average.

President.—That was not the average.

Mr. Rama Rao.—That was the average for all the Government gardens.

President.—The average is 4·4 pies.

Mr. Rama Rao.—Yes, this year.

President.—Can I take that as the average for this year?

Mr. Rama Rao.—It is very much higher than the average. These are the actual figures for that particular rearing.

President.—These figures represent 1931-32.

Mr. Rama Rao.—Yes. In that particular farm for that particular rearing this was the actual cost of the leaf, and the main object of this comparison is to show that the leaves consumed are the same.

President.—The total expenditure is practically the same.

Mr. Rama Rao.—Yes.

President.—As regards the cost of production of cocoons if you will see your annexure you explained this morning that 375 lbs. which is the yield on an acre of land was on condition that all the crops were successful.

Mr. Rama Rao.—Yes.

President.—But on an average you would take 260 lbs.?

Mr. Rama Rao.—Yes.

President.—If I take as the minimum 15 lbs. of cocoons to a lb. of raw silk, it comes to 16 lbs. of silk for an acre of land.

Mr. Rama Rao.—The average that we have to take for purposes of calculation would be 13 lbs. of cocoons for a lb. of raw silk.

President.—That means 20 lbs. of silk to an acre of land.

Mr. Rama Rao.—Yes.

President.—That is a fair average.

Mr. Rama Rao.—Yes.

President.—I find that you have put down the cost of production as Rs. 1-0-9 for one ounce of Mysore layings. I am now talking of aided grainages. On page 7 of your answers to the questionnaire at the end of the statement showing the cost of production of one ounce of seed in aided grainages, you say that the aided grainages receive a subvention from Government of Rs. 5 per thousand disease free layings.

Mr. Rama Rao.—That is not included in the cost.

President.—That means the selling price is actual and Rs. 5 is their profit.

Mr. Rama Rao.—Yes. Selling price is not invariably the cost. It has varied a little bit.

President.—I am now talking of 1931-32 figures. They are exactly the cost, and Rs. 5 is their profit for 1,000 disease free eggs.

Mr. Rama Rao.—Yes.

President.—Since when Government have been giving this subvention?

Mr. Rama Rao.—1927-28.

Mr. Govinda Rao.—May I submit that the cost of production is for one ounce of layings and subvention given is per thousand disease free layings.

Mr. Rama Rao.—We take 140 layings as one ounce.

President.—As regards these figures that you have given in answer to question 17, the cost of seed is for the seed which they purchase from the selected rearers or Government grainages.

Mr. Rama Rao.—Government grainages.

President.—If you will see, the price in Government grainages is Rs. 1-6-4 and the price at Chikballapur is Rs. 2.

Mr. Rama Rao.—That is per tray of young worms in Chikballapur. Rearers get young worms. There are a special class of rearers who take eggs, hatch them, rear the worms till the first stage and then distribute to the general body of rearers.

President.—In what will you show this difference of cost? If they get the worms which are near the first moult, then to that extent, do they have any savings in the other costs?

Mr. Rama Rao.—They avoid certain risks.

President.—That is all.

Mr. Rama Rao.—Yes.

President.—I find even the cost of food has gone up.

Mr. Rama Rao.—They also get another advantage in the arrangement with chawki rearers. The chawki is paid for if the crop succeeds, otherwise the chawki seller doesn't get the price of the chawki worms.

Mr. Boag.—He gets nothing.

Mr. Rama Rao.—No. That is the condition. The rearer is covered against risk so far as the cost of seed is concerned, because it carries a guarantee.

Mr. Batheja.—It is price *plus* insurance?

Mr. Rama Rao.—Yes.

President.—How is he better off as compared to the other people who in the same position as far as rearing is concerned?

Mr. Rama Rao.—He has not had any special advantage. He is insured in the same position as far as rearing is concerned?

President.—Insurance doesn't bring him more money.

Mr. Rama Rao.—The insurance really does matter to him because on the average about 2 crops are lost out of every 5. It adds to his benefit on the year's operations.

Mr. Batheja.—It means less loss.

Mr. Rama Rao.—Yes.

President.—Figures here do not show them.

Mr. Rama Rao.—I have given you the cost of the successful rearings.

President.—You have stated here that the price for the cocoons which you give for reeling and for seed production is different and about 3 per cent. of the cocoons produced in the state are used for seed production.

Mr. Rama Rao.—Yes.

President.—What is the kind of selection do you adopt?

Mr. Rama Rao.—First of all there is the ordinary selection from bulk. The crop from which the cocoons have been selected must be a normal crop without any loss at any stage. There must have been no history of disease. The worms must have been robust worms, taken good care of and fed on good leaves. That is the first selection and then the next selection is of individual cocoons from this satisfactory crop.

President.—What would be the percentage of rejection by these?

Mr. Rama Rao.—In the seed area where the cocoons are specially reared for seed and where a higher cost of rearing is calculated, the percentage of rejection is practically negligible—not more than 10 per cent.

President.—On this score?

Mr. Rama Rao.—Yes.

President.—What about double cocoons?

Mr. Rama Rao.—Double cocoons do not come in Mysore race. It is a racial characteristic. We get them in univoltine and in imported varieties.

President.—I come to the third part of the enquiry as regards the reeling. I find that there are 3 kinds of appliances if I may call it.

Mr. Rama Rao.—Yes.

President.—For reeling in Mysore State.

Mr. Rama Rao.—Yes.

President.—One is the indigenous country charka, one is the Mysore domestic basin and one is the filature.

Mr. Rama Rao.—Yes.

President.—Majority of the people use charka.

Mr. Rama Rao.—Most of the people in the country use charka.

President.—You have given the number of domestic basins as 130.

Mr. Govinda Rao.—Yes.

President.—As far as filatures are concerned, I take it that there are only 2 filatures in the Mysore State.

Mr. Rama Rao.—Yes.

President.—One filature with 18 basins belongs to Government and the other is owned by Mr. Silva. 16 basins have been added after December (in Government Filature).

Mr. Rama Rao.—Yes.

President.—That makes the total of 34 basins.

Mr. Rama Rao.—There is a complication in classifying our filature. We started with French basins, and later Mysore basins have been added on. Part of the filature consists of Mysore domestic basins.

President.—Do I understand that all the 16 new basins are domestic?

Mr. Rama Rao.—There are 10 domestic basins in the recent addition.

President.—10 out of 16?

Mr. Rama Rao.—Yes. Out of the 34, 24 are foreign or foreign-type basins and 10 are Mysore domestic basins adapted for being driven with power.

President.—That means the cost that you have given me consists of 18 basins which are entirely Italian.

Mr. Rama Rao.—They are entirely French.

President.—As regards the other filature, it consists of foreign basins.

Mr. Rama Rao.—They are all Italian basins.

President.—I would like to devote more time to the question of filature rather than to the question of charka or domestic basin, because I think the future of the industry lies in steam filatures.

Mr. Rama Rao.—It is a point open for discussion.

President.—If you have any views on the subject, the Board would like to hear them.

Mr. Rama Rao.—The suitability of any particular form of reeling establishment depends very largely on local conditions. My remarks are not intended to be of general application. I have studied Mysore conditions and my proposals have special reference to Mysore conditions. I think that the future of reeling in Mysore consists not in an intense concentration of reeling in centralised filatures, but in the distribution of a number of units of economic size over the whole rearing area. The main difficulty here is that we have to deal with multivoltine worms which give several crops in the year. We have also to get our supplies of cocoons, *not* from any organised market to which rearers take their cocoons and where these cocoons are always available but from the villages at special seasons when cocoon crops are harvested. Therefore we think that the size of the filature has to be regulated according to the facilities of transport. Transport is a limiting factor as regards the size of a filature, at least under Mysore conditions. My own opinion is that the optimum size of a filature for Mysore would be 72 basins.

President.—I shall come to the question of size later on. It is important to get this point cleared up, because after all the Board has to consider for which appliance they have got to take the cost of production. There are three appliances at present in use in India.

Mr. Rama Rao.—Yes.

President.—The best appliance which can give the most economical result is considered to be a filature as compared with charka or domestic Mysore basin. While granting that domestic Mysore basin is a distinct improvement on charka one has still to consider which cost one is going to adopt for the scheme of protection. It is necessary also to find out what appliance will be able to compete with the foreign silk and within a specified period.

Mr. Rama Rao.—I grasp the import of the question you are putting.

President.—After having decided that point, it is necessary to judge what should be the number of basins for a particular province or a particular place. I would like to know your views with regard to the number of basins.

Mr. Rama Rao.—I have to answer at some length, because your question involves several issues. As for the charka, we might leave it out of consideration, for from the point of view of the future, it is only a means of making indifferent silk out of good cocoons. Putting it plainly it has to go. Then the appliances left in the field are domestic basins and filatures. Before we can say what the future form of appliances for reeling silk is going to be, we will have to make a survey of the existing conditions. The sericultural area in the state is spread out. The cocoon supply has to come from over a large area and from the villages which may be considered as outlying sericultural villages which have no facilities of transport to any central place where the cocoons can be sold. So I think that the future of reeling depends mainly on filatures, but—

President.—Mr. Rama Rao, I think you have not understood my point. I do not for a moment say that the charka should disappear from the country altogether. That is why I say you have missed my point. Only for purposes of my calculation, I have got to decide which appliance, accord-

ing to the Board's opinion, should be taken into consideration in arriving at a fair selling price of the commodity. I am not saying that the Mysore Domestic basin or charka should disappear from the country.

Mr. Rama Rao.—I have not taken you to have said so. I am only saying that in the future the charka will disappear, because it is not an economical appliance. It is not an appliance which is advantageous to the user. It will go out, not because we are prejudiced against it, but simply because it is uneconomical. I am merely saying that the charka will very probably disappear, because it produces a quality of silk which is defective, a silk which lacks in winding quality. This is one of the points of disadvantage of Mysore silk in comparison with imported silk. So I think that the charka will go. Not that I want it to go. If it were capable of improvement, I should have been delighted to retain it, because it is cheap; but I think it will go, because it has certain essential defects. Then the future reeling appliance of the state will, I think, be the filature, the size of the filature depending upon the facilities that exist for transporting the raw material with which the filature will have to work. Again that same factor of transport will make it necessary to retain something which is a smaller unit than the filature for the outlying parts of the state. You can conceive of isolated sericultural areas which are out of reach of centres where alone filatures can be established. Those outlying places will have to be furnished with some kind of appliance which will suffice for their requirements. I think a domestic basin unit consisting of 5 basins will serve the purpose admirably. Now turning to costs we were just considering what is the most economical method of dealing with our cocoons for reeling purposes. Naturally one would think that a large establishment would secure certain economies of production not within the reach of a smaller unit. I have got figures worked out separately for a 72 basin filature unit and for a 200 basin filature unit, and you already have before you the figures giving the working costs of Mysore domestic basins. I think the figures that we have given for a lb. of silk for the domestic basin is Rs. 7-12 and you can compare it with the figures of cost of the larger units.

Mr. Boag.—We have not seen the figures for the larger unit.

Mr. Rama Rao.—The larger unit is the 200 basin filature.

Mr. Boag.—We have not got them.

Mr. Rama Rao.—I am going to submit them later on. I think that the cost of reeling in a filature with 72 basins will be Rs. 7-7-10 per lb. as against Rs. 7-12 with a domestic basin unit of 5 basins. That is assuming the cost of cocoons to remain what it is at present.

President.—Let me understand this point. The cost of Rs. 7-7-10 has been arrived at under the present circumstances taking the cost of cocoons at 5 annas per lb.

Mr. Rama Rao.—That has been taken into consideration. The price of cocoons in working out these figures is the price that obtains at the present moment. I daresay—nay, I fully expect—that the price of cocoons will go down very considerably in the future. For calculating costs of production 10 years from now, price of cocoons may be only a half of what it is at present. Taking, for purposes of comparison, the cost of cocoons to be what it is at present, to get one lb. of silk in a filature having 72 basins, we would have to spend Rs. 7-7-10. Supposing we wanted to produce a lb. of silk in a filature of 200 basins, curiously enough the cost would be almost the same, Rs. 7-8-3. Supposing we are to produce a lb. of silk in the domestic basin—we will have to spend Rs. 7-12 per lb. That silk would not probably be as bright as the filature silk and would probably command a price of 4 to 8 annas less or even 12 annas less than the filature silk, but for purposes of operation it would be exactly as good as the filature silk. These are three alternatives that I wanted to submit. The size of filature that I would recommend for Mysore would be 72 basins. I think that filatures would not meet the requirements of the country fully. We would need a certain number of domestic basins to be pushed into the interior villages at some distance from reeling centres.

President.—I am not satisfied with the cost figures that you have given. I should like to examine the estimates which you have for 72 basin and 200 basin units.

Mr. Rama Rao.—I would submit once again that the determining factor in the size of the filature is the area from which its cocoons have to be got.

President.—The Board, as such, has not considered what the economical size of a filature should be. You have cited two examples. One example is that of Japan which produces the largest amount of silk. She has 150 basins on an average.

Mr. Rama Rao.—Conditions in Japan are very different from Mysore.

President.—I quite realize that. You have stated that conditions in Mysore are somewhat similar to South China. The average size is 300 to 400 basins.

Mr. Rama Rao.—I do not know whether it is economical. This is the information that we have got.

President.—They have been able to produce silk which commands a fairly good market in India. The question of selling below the cost of production will come at a later stage when we discuss costs. I am only giving you instances of the various commercial sizes in various countries. I know as far as Mysore is concerned, you would consider that a filature of 72 basins will be an economical unit.

Mr. Rama Rao.—Yes.

President.—Do you know anything about the foot filatures?

Mr. Rama Rao.—I know something about them. We tried to introduce foot reeling machines in Mysore.

President.—Are they at present in existence?

Mr. Rama Rao.—We gave them up. We found them uneconomical.

President.—You have said that the situation of filature is the most important thing. I think that a filature should be situated as far as possible where labour is plentiful, where water is available and convenience of communication and tradition of sericulture.

Mr. Rama Rao.—The last is not so important as the other factors. We must have raw material, labour, plenty of good water and fuel—firewood.

Mr. Boag.—Can't you use electric power?

Mr. Rama Rao.—Yes, for turning the wheels. We require a large quantity of steam for cooking purposes.

President.—Is steam more advantageous than electric power?

Mr. Rama Rao.—We want steam in any case.

President.—I suppose the temperatures in the spinning basin and the cooking basin should be different. The temperature I find in spinning basin is 65° to 70°.

Mr. Rama Rao.—Yes.

President.—In the cooking basin 90 to 95°.

Mr. Rama Rao.—The temperature in the cooking basin should be near the boiling point of water. The temperature in the reeling basin depends very much upon the nature of the cocoons you are reeling. A hard cocoon requires a higher temperature than a soft textured cocoon—between 50° and 65°.

President.—As far as labour is concerned, it is the most important item. I take it that you have stated that there is no dearth of labour?

Mr. Rama Rao.—Yes.

President.—It takes a very short time to train your labour?

Mr. Rama Rao.—Yes.

President.—In your filature you have got about 95 per cent. of skilled labour.

Mr. Rama Rao.—Yes.

President.—The point that arises out of this is the question of waste. Now the proportion of waste to the silk reeled on charkha is roughly 45 to 50 per cent.

Mr. Rama Rao.—50 per cent. I would say.

President.—What should be in the filatures?

Mr. Rama Rao.—In the filatures it should be slightly higher, because we take out all the waste. In the charka silk some of the waste gets on to the silk.

President.—Say about 60 per cent.

Mr. Rama Rao.—It would be more than two thirds.

President.—How much does it work out exactly?

Mr. Rama Rao.—70 per cent.

President.—I suppose you use generally green cocoons?

Mr. Rama Rao.—Yes.

President.—You have given the stifling charges in 1931-32 as 9 annas.

Mr. Rama Rao.—Yes. In the season when we purchase a lot of cocoons we try to reel as many of them as possible without incurring stifling charges. We sometimes have to preserve those cocoons. We buy very much more than we can immediately use and stifle them and put them away in our stores.

President.—So the stifling charges shown here are more or less the storing charges and the transport charges?

Mr. Rama Rao.—We have to kill the pupa and dry the cocoons by hot air. There is a specially constructed stifling chamber.

President.—For how many months can you keep the cocoons?

Mr. Rama Rao.—We can keep them for about 6 months or one year. They don't improve by being kept so long. If we keep them longer, the proportion of waste increases.

President.—What about the transport charges from the producing centre to the filature?

Mr. Rama Rao.—That is the item which practically determines the size of the filature. When the transporting charges become heavy, the margin of profit in the filature gets narrowed.

President.—How many maunds of cocoons do you store in order to last for six months?

Mr. Rama Rao.—The largest quantity that we have stored is 20,000 lbs.

President.—What would be the average for a filature with 72 basins?

Mr. Rama Rao.—In a filature of 72 basins, we would roughly have to store between 1½ to 2 lakhs.

President.—For the purpose of calculation you have taken for a filature 18 lbs. of cocoons to produce a lb. of silk.

Mr. Rama Rao.—Yes. If we use cross breeds to a large extent, it can be reduced very considerably. As I told you for the purpose of calculation I have taken the cocoons of to-day.

President.—As regards the cocoons of to-day, may I take it that if protection is given, within a specified period by the use of hybrids, you would be able to reduce the cost of cocoons to about 50 per cent.

Mr. Rama Rao.—I will tell you how I would proceed to reduce the cost. First of all I would eliminate the waste and that would give me a saving of 40 per cent. straightaway.

Mr. Batheja.—What do you mean by waste?

Mr. Rama Rao.—Two crops are lost. There is wastage in the rearing operations. I would save straightaway 40 per cent. of the crop. By improving the methods of rearing I believe that an increase in yield of 50 per cent. can be got without an increase in cost. I told you in the course of my evidence this morning that while the generality of rearers get 25 lbs. per 100 layings, there have been instances of good rearers getting more

than 100 lbs. That gives some idea of the scope of improvement merely by better rearing. I would assume an improvement in yield of 50 per cent. during the next 10 years if I got protection.

President.—I was simply calculating the reduction in cost.

Mr. Rama Rao.—Since the above increase could be got without addition to the cost, there would be a corresponding reduction in cost per unit of the product—viz., cocoons.

President.—You have given me to-day's yield as 55 lbs. in the Government farms and you have given for hybrids 70 lbs. per ounce of seed

Mr. Rama Rao.—Yes.

President.—That is 40 per cent. increase.

Mr. Rama Rao.—Yes.

President.—5 annas on 40 per cent. comes to 3 annas.

Mr. Rama Rao.—Yes. The way in which I would set about reducing the cost of silk would be first of all to introduce tree mulberry, which would reduce very greatly the cost of the leaf which is our starting point in our operations. Then I would save 40 per cent. of the crop which is now being lost by diseases. Thus I would increase the yield of the raiyat's crop by 50 per cent. by improving his rearing and that is well within the limits of possibility as can be judged from the figures that I have. Then I would introduce cross breeds which would give us a further improvement of 40 per cent. and as a result of these calculations I find that without any addition to the cost I can increase the output threefold. That would be ultimately reducing the cost to a third of what it is at present.

Mr. Boag.—I was wondering whether we could get that down into concrete figures.

Mr. Rama Rao.—I could give it. In fact I have prepared a note which I shall submit to the Board. In calculating these percentage figures of increase, I have had regard to the actual results that we have been able to get in the past. I have not flown away from facts.

President.—We want to know the details just as you have given the details of costs of 200 or 72 basins with the present cost of production. Supposing protection is granted for a period of 15 years, what would be the cost at the end of that period?

Mr. Rama Rao.—I have given you those figures. I have given you estimates for units of 200 and 72 basins taking the cocoons at a lower cost.

President.—Please work out the present day costs and the costs after 15 years.

Mr. Rama Rao.—The percentages that we give are open to discussion, but the details that we have furnished may kindly be treated as confidential.

President.—I quite appreciate your point and I may say that to-morrow we might have a sitting for an hour or so in case we wish it to be discussed.

Mr. Rama Rao.—Yes, if you think it necessary.

President.—Would you like the note to be treated as confidential?

Mr. Rama Rao.—One doesn't like to have one's intimate hopes discussed in public.

President.—In answer to question No. 26 you have given us the capital expenditure for 72 basins. Is that Rs. 300 per basin the present price?

Mr. Rama Rao.—That is the present price. I think that if we made these basins locally, we could reduce the cost by a half. I have tried locally made basins side by side with foreign ones and I have found them every bit as good.

President.—Can you give us the approximate cost of the local basin?

Mr. Rama Rao.—The cost of a locally made basin would be Rs. 175.

President.—The rest of the charges will remain.

Mr. Rama Rao.—Yes. Possibly the expenditure on buildings might be cut down if we were satisfied with less substantial buildings and went in for zinc sheets and corrugated walls and that kind of thing.

President.—What kinds of wastes are turned out from the filature?

Mr. Rama Rao.—The filature waste is stretched out and cleaned.

President.—There are two or three kinds of waste. One is pupa.

Mr. Rama Rao.—I shall tell you. The waste that is turned out of the filature consists of the floss which is removed by the reeler before she can get at the true end of the filament in the cocoon; and then a certain amount true thread also gets mixed up with the waste. That is because in getting at the true thread, the reeler has to draw out the thread first tentatively and a little bit is lost. Then there is a little parchment round the worm inside. That also goes to the waste. Sometimes it is thrown away along with the pupa and sometimes it is separated and goes along with the waste. Waste is also got in the grainages in the manufacture of seeds, in the form of pierced cocoons. That is the highest kind of waste. We get also a certain amount of waste in the throwing process.

President.—Out of the pierced cocoons you make coarse hand spun silk here.

Mr. Rama Rao.—Yes.

President.—What is the price which is fetched here for that kind of silk?

Mr. Rama Rao.—It is produced in very small quantities. I don't think there is any ruling market price for that.

President.—I find Government have also started re-reeling. How does re-reeling compare to the re-reeling which is done in China?

Mr. Rama Rao.—The result is perhaps the same, but the reasons why re-reeling is undertaken in China are rather different from those here. In China silk is reeled on a small sized reel. It is not reeled to make hanks of the size that are known to commerce; especially if silk is to go to western markets, the skein has to be of a standard size. There for climatic conditions connected with humidity the silk is wound in the filature on to a small reel and it is rewound to make hanks of the size required by the trade and in the course of re-reeling, advantage is taken to remove defects and to remedy breakages.

President.—That is the re-reeled silk that comes from China. What is the reason for re-reeling silk here?

Mr. Rama Rao.—The reason for re-reeling silk here is this. The silk is generally reeled upon charka and it is full of defects. Before it can be wound on a bobbin, it will have to be cleaned. If it is wound on a bobbin straightaway, the bobbin will have to be stopped now and again, and since a number of bobbins work together, it would be a great additional cost in the handling of the silk. So it is more economical to have the re-reeling done as a cottage industry by utilising labour which would otherwise go to waste. The silk is distributed to people who re-reel at home; that is unwind the silk which comes out of the charka, tie up broken ends and re-wind it into a hank. The operation charges in the preparatory process for weaving will be very much less on re-reeled silk than it would be with the original silk taken from the charka. Therefore re-reeling has a future before it and is actually practised as an industry in some parts. We know the defects of the charka. We know that it has to compete with the re-reeled silk. This competition has been going on for some time. So we try to encourage re-reeling as a cottage industry in certain areas where there is a large amount of home labour available owing to the purdah system or other reasons. We introduced it in Chennapatna and I think we have now got it in Closepet.

President.—What is the additional cost that is involved?

Mr. Rama Rao.—About 12 annas to Re. 1 a lb. and it is well worth while. That is saved in the subsequent processes.

President.—It can fairly well compare with the re-reeled silk which comes from China.

Mr. Rama Rao.—Yes, but it is vastly more costly. In quality it can compare, but not in price.

Mr. Boag.—The climatic conditions here admit of your reeling originally of the standard size skein.

Mr. Rama Rao.—Yes. That is the practice in Europe also.

Mr. Govinda Rao.—The same is the case in Japan also.

Mr. Rama Rao.—Here is a picture showing the reeling done in China (Shown).

Mr. Batheja.—What will happen if a bigger reel is used?

Mr. Rama Rao.—Probably threads would stick together and it would be difficult to get a proper distribution to avoid sticking and there would be breakages. Even now in the case of silk for skeining we have to rub the gum off. There is a kind of diamond arrangement to make the threads cross and thus prevent them from sticking along their entire length; but even so, a certain amount of sticking takes place. In a moist climate this would be a pretty serious inconvenience.

Mr. Boag.—I should like for one moment to go back to question 16 in which you have given the yield of cocoons from Mysore layings as 50 lbs. to an ounce and from cross breeds 75 lbs. These are from Discoa Fre-layings?

Mr. Rama Rao.—Yes.

Mr. Boag.—Can you give me the average yield from other layings?

Mr. Rama Rao.—It can be taken as about the same. Taking the average for the year, they would be losing about 40 per cent. of the crop.

Mr. Boag.—The disease free layings are only a little over 27 per cent.

Mr. Rama Rao.—Yes. I would not call them disease free layings, because all that 27 per cent. are not "layings". I would say disease-free seed.

Mr. Boag.—The rearer does not stifle the cocoons himself.

Mr. Rama Rao.—No, he sells them before pupa are killed.

Mr. Boag.—You have mentioned just now when we were speaking of the various appliances used for reeling that the charka admittedly has certain defects. I don't remember at the moment whether in any of your answers you have put down those defects.

Mr. Rama Rao.—I don't think I have done so.

Mr. Boag.—Would it be possible for you to state them briefly?

Mr. Rama Rao.—Yes. There is only one basin of hot water in which the reeling and the cooking have both to be done and since these operations, for being properly done require different temperatures, it happens that the water is not hot enough for good cooking and much too hot for good reeling. Proper reeling depends upon sensitive finger tips, and in the charka-basin long immersion in hot water deadens the finger tips of the reeler and prevents him from sensing how many cocoon ends he is taking to reel a particular thread. And further, the man is half-blinded with the steam rising from the basin in front of him and this makes it difficult for him to see how many cocoons he is using. These handicaps make it impossible for him to maintain a correct size. Another defect is that there is no arrangement for changing water. The water gets extremely dirty with the result that a lot of gum sticks on to the thread when it goes up and the thread becomes harsh and sticky. This makes the winding quality poor. A third defect is that there is no proper *croissure*. I shall explain what is meant by *croissure*. The natural filament upon a cocoon is a double thread, because the silk worm has two glands through which it spits out the silk. If one examines the natural filament, under a lens or a microscope he will find that it is a double thread. If you took a number of these filaments together, without a further arrangement, you would get not a cylindrical thread, but something flat like a tape or a ribbon. You would also get a very irregular thread. What you really want is a compact cylindrical thread, the behaviour of which you can forecast in any fabric that is sought to be made out of it. To get that, you would require concentric pressure exercised upon the thread through the formative stage when

it is passing from the cocoon to the reel. In the filature and in the domestic basin which copies the filature in that respect, the thread is wound several hundreds of times round itself so that it passes through a spiral; and since the spiral is in quick motion the thread which passes through it is submitted to a concentric pressure which rounds it and consolidates it, and squeezes the extra gum out of it and allows a clean thread to pass on to the 'traveller'. It is obvious that this is a very important part of good reeling technique. In the charka on the other hand the thread is merely crossed on another thread and the crossing does not serve the purpose of a "croissure" at all. It has another defect and that is this. Since the two threads cross, if one of them breaks, then both get on together and stick. A third defect is that the reeling is jerky. The thread is not subject to a constant uniform pull. The reeling is jerky, with the result that the thread is alternatively thin and thick. The jerkiness is due to the muscular action of the turner. The thread gets thin when there is an extra speed on the wheel due to the action of the turner and it gets thick and fluffy when the pressure is off, so that you get a thread which is continually constricting and expanding. There is no proper consolidation and waste gets on to the thread. The gum gets on to the thread. It is impossible to control the size. The man who turns the wheel is not under the control of man who does the reeling with the result that when there is a break, the wheel goes round several times before the man is able to throw another thread on to it. The skein is full of breaks. These are the defects.

Mr. Boag.—I can understand now how the domestic basin remedies the first of these two defects. I should like you to explain how in the use of the domestic basin you get over this third defect, that is the jerkiness due to the turning of the wheel.

Mr. Rama Rao.—In the domestic basin there is a gearing, and at the other end of the shaft to which the turner's power is applied, there is a fly wheel which renders the rotation uniform.

Mr. Boag.—There is another matter upon which we had a certain amount of information. I should be very glad if you could give us the actual facts concisely and that is this. In reeling by charka you require 13 lbs. of cocoons to get a lb. of silk; domestic basin requires 20 lbs. and the filature 19 lbs. Could you explain why apparently the filature is so much more extravagant?

Mr. Rama Rao.—As I submitted to you before, a lot of gum and waste gets on to the thread. That adds to the gross weight of the thread. I don't think that these defects will be removed from hand reeled silk, though in the other two contrivances, the waste can be taken out when re-reeling is done. The apparent increased yield of the charka is due to the fact that a lot of waste and gum get on to the thread. The difference between the domestic basin and the filature is due to a similar cause. In the filature the water is changed very frequently and a lot of the gum is taken off before the thread gets on to the reel. In the domestic basin the water is changed, but not so frequently. It admits of being changed, but as a matter of fact, it is not. I believe that the extravagance of the filature as you put it is also due to another reason. The domestic basin reeling is done by the owner and the filature reeling is done by paid men.

President.—I don't think this point has been cleared up. As far as the charka is concerned, the wastage is 50 per cent. and as far as filature is concerned, the wastage is 70 per cent.

Mr. Rama Rao.—Yes.

President.—If 13 lbs. of cocoons are required in the case of a charka and 20 lbs. of cocoons in the case of a filature per lb. of silk, why should the waste be so much in the case of a filature?

Mr. Rama Rao.—The arithmetical relation will not be so clear for this reason that in the charka some of the waste goes on to the silk itself as I told you. Exactly what the proportion is it will not be possible to say,

President.—It is rather a difficult matter to understand because after all the price that you get for a pound of silk is Rs. 6 and the wastage is 50 per cent. per lb. of silk. The other price is Rs. 8-4 to Rs. 8-12. It is altogether Rs. 9 if you do not deduct the price of waste which comes to 4 annas a pound the wastage is 70 per cent.

Mr. Rama Rao.—Cocoons are not all silk, The silk content is only 12-1 per cent.

President.—Do I understand that the quality of cocoons used by the charka people is different from that of the cocoons used by the filature?

Mr. Rama Rao.—The quality is the same, but the methods of treatment are different. There is that disturbing element waste.

President.—The only point which strikes me in that connection is this: that the charka silk is able to sell at a lower price than the filature silk. If it is the quality of the silk that matters it is difficult to see why 7 lbs. more of cocoons should be used for the same poundage of silk by a filature.

Mr. Rama Rao.—We require a higher poundage of cocoons because we get only silk out of it in the one case and in the other we also get some waste.

President.—But the waste is less.

Mr. Rama Rao.—In the charka, some of the waste goes on to the silk.

President.—That is what I say. It must show itself in the question of price. Either it must show in the waste, or if it does not show itself in the waste because the charka silk has got waste connected with it which cannot be separated, the price of that silk must be lower than the price of filature silk. It must show itself in some form.

Mr. Rama Rao.—The man who purchases the charka silk buys not only silk but also some waste and so he pays less.

Mr. Boag.—There is one further point which I should like to clear up. You mention that the charka reeler having steamed his cocoons spreads them out and uses them up in two or three days. You say that they can be kept for 10 to 15 days. You have told us just now that in your filature you can so stifle the cocoons that you can keep them for six months. I want to know why in the case of the charka they cannot be kept for more than 10 or 15 days.

Mr. Rama Rao.—The charka man stifles his cocoons by steam. The pupa inside the cocoons swells and retains a lot of moisture. If it is kept long, it decomposes; the rotting pupa begins to flow and discolours the inner layers of the cocoons. The reeler cannot keep his cocoons till this happens without discolouring the silk. The method we employ for stifling cocoons is by dry air. It makes the pupa inside wither up to the size of a peppercorn; and this can keep indefinitely without putrefaction.

Mr. Boag.—In your answer to question 25, you have given the actual output of each year. I find that applying that output to the expenditure given in answer to question 23 (a) the result is rather different from the costs given by you in answer to question 23 (b). I want to know whether that difference can be explained. The total works expenditure is given in answer to question 23 (a). Take the year 1924-25 and the expenditure is Rs. 55,583-5-6. The output of silk in that year is given in your answer to question 25 as 2,502 lbs. The expenditure then is Rs. 22-3-3 per pound of silk.

Mr. Rama Rao.—You got that by dividing Rs. 55,583 by the output, but you have not allowed for the realisations for the waste.

Mr. Boag.—That was the point I was going to ask. Is the whole of the difference accounted for by the value of the waste?

Mr. Rama Rao.—I believe so, but I must look into the figures.

Mr. Boag.—The difference in that year as a matter of fact is very, very small.

Mr. Rama Rao.—Yes, probably the realisation in the other years must have been very large.

Mr. Boag.—There is one other point with regard to these statements and that is this. You mention that the figures given in reply to question 23 (a) include depreciation charges. Are depreciation charges also taken into account in your answer to question 23 (b)? and if so under which item?

Mr. Rama Rao.—Under 5.

President.—Does that include depreciation?

Mr. Rama Rao.—I believe so. I have some doubt about the figures for 1927-28 and 1928-29. The others are all right. I shall examine the figures and let you know.

Mr. Boag.—Please look that point up and tell us what the amount of depreciation is for each year?

Mr. Rama Rao.—Yes.

Mr. Boag.—In your answer to question 24, you say that the raw material in Japan and Central China (*viz.*, cocoons) is superior in quality and admits of grading, but that the South China cocoons are similar in quality if not inferior to Mysore cocoons in trying to establish that the Indian filatures are not at a disadvantage in respect of their raw materials. Is it a disadvantage in comparison with Japan and Central China so far as cocoons are concerned?

Mr. Rama Rao.—Yes.

Mr. Boag.—Have you any means of assessing the amount of that disadvantage? By how much are the Japanese and Central Chinese cocoons superior?

Mr. Rama Rao.—I am speaking only of the quality of the cocoons. The disadvantage may be counterbalanced by the price that we have to pay. That is a different matter. I should say that the cocoons in Central China are on a par with our hybrid cocoons. I have said that with our hybrid cocoons we get 11 to 1 whereas we get 18 to 1 with Mysore cocoons. I daresay in respect of reeling quality the superiority of the Central China cocoons might be represented by the ratio of 18 to 12. We have got our own advantages. Our cocoons are cheaper and we get fresh cocoons throughout the year.

Mr. Boag.—I was puzzled by your answer to question 25. You seem to have sold or scrapped 18 basins between the years 1929-30 and 1930-31.

Mr. Rama Rao.—We tried a number of experimental basins and we took them away because the experiments were not successful.

Mr. Boag.—The fact that you halved the number of basins has not affected the output to anything like that extent.

Mr. Rama Rao.—They were experimental basins and because they did not give the expected output, we scrapped them.

Mr. Boag.—There is another point about which I am not quite clear. Is there any essential difference between the methods of French and the Italian filatures?

Mr. Rama Rao.—No.

Mr. Boag.—In essentials the process is the same?

Mr. Rama Rao.—Even in details.

Mr. Boag.—What about the Japanese method?

Mr. Rama Rao.—They have a reel of a smaller size. They have button system.

Mr. Boag.—The button system is simply a name or what?

Mr. Rama Rao.—You have seen that the filature basin is provided with a number of revolving discs each with a number of slots cut in the rim. The end of the cocoons fed to the thread is caught in the slot in the revolving disc and passed up through a central aperture. That is the system in European basins, and we have copied the system in the domestic basins. In Japan they have no contrivances of that kind. They have instead of the revolving disc a porcelain button with a small hole in it.

The threads have to pass through that hole. There is no automatic arrangement for catching up the ends. The reeler takes the end and throws it on to the thread and she has got to be very clever not to waste time in doing so. A button requires more skill in the reeler than the Jette Bout. Since reeling has been long practised in Japan, I suppose they have acquired the skill.

Mr. Boag.—As regards your reply to question 30, how is it that the wages paid to a charka reeler are higher?

Mr. Rama Rao.—Due to longer hours, uncertainty of work, and more disagreeable conditions of work. After the charka reeler has been at work for 4 or 5 days, he cannot eat with his hand. His fingers are of no use to him. The conditions of work are very exacting. The charka reeler gets throat trouble, cough and things like that, owing to the fact that he constantly breathes in steam and smoke.

Mr. Boag.—Question 33 deals with depreciation. I think we asked you in the question to give the amounts written off each year, but you have not given the rates.

Mr. Rama Rao.—I shall give you the rates.

Mr. Boag.—You write down your buildings at 5 per cent.?

Mr. Rama Rao.—Yes.

Mr. Boag.—Is not that rather a high rate?

Mr. Rama Rao.—That is the rate laid down by the Accounts Department.

Mr. Boag.—In the other industries we have found that 2½ per cent. was sufficient for buildings. On the other hand 5 per cent. for machinery seems to be rather on the low side. We usually allow 7½ per cent.

Mr. Rama Rao.—As regards the domestic basin, it is built to last 20 years. We know of filature machinery which has been in use for almost a century.

Mr. Boag.—It does not become even obsolete?

Mr. Rama Rao.—It becomes out of date of course, but remains useful. As a matter of fact, I protested against 5 per cent. as being very high.

Mr. Boag.—As regards the working capital, I want to know how that figure is arrived at?

Mr. Rama Rao.—That is the working capital we have. We need to store about six months' supply of cocoons.

Mr. Boag.—What does that mean in cash—the six months' supply of cocoons?

Mr. Rama Rao.—We have to store as much as 20,000 lbs. We don't always have to do that but we ought to be prepared to do it. After all, we buy cocoons when they are plentiful.

Mr. Boag.—20,000 lbs. of cocoons at 5 annas a lb.?

Mr. Rama Rao.—It is about Rs. 7,000. Then our monthly establishment charges and labour bill come to about Rs. 1,000.

Mr. Boag.—Do you carry any other stock?

Mr. Rama Rao.—Yes, fuel for instance. I shall give you the exact figures later.

Mr. Boag.—My difficulty is this. I find that in your total works expenditure the maximum has been something like Rs. 35,000 and at the same time you say that a working capital of Rs. 50,000 is required which is well in excess of the total expenditure for the whole year?

Mr. Rama Rao.—The figure is actually based upon the amount of money that Government have placed at our disposal. I think that it requires revision as a statement of working capital which is absolutely necessary for a filature of 24 basins. I shall look into the question and let you know.

Mr. Boag.—As a rule we have found that the working capital required is something in the neighbourhood of six months' working expenses?

Mr. Rama Rao.—I don't think at any particular time that we have reached the limit of Rs. 50,000.

Mr. Boag.—Will you kindly look into it and let us know what you consider is the minimum necessary?

Mr. Rama Rao.—I shall let you know later.

President.—This will consist of two kinds of storage: One is the storage of cocoons and another the storage of silk which is quite different from other industries?

Mr. Rama Rao.—Yes.

Mr. Govinda Rao.—If there is a quick turnover, the amount of working capital required will not be much.

Mr. Rama Rao.—Government sanctioned this working capital at a time when it was very difficult to sell silk and therefore a large capital was required.

Mr. Boag.—The only other question I want to ask you is this. With regard to your answer to question 37, these terms are unfamiliar to me and I should be glad if you would kindly explain them to me. Are they kinds of cloth?

Mr. Rama Rao.—No.

Mr. Boag.—What are they?

Mr. Rama Rao.—Nakhi is a kind of loose tinsel tape and it is generally stitched on to the sari as an ornamental border.

Mr. Boag.—As an embroidery?

Mr. Rama Rao.—Yes. It is flat, and is stitched on to saris. The names denote a difference in width. I shall show you some samples, to illustrate what I mean.

Mr. Batheja.—What proportion of the output in Mysore of raw silk is turned out by the Mysore domestic basin?

Mr. Rama Rao.—71,000 lbs. includes filature silk. The production from domestic basins alone is about 40,000 lbs.

Mr. Batheja.—I suppose the output is so small that no regular price is quoted for Mysore domestic basin silk?

Mr. Rama Rao.—Prices are quoted. In fact, the Silk Association issues a price list in which prices are separately quoted for the domestic basin.

Mr. Batheja.—The prices do not appear in the Mysore Chamber of Commerce's list?

Mr. Khan.—Perhaps not. The Mysore Silk Association issues a more comprehensive list than the Chamber of Commerce.

Mr. Rama Rao.—The list issued by the Mysore Silk Association is a more detailed one.

Mr. Batheja.—The quality of silk produced in the domestic basin remains uniform?

Mr. Rama Rao.—Yes.

Mr. Batheja.—Will it vary from year to year and from place to place?

Mr. Rama Rao.—Yes, with the skill of the reeler. Of course it is capable of producing the same kind of silk as the filature basin.

Mr. Batheja.—The price quoted I suppose is less than that of filature silk?

Mr. Rama Rao.—Yes.

Mr. Batheja.—By how much?

Mr. Rama Rao.—There is a difference of about a rupee. The domestic basin is at a disadvantage in this particular. All the product of a particular filature is under one supervision. So there is a uniformity of quality. But in the case of these domestic basins the silk has to be gathered from many sources. There is no uniformity of supervision or control. So, it is

difficult to get a large quantity of domestic basin silk having the same grade of uniformity as the filature silk.

Mr. Batheja.—Will this absence of grading make the Mysore domestic basin silk unpopular or sell at a lower price?

Mr. Rama Rao.—It will not. It only points to the need for a central association for grading silk like what they have in other countries. We require a conditioning house where silk will be tested and graded according to qualities. With that corrective, this lack of uniformity which is just now the result of silk being produced in a number of establishments under different control will be done away with.

Mr. Batheja.—I take it that the Mysore domestic basin is not so widely distributed that there may be local labels for it as you have for charka silk?

Mr. Rama Rao.—Labels?

Mr. Batheja.—Yes, depending upon the quality of cocoons?

Mr. Rama Rao.—The quality of cocoons is remarkably uniform throughout the State. The label under which domestic basin silk will be sold is "domestic basin silk" as you will see from the Silk Association Journal quotations. It is sufficiently distinctive to go by its own name.

Mr. Batheja.—You don't think that the difficulty is insuperable in making Mysore domestic basin popular?

Mr. Rama Rao.—It is not insuperable. The Silk Association has taken steps to grade silk by forming co-operative societies of domestic basin silk reelers. If all the silk produced on domestic basins passed through the central co-operative organisation, grading would take place as a matter of course.

Mr. Batheja.—Will you be able to sell the Mysore domestic basins at your usual concession rates if you want them very largely to be adopted?

Mr. Rama Rao.—At what rate?

Mr. Batheja.—The State sells domestic basins at concession rates?

Mr. Rama Rao.—Yes, at present.

Mr. Batheja.—If a very large number of basins were ordered, would it be possible for you to sell them at those rates?

Mr. Rama Rao.—I cannot speak for Government, but I think that if it became necessary to stimulate the silk industry in the State, as it will be if protection is granted, Government would encourage the production of silk on domestic basins. That is one of the measures which Government would naturally adopt to popularise the basin and improve the quality of the silk throughout the State.

Mr. Batheja.—I see that again is not an obstacle to the spread of Mysore domestic basin silk?

Mr. Rama Rao.—No.

Mr. Batheja.—You expect that the working of it will be so economical that it will be very largely adopted in the next 15 years.

Mr. Rama Rao.—That is my expectation. It would have been very largely adopted than it has been at present if prices had continued to be remunerative. At the time when we were trying to push these basins unfortunately we had the invasion of foreign silk and it upset all our calculations and swamped all the efforts we had made at improvement.

Mr. Batheja.—Supposing charka silk is sold along with Mysore domestic basin silk, the price of Mysore domestic basin silk will reflect the difference in quality?

Mr. Rama Rao.—Yes.

Mr. Batheja.—If Mysore charka silk can sell, then the Mysore domestic basin silk also will sell?

Mr. Rama Rao.—Yes, at the same disadvantage.

Mr. Batheja.—What is the difference between the two kinds of silk generally?

Mr. Rama Rao.—The best charka silk is sold at Rs. 5-4-0 to Rs. 5-10-0 and that is Kempanahalli silk. The price of domestic basin silk is Rs. 7-8-0.

Mr. Batheja.—Is that cheerfully paid by weavers?

Mr. Rama Rao.—Not very cheerfully, but it is paid.

Mr. Batheja.—Considering the state of the market?

Mr. Rama Rao.—It really reflects the superiority of the domestic basin silk as you put it.

Mr. Batheja.—In reply to question 23 (b) you have given the cost of producing one pound of raw silk. In my copy I find that 28/30 deniers in both lines have been scored out. Do you want them scored out?

Mr. Rama Rao.—The figures that we have given are for silk of all sizes. So to mention only 28/30 would be misleading. We reeled in that period 13/15, 28/30 and other sizes. These are actual figures.

Mr. Batheja.—This will be an average price.

Mr. Rama Rao.—Yes, taking into account all the qualities that we reeled during these years in the filature.

Mr. Batheja.—Looking at these figures I find generally the costs go up in the year 1928-29. For instance the cost of labour goes up from Re. 1-0-8 to Re. 1-1-6; then the cost of power also goes up from Re. 1 to Re. 1-3; then the cost of supervision and management goes up from 15 annas 7 pies to Re. 1-2-6. Is there any special reason why the costs have gone up in that year? I find that the costs have again declined.

Mr. Rama Rao.—In 1928-29 I think that we had to change fuel; that is one of the reasons. We were also reeling a very large proportion of fine silk in that year.

Mr. Batheja.—That would explain all the differences. I find before 1928-29 the costs were lower and after 1928-29 the costs were lower also.

Mr. Rama Rao.—We reeled a very large proportion of 16/18 and 20/22 deniers.

Mr. Batheja.—Did the cost of supervision go up for that reason.

Mr. Rama Rao.—We appointed an additional hand—an additional supervisor—in that year.

Mr. Batheja.—You have given the detailed costs. You have given the cost of cocoons. I take it that all these costs represent the cost of one charka per day?

Mr. Rama Rao.—Yes, and the production is also per day.

Mr. Batheja.—And the production of the Mysore domestic basin is also per day.

Mr. Rama Rao.—Yes.

Mr. Batheja.—In reply to question 24, you have said that the Indian filatures are not at all at a disadvantage in respect of the above items of expenditure. You have made an exception in the case of Japan and Central China?

Mr. Rama Rao.—Even there we are not at a disadvantage in the net result.

Mr. Batheja.—Have you got any figures for filatures in South China for the current year?

Mr. Rama Rao.—No.

Mr. Batheja.—Then how do you make the statement that the Indian filatures are not at all at a disadvantage in respect of the above items of expenditure? Have you got any other items? Have you got the costs of other countries?

Mr. Rama Rao.—We have got figures relating to the year 1930 for South China when one of our officers was in South China and studied the question on the spot.

Mr. Batheja.—You have not got the latest figures for 1932-33?

Mr. Rama Rao.—Not in the same detail.

Mr. Batheja.—Then, you see, it is rather difficult to understand the statement. You have got no data?

Mr. Rama Rao.—The statement was made on the assumption that the quality cocoons—we know the cocoons—could not have changed radically between 1930 and the present year, and on the assumption that most of the people who were working in the filatures in 1930 are probably working there now, being men in the prime of life. There could not be any very violent changes. We know the workers and the output of filatures in use there.

Mr. Batheja.—In the last two years the cost of everything has changed enormously. You cannot say that conditions have remained stable even in South China?

Mr. Rama Rao.—We shall give you figures.

Mr. Batheja.—Could you get us figures for 1932-33?

Mr. Rama Rao.—No.

Mr. Batheja.—You have got no means of getting them?

Mr. Rama Rao.—It is quite possible to get them, but not within the time at our disposal for this enquiry.

Mr. Batheja.—How do you manufacture these Mysore domestic basins?

Mr. Rama Rao.—We make them in the workshops of my department. They are made in my workshop in Kolar.

Mr. Batheja.—You simply make them by hand?

Mr. Rama Rao.—Our workshops are equipped with power machinery.

Mr. Batheja.—So that if a demand arose for the domestic basins, you would be able to meet them.

Mr. Rama Rao.—Yes. The district workshops could make at the rate of 20 to 25 a year and the central industrial workshop could make them at the rate of 20 a month and the Chennapatna Technical Institute could make at the rate of 10 a month. There are also other workshops. There would be no difficulty in meeting the demand.

Mr. Batheja.—These domestic basins could be used for power filatures?

Mr. Rama Rao.—Yes.

Mr. Batheja.—At a very much lower cost?

Mr. Rama Rao.—Yes.

Mr. Batheja.—You say that Rs. 175 is the cost of a basin?

Mr. Rama Rao.—Yes.

Mr. Batheja.—In reply to question 27 you have given some information regarding South China. In reply to a question put by the President, you said that you tried some foot power charkas but they proved to be unsatisfactory?

Mr. Rama Rao.—Yes.

Mr. Batheja.—For what reason?

Mr. Rama Rao.—The output was too small. They were not intended for use in big reeling establishments. The working was slow and the output was too small.

Mr. Batheja.—Is it due to want of skill on the part of Mysore workers?

Mr. Rama Rao.—It is a flimsy machine. There is also a fault in the machine. It is not possible to get a very good *croissure* on it.

Mr. Batheja.—These machines are still in use in South China and I understand that from China silk produced on some of these machines is coming into India?

Mr. Rama Rao.—It would not be a compact silk unless the foot power machine is very different from the samples we got from Japan. I have not seen the foot power machines which are now in use in South China, but my Assistants have seen them.

(Continued on the 16th March, 1933.)

Mr. Batheja.—Coming to the question of improving the quality of silk turned out by the charka, is it not possible to set up a re-reeling plant with a view to make the quality equal to the quality of the Canton steam filature?

Mr. Rama Rao.—It cannot be made equal to the Canton steam filature, because re-reeling will not correct the defects of the absence of proper croissure. We can improve the quality by removing uncleanness and tying up broken ends, but we cannot supply in re-reeling the absence of a croissure in reeling.

Mr. Batheja.—If it is not possible to make it equal to steam filature silk, it is at least possible to make it equal to Chinese country re-reeled silk.

Mr. Rama Rao.—Quite possible.

Mr. Batheja.—By what processes can you make it as good as Shanghai?

Mr. Rama Rao.—That is native reeling.

Mr. Batheja.—It is reeled in country charka and it is re-reeled and then sent to India. Supposing you want to improve your quality to that level—supposing that is your ideal—what steps would you take?

Mr. Rama Rao.—Supposing that to be my ideal (which it is not), I would re-reel the silk and remove the defects.

Mr. Batheja.—Would you require a separate re-reeling plant or would you carry on the business on this cottage basis as you say by giving the work to gosha ladies?

Mr. Rama Rao.—I should prefer to distribute the work to gosha ladies on a cottage basis.

Mr. Batheja.—Will the work be more efficient and cheaper?

Mr. Rama Rao.—The work will probably be as good and as efficient and this method of distribution would have the advantage of utilising the time of a part of the population which is now wasted.

Mr. Batheja.—That is a subsidiary issue with which we are not concerned.

Mr. Rama Rao.—But I am concerned with that.

Mr. Batheja.—You may be concerned, but the enquiry into the Sericultural Industry is not concerned with that aspect of the question. It may be an important consideration from certain point of view, but from the point of view of costs and from the point of view of competing with the foreign quality.

Mr. Rama Rao.—I thought you were asking my views on the matter and I gave them.

Mr. Batheja.—You think from the point of view of your costs, it will be just as good and from the point of view of efficiency.

Mr. Rama Rao.—From the point of view of costs I expect it may be slightly cheaper, but it is impossible to say. If the re-reeling is done in a centralised factory, there would be overhead expenditure. In case re-reeling is entrusted to cottage workers, you would not, for instance, have a building; you would not have supervisors; all that would be saved if you distributed your work among cottage workers. That is the advantage that I claim for it even from the point of view of the silk industry.

Mr. Batheja.—Will it be equally efficient? I understand that in Japan labour is fairly cheap and there are special re-reeling plants.

Mr. Rama Rao.—There is a re-reeling plant.

Mr. Batheja.—Will it be better from the point of view of efficiency to have it done by a re-reeling plant?

Mr. Rama Rao.—I have no experience of it, but deducing from first principles, I think it would be just as efficient.

Mr. Batheja.—Supposing you re-reel the charka silk by giving out the work to workers in the cottages, by how much will the cost be put up?

Mr. Rama Rao.—By about 12 annas a lb.

Mr. Batheja.—Will the quality be just as equal as Tsatlee re-reeled silk?

Mr. Rama Rao.—So far as winding quality is concerned, it will be just as good and owing to the inherent superiority of the Mysore silk it will be better than Tsatlee re-reeled silk.

Mr. Batheja.—If such silk is produced and placed on the market, it should be able to find a sale at a higher price.

Mr. Rama Rao.—Yes, other things remaining the same.

Mr. Batheja.—Have you any idea of the price of Tsatlee re-reeled silk as it is imported just now?

Mr. Rama Rao.—I could give it to you. I am sorry I haven't got it just now. I shall be able to get it for you.

Mr. Batheja.—What would be the difference due to the intrinsic superiority of the Mysore silk, when the winding qualities have been put on the same level—I mean the difference in price between the Mysore Charka silk re-reeled in cottages and Tsatlee re-reeled silk.

Mr. Rama Rao.—The answer could not be based upon any ascertainable calculation. Just now in spite of its inferiority Mysore silk is bought by some people at a price much higher than that of Chinese silk in spite of its being better re-reeled. The intrinsic superiority has at present only a sentimental value and it is impossible to forecast what the exact effect of the intrinsic superiority will be, but I think Mysore silk, if as well reeled as the Chinese, would command a price of about a rupee more per lb.

Mr. Batheja.—In calculating the cost of this re-reeling process which I have described, will it put up the price of the re-reeled country charka silk above the price of Mysore domestic basin?

Mr. Rama Rao.—Not so much.

Mr. Batheja.—It will still be cheaper.

Mr. Rama Rao.—Yes. The country charka silk if re-reeled under present conditions, about which only we can speak with any certainty, would be Rs. 6-12-0. The Mysore domestic basin silk would be Rs. 7-10-0.

Mr. Batheja.—There will be a difference of about a rupee.

Mr. Rama Rao.—Yes.

Mr. Batheja.—In view of this difference in price, would you still stick to the policy of encouraging Mysore domestic basin silk at the expense of charka re-reeled silk?

Mr. Rama Rao.—I would.

Mr. Batheja.—For what reasons please?

Mr. Rama Rao.—Because there is greater uniformity and it is possible to have mass production of a standard quality when you have got standardised appliances. It would be impossible to standardise when each man is a law unto himself and produces any silk he likes. It is possible to enforce a standard when you are using standardised appliances. It is not easy to do so when very much is left to individual idiosyncrasies. The future of the trade would depend very much upon the extent to which standardisation is introduced in all processes of production.

Mr. Batheja.—I will deal with that question later. Since you have answered that, I may ask a question at this stage. Why is it difficult to

classify the different qualities of charka silk which have been re-reeled in this fashion into grades and so on?

Mr. Rama Rao.—As I have said one of the most important points is compactness of thread. As I told you charka silk has no proper croissure. When we standardise, we come into competition with other standard qualities from abroad and we would be lacking in an essential characteristic. That is one reason why I would not retain the charka. Another point is uniformity. As I have explained, owing to the nature of the charka it is difficult to maintain uniformity, because the reeler is half-blinded with the steam. The water is so hot that his fingers have lost all their sensitive-ness.

Mr. Batheja.—It is on an assumption that you are comparing charka silk with filature silk. But I am comparing the Mysore charka silk re-reeled in this fashion with the standard brands of native reeled silk of China which are coming into India.

Mr. Rama Rao.—If by standards you mean chops, I say yes. The difficulty about Tsatlee re-reeled silk is this: it comes under a trade name. It is no standard. It cannot answer any conditioning house tests and last but not least it doesn't come very largely into Mysore and it doesn't invade markets where we have to sell. So we are not in the same plane of competition with Tsatlee re-reeled and I should not like to compete with Tsatlee re-reeled, because it would be a climb down in our silk.

Mr. Batheja.—Where there is a question of selling your product and one brand of silk is competing with you, I think it is up to you to meet it.

Mr. Rama Rao.—What is competing with me largely is filature silk, steam filature silk, Tsatlee filature, etc., and I don't like to compete with Tsatlee re-reeled silk.

Mr. Batheja.—Have you any ambition of securing markets outside Mysore? After all outside Mysore this Tsatlee re-reeled silk does enter.

Mr. Rama Rao.—I should like to capture markets which want good silk for high class products.

Mr. Boag.—We were informed somewhere that Tsatlee re-reeled silk is the best quality of Chinese silk that comes into the country better than the Canton filature silk.

Mr. Rama Rao.—Tsatlee filature silk.

Mr. Boag.—We were given a statement.

Mr. Rama Rao.—If that is correct, I am hopelessly wrong. My impression is just to contrary.

Mr. Boag.—I say the statement was made to us.

Mr. Rama Rao.—I am expressing my impression in the matter. My impression about these re-reeled silks is that the country silk from the interior is subjected to a process which cures winding defects and the more glaring defects of uncleanness and unevenness. What we call locally *pabmi* and *mothu* are removed and loose ends are tied. That is the process of re-reeling as I understand here. I thought that the Chinese process was the same. Chinese re-reeled silk which I have seen lends colour to my impression.

Mr. Batheja.—Your ideal may be to capture markets for high grade silk. It all depends upon the markets' purchasing power. At present your ambition is to confine yourself to India and not to capture high grade markets outside India and you will agree that on account of the depression the purchasing power of the people who patronise the silk industry has been very largely reduced. Won't you think of capturing this market in competition with the Chinese native reeled silk? It may be a climb down from high ideal, but it will be a submission to inexorable hard facts.

Mr. Rama Rao.—The facts are not inexorable. I have got a market for high grade silk in India. I would be quite satisfied at present if I were

able to satisfy the Indian weavers who use high grade silk. I shall, however, be free to entertain a wider ambition. At present I would be quite satisfied if I met the entire demand of the Indian weavers for high grade silk. That would keep me fully employed.

Mr. Batheja.—I want to ask you one final question on that subject. Is it really practical politics or practical economics to replace 94 per cent. of your method of production—which is the method followed by the charka—in 15 years by your Mysore domestic basin or by your filatures?

Mr. Rama Rao.—I could not have made myself clear yesterday when I was answering a similar question from the President. I said that I didn't want to replace it, but I expected that the charka would go out by the operation of economic forces. The charka produces silk which is inherently defective in certain essential characteristics, and I think that the Mysore domestic basin and filatures would produce a silk which would set out to advantage the inherent superiority of Mysore silk, and so I expressed my conviction that by the play of ordinary economic forces the charka would be displaced and I expected that its displacement would take place in the course of 15 years. That was my position. I didn't say that I wanted to make conscious efforts to displace the one by the other, but I said that I thought this displacement would occur in the usual course.

Mr. Batheja.—I understand that this displacement would be natural. You may have nothing to do to bring about this catastrophe. Would you still stick to the opinion that the transformation can be brought about in 15 years?

Mr. Rama Rao.—I may express the conviction that I think it will come about in less than 15 years.

Mr. Batheja.—In reply to question 35 you have referred to the production of coarse handspun silk. What is the technical name for the handspun silk.

Mr. Rama Rao.—Hath reshun.

Mr. Batheja.—What price does it fetch?

Mr. Rama Rao.—There is no fixed market value, because it is produced in very small quantities. I think it may fetch about Rs. 2 or Rs. 3 a lb.

Mr. Batheja.—For what class of fabrics is it used?

Mr. Rama Rao.—For making *Ananthan daru*—a kind of braided thread which is tied round the arm on certain ceremonial occasions.

Mr. Batheja.—Is it only used for that purpose or is it used for other purposes?

Mr. Rama Rao.—I think only for that purpose. I tried to weave it into cloth. It made such wretched cloth that I never tried it again. It is also, I think, used in making tassels.

President.—The labour charges that you have given here in answer to question 30 for filature are for 9 hours a day.

Mr. Rama Rao.—Yes.

President.—What is the outturn of silk per basin per day?

Mr. Rama Rao.—It depends upon the size of the silk reeled.

President.—Supposing you take 28/30 denier?

Mr. Rama Rao.—1½ lbs.

President.—With regard to the figures that you have given for 200 basins, I will not discuss them here. The only point I want to understand here is this. On page 10 of your memorandum you have given the cost of production of filature silk for 28/30 denier and you have given me the reeling charges. Do I take it that the same distribution of work is adopted in that?

Mr. Rama Rao.—Yes, the same distribution of work.

President.—That means for 12 basins there are three knotters, one examiner and two waste preparers.

Mr. Rama Rao.—There is a fixed proportion. We have worked that out in the light of our experience. This was finally adopted after trying various tentatives. We want one knotter for every 4 basins; one examiner for the whole lot.

President.—For 12 basins?

Mr. Rama Rao.—Yes.

President.—I take it that 12 is the basis.

Mr. Rama Rao.—Yes one skeiner for 12 and two waste preparers for 12. We require two waste preparers, because the skeining can go on leisurely, but the waste preparation has to take place immediately when the waste is still soft and warm.

President.—As regards the cocoons I suppose the filature man buys the cocoons in the market generally.

Mr. Rama Rao.—At present there is no organised cocoon market. So the filature man will need to have his agents in the sericultural villages where he purchases cocoons. He will have to be in touch with rearing; otherwise somebody else will come in and snatch away from him the best cocoons in the market.

President.—Do I understand that in the whole of the Mysore State there is no such thing as a cocoon market?

Mr. Rama Rao.—No organised cocoon market as such.

President.—If the filature man wants to purchase cocoons. . . .

Mr. Rama Rao.—He will need to employ local agents in the various rearing centres and that agent will have to keep his eyes open. He will have to be in touch with the raiyats who rear silk worms, make advances if necessary and secure the crop for the filature man.

President.—Do I understand that the practice at present in vogue is a hindrance to trade to a certain extent?

Mr. Rama Rao.—This practice would not remain in vogue for very long if there were a number of filatures. There are only two filatures.

President.—Do you think ultimately there would be a possibility of cocoon markets in important sericultural villages?

Mr. Rama Rao.—I would call it a *probability*—almost a *certainty*—for if a number of filatures were established resulting in an assured demand for cocoons in the sericultural villages, the village panchayats in the Mysore State will naturally co-operate and form a cocoon market in the principal places.

President.—Let me understand this point. Is the Agent who is employed by the filature man at present a whole time man?

Mr. Rama Rao.—He is generally the village headman and one of the officers of the filature also goes there.

President.—What charge he has got to pay to the agent per maund of cocoons?

Mr. Rama Rao.—A commission of 3 annas per maund.

President.—3 annas per maund is the charge included in the selling price of 5 annas.

Mr. Rama Rao.—No.

President.—That is over and above that charge.

Mr. Rama Rao.—The selling price is the price to the man who sells the cocoons. This is the kind of middleman who is employed.

President.—May I say it is included in the indirect charges?

Mr. Rama Rao.—Stifing and other charges—I suppose it comes in there.

President.—I find that the charges are not included in the filature?

Mr. Rama Rao.—The charge is paid by the filature.

President.—It is not in the cost of production given by you?

Mr. Rama Rao.—It is here. I believe it is included in stifling and other charges. That is my impression. That is a charge incurred for the filature. Since we have taken the cost of cocoons at 5 annas, I believe it is included in the other item.

President.—It would be better if you gave details of Rs. 10-4.

Mr. Rama Rao.—I shall clear up that point. I am told that our agent has his arrangements with his sellers and that the filature as such does not incur that expenditure.

President.—It is the general practice with filatures.

Mr. Rama Rao.—Not necessarily. We have almost a clean slate to write upon in that regard. We should make a suitable arrangement.

President.—If we were to take a most economical filature into consideration, I should be right in adding this to the cost of cocoons.

Mr. Rama Rao.—Shall I say what I think is going to be the organisation of an economic filature? An economic filature will be in touch with the department or with some aided grainage or will run an aided grainage of its own and distribute silk worm seed to the area from which it gets its cocoons so as to be sure of getting the right type of cocoons. It would distribute, for instance, hybrid seeds in order to get cocoons of superior quality and it would have its own organisation there. It would possibly even finance the rearers and get its cocoons from them in which case there would be no question of paying any commission. The filature and the rearers would be, so to speak, a happy family with many relations mutually helpful.

President.—I don't think that position is correctly interpreted. I will tell you why. Supposing protection is granted in 1934, will you please tell me in how many years you think about a dozen filatures will come into being?

Mr. Rama Rao.—If protection is granted, I think a dozen filatures will come into being in the next 5 years.

President.—Under an ideal condition?

Mr. Rama Rao.—The first filature would have to be worked out. The Sericultural Department would organise a filature in those lines. I feel confident about it, because these are the lines on which we are organising the sugar factory. We have some experience in organisation. We are going to do the same for the filature.

President.—When I think of protection, I am confining my attention at present to Government filatures. When the Board adopts a scheme of protection, it is always accepted that the industrial development of the country will take place. The people who may be the Indian State subjects or the British subjects will be willing to put up filatures under the protective scheme when you are making this statement, I assume that you have taken into consideration this aspect of the question.

Mr. Rama Rao.—Yes, I have. I might explain that I was not thinking of the department assisting the Government filature. The department has been organised to help private enterprise. If a private filature was started, let us say, on joint stock lines or on co-operative lines, my department would render all the assistance that was necessary and the items that I mentioned would be the kind of assistance that would be rendered.

President.—As regards the purchase of cocoons, when the Agent purchases the cocoons, he is not in a position to sort them or make a selection.

Mr. Rama Rao.—He does as far as possible, but a certain percentage of cocoons have to be rejected.

President.—What is that percentage?

Mr. Rama Rao.—The percentage of inferior cocoons which cannot be reeled in the filature does not come to 2 per cent.

President.—2 to 3 per cent.?

Mr. Rama Rao.—2½ per cent.

President.—Is this point borne in mind when you give the cost of 5 annas per lb. for cocoons?

Mr. Rama Rao.—Yes.

President.—The whole lot has been taken into consideration in working out the data.

Mr. Rama Rao.—It has been taken into consideration. The wastage whether at the purchase stage or in the operation stage is included in the calculated rendita.

President.—As regards coal and fuel, I find that you are using both.

Mr. Rama Rao.—Yes.

President.—What kind of coal are you using?

Mr. Rama Rao.—We get Deshergarh coal.

President.—What is the price you pay?

Mr. Rama Rao.—In Mysore we pay about Rs. 23-14-0 per ton delivered at the filature.

President.—There are no other charges over and above this price.

Mr. Rama Rao.—From the railway station we have to pay cart hire.

President.—What will that be?

Mr. Rama Rao.—One rupee.

President.—What is the price you pay for fuel?

Mr. Rama Rao.—About Rs. 9 or Rs. 10 a ton delivered at the site.

President.—Who does the sorting after the cocoons are purchased by the filature representative?

Mr. Rama Rao.—The first rough sorting is done on the spot in the villages where the purchase is made. Then the subsequent sorting is done in the filature.

President.—Are there any sorters appointed?

Mr. Rama Rao.—The filature staff at the time of stifling the cocoons will have to do this. The handling is done under the supervision of the filature employees.

President.—I want to know whether it is included under labour.

Mr. Rama Rao.—Yes, it comes under stifling and other charges.

President.—I would like that to be distinguished if a separate man is employed.

Mr. Rama Rao.—No separate man is employed. The sorting is done at the time of stifling.

President.—Who does it?

Mr. Rama Rao.—The man who does the stifling.

President.—I think it would be better if you could give us a statement showing the labour charges separately.

Mr. Rama Rao.—I shall give you a separate statement.

President.—What is the outturn of a sorter who does this stifling work per day of 9 hours?

Mr. Rama Rao.—They can stifle about a ton of cocoons working day and night. Stifling is done continuously, because we employ hot air which is not allowed to be cooled.

President.—What is the wage you pay?

Mr. Rama Rao.—14 annas.

President.—You have promised to give me the details of stifling and other charges which will give me a clear idea as to the nature of the work of the person who is employed in stifling and sorting.

Mr. Rama Rao.—I shall give you the analysis of the stifling and other charges.

Mr. Boag.—I want to revert to the cost of cocoons. You told me yesterday that 375 lbs. yield was an ideal maximum which you have not yet reached.

Mr. Rama Rao.—Quite so.

Mr. Boag.—The actual yield that you get now is 260 lbs.

Mr. Rama Rao.—That is the average.

Mr. Boag.—I find that a yield of 260 lbs. at this cost works out to 7 annas a lb.

Mr. Rama Rao.—Yes, but this cost would not have to be incurred.

Mr. Boag.—I want to ask you whether this cost is proportionately high.

Mr. Rama Rao.—This cost is for 5 full rearings. Our assumption is that two of these rearings are lost.

Mr. Boag.—But surely you incur a certain amount of expenditure on those two rearings.

Mr. Rama Rao.—Yes, but not proportionately. We would not have to incur the whole of this expenditure unless we had 5 complete crops.

President.—The point that arises out of this is rather important for this reason that suppose out of the 5 crops, two are unsuccessful. They become unsuccessful after a certain amount of expenditure has been incurred.

Mr. Rama Rao.—Yes.

President.—The point that arises is whether that has been taken into consideration in arriving at the figure of 5 annas per lb. of cocoons.

Mr. Rama Rao.—I appreciate that point. The estimate that I have given of 5 annas per lb. of cocoons has not been worked back from the figures given here. They are the actual figures of production that I have got. These are the actual figures taken from the cost of successful average rearings.

Mr. Batheja.—Under normal or abnormal conditions?

Mr. Rama Rao.—Under normal conditions.

Mr. Boag.—In that case may we have the data, because this 5 annas a lb. is a most important figure and on the material that you have given us, I was assuming that this Rs. 118-3-0 were the data on which you arrived at the price of 5 annas a lb.

Mr. Rama Rao.—We shall be able to give it to you later.

President.—You have given some data on page 4 of the printed memorandum.

Mr. Rama Rao.—What is the question please?

Mr. Boag.—My question is this: in statement II of Annexure I given on page 9 of the printed memorandum you have given the cost of production of cocoons from leaves of one acre of rainfed mulberry garden per year and below the statement you say "if all the crops are successful, the yield of cocoons would be 375 lbs. on an average. Hence cost of production of 1 lb. of cocoons amounts to annas five only". You told me that on the average two crops out of five are lost.

Mr. Rama Rao.—Yes.

Mr. Boag.—My question is this: Rs. 118-3-0 is the total cost assuming that 5 crops are reared successfully.

Mr. Rama Rao.—That is the proportion. 3 crops out of 5 are raised successfully. So 40 per cent. is lost.

Mr. Boag.—Assuming the whatever proportion you like to take is lost, by how much will this expenditure of Rs. 118-3-0 be reduced?

Mr. Rama Rao.—It is difficult to say exactly. I think it will be reduced by about 30 per cent.

Mr. Boag.—I regard this as one of the foundation stones on which the whole scheme should be built and I should be glad if you would give us a considered answer.

Mr. Rama Rao.—I have just applied my mind to this aspect. I shall give you more exact figures later on, but I think if 40 per cent. of the crop is lost, about 30 per cent. of this expenditure need not be incurred and even then there is another difficulty. I see that it is open to this objection even now. The cost of production according to this maximum basis is 5 annas per lb. If only 30 per cent. expenditure is saved by losing 40 per cent. of the crops, we can't get 5 annas. I am quite sure that the figures on page 4 of the memorandum are right. I shall re-examine the figures on page 9 and shall give you a considered note later. I am sorry I could not be more definite just now, because that point didn't occur to me.

President.—There is one more point with regard to the costs and it is about the cocoons before they are reeled. There is a certain amount of fluff removed before they are reeled.

Mr. Rama Rao.—That is done in reeling. That is where the waste comes. The fluff becomes waste.

President.—There are two kinds of waste—one is before it is reeled and another after it is reeled. The first is called fluff and the second is membrane in the interior.

Mr. Rama Rao.—I shall tell you. The first class of waste consists of the floss on the top of the cocoon that comes out at the time the cooked cocoons are "prepared" (as it is called)—that is to say, handled with a view to get at the true ends of the thread in the cocoon.

President.—Is that work done by the cooker?

Mr. Rama Rao.—No. That work is done in the course of preparation by the reeler herself. The cooker does nothing but the cooking. Then the cocoons are handed over to the reeler. The reeler teases the cocoons till she gets at the true end of the thread in the cocoon. Before she can get at it, all the false threads have to be removed. That is where the floss is separated out and becomes the waste. The membrane is reached only after the cocoon is entirely stripped of its reelable silk.

President.—Does this fluff fetch any price?

Mr. Rama Rao.—Yes, it does. It is sold as waste.

President.—It is a kind of waste.

Mr. Rama Rao.—It is the most important kind of waste.

President.—What is the price that it fetches?

Mr. Rama Rao.—8 annas per lb.

Mr. Baag.—In selling waste you don't distinguish one waste from another?

Mr. Rama Rao.—No. In the filature floss is much the greater part of the waste that is got. It is lengthened out and cleaned and so it fetches a higher price.

Mr. Batheja.—You said the price of waste is 8 annas per lb. and some of the raw silk importers said 2½ annas per lb.

Mr. Rama Rao.—That is the charka waste about which no trouble is taken at all. You have seen how they take it and throw it. It contains pupa, dirt, cow dung and so on.

President.—In answer to question 39, you say "for the services rendered by the brokers a commission of two to four annas per seer called 'Gootam' is charged". This charge was not told to us by the Raw Silk Merchants Association. They told us a commission of one anna per seer of 26½ tolas is given by the koti owner to the seller, i.e., the reeler.

Mr. Govinda Rao.—When a broker is engaged, that commission is paid.

President.—I would like to know what is the general practice here?

Mr. Govinda Rao.—The general practice is to purchase raw silk from the silk merchant.

President.—I suppose this system is not prevalent.

Mr. Govinda Rao.—Not very much.

President.—What quantity of raw silk is passed through?

Mr. Govinda Rao.—Very little.

President.—I need not take this into consideration.

Mr. Govinda Rao.—It doesn't seem to be a very important feature.

President.—I find that silk is sent out in bales of 70 lbs. or 105 to 108 seers of 26½ tolas each. Is that the general practice with the merchants here?

Mr. Govinda Rao.—Yes.

President.—Is there any peculiar system?

Mr. Rama Rao.—No.

President.—Are they sent in cardboard boxes?

Mr. Rama Rao.—They are arranged in a particular way lengthwise and tied up in a cloth.

President.—Where do you show this packing charge in the cost of production?

Mr. Rama Rao.—It doesn't enter into our cost of production.

President.—In the future cost of production for filatures, I think packing charge should be shown.

Mr. Rama Rao.—Generally we sell silk ex-filature.

President.—Even to those outside the Mysore State?

Mr. Rama Rao.—It depends on the terms under which we sell. At present we are selling to our customers in the Mysore State, and they are paying for the packing.

President.—Purchaser pays for packing and transport charges?

Mr. Rama Rao.—In one case where we sold large quantities of silk, the purchaser paid for it. We quoted him a nett price.

President.—Formerly 70 per cent. of the production went out of Mysore State for sale all over India. To-day it is only confined to Bombay and Madras Presidencies. Who incurs the packing of this charge at present?

Mr. Rama Rao.—Usually the purchaser. The cost of packing when we are packing for despatch to France was Rs. 1-8-0 per bale of 50 kilos. I daresay that the cost of packing is the same. It is generally the purchaser who bears the charge. I understand that it is the practice in the silk market for purchasers to pay the cost of packing.

President.—The next question is with regard to the markets. If I take Hubli or Belgaum in the Bombay Presidency, your point of view is that that market, as far as the freight is concerned, would be equidistant.

Mr. Rama Rao.—Yes.

President.—May I know what the rates of Mysore silk in those places are at present?

Mr. Rama Rao.—I shall tell you. The Mysore raw silk is not sold as such in the Hubli market. It is generally re-reeled, twisted and then sold with a profit and I am told that the price per lb. of charka silk after this kind of work is done, is about Rs. 8 a lb. in the Hubli market.

President.—It is not raw silk, but it is twisted and re-reeled.

Mr. Rama Rao.—Yes, it is re-reeled also if it is charka silk. It is only twisted if it is filature silk.

President.—Rs. 8 per lb.?

Mr. Rama Rao.—If it is filature silk, it is Rs. 10.

Mr. Batheja.—If it is Mysore domestic basin silk?

Mr. Rama Rao.—Rs. 9.

President.—This price includes the freight?

Mr. Rama Rao.—Yes.

President.—What is the imported price in those markets? It would be much better if you were to send me a statement on that subject, because I want to understand the different rates for the quality which is similar to the Mysore silk which is coming into competition at a place which is equidistant.

Mr. Rama Rao.—You want it for Hubli?

President.—Yes and for Belgaum.

Mr. Rama Rao.—The comparative figures we have already given. You do not want to know figures for any particular market.

President.—No. The reason why I want this is to give me an idea as to what happens to 70 per cent. of your production which goes out and how far that market is affected owing to the cheap imported silk which is coming into India.

Mr. Rama Rao.—I shall give you figures about Hubli and Belgaum.

President.—Another point arises out of this, you might be able to let me know in what state does the imported silk go into those markets. Your silk does not go in the raw state. It goes twisted or re-reeled. Those charges have to be added before the price can be compared in those markets.

Mr. Rama Rao.—Yes.

President.—I want to know the quality comparable and whether the twisting and re-reeled charges have to be added.

Mr. Rama Rao.—My information is that the imported silk comes as raw silk.

President.—Therefore the prices can't be compared unless we know the charges for these subsidiary processes.

Mr. Rama Rao.—That is so.

Mr. Batheja.—Is not the imported silk mostly re-reeled? It may not be twisted.

Mr. Rama Rao.—I was thinking not very much to the processes of re-reeling the imported silk, but the processes it has got to go through as a whole before it can be compared with the Mysore silk with which it competes.

President.—The next point is about the conditioning house. I find one of the Associations in the Mysore State has got a scheme for establishing a conditioning house in Bangalore.

Mr. Rama Rao.—That certainly is the ideal of the Silk Association and that is an ideal which has been accepted by the Mysore Government. This was a measure which had been recommended by the Department of Sericulture long ago and the Silk Association was started with the object of implementing the resolution of the Agricultural Department and the Sericultural Department which had both received the approval of Government. So the conditioning house will have to be established before we can take up standardisation.

President.—As far as the conditioning house is concerned, I understand that it will be somewhat similar to the conditioning houses prevailing in Lyons, America and Japan.

Mr. Rama Rao.—Yes.

President.—They possess the necessary appliances for determining the tests with regard to winding tensile strength, elasticity and so on. The point on which I would like to have your opinion is, where it should be situated and by whom it should be controlled.

Mr. Rama Rao.—I can only give you my opinion.

President.—I want your opinion, because I understand that you have actually studied the question in the light of the conditioning houses at present prevalent outside India.

Mr. Rama Rao.—I may claim to have bestowed some study on the subject. My idea is that the conditioning houses should be established in the principal centre of silk trade in the State. I say in the state, because I am concerned only with the state. I should say of any area that the centre of silk trade is the centre for a conditioning house. The conditioning house should be established by an agency which can speak with authority on two sides of the question concerned. The two interests are the manufacturers on the one side and the traders on the other.

President.—I would like to know in little more detailed form. Will you please tell me what are the important silk markets you consider in India. After all when we are granting protection and when we intend to consider the question of conditioning houses, we are not only to consider the question from the view point of the Indian States but with the view point of India as a whole. Therefore I would not like at present to confine my attention to the market at Bangalore, but I would like you to tell me which are the principal and important consuming centres in India.

Mr. Rama Rao.—I think I appreciate your point. I should preface what I am going to say with this remark that if we got protection, the whole question of silk markets in India would get a re-orientation. We would have to have one centre for imported silk, because we are not going to stop imports all at once, but we shall regulate them. Imports come without any conditioning house certificate and they compete with all grades of indigenous silk. These would have to be standardised and labelled. They would have to be sent on to the Indian market with a label on to them and there would be Bengal silk, Kashmir silk. Both of them would have to pass through some principal centre and I envisage Benares as the principal centre. For South-Indian silk I think that Bangalore would be a silk centre. I would have 3 conditioning houses, one in Benares, one in Bombay and one in Bangalore.

President.—Should they be run by private agencies with Government assistance?

Mr. Rama Rao.—By private agencies with Government help.

President.—Like Chambers of Commerce?

Mr. Rama Rao.—Yes, that would be an ideal agency.

President.—There is one test which is done at present with regard to the different kinds of silk by the weavers themselves and that is the boiling off test.

Mr. Rama Rao.—Proof of the pudding consists in the eating of it. It is the weavers test, but the man who sells silk will need to have a test of his own and the two will have to be reconciled.

President.—I was told that one of the reasons why Indian silk is not sold is with regard to the loss in boiling off. As far as the Mysore silk is concerned, may I take it that a figure of 20 to 25 per cent. would be the correct figure?

Mr. Rama Rao.—Our figures for filature silk are between 18 and 20. These are the results of actual tests carried out under careful supervision and control:—

	Per cent.
Mysore Filature silk (Pure Mysore)	20.9
Mysore Filature silk (Hybrid)	18.4
Mysore Domestic Basin silk (Private)	20.0
Mysore Country Charka silk	23.2
Kashmir silk (Yellow)	23.7
Bengal (Co-operative Union Yellow)	19.4
Foreign Canton steam filature	21.0
Kubin (Yellow)	22.8

	Per cent.
Fanchow (Shanghai White)	18·6
Minchew	18·8
Lai Miyang	20·2
Duppion Silk (White)	11·7

(That is because it is more or less bleached silk. I think it has to be cooked very heavily before it will reel at all.)

President.—I understand apart from Canton silk there is another kind of silk coming from China where the boiling off is about 17 per cent.

Mr. Rama Rao.—Yes. White silks lose less in the boil off than coloured silks. The loss in boil off is the loss due to the loss of the soapy gum.

President.—Is there any boiling off in the waste?

Mr. Rama Rao.—I believe that when the waste is worked into spun silk, it suffers a loss of about 18 or 20 per cent. in the boil off. It has to go through a boil off before being spun into silk. I am not sure about the figures. I read about it long ago. I am speaking from memory. I think it suffers a loss of 18 to 20 per cent.

President.—I have a figure here in which it is stated that for Shanghai it is 28½ per cent., for Italy 33 and for Kashmir 33 to 34 per cent.

Mr. Rama Rao.—That is the boil off for waste.

President.—Yes.

Mr. Rama Rao.—Probably that is correct.

President.—As regards the quality of imported silk which is coming into Bangalore, it is principally Canton Steam Filature silk.

Mr. Rama Rao.—Yes.

President.—And the deniers, I take it, are 20/22, 28/32 and 32/36.

Mr. Rama Rao.—Yes.

President.—As far as Duppion is concerned, it is 40/60.

Mr. Rama Rao.—It is not very uniform.

President.—The average would be 40/60.

Mr. Rama Rao.—That may be taken as the average. It is a coarse uneven silk.

President.—Tsatilee is about 20/24?

Mr. Rama Rao.—Yes.

President.—In answer to question 44 you have stated that the 3 varieties of imported silk compete with the two varieties of Mysore silk.

Mr. Rama Rao.—Yes.

President.—The first quality of Mysore silk is probably the filature silk.

Mr. Rama Rao.—The best quality of Mysore is filature silk.

President.—I take it that the first quality charkha silk for which you have given the price, is Kempanahalli.

Mr. Rama Rao.—Yes.

President.—It comes to Rs. 5-7-0 a lb.

Mr. Rama Rao.—Taking the bulk of the production of silk in Mysore, the best quality is Kempanahalli silk and Sidlaghatta, runs a very good second.

President.—The point which I was trying to understand was that the Canton steam filature a filature silk, competes with the best quality of Mysore Charkha Silk.

Mr. Rama Rao.—Yes.

President.—And the price difference is about 9 annas a lb. in favour of charkha silk.

Mr. Rama Rao.—4 annas per lb.

President.—I am talking of 1931-32. It works out to about 9 annas a lb.

Mr. Rama Rao.—Yes.

President.—Duppion and Dance compete with the second quality. Is it Sidlaghatta or Channapatna?

Mr. Rama Rao.—Channapatna.

President.—I find that the figures shown against Duppion and Dance in 1931-32 are Rs. 4-6-0 and Rs. 5-10-0 per lb. respectively. The average would be Rs. 5 and the second quality of Mysore silk is Rs. 4-11-0. That means roughly a difference of 5 annas in favour of the imported silk.

Mr. Rama Rao.—We cannot take averages like that. Our second quality priced at Rs. 4-11-0 competes really with Rs. 4-6-0 and not with the average Rs. 4-6-0 and Rs. 5-10-0.

President.—That is also 5 annas.

Mr. Rama Rao.—Yes.

President.—In answer to question 45, you have given me the various kinds of brands, under which foreign silk is coming into India. I suppose there are several other brands coming into India which do not come into Bangalore at present.

Mr. Rama Rao.—Several—many chop marks.

President.—Can you tell me what is the percentage of filature silk to non-filature silk which is now coming to India?

Mr. Rama Rao.—80 per cent. is filature silk and 20 per cent. is non-filature silk. Formerly the bulk of the silk that used to be imported into India was non-filature silk. Now the centre of gravity has shifted the other way. Superior silk is now coming into India and this re-adjustment is particularly noticeable during the last two years.

President.—You are perhaps aware that when the Board considers the question of protection, it has to take into consideration as far as possible a quality comparable to the Indian quality. They have then to determine what the fair selling price of the Indian commodity is and what the imported price is. One of the difficulties which the Board has to meet is to find out which quality competes and to what extent. Even then one does not know in future what other qualities may not replace the qualities which are now competing at the moment.

Mr. Rama Rao.—I follow.

President.—Therefore I would like to have your assistance in this matter in determining what quality should be taken into consideration by the Board in order to arrive at a figure which would roughly cover the qualities generally now imported into India. For that reason it would be necessary to see the Indian customs tariff. I am referring to the Customs tariff which has come into force on the 16th of January, 1933. The first question which I would like you to clear up before we discuss the price is the tariff valuation. I have discussed this question with the various witnesses who came before the Board and we have been told that the tariff valuation, as it stands to-day, is a great hardship to the industry.

Mr. Rama Rao.—Do you want to know my opinion on it?

President.—That is why I am asking this question.

Mr. Rama Rao.—I have no particular complaint against the tariff valuation. It would not be so perfect as the duty based on the invoice.

President.—In your memorandum you have stated that you require protection of 100 per cent. on the correct invoice value.

Mr. Rama Rao.—Yes.

President.—Therefore it appears that you are not in favour of the fixed tariff valuation which is at present in vogue.

Mr. Rama Rao.—When I say *ad valorem* on the correct value, it doesn't mean that I stated that the present valuation is incorrect.

President.—Do I understand that you are satisfied with the present fixed tariff valuation?

Mr. Rama Rao.—I am not satisfied with the method, but I am satisfied that it is being fairly worked out.

President.—I don't think you have understood the point. I want to put it in a more clear form, because it is a very important point. After all protection means the duties and if I give you 100 per cent. on these prices, I have got to understand that these prices fairly represent the prices which are at present prevailing in the markets. These are ex-duty prices and I would therefore like to know whether you have any particular complaint to make.

Mr. Rama Rao.—As regards the prices given here, I have no complaint. I think that fixing tariff valuation for a fairly long period when prices are subjects to momentary fluctuation is not a very satisfactory system as a system, but apart from that I have no quarrel with the tariff valuation.

President.—The present practice which has always been followed is to fix the tariff valuation for one year.

Mr. Rama Rao.—That is unsatisfactory.

President.—That is exactly the point which I want to understand from you. If the prices fluctuate, the fixed tariff values are not changed until the one year period is over.

Mr. Rama Rao.—One year is too long a period.

President.—Do I understand that if it is not possible for the Director General of Commercial Intelligence to reduce the period for less than a year, you would certainly object to the fixed tariff valuation?

Mr. Rama Rao.—I would object to the fixed tariff valuation.

President.—Even if you object to that, the next point is .

Mr. Rama Rao.—Might I explain? It is just because of that feeling I wanted protection to be given in the shape of *ad valorem* duty based on the invoice value.

President.—I am coming to the kind of protection a little later on. The protection that you are asking is not only for raw silk, but various substitutes. I understand that all the silk which is now coming into India is included under all these heads.

Mr. Rama Rao.—Some of these heads have been retained more for theoretical purpose than for any practical purpose. The bulk of the silk that is coming here is included in this.

President.—I think you have missed my point. All the silk which is at present coming into India is included in them.

Mr. Rama Rao.—Yes.

President.—As far as the first two qualities are concerned, namely Mathow and Panjam—I am now confining myself to the Chinese silk for the present—I understand that the quantity which is coming now is practically very little.

Mr. Rama Rao.—Yes, I am informed that it is not very much; it is not a very large part of the imports.

President.—The bulk of the imports consists of 5 qualities from White Shanghai to Yellow, Other kinds.

Mr. Rama Rao.—Yes.

President.—Canton steam filature silk which is coming into Bangalore is classified here under White, Other kinds.

Mr. Rama Rao.—Yes.

President.—If I take the ruling price here, *viz.*, Rs. 4-11 per lb. and if I deduct 5 per cent. as stated by you for freight, insurance, handling and other charges, the price comes to Rs. 4-7-3. If I also exclude the duty of 25 per cent. it comes to Rs. 3-8-3.

Mr. Rama Rao.—Yes.

President.—According to the tariff valuation the duty is calculated on Rs. 3-4 and not on Rs. 3-8-3. Therefore to that extent it is a disadvantage to the trade.

Mr. Rama Rao.—I have no doubt whatever when they accepted the valuation, it must be selling at Rs. 3-4.

President.—May I again repeat that this fixed tariff valuation will be in force for one full year? Therefore Rs. 3-4-0 is not the price ruling on that day, but it is an average of the prices of the preceding year.

Mr. Rama Rao.—Yes.

President.—That is the system which the Director General adopts in arriving at the tariff valuation.

Mr. Rama Rao.—It is subject to the disadvantage which I explained before.

President.—If I take this quality into consideration, will that represent a fair price for imported silk into India?

Mr. Rama Rao.—Rs. 3-9-0 at the present moment. Before I can answer your question, I should like to know for what period you wish to take that price. At the present moment it would be a fair price to take.

President.—I don't think the period matters at present for the simple reason that I am now considering what is the lowest price reached at present for the quality which is now competing keenly with the Indian silk. If you tell me that Rs. 3-9-0 is the lowest figure to be taken for the bulk of imports that come into India, then for my purpose that would be satisfactory.

Mr. Rama Rao.—Yes. I find that there are really three kinds which compete with the Indian production. The bulk of the Indian production is what may be classed roughly as second class. Kempanahalli is only a very small part of the Indian production. The bulk of the Mysore production might be classified as second quality. I find the qualities of imported silk which compete against the filature Mysore production are White Shanghai, Duppon, White Shanghai, Other kinds and Yellow Shanghai. It is about these I would have a very careful valuation, if it is not possible to have *ad valorem* on the invoice value.

Mr. Batheja.—Do you mind repeating that?

Mr. Rama Rao.—All the classes except Mathow and Panjam.

President.—I have noted your point, but I would like you to just understand it more clearly. I quite appreciate your point when you say that the bulk as I myself said at the beginning consist not of 4 classes but 5 classes, although it may be that you are not at present affected by the quality coming under "Yellow, Other kinds". For the purpose of discussion I would like to divide the last 4 qualities separately from the Duppon. If you will see Duppon, it is classified separately with the other things which are more or less comparable to the Canton filature silk.

Mr. Rama Rao.—There is a great danger

President.—If I take the last 4 qualities according to the fixed tariff valuation given here, I find the average works out to Rs. 3-11-0 which is practically your figure.

Mr. Rama Rao.—Might I make a suggestion there? I would split up, White Shanghai, Thonkoon and Duppon. I would separate Duppon from that and retain the rest and work out the average.

President.—I cannot because Rs. 2-12-0 quality is distinct from the other qualities.

Mr. Rama Rao.—I would leave out Duppon. You will see that White Shanghai and Thonkoon come under other kinds and we can work out the average at Rs. 3-12-0 or Rs. 3-11-0.

President.—I have worked out the average at Rs. 3-11-0.

Mr. Rama Rao.—If you leave out Duppon, I will accept that.

President.—That is what I am saying. As regards the Duppon, will you tell me what the quantity is that is coming into India?

Mr. Rama Rao.—I shall give you this afternoon.

President.—I take it that you are as much concerned with Duppion as with Canton Steam Filature, and you would also regard Duppion as a serious competitor.

Mr. Rama Rao.—Immediately I would feel the competition more than I expect to do after I have improved my silk a little. At present I do feel the competition of Duppion.

President.—If protection is granted, it would be fair to base the prices of the imported article on everything except Duppion.

Mr. Rama Rao.—Have a separate price for Duppion?

President.—You cannot have a separate price. You mean, “have a separate duty”.

Mr. Rama Rao.—I mean “have a separate valuation”.

President.—What should that be?

Mr. Rama Rao.—It competes with the lowest class. There is a further complication. According to my information Duppion is a name which includes fairly high grade silk which comes from Japan and competes with our second class silks and also very coarse silk which could compete only with our low grade silk. What we are afraid of is that if we adopted that name to represent a uniform quality, we might be allowing a lot of superior silk labelled “Duppion” to come into our country and compete injuriously to our interest.

President.—When I first started the discussion, I started on the assumption that the fixed tariff valuations under the protective scheme may not exist.

Mr. Rama Rao.—I will be very glad if they do not exist.

President.—If I take the invoice price as the correct value and if I base my duty on that, I would like to know what part Duppion plays with regard to prices.

Mr. Rama Rao.—Fine silk labelled ‘Duppion’ could not come in sailing under false colours. If we took the invoice value, this danger would be sufficiently met.

President.—I may draw your attention to your answer to question 44. The difference between Duppion and the kind of quality which is coming into competition is much less than the difference between the first quality charkha silk and the Canton Steam Filature.

Mr. Rama Rao.—Here Duppion is vitiated by the ambiguity which attaches to the term. Here the Japanese Duppion which is of a very good quality is also coming under the same name. If you take the two together, we get a fairly high average. Duppion pays the duty on the basis of the tariff valuation at Rs. 2-12-0, whereas this Japanese stuff sells at Rs. 4-6-0.

President.—The point is this: the Duppion which according to you is valued at Rs. 4-11-0 but pays a duty of 25 per cent. on Rs. 2-12-0.

Mr. Rama Rao.—That is my trouble.

President.—Therefore the fixed tariff valuation as it is stated is unfair to the manufacturers.

Mr. Rama Rao.—Yes.

Mr. Boag.—This price that you gave of Rs. 4-6-0 in Bangalore corresponds to an ex-duty price of Rs. 2-13-0.

President.—The figure works out as Rs. 3-1-0 excluding other charges and duty as against Rs. 2-12-0, fixed tariff valuation.

Mr. Rama Rao.—The difference of 5 annas represents the average of that class including the other qualities.

President.—You have given me two or three extracts showing the kind of assistance which the Chinese Government are giving to the silk merchants in China. How far can you put reliance on that information?

Mr. Rama Rao.—I shall tell you the source of my information. We have got a correspondent in Japan. He was formerly a silk expert employed

by us. He is now our correspondent in Japan who keeps us informed of the market values in the sericultural world. He is in touch with the most reliable sources of information in Japan including official sources. The information that he has given us can be said to have been based upon official sources if it is based upon the report of the Ministry of Agriculture.

President.—You are now talking of Japan?

Mr. Rama Rao.—Yes.

President.—I am now talking of China.

Mr. Rama Rao.—The information about Chinese is obtained from Japan through the Ministry of Agriculture.

President.—They are not directly from China?

Mr. Rama Rao.—The extracts that we have given are from Japanese sources. It has been our experience that Japanese information and anything relating to Sericulture is very accurate, especially official information.

President.—What position does the person who has supplied you the information occupy?

Mr. Rama Rao.—He was formerly the head of a prefectural School of Sericulture. He was selected for us by the Indo-Japanese Association. He worked with us for 3 or 4 years and went back to his native country when the earthquake occurred. The other is the official report of an organised Association for the promotion of Sericulture.

President.—I would like to know along with this what concessions and financial assistance is the Mysore Government at present giving to the trade and industry here.

Mr. Rama Rao.—To the industry?

President.—I am now confining myself to Sericulture.

Mr. Rama Rao.—I am answering you on that understanding. It has placed at the disposal of the industry the services of the Sericultural Department and the staff of the Industries and Commerce Department. It has been selling these domestic basins at prices very much below cost. It has been subsidising the production of seed. It has organised a seed campaign at considerable cost and it has been selling seed from Government grainages and distributing seed crops. When seed is sold, it is sold below cost. It has been subsidising the Silk Association which is the non-official organ of the industry in the State. That is what the Government has been doing at present. It also lends money. It has placed one branch of the Co-operative Department at the disposal of the industry for co-operative organisation of the industry.

President.—If protection is granted, may I know, as you represent the Mysore Government here, what further assistance they propose to render to the Industry?

Mr. Rama Rao.—I have no instructions. Speaking for myself, in consonance with the policy that the Government have already pursued, I am sure that Government will extend whatever facilities the circumstances of the case may require.

President.—It would be helpful in view of the burden which is sought to be imposed on British India along with the Native States if you could send me a considered note on behalf of the Government as to what assistance financial or otherwise they are prepared to give under the scheme of protection to the Sericulturists.

Mr. Rama Rao.—I am not looking at the question as Director of Industries and Commerce. If so, I cannot commit Government, but supposing I looked at it from the point of view of the Government just as the Tariff Board and British India would like to know what the Mysore Government are going to do if protection is granted, the Mysore Government might equally say "what protection are you going to extend to us in return". It is very difficult to give an answer.

President.—It is for us to judge. I want this question to be answered by the Government after they have given full consideration to it. Will you please send us a considered note on this subject?

Mr. Rama Rao.—I can only say I cannot commit Government.

President.—I am not asking you to commit Government. I want the considered view of your Government to be sent in the form of a note. You may communicate the question to your Government.

Mr. Rama Rao.—I shall do so.

President.—As regards your reply to question 50, so far as silk trade is concerned, the question of spinning the silk waste has not been seriously considered.

Mr. Rama Rao.—We have been exercised so much by the silk that we have had hardly any time for the waste.

President.—I want to understand whether this figure of Rs. 6 lakhs which you have given at the amount required for the installation of a spinning plant for dealing with the total quantity of waste produced in India has been fully gone into.

Mr. Rama Rao.—Those are the estimates that we got from a firm of manufacturers.

President.—I want to know how you arrived at the total quantity of waste.

Mr. Rama Rao.—From the silk production in India we have worked back to the waste.

President.—The silk production in India according to your figure is 20 lakhs of lbs. May I take it that you have taken the waste at 10 lakhs of lbs?

Mr. Rama Rao.—Yes.

President.—Will you please furnish me the details of Rs. 6 lakhs?

Mr. Rama Rao.—We shall submit a copy of the estimate. The estimates are not in any detail. We could not get detailed estimates. We will have to look into it after we have got protection.

President.—The next question that you have dealt with is about the competition in America between China and Japan and your conclusion is that China has been ousted from American market and is therefore seeking an outlet into India.

Mr. Rama Rao.—Yes.

President.—May I know whether you are aware of the reasons which led China to lose the market in America?

Mr. Rama Rao.—It is a question of better trade organisation.

President.—It would be interesting for you to know that I found from a book entitled "History of the Silk Industry in the United States of America" that the reason why the China silk was ousted from American markets was somewhat similar to the reason why the Indian silk has now been replaced by the Chinese silk.

Mr. Rama Rao.—Yes, due to inferior quality.

President.—Chinese silk was carelessly reeled, filled with dirt and was decidedly poor in respect of uniformity of size and strength.

Mr. Rama Rao.—Yes.

President.—It was entirely due to the conditioning house which was established in America in 1907 and which formed itself into a testing Company later on that the Chinese trade in silk diminished in America.

Mr. Rama Rao.—Now we propose to establish a conditioning house in India.

President.—That is why I said that it might solve one of your difficulties with regard to the quality of silk.

Mr. Rama Rao.—Quite so.

Mr. Boag.—I should like to revert to the question of the conditioning house. Do you contemplate legislation making it compulsory that all silk produced in India and all silk imported should pass through a conditioning house?

Mr. Rama Rao.—I have not thought sufficiently about it, but I think legislation would be unnecessary. If the Chambers of Commerce exercised their influence on behalf of the conditioned silk and if they ignored unconditioned silk, I think that the requirements of trade and of the market would provide the necessary sanction for enforcing the condition. Legislation would be unnecessary. In France, for instance, the matter is entirely in the hands of the Chamber of Commerce.

Mr. Boag.—In France, as I understand, the silk is used by factories of some size. In this country the great bulk of the silk is used by handlooms.

Mr. Rama Rao.—Yes.

Mr. Boag.—Do you consider the handloom weaver a sufficiently enlightened person to realise the advantages of a conditioning house unless he is practically compelled to buy silk which has been tested?

Mr. Rama Rao.—The handloom weaver would certainly attach some value to an assurance of quality from a merchant with whom he is habituated to deal. The handloom weaver now feels that he is not able to exert much influence upon the suppliers in regard to quality. If he knows that there is a body which can and does use a lot of influence to secure a certain standard, he will value the intervention of that body in the form of a certificate.

Mr. Boag.—Even though his silk costs him a little more.

Mr. Rama Rao.—Yes. Just now the handloom weaver does go to the merchant and buys silk from him, because he has faith in the merchant. This conditioning house run by a Chamber of Commerce seems to me to be the same merchant—reliable merchant—magnified several diameters and equipped with efficient machinery. So I do think that a conditioning house would carry weight with the purchaser.

Mr. Boag.—You don't think that an element of compulsion would be necessary?

Mr. Rama Rao.—I don't think it would be necessary. If it was, I would not hesitate to legislate. I would however not do it precipitately. I would go step by step, according to the measure of the necessity.

Mr. Boag.—As regards your answer to question 46, about the concessions given by the Chinese Government, have you any confirmation of this information from other sources?

Mr. Rama Rao.—No.

Mr. Boag.—You have no other information?

Mr. Rama Rao.—No.

Mr. Boag.—I ask that question because we have been definitely told that the export of silk is not subsidised.

Mr. Rama Rao.—Would you permit me to read a few lines, from this publication, which I think is entitled to consideration? Read: Bureau of Sericulture—Countermeasures taken by the Chinese Government—"The Government of China has decided to take six years successfully". From the internal evidence it appears that it is from an official source of information.

Mr. Boag.—The only comment I wish to make on what you have just read is that in your written answer you have converted the future into the past tense.

Mr. Rama Rao.—From the words "has decided", I think the past tense is justified. Read.

Mr. Boag.—This is from the same authority.

Mr. Rama Rao.—Yes, a few months later from the report of the Japanese Consul in China to the Bureau at Tokyo.

Mr. Boag.—Is the rate of subsidy given?

Mr. Rama Rao.—100 yuans or 2 shillings for every bale of 133 lbs.

Mr. Boag.—The earlier extract that you read stated the quantity to which the subsidy should be applied.

Mr. Rama Rao.—It doesn't state the quantity. It only mentions the places.

Mr. Batheja.—What are the names of the places?

Mr. Rama Rao.—Chekiang and Kiangsu?

Mr. Boag.—I shall proceed to the latter part of the answer which I take it is yours. That is from "all the measures indicate that the filature were in a position to sell silk at prices below normal costs of production". You have given the French prices of Canton and Shanghai silks. Have you got the French prices of other silks?

Mr. Rama Rao.—Yes, I think we have. I shall send them later to you.

Mr. Boag.—In your annexure to question 47, you have given us a statement showing the results of certain tests that have been applied to your own silk and various imported silks. I take it that these tests were made in the Mysore Government filature.

Mr. Rama Rao.—Yes.

Mr. Boag.—I should just like to be clear about the meaning of the figures under winding, I take it that they indicate the number of breaks of thread in each half hour. What do those under uniformity indicate?

Mr. Rama Rao.—Those are the deniers. Supposing the specification of that silk is 32/36, if a number of tests were taken, the weight should not fall below 32 or go beyond 36. Those are the permissible limits and the average should be the average between 32 and 36 more or less. The average is 37.75 and the variation is between 35 and 40.

Mr. Boag.—That is the first one.

Mr. Rama Rao.—That is the significance of the test.

Mr. Boag.—What length do you take?

Mr. Rama Rao.—450 meters. The American standard is 475. The European standard is 450 meters.

Mr. Boag.—You have taken four lengths in each case.

Mr. Rama Rao.—Yes.

Mr. Boag.—How do you judge nerve?

Mr. Rama Rao.—By the feel. That is an expert test.

Mr. Boag.—It can't be measured.

Mr. Rama Rao.—No.

Mr. Boag.—It is simply done by feel.

Mr. Rama Rao.—Yes, and its correctness depends on experience.

Mr. Boag.—Elasticity?

Mr. Rama Rao.—Elasticity is judged by taking a filament, stretching it between two fixed points and then subjecting it to a gradually increasing tension till it breaks. The extent to which it stretches before snapping is an index of its elasticity.

Mr. Boag.—What is this figure of 16.4?

Mr. Rama Rao.—That is the percentage of the elongation which it undergoes before it finally snaps.

Mr. Boag.—That is the percentage of stretch.

Mr. Rama Rao.—Yes.

Mr. Boag.—Have you any authoritative statement which would enable us to decide whether these averages are good, bad or indifferent?

Mr. Rama Rao.—We have given the information in our note.

Mr. Boag.—In the case of tenacity these figures are 84 and 82.

Mr. Rama Rao.—That is the number of grammes which it supports before breaking. As I told you the thread is subjected to a gradually increasing strain. The breaking strain divided by the denier of the thread gives the weight which it is able to support per denier.

Mr. Boag.—This is the number of grammes per denier.

Mr. Rama Rao.—The figure is the total number of grammes in the test. You have to divide it by the average denier of the filament tested.

Mr. Batheja.—How do you get the figures of uniformity?

Mr. Rama Rao.—That is by taking the various lengths in the thread under examination and testing them to see whether they correspond to description of size.

Mr. Batheja.—How is it effectively done?

Mr. Rama Rao.—The size represents the weight of a given length of the thread under examination, the unit length taken being 450 meters. The length is taken on an appliance called an epronvette. A certain number of revolutions of this epronvette give you a certain length of thread. You then weigh that length of thread in a scale of a peculiar construction, which gives you the denier of the thread. That is how uniformity is measured.

Mr. Batheja.—In reply to question 38, you have given us figures about the total Indian demand for raw silk and the total Indian production. May I know how you arrived at these figures?

Mr. Rama Rao.—The total Indian demand for raw silk is got by adding the figures of imports to the home production. As regards the method of calculating the home production I have already submitted to the Board, how this is done. We know our own production and we have got the reports of the other parts of India where silk is produced and we base our estimates upon them.

Mr. Batheja.—How did you estimate the production of Bengal?

Mr. Rama Rao.—We have got information that Bengal has 25,000 acres.

Mr. Boag.—You assume the same yield as you get per acre?

Mr. Rama Rao.—Yes.

Mr. Batheja.—Irrespective of any change of local conditions you apply your own standards?

Mr. Rama Rao.—Yes.

Mr. Batheja.—So far as Bengal is concerned you have only figures of acreage?

Mr. Rama Rao.—Yes.

Mr. Batheja.—Have you been maintaining these figures for a number of years just to find out how the demand is getting on?

Mr. Rama Rao.—As regards the Indian demand we have always known these figures, though we have not been under any necessity to tabulate them. We have been always in possession of them. In fact it was with reference to these figures that we were asking for protection.

Mr. Batheja.—Do you find any tendency of the demand for silk to increase in Mysore as a result of the fall of prices?

Mr. Rama Rao.—Yes. As we have stated, there is more silk weaving, more silk looms at work than there were a few years ago.

Mr. Batheja.—You expect to see a tremendous fall off again if the price is raised as the result of any protection granted?

Mr. Rama Rao.—I should not be surprised if that happened. I would expect it. I think I have stated that.

Mr. Batheja.—In reply to question 39, you have given us a figure of one anna per seer of 26½ tolas as commission charged to the koti owner, that is the reeler. I find on page 2 of your printed replies that you have mentioned a different figure. There the figure is 1½ annas per lb.

Mr. Rama Rao.—1½ seer to a lb.

Mr. Batheja.—It works out to the same rate.

Mr. Rama Rao.—Yes.

Mr. Batheja.—Later on you have mentioned that the exporting houses have their agents all over the State, to buy all the silk waste and export

it through Madras or Bombay. Could you give us the names of the exporting houses?

Mr. Rama Rao.—Volkart Brothers.

Mr. Batheja.—They are European firms?

Mr. Rama Rao.—Yes.

Mr. Batheja.—Who are their agents?

Mr. Rama Rao.—Any number of local agents. They are more frequently individuals than firms.

Mr. Batheja.—Is that their main occupation?

Mr. Rama Rao.—They earn some commission that way. They are sometimes silk reellers—usually silk merchants.

Mr. Batheja.—In reply to question 40, you have made a statement that foreign silk is coming into Madras also. How do the Madras transporting charges compare with your transporting charges in common markets?

Mr. Rama Rao.—Our common markets are Salem and Conjeevaram. The silk coming through Tuticorin competes with us in Kumbakonam.

Mr. Batheja.—Has Madras any advantage over you?

Mr. Rama Rao.—You mean any advantage in the shape of freight? Whatever advantage there is, it is in price. As regards Conjeevaram the advantage of freight is also added on to the price.

Mr. Batheja.—Please give us figures for Tuticorin.

Mr. Rama Rao.—Yes.

Mr. Batheja.—Is any large proportion of foreign silk coming into Madras.

Mr. Rama Rao.—That is a recent feature. The imports from Tuticorin were not very important 10 or 12 years ago. I investigated the South Indian markets 10 years ago. The imports from Tuticorin were not so much as they have grown since, and it is a quarter or third of the total imports into India which means that the South Indian market which used to be our traditional market for silk is also badly invaded.

Mr. Batheja.—In reply to question 42, you have made a statement about grading. I put this question to the Raw Silk Merchants Association and we got answers. Have you heard those answers? Could you amplify those answers?

Mr. Rama Rao.—I was here when the Raw Silk Merchants Association was examined. If the Board would like me to explain how the grading such as it is, is done, I should be glad to do so.

Mr. Batheja.—I should like to have a discussion of the system of grading adopted for charka.

Mr. Rama Rao.—The grading done in the koties here has no relation whatever to any grading in the villages where the silk is produced. The koties here get silk from many sources and they have to do some kind of grading. So there is generally a rough kind of grading, which has no pretensions to being scientific. The points generally taken in view are colour, apparent quality so far as it can be judged by mere sight, and freedom from defects. I have given a demonstration as to how every skein is examined with a view to assess freedom from uncleanness and foreign matter. Nerve is examined. Our merchants are experts in this matter. They have developed what may be called a special sense. On these points they grade into 4 qualities which represent roughly a difference of about 8 annas.

Mr. Batheja.—That is between two neighbouring grades and between first and last?

Mr. Rama Rao.—The exact difference depends upon what demand there is for one grade rather than for another grade. But ordinarily the difference between two neighbouring grades is 8 annas or 12 annas. This is the grading that is done in the koties of the merchants, but in the villages the man who reels silk has no particular grade in his mind. His anxiety is

generally to get through his stock of cocoons as quickly as he can, but there are some villages which cherish a tradition for good reeling such as Kempanahalli and Sidlaghatta. In these places, there are two kinds of reeling done, both of them superior to the average reeling. The kinds depend upon the number of cocoons taken to make the thread. A good reeler takes about 10 cocoons and you might say that the silk is on an average of 20/22. A reeler who is not so good or a reeler who wants to reel a slightly bigger silk may take 15 cocoons. He would get 28/30. The result is that there are two easily recognisable grades produced, a fine one and a thicker one.

Mr. Batheja.—Grading is done in quality centres.

Mr. Rama Rao.—Kempanahalli and Sidlaghatta silk is what we would grade as first quality Mysore silk, but a very large proportion of the silk reeled in the country is reeled by people who are anxious to get through the work unless it is reeled to order.

Mr. Batheja.—The prices which you have given in Annexure to question No. 43, page 29 of the printed replies, what qualities do these silks represent?

Mr. Rama Rao.—Here they represent the average qualities for each of the places mentioned. The average for the place has no reference to the merchants' average that I was speaking of.

Mr. Batheja.—I don't understand.

Mr. Rama Rao.—This is the average price for the place. As I told you two kinds of silk are reeled in Kempanahalli and Sidlaghatta. I have not graded Sidlaghatta (1), and Sidlaghatta (2) and Kempanahalli (1) and Kempanahalli (2). The figure I have given is the average of (1) and (2).

Mr. Batheja.—How did you arrive at these figures? Have you got the prices from the Bangalore market?

Mr. Rama Rao.—From the Bangalore market where Kempanahalli silk comes.

Mr. Batheja.—In the statement it is said "Prices at which Mysore silk was sold in Bangalore for the years 1931-32". Did you get the prices for (1) and (2) Kempanahalli silk and average it?

Mr. Rama Rao.—I think that was how the average was arrived at. We will show you the calculation.

Mr. Batheja.—You took the middle point irrespective of the quantity of first or second quality.

Mr. Rama Rao.—Yes.

Mr. Batheja.—Is first quality produced in very large quantities?

Mr. Rama Rao.—They are produced in equal quantities.

Mr. Batheja.—It was simply an arithmetical average.

Mr. Rama Rao.—It would be fairly accurate.

Mr. Batheja.—I believe you replied in answer to question 44 with a table containing pure Mysore silk prices. What do you mean by "Mysore silk" there?

Mr. Rama Rao.—The Mysore silk first quality is Kempanahalli and Sidlaghatta. The second quality is Channapatna.

Mr. Batheja.—The second quality corresponds to Channapatna silk.

Mr. Rama Rao.—Ordinary Channapatna silk.

Mr. Batheja.—How many kinds of Channapatna silk are there?

Mr. Rama Rao.—As many kinds as there are reelers in Channapatna.

Mr. Batheja.—I am talking of grades.

Mr. Rama Rao.—As many grades as there are reeling establishments. As I said since we have no standard, it is difficult to produce a uniform silk.

Mr. Batheja.—What would be the cost of equipping a conditioning house suitable for the Bangalore market?

Mr. Rama Rao.—We prepared an estimate long ago. We might take it at about Rs. 25,000 and Rs. 50,000.

Mr. Batheja.—That will serve all your purpose.

Mr. Rama Rao.—It would serve all the purposes of a conditioning house in Bangalore.

Mr. Batheja.—Will such a certificate satisfy the customers outside Mysore?

Mr. Rama Rao.—It would depend upon the authority behind the conditioning house. If the certificate represents the guarantee of the Chamber of Commerce or any other body which runs the conditioning house, it would have weight in the silk markets in India. It would have weight, because the certificate would be issued by the Chamber of Commerce of which the Silk Association is a member and of which also most of the important silk merchants are members.

Mr. Batheja.—Is the commercial opinion so advanced in other parts of India as to rely simply upon the certificate of a local Chamber of Commerce?

Mr. Rama Rao.—I think so. Our customers now rely upon the guarantee of our merchants. They would certainly rely upon the certificate issued by a Chamber of Commerce which consists not only of our silk merchants but of all our biggest merchants, and which is certainly a more authoritative and bigger entity than any single person could be.

Mr. Batheja.—There may be practical difficulties in this way. Reading some of the American journals about silk, I notice even the certificate of the Imperial Conditioning House in Yokohama is being questioned in America.

Mr. Rama Rao.—We shall be content to suffer the same fate as the Imperial Conditioning House in Yokohama.

Mr. Batheja.—In view of these possible difficulties, would it be advisable to have one central conditioning house for the whole of India?

Mr. Rama Rao.—For the whole of the state I would have one conditioning house. I would like to have 3 conditioning houses, one in Bangalore, one in Bombay to deal with the imported silk and another at Benares where I think silk from Bengal and from Kashmir passes.

Mr. Batheja.—Would it not be better to have one Central Conditioning House which might have an objective test and an All-India test for all kinds of silk produced and imported?

Mr. Rama Rao.—It would be a top heavy conditioning house. It would never be able to deal with the mass of work.

Mr. Batheja.—It won't understand the practical difficulties.

Mr. Rama Rao.—I want to have a certain kind of co-ordination.

Mr. Batheja.—How will you have it?

Mr. Rama Rao.—By having a Central Silk Organisation which might be in a central place. I am not prepared just now to say what would be such a place. I would have a Central Silk Association which would deal firstly with the research side of Sericulture, secondly with the industrial side of Sericulture and thirdly with the technical side of Sericulture. The work of the conditioning houses would come under review there, and the difficulties met with in practice would be discussed with a view to arriving at a satisfactory solution which would command the ready acceptance of all of them. With each conference there would be a greater degree of uniformity, and industrialisation would be enabled to proceed harmoniously. I do not want a conflict between Bengal and Kashmir or between Bengal and ourselves or between Kashmir and ourselves. The Central organisation trying to co-ordinate the industrial advance of the various sericultural parts would bring about harmony in Indian Sericulture, and also the research section would extend to all the benefits of the latest developments in sericultural science.

Mr. Batheja.—If the tests of these 3 conditioning houses are to be guaranteed by a Central Silk Association, it assumes that there must be a body to set up called "The Central Silk Association".

Mr. Rama Rao.—Yes.

Mr. Batheja.—What would be the authority for setting up the Association?

Mr. Rama Rao.—We have a model to which we can naturally conform. That is the Imperial Council of Agricultural Research.

Mr. Batheja.—Such an Association will be set up by the Government of India?

Mr. Rama Rao.—Yes.

President.—It is a very laudable scheme.

Mr. Rama Rao.—I hope it will come to pass.

Mr. Batheja.—In reply to question 41 you have said that silk produced in Mysore is re-reeled and twisted and then sold for weaving.

Mr. Rama Rao.—Yes.

Mr. Batheja.—Cannot all these operations be performed at Bangalore in the interests of economy?

Mr. Rama Rao.—It is being done in Bangalore to a very great extent.

Mr. Batheja.—So the dealers do not do much of this work.

Mr. Rama Rao.—The dealers do not do it at all. People who send silk to Hubli, Belgaum and other places have got the silk thrown in the various throwing establishments.

Mr. Batheja.—In Bangalore itself?

Mr. Rama Rao.—Yes.

Mr. Batheja.—These operations are not performed in places where the weavers are actually at work.

Mr. Rama Rao.—No. It is done in throwing establishments situated in Bangalore.

Mr. Batheja.—You submitted a proposal about a conditioning house being started in Bangalore some time back. When did you do that?

Mr. Rama Rao.—I submitted it in 1925. It was part of a comprehensive proposal, which included the organisation of the Silk Association. The result was that first we started the Silk Association. Later on we hope to have a conditioning house.

Mr. Batheja.—Why was not the proposal sanctioned?

Mr. Rama Rao.—We have not given it up.

Mr. Batheja.—What practical difficulties were there?

Mr. Rama Rao.—The competition of foreign silk swamped all our efforts. It sterilised, so to speak, most of the work that we were doing. It swamped our domestic basins. It swamped our conditioning house.

Mr. Batheja.—In reply to question 45, you have given the figures of imported silks. Could you give us a statement showing the proportions of each kind?

Mr. Rama Rao.—I shall try to give you.

Mr. Batheja.—In reply to question 46, you have worked out the cost of production of a lb. of silk in China in August 1930 and you are taking Rs. 88 as the rate of exchange per 100 canton dollars. Was this exchange prevailing at that time?

Mr. Rama Rao.—Yes.

Mr. Batheja.—I suppose you distinguish Canton from Hongkong dollars.

Mr. Rama Rao.—We do.

Mr. Batheja.—Where can we obtain the rate of exchange for Canton dollars?

Mr. Khan.—To show the ratio for that particular month, I have got transactions.

Mr. Batheja.—With all respect to you, we have to verify that.

President.—Can you give me the exchange?

Mr. Khan.—Yes.

Mr. Batheja.—Can you refer me to any authoritative publication?

Mr. Khan.—Yes.

Mr. Batheja.—In answer to question 46, you say “the actual price at Bangalore to silk merchants should have been Rs. 6-14 per lb. whereas koties in Bangalore have actually sold this silk at Rs. 5-14 to Rs. 6-2 per lb”. Are you talking of the same silk?

Mr. Rama Rao.—We are talking of Canton filature silk.

Mr. Batheja.—Are all these figures for Canton Steam filature silk?

Mr. Rama Rao.—Yes.

Mr. Batheja.—Are you quite sure that there has been no deterioration in quality?

Mr. Rama Rao.—Perhaps the silk is not as good. It is lacking in uniformity. There has been deterioration in quality. Incidentally I may remark that is what I would expect if the filatures were selling at a loss.

Mr. Batheja.—I want to be quite sure the cost which you have worked out per lb. of silk means the same silk which was sold in Bangalore at a particular price.

Mr. Rama Rao.—Yes.

Mr. Batheja.—There is no confusion on that account?

Mr. Rama Rao.—No.

Mr. Batheja.—You have given us also the prices prevailing in Canton in August, 1930. Where did you get this quotation—800 dollars for 133 lbs.?

Mr. Rama Rao.—We have got the figures from an authoritative publication.

* *Mr. Batheja.*—Would you be able to spare this publication?

Mr. Rama Rao.—We can lend it to you for reference.

Mr. Batheja.—In the extracts which you have given from the Association of Raw and Waste Silk Exporters of Canton, you refer to the continued drops in exchange on page 24 of your answers to questionnaire. What do you mean by the drop in exchanges—drop in Indian exchange or foreign exchange? It all depends on how the exchange is quoted.

Mr. Rama Rao.—I am merely quoting them. I do not know what exactly they mean.

Mr. Batheja.—It may mean the exchange was unfavourable to China. Shall I interpret the phrase that way?

Mr. Rama Rao.—I do not know if they mean that. It certainly bears that interpretation. I believe what they were thinking of was the unsteadiness of the cocoon market owing to uncertainty in the value of money. I thought they were referring to the disorganisation of the filature industry owing to the uncertainty about the working costs.

Mr. Batheja.—Is it uncertainty or distinct unfavourable character?

Mr. Rama Rao.—I can only tell you how I understood them. I thought that they were referring to the disorganisation of their business generally owing to the uncertainty of the money.

Mr. Batheja.—When you read the information from the Japanese Correspondent regarding the concessions given by the Chinese Government, you mentioned certain advances of Rs. 30 lakhs and 40 lakhs. Does your informant say that these advances are free of interest?

Mr. Rama Rao.—No.

Mr. Batheja.—In reply to question 48, you make a statement that the imports from Japan have also increased considerably during 1932, when exchange was favourable for imports. Looking at the table supplied by you, I find the exchange was unfavourable.

Mr. Rama Rao.—The exchange is favourable.

Mr. Batheja.—For what months are you referring to?

Mr. Rama Rao.—The latter part of 1931.

Mr. Batheja.—After September the Chinese exchange is rising and that is unfavourable to imports in the latter part of 1931. After September the exchange is rising.

Mr. Rama Rao.—You are right.

Mr. Batheja.—It was unfavourable to imports.

Mr. Rama Rao.—There were two unfavourable causes. One was the cause that you indicated.

Mr. Batheja.—Anyhow your statement is incorrect.

Mr. Rama Rao.—If it is incorrect, I shall gladly accept correction.

Mr. Batheja.—You have repeated this remark again in the succeeding paragraph if exchange was favourable. You say "This restricted imports of silk from Canton also during 1931 though the exchange was favourable".

Mr. Rama Rao.—There, I am afraid I am right.

Mr. Batheja.—You will agree that for the last part of 1931 the exchange was rising and that the exchange was unfavourable. In the first part it was fairly steady.

Mr. Rama Rao.—From 73 to 64. It is not steady.

Mr. Batheja.—The range is between 73 and 64.

Mr. Rama Rao.—My assistant draws attention to the fact that there is a certain lag between cause and effect when we are speaking of the effects of exchange and therefore a couple of months has to be allowed here. The imports at the end of 1931 depend upon the exchange not at the end of 1931, but the position of the middle of 1931, and the exchange position in the middle of 1931 was decidedly favourable to exports. After all, that is a matter of inference from figures and I may be wrong.

Mr. Batheja.—In reply to question 53 the causes of the decline of the industry are not permanent. To the extent that the silk waste yarn is being replaced by artificial silk, don't you think that the causes of the decline are permanent.

Mr. Rama Rao.—No.

Mr. Batheja.—Is not artificial silk yarn competing with silk waste yarn?

Mr. Rama Rao.—Yes, to a certain extent; but that is a very minor cause altogether. The real cause of the decline is the competition of foreign silk.

Mr. Batheja.—Didn't we gather that most of the profits of the cottage workers are derived from the sale of silk waste?

Mr. Rama Rao.—I didn't say that most of the profits of the silk industry consisted of silk waste. I made no such statement.

Mr. Batheja.—You don't support that statement?

Mr. Rama Rao.—Not in that general form. I would certainly say that everything helps in a time of stress. If we can get a price however small for the waste, it would be helpful. As I submitted yesterday I think it possible to produce at the same cost three times the volume of silk that we are producing now. That being so, I do not think that a decrease in the price of silk waste is going to upset the sericultural industry.

Mr. Rama Rao.—Before you begin, I have a request to make. The estimates for the 72 basin and 200 basin filatures that we have given seem to me to require further examination. So, I shall revise them and submit them later.

President.—I shall now discuss with you the claims of the industry in relation to the conditions of the Fiscal Commission. As you know, there are three conditions laid down by the Fiscal Commission which are to be satisfied by the industry before the claim to protection is established. It is not very difficult generally to fulfil the first two conditions. The first condition relates to an abundant supply of raw material; cheap power, a sufficient supply of labour, a large home market and so on; the second condition is that without protection the industry is not likely to develop at all or so rapidly as is desirable in the interests of the country, your memorandum as well as your replies to the questionnaire point to the fact that the industry is not likely to develop without protection?

Mr. Rama Rao.—That is our position.

President.—The third condition lays down that the industry should, after the protective period is over, be able to stand on its own legs. It is necessary that I should inform you what it exactly means. Before I go into details I must make the position of the Board very clear, namely that we are now having a discussion without the Board in any way committing itself to the proposals which may be put forward for the purposes of discussion. The object of the discussion is to know exactly what the Mysore Government would like to represent before the Board with regard to the protective scheme. If the period for the protection be fixed for 15 years as suggested by you, it must be reasonably possible for the Board to ascertain from the facts placed before them that the Industry would be able to stand on its own legs, that is to say, with a 15 per cent. normal revenue duty, it would be able to carry on. That is the position which has always been taken up by the Board when they consider the claim of the industry to protection. For the purpose of duty, you have asked the Board to take into consideration the cost price of Mysore domestic basin?

Mr. Rama Rao.—Yes, at the present time.

President.—Probably due to the fact that the filature which is run by Government is not an economical unit at present?

Mr. Rama Rao.—That is so.

President.—But if any economical unit were to be adopted, then, according to your opinion, it should be of a filature with 72 basins?

Mr. Rama Rao.—Yes.

President.—I would like to know whether I could take the figure of Rs. 7-8 in place of Rs. 7-14.

Mr. Rama Rao.—Immediately, you mean?

President.—Yes.

Mr. Rama Rao.—That is to say, taking the price of cocoons at the present figure, that would be right.

President.—Then I would take that as the figure for discussion. If I took this Rs. 7-8 as the price which the Indian silk ought to fetch as a fair selling price in India and if I took the 40 per cent., the figure suggested by you in answer to question 60, as the amount of reduction that could be effected during the period of protection—as far as the details are concerned, we have agreed that we shall discuss them in camera when the figures revised by you are ready—it would work out roughly to Rs. 3. If I deducted that from Rs. 7-8, then the costs at the end of the protective period would be Rs. 4-8.

Mr. Rama Rao.—Yes.

President.—As regards the selling price of the imported article it is Rs. 3-9 ex-duty in Bombay.

Mr. Rama Rao.—Yes, of foreign silk at the present moment; this price I consider to be temporary. I don't think that the foreign silk will continue to sell at that price.

President.—It is a matter of great satisfaction to know that your opinion is that Rs. 3-9 is the rock bottom price.

Mr. Rama Rao.—Below rock bottom price.

President.—For the purpose of our discussion when actual sales have taken place at that price, we shall take this figure.

Mr. Rama Rao.—It is not possible to sell at prices lower than that.

President.—I will take your statement at the moment, though I am not so optimistic that the Chinese won't be able to reduce their price below Rs. 3-9.

Mr. Rama Rao.—I would put it in this way that they cannot for long continue to sell at that figure or at a lower figure.

President.—When you say "for long", you are speaking comparatively. It may be sufficiently long to do harm to the industry. It is for the Board to decide what price it will have to take—whether Rs. 3-9 or anything below that. As far as the present price is concerned I take it that Rs. 3-9 with 15 per cent. revenue duty works out to Rs. 4-2. Again taking Rs. 3-9 as the price for the purpose of discussion with the 100 per cent. protective duty which is what you have asked for, it comes to Rs. 7-2. Now I think with these two figures before me, I can say that the price at the end of the protective period would be somewhere in the neighbourhood of Rs. 4. When we are discussing the details, it might be possible to bring about this result, so that the third condition may be satisfied, namely with 15 per cent. revenue duty, after the periods of 15 years is over, it would be possible for the industry to stand on its own legs. I think that it would be possible to arrive at a figure of Rs. 4 as the cost and fair-selling price in India.

Mr. Rama Rao.—Yes.

President.—I would now like to discuss the next question, viz., the question of direct and indirect protection which the industry requires. The direct protection, as I understand it, is the protection of Indian raw silk against imported raw silk?

Mr. Rama Rao.—Yes.

President.—As regards imports, in the course of the last ten months China has sent 25,23,737 lbs. out of the total of 27,58,231 lbs. After China, I find that Japan has also made a rapid progress. In 1931-32 Japan sent to this country 28,394 lbs. and this year during the same period she has sent to India as many as 153,469 lbs. When protection is suggested against Chinese silk, I take it that you would also want protection against silk coming from Japan and that the 100 per cent. duty proposed by you has been arrived at after having seen the prices of both these qualities?

Mr. Rama Rao.—Yes, I expect that it would be an effective protection against imports from both countries.

President.—I come now to the question of protection to the silk goods. You have asked for a correlated duty of 125 per cent.?

Mr. Rama Rao.—Yes.

President.—You are aware that the present budget has somewhat changed the duties which were prevailing until now?

Mr. Rama Rao.—Yes, those on artificial silk.

President.—I have been told—I would like to verify that statement--by those who have actually seen the budget that specific duty has also been proposed for the silk goods as well as the artificial silk fabrics?

Mr. Rama Rao.—You referred to that on the first day of the enquiry and the only reference I was able to secure was the newspaper report of the Finance Member's speech presenting the budget.

President.—I think that my information is correct namely that the specific duty is also proposed to be levied on silk goods?

Mr. Rama Rao.—Yes.

President.—The specific duty is 4 annas per square yard.

Mr. Boag.—It will only apply to silk goods whose value is 8 annas a yard or less.

President.—That is how it will work in actual practice.

Mr. Rama Rao.—That would be 50 per cent. duty.

President.—That is the present *ad valorem* duty. Have you any opinion to express about the specific duty? You have not given thought to it.

Mr. Rama Rao.—I have thought about it but I am not committed to any answer about it. A specific duty, with an alternative *ad valorem* at 100 per cent., whichever is higher would be satisfactory, we are quite willing to consider that. It has got its merits.

President.—It is not for you to consider it?

Mr. Rama Rao.—I mean we could consider whether we could consent to such a proposal.

President.—I am not asking you even to consent to it. All that I say is that as far as the Mysore Government is concerned, they think that a 100 per cent. *ad valorem* duty on raw silk is an effective protection to the industry?

Mr. Rama Rao.—Yes. We have not thought of the specific duty.

President.—That is the position which I wanted to make clear. There are other proposals before the Board which they will consider in due course. As regards the 125 per cent. duty asked for on silk fabrics I find that in one of your replies you have stated that the cost of raw silk to the total cost of production of the silk fabric is 50 per cent.

Mr. Rama Rao.—Yes.

President.—Are you asking for this increased duty to cover the increased cost of the raw material or does it include something more?

Mr. Rama Rao.—The way in which I look at the problem is this. I thought that the duty on silk fabrics consisted partly of the duty on silk contained in them and partly on the process of manufacture. Whatever the intention, the effect in operation would be this. Part of it would operate as a sort of protection to the raw silk and part of it to the silk weaving industry. Since we knew what the duty upon raw silk was, I took it that the rest operated as protection to the silk weaving industry and at the time when the Mysore Government's representation was made, the idea was that the present operative part of the protection for silk weaving should not be decreased in any way and so we retained it at 25 per cent. Now coming to concrete figures, silk fabrics are subject to a duty of 50 per cent. and raw silk is subject to a duty of 25 per cent. One half of the value of silk fabrics is raw silk. Fifty per cent. of the cost of a silk fabric according to our experience is the value of the silk in it. So we take it that 50 per cent. duty—the duty upon silk fabrics—could be analysed and classified as I am going to explain. 25 per cent. of it would act as a protection for the raw silk in it and 25 per cent. for the silk weaving industry. We thought that the operative part of protection for the weaving industry should not be decreased by any proposals that we were going to submit and so when we proposed an increase in the duty on silk to the pitch of 100 per cent., we thought that the silk fabrics should have an added duty of 25 per cent. which would continue as at present to be as a sort of protection for the silk weaving industry. In India the position of the silk weaving industry should not be worsened.

President.—If I may be allowed to point out, the terms of reference for this enquiry cover the silk fabrics to the extent of the effect of the duty on raw silk.

Mr. Rama Rao.—My recollection is that there is a reference to the handloom industry.

President.—That is the reason why the silk fabrics are being considered by the Board: the effect of the duty on raw silk on the handloom weaving industry which produces silk fabrics. Therefore an increase in the cost of the silk fabrics can only take place to the extent of 50 per cent. of the total cost. I am now assuming that 50 per cent. of the cost of silk fabrics consists of raw silk?

Mr. Rama Rao.—Yes.

President.—The question of protecting silk fabrics can be considered by the Board only on those grounds.

Mr. Rama Rao.—My submission is this that the question of protection for silk fabrics cannot really be considered as anything distinct and separable from the question of protection of silk, because the demand for silk consists of the demand from silk looms. We in our representation referred to silk looms, because we were convinced that protection afforded to silk, without protection to the weaving industry, would not be a real protection at all. It would merely kill the handloom industry; and so, it would kill the demand for raw silk. There would be no protection to the sericultural industry in the end. I am only submitting my view. The question that has been referred to the Board is the protection of the Indian silk industry and I submit that the Board would not be protecting the silk industry without at the same time protecting the demand for the products of the silk industry. If the demand were to die, no amount of protection that can be given to the silk industry would be effectual.

President.—As I understand your point, it is really this that you are of the opinion that it is no use granting protection to the raw silk industry unless India is able to consume the raw silk produced in India?

Mr. Rama Rao.—That is emphatically my opinion.

President.—Now in order to enable India to consume the raw silk which it will produce under the protective scheme, it is necessary to place the weaving industry in a position where it will not only be able to use indigenous raw silk in competition with imported silk but also will be able to dispose of the woven fabrics in competition with imported fabrics?

Mr. Rama Rao.—Yes.

President.—The Board should therefore according to you consider the question of protecting the silk fabric separately?

Mr. Rama Rao.—I have reconsidered the position since and I think that 25 per cent. which is the operative part of the duty for the protection of silk manufacture might possibly not suffice. We might have to raise it further. If we protected the raw silk, we would have to increase the duty on silk fabrics by more than 75 per cent. because then the silk weaving industry of India would be in rather a less favourable position as compared with foreign silk industry. I shall try to express what is in my mind about that. What would happen if there was a protective duty on raw silk would be this. Immediately there would be less silk in India and more costly silk. The quantities might be maintained by the stocks in India to some extent, but that would be only a temporary state of things. The result of protection immediately would be to put up the cost of the material in India and possibly it would affect the supply of raw material. The silk that we prevented from being dumped into India would be available to the weavers in China and the effect would be that the Chinese weavers who compete with Indian weavers would have more silk and cheaper silk. If China could not export all the silk which she is now exporting, the result would be that the Chinese silk would fall in value in China. The Indian weaver's position would be worsened by his

having to pay more for his silk. He would require more capital. His working expenses would be more. The cost of his fabric would be more. On the other hand the Chinese weaver would be dealing with a cheaper raw material than he has at present.

President.—I quite understand your point. I have already said that you want a higher duty than would be strictly required owing to the increased cost of raw silk if protection is granted.

Mr. Rama Rao.—That was the original proposal.

President.—Do I understand that you wish to revise your proposal?

Mr. Rama Rao.—Yes, in regard to silk fabrics.

President.—What is your proposal?

Mr. Rama Rao.—My proposal in regard to raw silk remains unchanged. I would have an increase of 75 per cent. over the present duty of 25 per cent. In regard to silk fabrics I would have a duty of 135 per cent. instead of 125 per cent.

President.—That is an increase of 85 per cent.?

Mr. Rama Rao.—Yes, because the position of the Indian weaver would be worsened.

President.—You have asked for a duty on silk noils, warps and yarn?

Mr. Rama Rao.—Yes.

President.—You will find in the Customs Schedule that silk, noils, warps and yarn have no tariff valuation.

Mr. Rama Rao.—25 per cent. *ad valorem* is the duty at present.

President.—What is your proposal?

Mr. Rama Rao.—The duty on them should be raised.

President.—By how much and what kind of duty?

Mr. Rama Rao.—We have no information about the value of the work done on raw silk to convert it into noil.

President.—I would like to inform you that in this particular heading there are two things which are included which are I think serious competitors to Indian silk. One is spun silk; another is thrown silk.

Mr. Rama Rao.—Yes.

President.—Therefore if you were to tell the Board what duty was required on spun silk, it might cover the case of all the three?

Mr. Rama Rao.—I would be satisfied with a duty of 100 per cent.

President.—You would like to have the same duty as that proposed for raw silk?

Mr. Rama Rao.—Yes.

President.—I would like to know whether you have any experience with regard to the spun silk?

Mr. Rama Rao.—Yes.

President.—What are the present prices in Bangalore?

Mr. Rama Rao.—Rs. 5-8 per lb. is the price of spun silk.

President.—As against Rs. 4-11 for Canton?

Mr. Rama Rao.—Yes.

President.—It is not cheaper?

Mr. Rama Rao.—No.

President.—Can it be considered as a substitute for the Indian raw silk?

Mr. Rama Rao.—To some extent it is used in shirtings and coatings as a substitute for Indian raw silk.

President.—Can you tell me whether it has taken the place of Indian raw silk and if so to what extent?

Mr. Rama Rao.—I am aware that it is used in substitution of Indian raw silk in respect of certain classes of goods.

President.—At present the imports are fairly large.

Mr. Rama Rao.—The danger about the spun silk is that it is getting increasingly popular in India and I conceive the reason for that is that the demand for spun silk having decreased owing to the increasing vogue of artificial silk in other countries, larger quantities are coming into the Indian market. So spun silk is coming into India and I should like to have protection against that.

President.—We asked the Customs Department to give us separate figures and all the three ports have supplied us figures which reveal that the imports are enormous and the problem requires serious consideration?

Mr. Rama Rao.—Yes.

President.—I need not quote the figures which we have got. Your proposal is that you would require an increase of 75 per cent. *ad valorem* duty on this class of goods?

Mr. Rama Rao.—Yes.

President.—As regards the other class, viz., thrown silk, do you know whether any substantial quantity is coming at present into India?

Mr. Rama Rao.—Some quantity is coming, but it is not a very large proportion of the total quantity.

President.—I take it that there is no great danger from that arising in future under the protective scheme?

Mr. Rama Rao.—You need not make it a separate class. If we tax it at the same rate, if we make it subject to the same duty as raw silk, I think it would be sufficient protection.

President.—What about the silk mixtures and artificial silk mixtures?

Mr. Boag.—Before we pass on to any other heading in the Tariff Schedule, we might ask whether you have any proposals with regard to the other classes of yarn included in the heading of "Silk yarns, noils and warps"?

Mr. Rama Rao.—In regard to the classes of silk yarn, I have nothing to add to what I have already said.

Mr. Boag.—Your suggestion is that the duty on all the things included under that head as a whole should be raised to 100 per cent.?

Mr. Rama Rao.—Yes.

President.—Except that you would like the spun silk to be shown separately?

Mr. Rama Rao.—I would like to watch the movements of that silk.

President.—Let us take the kinds of goods which are shown in serial No. 125. The proposal made in the new budget is 2 annas 3 pies specific duty or 35 per cent. *ad valorem*, whichever is higher?

Mr. Rama Rao.—That works out to 50 per cent. as will be seen from the speech.

President.—You would like that to remain for the present?

Mr. Rama Rao.—Yes.

President.—I would like to understand the question of artificial silk yarn and artificial silk piecegoods. As far as the artificial silk piecegoods are concerned, they are included in the heading "Silk or artificial silk goods", and you think that 85 per cent. increase over the present duty would serve the purpose?

Mr. Rama Rao.—Yes.

President.—Take the question of artificial silk yarn. I would like to know what proposals you have to make with regard to that?

Mr. Rama Rao.—I am of opinion that in this country artificial silk does not compete with the natural silk. It is not on the same plane so far as effective competition is concerned.

President.—I do not know whether you have seen the import figures of artificial silk yarn?

Mr. Rama Rao.—I have seen them.

President.—To my mind, they are very alarming figures and it would be better if you were to consider this question very seriously. As regards the figures, in 1931-32 the total imports were 5,768,625 lbs. and for the last ten months the imports amount to 10,071,433 lbs., so that within ten months the quantity has almost doubled. You are aware that owing to the Congress ban the Indian cotton mills to a large extent are prevented from using artificial silk yarn. I take it therefore that most of the yarn that is now imported is bound to come into competition with the Indian raw silk. I would like you to give me a considered note on this question?

Mr. Rama Rao.—That is a view of the question which has not occurred to me. I shall look into it and submit a considered note.

President.—Are you aware of any silk coming into India by the land route?

Mr. Rama Rao.—It does not come here.

President.—It is known as Yarkhand silk.

Mr. Boag.—It is also known as Dokhara silk.

Mr. Rama Rao.—I have seen it, but I am not aware of its coming to India by the land route.

President.—As regards the position of silk looms, I find you have made a very interesting suggestion, namely that the duty should also be increased on the high class foreign cotton fabrics. I must tell you that as far as fancy cotton fabrics are concerned, it is outside the terms of our reference. This question has been dealt with in the previous enquiry of the Board. It is stated by you that "The number of silk looms working in the State is estimated at 8,000. Some six years ago, when the imports of foreign silk were normal both in quantity and price, there were about 6,000 looms". So there has been an increase of 2,000 looms.

Mr. Rama Rao.—The conversion from cotton to silk has taken place.

President.—I do not know why you want to go back to 6,000 looms?

Mr. Rama Rao.—I do not wish to go back to it, but I think that that would be the result. I have given my reasons for holding that view.

President.—I am not able to follow the reasons.

Mr. Rama Rao.—Shall I explain what really made me expect that?

President.—Yes.

Mr. Rama Rao.—Just now owing to the fall in the prices of silk, the prices of silk fabrics, silk saris and silk cloths have fallen to such an extent that classes who were not using silk before and were using high class cotton goods now purchase silk. It is within their reach now. Protection to be effective at all should raise the price of the article protected.

President.—I don't agree with you. Protection granted may, for a temporary period, raise the price, but it is always understood that internal competition will be created and that the advantage thereby derived after the reduction in costs owing to internal competition will go to the consumer. The Tariff Board has also to consider the interests of the consumer and if I accept your hypothesis that prices must remain high, I am afraid that the claim to protection is bound to fail.

Mr. Rama Rao.—I am not saying that the prices would remain high for a long period. Temporarily as you said, price is likely to go up; otherwise protection would not be operative. Temporarily the result would be that the price of silk cloth would go up. So the classes who can now afford to wear silk will no longer be able to afford the higher price of silk fabrics and so the demand for silk fabrics will contract and a smaller number of looms than at present will be able to manufacture all the silk fabrics required.

President.—I am afraid the question is a little more important. It means that it will be an indirect hit, though for a temporary period, against the weaving class in the State. The object of protection is to afford protection to the Indian raw silk as well as the handlooms.

Mr. Rama Rao.—We do not dissent from that view. That has been our submission all along.

President.—If that is your submission, and if you raise the price of the products of the weaving industry to the extent to which the consumer cannot pay, the result is that nearly 2,000 looms will go out of the silk trade and to that extent the handloom industry will suffer.

Mr. Rama Rao.—To give protection means to raise the price. If we raise the price of the raw material, the position of the handloom industry which utilises that raw material will be essentially affected. We cannot help it. It is the result of the protection that we give. What the proposal of my Government aims at is that the suffering which is likely to result in the initial stage should be lightened as far as possible by a measure of protection to the handloom industry. One of the things that we wish to press on the Tariff Board is this that some looms have been converted from cotton to silk. What would happen if there was a contraction in the silk industry is that most of these looms would have to be reconverted from silk to cotton since 8,000 looms would no longer be required to produce the diminished quantity of silk cloth for which there would be a demand. We want to make the course of conversion easy; otherwise there would be unemployment. Supposing these looms were no longer required for making cotton fabrics owing to cotton fabrics coming from abroad, there would be suffering. We wish to avoid that distress. Let us keep open a part of the increased demand for cotton that would result from the increased price of silk for furnishing employment to the displaced silk weavers. That is the proposal.

President.—The position that the Board has to consider is that protection should not be such as to penalise the consumer. The position put forward in this paragraph is that at present owing to poverty or other causes the consumer is not in a position to pay Rs. 60 to Rs. 80 for Arlepet sarees. The result is that the weaver has to go in for the cheaper material to bring down his cost of production to Rs. 30 or Rs. 40. That position has created an increase of 2,000 looms in the silk trade. If the consumer's capacity to bear taxation with regard to silk goods is what is revealed by you, it is a matter for the Board to consider whether a further increase in the duty on Indian raw silk would affect the handloom trade to such an extent that the weavers might get into very serious trouble. That is the point which has been revealed by this paragraph. I shall now come to the question of thrown silk. As far as throwing factories in the State are concerned, they are all doing work on a commission basis.

Mr. Rama Rao.—Some of them buy silk but most of them do work on a commission basis.

President.—And the charges here vary according to deniers?

Mr. Rama Rao.—Yes.

President.—At present may I take it that the bulk of this silk consists of 28/32 deniers?

Mr. Rama Rao.—That may be taken as the representative quantity of superior silk.

President.—As regards the details of the costs of production and the reduction therein, we shall discuss at a later stage.

Mr. Rama Rao.—Yes.

Mr. Boag.—Following on what the President just asked you, I should be glad if you could tell me what these names that you have given in answer to question 59 signify?

Mr. Rama Rao.—Particular methods of twist.

Mr. Boag.—Are these used for warp or weft?

Mr. Rama Rao.—Organzine is for warp. Sappehuri is for weft generally. Godhuri is a thick silk with a single twist and is used for weft in handlooms.

Mr. Boag.—Are these three kinds of silk produced in more or less equal quantities or is there a large preponderance of any one quality?

Mr. Rama Rao.—Sappehuri is produced in larger quantities than the others because the requirements of the handloom industry are met that way.

Mr. Boag.—To whom does the organzine go?

Mr. Rama Rao.—A very large part of it is sold in the Southern Mahratta territory.

Mr. Boag.—Is it used by handlooms?

Mr. Rama Rao.—Yes.

Mr. Boag.—The President has covered practically all the grounds with regard to your proposals for protection. There are only two points on which I should like to put further questions to you. The first is with regard to your request for a 100 per cent. *ad valorem* duty. I should like to ask you whether you are satisfied that an *ad valorem* duty of 100 per cent. would afford adequate protection against the cheaper qualities of imported silk?

Mr. Rama Rao.—In regard to the cheapest quality, we would be cutting it rather fine. It would not be a very effective protection. A specific duty bringing up the duty paid sale price to the neighbourhood of Rs. 6 would be really more effective than an *ad valorem* duty.

President.—In that connection I may say this. Your proposal was 100 per cent. on the correct invoice value. This morning I discussed with you the question of duppion. The invoice value is Rs. 3-1 and the 100 per cent. duty would make it Rs. 6-2.

Mr. Boag.—There is silk coming into India priced below Rs. 3-1, the invoice value coming down as low as Rs. 2-4.

Mr. Rama Rao.—I have information, which I have not verified. The lowest price that I find here is Rs. 2-6.

Mr. Boag.—The 100 per cent. duty would raise it to Rs. 4-12.

Mr. Rama Rao.—It would not suffice. That was what I was thinking of. With regard to some of the qualities of silk that were selling at Rs. 3, it would suffice. If a particular quality was selling at Rs. 2-3, a duty of 100 per cent. would not be an effective protection.

Mr. Boag.—Then you would regard Rs. 6 as the minimum price to protect the industry?

Mr. Rama Rao.—Yes.

Mr. Boag.—I should also like to suggest to you that an *ad valorem* duty of 100 per cent. would increase the prices of the better qualities or the best qualities of imported silk to a level which is quite unnecessary for the protection of your industry.

Mr. Rama Rao.—I would ask for protection against that.

Mr. Boag.—What are you speaking of?

Mr. Rama Rao.—I am talking of the Minchow filature silk which is priced Rs. 5-8.

Mr. Boag.—Is that ex-duty?

Mr. Rama Rao.—Yes.

Mr. Boag.—100 per cent. duty would raise it to Rs. 11.

Mr. Rama Rao.—Yes.

Mr. Boag.—Do you seriously mean to claim that a price of Rs. 11 is necessary for the protection of the industry in Mysore?

Mr. Rama Rao.—My submission is that it would be necessary to enable us to produce that high quality. Out of the total imports, this high

class Chinese silk forms only a small part and if this was allowed to come in

Mr. Boag.—May I interrupt you? You say “if it was allowed to come in”. No scheme of protection is going to forbid anything. Everything would be allowed to come in provided it pays.

Mr. Rama Rao.—But a duty of 100 per cent. would practically prevent it from coming in.

Mr. Boag.—You want it to be excluded altogether?

Mr. Rama Rao.—I want protection against it till I am able to produce a quality similar to that. If this silk was allowed to come in freely, our producers would devote attention to other and inferior kinds of silk for which we had protection, and would never reach up to the highest quality that can be produced. It is no doubt a small part, so small that keeping it out is not going to hit any important interests.

Mr. Boag.—Does that quality come to Bangalore?

Mr. Rama Rao.—Only 12 per cent. of that quality is coming in out of the total imports into India.—I don't think I have seen it in Bangalore.

Mr. Boag.—You are not really affected by it?

Mr. Rama Rao.—Not at present.

Mr. Boag.—The only other point that I wish to raise is with regard to your answer about the increased duty on silk fabrics. Your proposal of an increase of the duty on raw silk to 100 per cent. involves an increase of the production costs of silk fabrics by 30 per cent. I want you to follow my calculations and I should be glad to know whether you agree with them or not. I assume that the c.i.f. price of imported silk is Rs. 4. The present duty of 25 per cent. brings that up to Rs. 5. Your proposal of 100 per cent. duty would bring it up to Rs. 8. That is an increase over the present price of Rs. 3 or 60 per cent. Now you say that the raw material forms 50 per cent. of the weaver's cost of production. Therefore on these figures I suggest that your proposal would increase the weaver's cost of production by 30 per cent.? Do you agree?

Mr. Rama Rao.—Yes. He would require a larger working capital.

Mr. Boag.—Yes. For the moment you accept the calculation. That is the actual direct effect of your proposal?

Mr. Rama Rao.—Yes.

Mr. Boag.—It seems to me that in that case your further proposal to increase the duty on silk manufactures by 85 per cent. needs a little more justification than you have advanced?

Mr. Rama Rao.—I want time to think it over.

President.—I want you to take a typical weaving cloth and to work out with the increased duties proposed by you as to what will be the price in case the protection is granted. If you can give me one or two examples it would facilitate the work of the Board?

Mr. Rama Rao.—I shall do so.

Mr. Boag.—That will answer my question.

Mr. Batheja.—In view of the fact that you have promised to give the President a considered note on the various increased duties suggested by you, I won't ask any question on those points. I want to ask you one or two general questions. For the purpose of discussion I don't wish to assume that you have satisfied even the second condition of the Fiscal Commission. You have replied to that part of the question in your answer to question 56 (b) in rather a summary fashion. The question is: do you claim that without the help of protection, the industry is not likely to develop at all or is not likely to develop so rapidly as is desirable in the interests of the country? Your answer to that is: “The industry has already suffered great damage due to the competition of foreign silks. Without immediate and adequate protection, the industry will be killed”,

Mr. Rama Rao.—Yes.

Mr. Batheja.—I want you to explain that statement and support it with more arguments than you have supplied?

Mr. Rama Rao.—It would be a summary statement if it stood alone, but it is supported by the whole of my memorandum and the replies to the questionnaire.

Mr. Batheja.—Suppose it was argued that the industry had really come back to its normal state after the boom period during the war years was over? There is no decrease in acreage so far as mulberry cultivation is concerned if you compare the present figure with the figure before the war.

Mr. Rama Rao.—The point I wish to make is that under present conditions silk and cocoons have to be sold at a price very much below the cost of production. This was never the case before the war. The present state of things cannot be regarded as normal and if it continues, it seems to me very clear that the industry is bound to die. People will not long go on producing cocoons and manufacturing silk and selling both below the cost of production. That is the whole argument, and I have supported it with figures.

Mr. Batheja.—It is possible to argue that the prices which were fetched sometime back, say before 1927, were inflated prices.

Mr. Rama Rao.—I cannot compare the prices of to-day with the prices of long ago. I wish to compare the prices of to-day with the present cost of production. My sole complaint is that the prices are lower than the cost of production, which is a fatal state of affairs so far as the industry is concerned.

Mr. Batheja.—It may be that the cost of production remains high because the industry has not made the necessary adjustments in its own costs. The prices of all agricultural commodities on account of world wide depression have gone down. In their case the costs remain fairly high. One important factor in costs is the land revenue. The land revenue has not been adjusted in accordance with the general fall of prices and because the industry chooses to retain its high cost and does not make the necessary adjustments in the period of falling prices, from that no inference can be drawn that the industry will be killed. The industry may decline. I am willing to admit that. It may fall back to the state before the boom period, but that does not necessarily follow that the industry will be killed.

Mr. Rama Rao.—We have figures from which it is clear that there has been a gradual reduction in costs.

Mr. Batheja.—I admit that.

Mr. Rama Rao.—Our argument is also that a further reduction is possible and our prayer is that since it will take some time to effect the further reduction, the industry should, in the meanwhile, be kept alive. We are asking for protection to keep the industry alive till we are able to adjust ourselves to the new state of things. Our case is that in spite of our best efforts we are at present producing at a cost much above the prices that we are able to realise in the open market owing to the competition of foreign silk. That is our case in a nutshell.

Mr. Batheja.—You yourself say that these prices have been falling gradually and you also say that you require time to make the necessary adjustments.

Mr. Rama Rao.—I say that the costs are being reduced gradually. I think I have given figures. I think I have also given the prices for the last few years.

Mr. Batheja.—I know the prices. The prices of everything else have fallen. It is not simply that the prices of silk have fallen. Do you maintain that as distinct from other commodities, the price of mulberry leaves or the price of cocoons should be kept at a special level while the

price of everything else is falling down. If that is so, then all people would give up other forms of agriculture and take to cocoon rearing.

Mr. Rama Rao.—I am not afraid that any such consequence would ensue, and as I submitted before, the mulberry leaf as such has no price. Sericulture where it is practised provides employment to a very large part of the population of the State and my contention is that the human interests involved deserve to be protected. I would place that as the most important consideration in favour of my representation.

Mr. Batheja.—On that ground every other peasant manufacturing or producing some agricultural commodity might require protection. How is universal protection to be granted? Whence are the funds to come?

Mr. Rama Rao.—My case in regard to sericulture is merely this, that at present prices have fallen so low on account of foreign competition that they are much lower than the costs of production. The costs of production are not extravagant, but they are capable of further reduction. It is a matter of time. If in the meantime we are not protected the industry will die out. The death of this industry would mean a vast amount of human suffering in localities where it is practised. We do not want this protection for all time. We want it only for a short period and we are out to satisfy you that within the period you will allow us for the improvement of our industry, we will improve it and satisfy your requirements.

Mr. Batheja.—Yes, that is presuming that the cost of production is being reduced. I will invite your attention to your reply to question 44. If you will see the figures, the imports of foreign silk into the Mysore State, compared to your total production, are not very large.

Mr. Rama Rao.—But what is the trend of these figures? It is to that we are respectfully inviting the attention of the Board. Look at the trend of the figures. From 19,875 lbs., the imports have gone up to 97,360 lbs. These figures are very alarming to people whose interests are affected.

Mr. Batheja.—Still, the total figure of importation compared to the total figure of production is not large.

Mr. Rama Rao.—The menace has grown fivefold in the course of four years. During the last six months for which we have figures, the imports have almost trebled.

Mr. Batheja.—Against this it may be pointed out that because the price of raw silk has come down, the demand for raw silk has increased undoubtedly as you yourself have said in your memorandum. The demand having increased, it is quite possible that you might be compensated for what you have lost in the fall of prices by a greater use of raw silk.

Mr. Rama Rao.—Is that an advantage to me? If I have to sell my silk at a loss, the more I sell, the bigger is the loss that I make. I cannot produce under those conditions.

Mr. Batheja.—If you go back to the old state when the prices of raw silk have been very high, it is quite possible that you might not help yourself effectively. After all, silk is a commodity having a very elastic demand and presuming also that the purchasing power of the masses has been greatly reduced, if the price of raw material goes up, then probably the demand for silk goods will go down and you will not be able to dispose of even the present stock of silk because in the aggregate the demand comes down.

Mr. Rama Rao.—I don't admit that conclusion. The present demand for silk is several times the Indian production. Supposing that owing to the increase in the price of silk, there is a contraction in the demand, still there would be able demand to stimulate Indian production. We import about 2 million lbs. just now. The Indian demand has been estimated by us to be

Mr. Batheja.—I am not speaking of the demand as measured in quantities but as measured in price?

Mr. Rama Rao.—What you are thinking of is effective demand. It is from the point of view of effective demand that I expect contraction. If the producers could be found willing to sell at prices sufficiently below cost of production, I dare say that the demand would be considerable, but that is not a state of things which can continue. I forecast for the future that the rise in the price of silk might bring about a reduction in the demand, but still the demand would be good enough to require the full services of the sericultural industry in India and with some encouragement to the silk weaving industry. I do think that the demand would be more than can be met by the industry.

Mr. Rama Rao.—I mean protecting the silk weaving industry against foreign competition.

Mr. Batheja.—It means that the ultimate cost of the sari or the dhoti will go up and if the prices of dhoti and sari go up enormously then the aggregate consumption might come down.

Mr. Rama Rao.—I have admitted all that in my note. I have taken all that into consideration in my note.

Mr. Batheja.—You will remember that raw silk and silk products have substitutes.

Mr. Rama Rao.—That is why I have recommended that the substitutes might be prevented from flowing in freely.

Mr. Batheja.—What amount of duty would you put on artificial silk?

Mr. Rama Rao.—As regards artificial silk, I have said that I shall submit a note.

Mr. Batheja.—Ultimately, so far as the people who are in the margin are concerned—I mean those who are hesitating as to whether they are to go in for cotton or silk mixtures or pure silk,—any increase in the price of silk will make them decide against silk?

Mr. Rama Rao.—They will widely decide in favour of cotton.

Mr. Batheja.—To that extent, your industry, and the demand for your products, will be affected.

Mr. Rama Rao.—They are people who till yesterday were using cotton. They have taken to silk. That is not a desire or satisfaction which can be considered normal. It is something out of the way. When we restore the normal state of things, we shall have to deal with the normal demand only. We shall have to satisfy the normal demand and my submission is that the normal demand is good enough for our requirements as we stand at present and the people who yesterday in their hesitation decided in favour of cheap silk will decide now in favour of cotton. The latter decision will be better for the country and for the people.

Mr. Batheja.—I have put to you these questions with a view to eliciting what possible arguments you can urge in reply to question 56 (b). If you have any more arguments, I shall be glad to hear them.

Mr. Rama Rao.—If there are more questions which you wish to put me, I shall try to answer them.

(Continued on Tuesday, the 28th March, 1933.)

President.—I should like to know first of all which portions of your letter should be treated as strictly confidential? You have mentioned, I understand, that the present proceedings may be held in camera and that the public may not be invited to be present at the time of discussion?

Mr. Rama Rao.—Yes. I am sneaking a little unreservedly about our hopes for the future. To people who are not in the know they might be a matter for a smile and we do not want to provoke that if we could help it.

President.—There are two ways of treating the proceedings as confidential. One way is that the evidence which we are recording to-day will have to be printed separately as you are being examined in camera. The second is this. If you say that these figures of your future costs are confidential then we find ourselves in great difficulty. We ourselves have

to make necessary deductions in order to ascertain whether the third condition of the Fiscal Commission is fulfilled?

Mr. Rama Rao.—That is true.

President.—I suppose you have no objection to allow the Board to use these figures provided we do not mention that they come from you?

Mr. Rama Rao.—I would not even place that restriction. I would only say that just now as we are going to discuss the figures, the public might not be allowed to be present. You will no doubt exercise some freedom in interrogating me and I expect I have to use the same freedom in my answers. It is a matter between you and me, but when the record is ready, there would be no objection to your using it in any manner you think fit. Only at the discussion stage I want it in camera.

Mr. Boag.—There is no objection to these statements going into our ordinary record?

Mr. Rama Rao.—No. The fulfilment of the third condition depends upon the value attached to the note.

Mr. Boag.—I entirely agree.

Mr. Rama Rao.—It was the discussion that I wanted to be in camera.

President.—Do I understand that the record of this discussion should form a separate volume of evidence?

Mr. Rama Rao.—I would not impose any such restriction.

President.—I will take, for the purpose of our discussion, only the 72 basin flature because I find that most of the costs are worked out on the same basis for the 200 basin flature?

Mr. Rama Rao.—Yes, that was what I meant when I said that there was no greater economy.

President.—The only difference is in the cost of supervision and management?

Mr. Rama Rao.—That is countervailed by the additional cost in transport.

President.—I have seen that. So, for the purpose of discussion it would help the Board if we took the 72 basin flature.

Mr. Boag.—I have worked out your figures per pound of silk produced and I find that there is practically no difference.

Mr. Rama Rao.—There is no difference.

President.—Let us first discuss the question of capital expenditure. With regard to capital expenditure I think that very little can be said. The only point that I wanted to understand is the cost per basin. I take it that the 175 rupees basin has already been used by the Mysore Government?

Mr. Rama Rao.—Yes.

President.—And that it is proved to be working to its entire satisfaction?

Mr. Rama Rao.—That is so.

Mr. Boag.—Is this locally manufactured?

Mr. Rama Rao.—Yes. I may tell you something about these basins. We originally designed it for use in cottages. When we found it necessary to expand our flature, we had either to wait till we imported machinery from abroad or to go on with a makeshift. We had some of these domestic basins on our hands and we installed them and adapted them for a power driven factory. We found that they did just as well as the imported basins; in fact, they were better, because they led to economies in labour.

President.—Another point which arises out of this is: how does this basin compare with the Italian or French basin? Are your basins exact copies of those European basins or is there any material difference?

Mr. Rama Rao.—There is one improvement over the Italian and French basins, and that is in the distance between the basin and the traveller.

In the Italian and French basins, the distance is so great that separate knotters have to be employed whereas here the travellers are so close to the reeling basins that the reeler can, when occasion demands it, turn back and do the knotting herself.

President.—I take it that whatever difference there is it works to the advantage of the domestic basin?

Mr. Rama Rao.—That is so.

President.—With regard to labour, we have been given to understand that as far as the Italian and French basins are concerned, there is one cooker to two reelers. Is that the system in your basins here?

Mr. Rama Rao.—One cooker for one reeler.

President.—That will add to the cost of your labour?

Mr. Rama Rao.—That has been our system all through. That is the result of the quality of our cocoons. We require a larger number of cocoons are smaller than the uni-voltine cocoons used for reeling in Europe.

President.—I am now referring to the flature which is in existence in Mysore itself. It has Italian basins and has two reelers to one cooker. I am now talking of the type of basin.

Mr. Rama Rao.—It does not depend upon the type. If they have been able to go on with one cooker for two reelers, it is because they have had to reel fewer ends.

President.—Is it not a fact that in Italy itself they have got 6 to 8 ends?

Mr. Rama Rao.—Yes.

President.—They are using the same machinery?

Mr. Rama Rao.—Yes. They have got one cooker for each reeler. In fact, each unit is constructed with one cooking basin and one reeling basin.

President.—Is the machinery imported from Italy into India different from that used by the Italian people themselves?

Mr. Rama Rao.—In Italy there are two types. There are 8 ends basins and there are six end basins. I believe there used to be 4 end basins, but they are obsolete now. The exact type of basin we get depends upon our conditions. If we expect to reel a thick silk we can reel with fewer ends than if we wanted to reel a fine silk. It all depends upon the space that the floating cocoons occupy in the basin.

President.—There is one point before you go further into this. In Italy then I take it that the machinery which is now being employed is directed to 6 or 8 ends.

Mr. Rama Rao.—Mostly 8 ends.

President.—For that purpose, they require one cooker to one reeler?

Mr. Rama Rao.—Even with their superior cocoons, 8 ends cannot be managed.

President.—As regards the other details which are put down, for instance the other machinery, I would like to know how much of it can be made locally?

Mr. Rama Rao.—At present we are getting motors from abroad. In 15 years we should be making our own motors. Even now we are making small motors. Boilers—we can make our own boilers. Chimneys—we can make our own chimneys. Shafting, and pipe line—we can certainly make them here. Erection—there is no alternative but to do it here. Four out of five items can be made here.

President.—Can all these be made except the motor?

Mr. Rama Rao.—Yes.

President.—Most of the machinery can be made in India at the present moment?

Mr. Rama Rao.—At the present moment I doubt whether boilers can be made in India. I have not seen any good boilers of Indian construction so far, but chimneys, shafting and pipe line can be made in India.

President.—The second point arising out of this is that as far as repairs and maintenance are concerned I suppose they can be done in India without the least difficulty?

Mr. Rama Rao.—Absolutely.

President.—As regards the building portion of it, I take it that buildings are arranged with the experience that yourself and your department possess with regard to filatures outside India?

Mr. Rama Rao.—Quite so. We have amassed a lot of experience of our own. We shall be able to give a lay out better suited to India than any plans that we can receive from abroad. We have had to modify the lay out prepared by others in the past to suit our conditions.

President.—I would later come to the question about details of scientific appliances. The rest of course is furniture. I want to know whether you want as much as 10 per cent. for depreciation?

Mr. Rama Rao.—Yes.

President.—I would like to understand whether all these appliances which are necessary for the workshop are at present imported into India?

Mr. Rama Rao.—Not all of them.

President.—Can I say that about 10 per cent. is made in India?

Mr. Rama Rao.—More than that. Scientific appliances are imported from abroad, but the tools are mostly made here.

President.—Tools are mostly made here?

Mr. Rama Rao.—Yes.

President.—As far as scientific appliances are concerned?

Mr. Rama Rao.—They are being imported. We tried to make a little but not with much success.

President.—As regards serimeters, these are scientific appliances?

Mr. Rama Rao.—Yes.

President.—All the things mentioned in item No. 6 are not scientific appliances.

Mr. Rama Rao.—Yes, for the testing section.

President.—The capital investment amounts to Rs. 61,040?

Mr. Rama Rao.—Yes. I would say that Rs. 50,000 out of that will be invested in India.

President.—Now I would like to come to the working expenses. As regards working expenses I would first of all confine my attention to the present costs. I would like to know whether it is possible in India to have 8 basin filatures?

Mr. Rama Rao.—Yes, quite possible; but the silk most in demand is 28/30, and a basin with 8 ends could not reel 28/30 with advantage because the separate lots of cocoons taken for each thread would get mixed up.

President. If I grant that for the present position 6 ends would be good enough, I would like to know whether India would make a rapid progress with protection and whether, after the end of the protective period of 15 years, it would be possible to have 8 ends as the working of a filature?

Mr. Rama Rao.—That would depend upon the nature of the Indian demand for silk. In European weaving they mostly use 13/15 whereas the Indian fabrics are a little on the heavy side. We put more silk into the fabrics than the Europeans do. You have seen European fabrics such as georgettes, crepes, etc.

President.—I have no reason to believe that if everything goes on all right, India would not progress in the direction in which other countries have progressed.

Mr. Rama Rao.—My doubt is whether I would call it progress. Our methods of dressing and laundry are different from those in other countries. In South India silk is worn by classes who wash their own cloths. Very fine silk might not stand the washing which our fabrics are subject to in practice. So I think that a certain part of our demand is sure to be for heavier silks. I do not know—perhaps it would be rash to say—what the fashion would be 15 years hence. If they wanted finer fabrics than are in vogue at present, the bulk of the production will have to be in 13/15. In that case, we can reel 8 ends.

President.—I am not thinking exclusively of 13/15. Can you combine 13/15 with 28/30?

Mr. Rama Rao.—As a matter of fact, we are doing that.

President.—If a filature is converted from 6 end basins to 8 end basins, there will be a difference in the production of about 17 per cent. with 13/15 deniers—I am now taking the two. So, it is a point which requires a very careful consideration as to what will be the future requirements in the shape of mass production?

Mr. Rama Rao.—In the domestic basin, we have a certain adjustability about ends. The Jette Bouts are attached to clamps. They are not rivetted on to the cross beam. Suppose you wanted 8 ends you could clamp 8 Jette bouts. Suppose you wanted only 4, you could clamp that number. The future will be with the basin which admits of a lot of adjustability about the number of ends. If the country wanted finer silk, we could certainly reel 8 ends—I am thinking of filature basins. My basin would admit of reeling 8 ends if necessary.

President.—It does admit of that?

Mr. Rama Rao.—Yes.

President.—Then, that is all right. I would now take up the question of rendita.

Mr. Batheja.—You say that your Mysore domestic basin admits of 8 ends. Is it within the capacity of the average reeler?

Mr. Rama Rao.—It is within his capacity.

Mr. Batheja.—The machine may be all right, but what about the worker?

Mr. Rama Rao.—I have seen that a reeler who can reel 6 ends can, with about a week's practice, reel 8 ends. The only difference is about the size of the silk.

Mr. Batheja.—There will be no difficulty?

Mr. Rama Rao.—No. Only it requires time; that is all.

President.—With regard to rendita, you have put down as 18?

Mr. Rama Rao.—Yes.

President.—I would like to understand whether this is due entirely to the quality of Mysore cocoons that you are using?

Mr. Rama Rao.—That is so.

President.—How is it that in a filature which is situated in this very place, a person is able to use about 16 lbs. of cocoons to a pound of silk?

Mr. Rama Rao.—I should like to be sure of the fact first and then I should seek for a reason. I am not sure that with any cocoons that can be had in Mysore in large quantities a rendita of 16 to 1 can be had. I know that it is very difficult to get correct rendita. We ourselves had a lot of trouble about the maintenance of these figures in the beginning. The difficulty arises from this source. The cocoons undergo a progressive diminution in weight owing to dryage in the beginning, and afterwards, silk being hygroscopic, there is seasonal fluctuation. I question the data.

President.—I am just trying to bring out the data as presented to us. I think that this is a very important point in arriving at the fair selling price. We are told that the cocoons that are used generally differ in their

quality according to the number of days after which they are purchased and used. Have you any knowledge of that point?

Mr. Rama Rao.—I may say that I have a fairly close acquaintance with the behaviour of cocoons. The difference is not reflected in the rendita at all. It makes a difference in the wisdom of purchases. Suppose I was to purchase cocoons. My aim would be to purchase cocoons in which the worm has spun as large a part of the silk as it can into the cocoon. The worm generally completes the spinning in three days—let us take that as an outer figure. But I would be sure if I bought cocoons after 3 days that the worm would have gone into the pupa stage and that all the silk which it had in its glands would have gone into cocoons. A certain amount of dryage would have taken place also and I would be making a good bargain. Anything more than three days would be unfair to the seller; it would be advantageous to me. Anything earlier than three days would be very disadvantageous to me and not particularly advantageous to the seller either. That is where the difference comes in. The quantity of silk that you get out of the cocoon depends upon what silk there is in the cocoon. It is not as though there would be more silk in the cocoon if you waited for a few days more. It depends entirely upon the silk content of the glands of the worm.

President.—My experience on the Tariff Board has made me learn one thing, *viz.*, that if the applicants to protection come before the Board they generally give figures which are at least satisfactory according to their point of view and I would feel very doubtful in saying that the figures given to the Board by any individual or firm asking for protection were under-estimated. It may be that I have to learn something more in this enquiry, but that has been my past experience.

Mr. Rama Rao.—I did not say that there was an under-estimate.

President.—If a man says that he is able to use 16 lbs. of cocoons to get a lb. of silk and if you say that it is not possible to do so, then it is an under-estimate to that extent?

Mr. Rama Rao.—Yes.

President.—That is why I say that my experience has been the other way about. It may be that I have to learn something better in this enquiry but my experience in the past has taught me that the applicants to protection rather are inclined to err on the side of over-estimation than under-estimation. Now I would like to take another point, *viz.*, transport and stifling charges. I find that this works out to 9 annas per lb. of silk.

Mr. Rama Rao.—That is correct.

President.—With regard to the cost of labour, you have given me Re. 1-0-4 as the cost without giving me the details.

Mr. Rama Rao.—I can give you the details.

President.—Will you supply me with the details?

Mr. Rama Rao.—Yes. Each basin requires one reeler and one cooker.

President.—I would like to have that in writing. Give me the details of the number of men and their respective salaries?

Mr. Rama Rao.—Yes.

President.—Another important point that I would like to understand is the cost of cocoons. I have discussed this question at some length at the public sitting.

Mr. Rama Rao.—There is one thing which is in my mind and it is better that I say it. I was not accusing anybody of having given intentionally incorrect figures. I say that it is very difficult to get at the correct rendita. We have to keep cocoons in store and the cocoons are constantly undergoing fluctuations in weight. It is difficult to keep correct figures of this rendita. There was a time when I was flattering myself that we were making a big profit. As a matter of fact, we were making a loss. In our books the rendita was 16. The weight of cocoons that we took represented a very much bigger green weight than we took it to

represent. The result was that we were in a kind of fool's paradise about our own rendita when I took the rendita as 15 or 16.

President.—I did discuss this point with the person who gave this figure to the Board and I have seen his costs not of one year but of four or five years. At least I have no reason to disbelieve him and so I cannot say that the figures are off the mark. I want to compare it with the cost you have given me. After all the Board has got to take into consideration what kind of efficiency the industry has attained in this country compared to other countries.

Mr. Rama Rao.—That is true.

President.—And the two places to which I can look for reliance regarding these figures are China and Japan.

Mr. Rama Rao.—Yes.

President.—As regards China, there are two centres. One is South China and the other Central China. You have given me figures for 1930 and I have got figures for 1925 in the book entitled Survey of Silk Industry in South China and I do not know how far to believe them. Another book I have is "Raw Silk Industry of Japan" where the figures for 1929 are given. So, when I come to that question, I shall discuss it with you. The two points that I would like to discuss now are (1) the production per reeler per day and (2) pounds of cocoons required to a pound of silk. After I finish this statement I shall deal with that. There is one point which I want to understand before that and that is the price of 5 annas per lb. of cocoons. Now I would regard the sericultural industry from the point of view of mulberry cultivator. After all, it is an industry which is going to play an important part in the economic development of the country and the cultivator must feel satisfied here I mean the cultivator who is also a rearer because that is the general practice I understand in Mysore that he is getting an adequate price for his cocoons to enable him to keep to the mulberry cultivation and the rearing of worms. As regards this 5 annas per lb., I take it that that is the price which a filature man pays for delivery at the filature?

Mr. Rama Rao.—No, this 5 annas is for delivery in the village.

Mr. Boag.—You have to transport it separately?

Mr. Rama Rao.—Yes.

President.—The transport charge is nominal. 5 annas 4 pies is the cost at the filature?

Mr. Rama Rao.—Yes, that is the cost of unstified cocoons.

President.—Stifling is not done by the rearer; it is done by the filature?

Mr. Rama Rao.—Yes.

President.—If a filature man pays 5 annas 4 pies, do I understand that out of that 5 annas 4 pies, 5 annas goes to the rearer?

Mr. Rama Rao.—Yes.

President.—That is the price which the rearer gets for his cocoons?

Mr. Rama Rao.—Yes.

President.—With regard to the cost of production of the rearer, may I take it that 5 annas per pound he would consider as a satisfactory price for his cocoons?

Mr. Rama Rao.—No, he would not, but that is all the price that he can get. That price of 5 annas does not give any remuneration for his labour. All his work would go for nothing if he got only 5 annas.

President.—I have here a statement

Mr. Rama Rao.—That does not include any return for his labour.

President.—I have seen a statement to the effect that the cost of production per pound of cocoons is 4 annas 6 pies?

Mr. Rama Rao.—Is that figure submitted by me?

President.—No, but from an independent source. I would like to understand what the cost is. Your opinion is that at present the rearer is not able to obtain more than 5 annas per pound of cocoons because of the depressed state of the market?

Mr. Rama Rao.—That is so.

President.—If he sells at that price, he is distinctly making a loss. He will not be able to make both ends meet.

Mr. Rama Rao.—Those who are favourably situated may not make a loss but they are not making a profit. They are doing the work without any return at all. Those who are unfavourably situated do make a loss and the average man does make a loss. It is only a temporary state of things and if this should continue—if the rearer cannot get a better price—he will not continue to produce cocoons.

President.—May I take it that if he is able to get 5 annas during the period of protection for his cocoons, he would feel satisfied with that price?

Mr. Rama Rao.—No. If the cost of production remains what it is, if there is no change in the conditions of production and if he can get no better price than 5 annas per lb., he will not be satisfied and the industry will not go on.

President.—What do you think is the fair price that should be paid to the rearer?

Mr. Rama Rao.—My idea is this. Taking the conditions to be what they are at the present time, the price such as would induce the rearer to continue his processes should give him a margin of about $2\frac{1}{2}$ to 3 annas per lb. If he got 8 annas per lb., he would continue to produce. That would give a return perhaps of Rs. 70 to Rs. 80 per family per year; otherwise it would not be worth his while because the entire family contributes its labour and at 5 annas, the labour goes for nothing.

President.—One of the Mysore men has given us his total expenditure incurred on the production of 12 lbs. of cocoons and he says in that the cost of labour is 10 annas. Does that mean family labour?

Mr. Rama Rao.—There is a little labour employed in the later stages in plucking leaves and so on. Unless I know more about the statement to which you refer, I cannot say what it includes and what it does not.

President.—Rs. 3-6 is the cost given for 12 lbs. of cocoons?

Mr. Rama Rao.—I think that it is an under-estimate.

President.—How much would you put down as the cost of labour? May I say $5\frac{1}{2}$ annas would be a sufficient inducement for him to rear cocoons?

Mr. Rama Rao.—No, not for a continuous period. I think that a margin of about $2\frac{1}{2}$ to 3 annas per pound is necessary to induce him to produce cocoons. That margin can be got by reducing the cost of production or by increasing the price realised for his cocoons or by both. My own expectation is that we shall be able to reduce the cost of production, while by protection you may be able to secure to us a slightly better price.

President.—I am now confining myself to the present position. I want to know when the price is 5 annas 4 pies to the filature, what is the extent of the loss which the rearer is making at present by producing one pound of cocoons?

Mr. Rama Rao.—The rearer gets 5 annas when the cost is 5 annas 4 pies to the filature. As I submitted before, 5 annas per pound would just meet the out of pocket expenses of the rearer and give him no remuneration for the labour of his family.

President.—But the labour which is taken into consideration is the labour outside his family?

Mr. Rama Rao.—I think I have made it plain. I see in your cost is included the cost of plucking leaves after the 4th moult. That is extra labour. The labour of the family is not a thing which can be measured in this way. In fact, the whole of the family is employed; almost the

whole of the time is spent in looking after the worms. If the family does not get something like Rs. 80 or Rs. 100 at the end of a year from an acre of land, then it will not be worth the while of the family to continue these operations.

President.—As far as I am concerned, I think the labour of the family ought to be divided into two costs. The first cost is that of mulberry. The second cost is that of rearing. In both the processes I understand the family labour is employed?

Mr. Rama Rao.—Yes.

President.—If you take the family labour exclusive of mulberry, will it be right to take it at 2 annas per day for rearing?

Mr. Rama Rao.—2 annas per day per head during the rearing season.

Mr. Boug.—How many heads?

Mr. Rama Rao.—I take a family to be of 5 heads.

President.—I would put down 2 annas per family?

Mr. Rama Rao.—It is too low.

President.—Then, I am afraid the working expenses will be very high? The more you increase your costs, I may remind you, the worse becomes your case for protection. However, I should like to understand what ought to be the living wage.

Mr. Rama Rao.—I think that the family would be remunerated if you give three annas more per pound for cocoons.

President.—With regard to the question of labour, you have given me the cost of supervision. The most important point then is the question of power and light. I find compared to other places the charge of 1½ annas per unit is rather high. Do I understand that that is the rate for all industrial enterprises in the Mysore State?

Mr. Rama Rao.—No. There is a sliding scale and the rate charged depends upon the block power taken.

President.—Can you give me the rates?

Mr. Rama Rao.—I cannot tell you. I shall get them for you. I know that the rate goes down as low as 9 pies to large consumers.

President.—As far as you remember, for the large consumers of power, the approximate cost would be 9 pies per unit.

Mr. Rama Rao.—I would say about an anna.

President.—I would like to have those figures?

Mr. Rama Rao.—Yes.

President.—With regard to lighting, is this a fixed charge by the Municipality?

Mr. Rama Rao.—No, it also depends upon the consumption.

President.—Then, do they charge the same rate per unit?

Mr. Rama Rao.—The rates are different for lighting.

President.—The rate must be somewhat higher?

Mr. Rama Rao.—Much higher in Bangalore. It is 4 annas per unit.

President.—Even for industrial enterprise? Surely it does make a difference between power consumed by motive power and power consumed for lighting?

Mr. Rama Rao.—Yes.

President.—Then that is all right. With regard to water, I find that you are beating the Bombay Municipal Corporation where we have a charge of 12 annas per 1,000 gallons?

Mr. Rama Rao.—We do better than that. We charge a rupee.

President.—Not in the sense of encouraging industrial enterprise. That is one of the points which the Board has always taken into consideration. The charge for industrial undertakings should be separate.

Mr. Rama Rao.—This is the price we had to pay for water taken from the Municipality. What we have done in our filature in Mysore is to have a reservoir of our own and have our own water supply system. It costs us less and makes us independent of vicissitudes to which the municipal water supply is subject.

President.—Has the attention of the Municipality been drawn to the necessity of making a difference between industrial concerns and the houses in general?

Mr. Rama Rao.—We did that in the beginning and the reply we got was that they could not make any such difference and that if there was to be any difference, it should be in favour of people who wanted it for drinking. From their point of view, they are right.

President.—From the point of view of industrial enterprise, they are entirely wrong because you are using as much as 14 lakhs of gallons for a 72 basin unit and it is a very big amount.

Mr. Rama Rao.—We will have to raise the question.

Mr. Boag.—I take it that the point is this. The amount of water is limited; in this part of the country water is scarce.

Mr. Rama Rao.—Yes.

Mr. Boag.—The first claim for that limited amount of water available with the Municipality is that of the residents?

Mr. Rama Rao.—Yes.

Mr. Boag.—If an industry chooses to put itself down in a thickly populated area knowing that the supply of water is scarce and that the first claim upon the supply of water is admittedly that of the residents, it naturally knows what it is in for?

Mr. Rama Rao.—Yes.

President.—May I take it that your conclusion is that as far as water is concerned, it is a handicap to the industry?

Mr. Rama Rao.—It is not as though the industry were compelled to be located in a place where water was not available. You can certainly put up a factory in a valley where there is an abundant supply of water.

President.—I find that you have not only put down one rupee as the cost now but also after 15 years the same figure is mentioned?

Mr. Rama Rao.—I expect that the city would grow up and water would become more costly. I have taken the highest figure because I do not know what figure to take after 15 years. It would depend upon the circumstances then. I have taken the highest figure that would probably be charged.

President.—Can you supply me the figure for water in your filature where you are working under your own water supply arrangements?

Mr. Rama Rao.—Yes.

Mr. Batheja.—This cost must be prepared on the assumption that the factory would be located in a town like Bangalore?

Mr. Rama Rao.—It would be located in a place where it would have to get its water supply from a Corporation.

Mr. Batheja.—Such as Bangalore or Mysore?

Mr. Rama Rao.—Bangalore.

Mr. Batheja.—From the point of view of efficiency it may be a bad localisation.

Mr. Rama Rao.—I would not call it bad. I would not say that it would be prohibitive. I would merely say that it would add to the cost of water.

President.—Is it the custom in Mysore to put down 2 per cent. for buildings?

Mr. Rama Rao.—Yes, that is the custom in Mysore.

President.—The next point I would take up is the question of waste. You have put down 8 annas per lb.

Mr. Rama Rao.—Yes.

President.—What waste do you mean exactly here?

Mr. Rama Rao.—That is the reeling waste.

President.—I understand in other countries there are various other kinds of wastes?

Mr. Rama Rao.—So there are in our country too, but the waste that you get in a filature is the reeling waste which is a very superior quality waste.

President.—Does it include pupa, unreelable waste and such things?

Mr. Rama Rao.—A very small part of it consists of the parchment round about the pupa. But the greater part of it is the floss that is taken off at the end of the day's operations.

President.—This is the present price that you are able to get?

Mr. Rama Rao.—This is the price that is actually got.

President.—The next point is interest on working capital. I should like to know how you have arrived at this figure of Rs. 90,000?

Mr. Rama Rao.—I have taken four turnovers a year; I have also taken into account the fact that I need to keep four months' supply of cocoons.

Mr. Boag.—And three months' working expenses?

Mr. Rama Rao.—Yes.

President.—As regards the three months' works expenditure, per month the production comes to 2,250 lbs. Your yearly production is 27,000 lbs. Therefore for a month it comes to 2,250 lbs.

Mr. Rama Rao.—Yes.

President.—For three months it comes to 6,750 lbs. If I take the price as Rs. 7-8 then it works out roughly to Rs. 50,000.

Mr. Rama Rao.—Yes.

President.—I would like to know whether the balance of Rs. 40,000 is for the cocoons?

Mr. Rama Rao.—Yes.

President.—How have you arrived at that figure?

Mr. Rama Rao.—My total works expenditure in the year is Rs. 2 lakhs. A fourth of that is Rs. 50,000. My expenditure on cocoons is Rs. 1,51,000. I have taken it roughly as Rs. 1,60,000. I have taken one-fourth of that, *viz.*, Rs. 40,000.

President.—As far as the rate of interest is concerned, do you consider that 5½ per cent. is a reasonable rate of interest for working capital?

Mr. Rama Rao.—Under existing conditions.

President.—I am now talking of existing conditions.

Mr. Rama Rao.—That is the rate at which I believe Government can make money available for supporting any enterprise of this kind. If you grant protection, Government would try to encourage the formation of filatures.

President.—Suppose an individual—a Mysorean for instance—wishes to start a filature, Government would be able to give him the necessary money at this rate of interest?

Mr. Rama Rao.—Yes. I think that Government may be able to give money at 5½ per cent.

President.—The use of the word "may" shows that you are doubtful.

Mr. Rama Rao.—Unless a thing is done, one cannot be sure.

President.—What is the rate of interest at which money is ordinarily given?

Mr. Rama Rao.—6 per cent. in some cases and 5½ per cent. in others. I think later on money may be even cheaper than that.

President.—You would safely recommend $5\frac{1}{2}$ per cent. to be taken as the basis?

Mr. Rama Rao.—I take that as the likely estimate.

President.—I think you took that in view of the Government undertaking?

Mr. Rama Rao.—I was not thinking of Government undertaking these filatures at all. I did not contemplate Government going in for filatures on a large scale. Government would not do it.

President.—In these costs, you have taken into consideration the circumstances at present ruling in the Government filature.

Mr. Rama Rao.—I made use of my experience in Government filature.

President.—There are two points which I have left to be decided, and they are these. You have put down the production as 125 lbs. per day?

Mr. Rama Rao.—Yes.

President.—How do you compare this with the labour which turns out silk in other countries? I think that the average would be about $1\frac{1}{2}$ lbs.

Mr. Rama Rao.—Labour here is just as good.

President.—Then you ought to get $1\frac{1}{2}$ lbs.

Mr. Rama Rao.—The difference is due to cocoons. The cocoons that they reel in Japan, in Italy and in France have a much longer and thicker thread than the cocoons that we use here. Supposing the thread in the cocoons that they use in France is twice as long and $1\frac{1}{4}$ times thicker than our thread, to get the same quantity of silk our reeler would have to be twice as quick as the French reeler. She is quite as good, but the other has the advantage in cocoons.

President.—With regard to the question of cocoons, what is the average denier for each cocoon in pure Mysore?

Mr. Rama Rao.—About 2.

President.—I find that in South China the minimum is somewhere near 1 $\frac{1}{2}$ and the maximum is 24. So, as far as your cocoons are concerned, I don't think you are so badly off as compared with South China?

Mr. Rama Rao.—I do not know. I think we have also a few cocoons in which the denier has come to 15 or 16.

President.—I am talking of pure Mysore cocoons.

Mr. Rama Rao.—A good deal depends upon the season also—temperature humidity, etc.

President.—Do I understand that the denier differs with the crop.

Mr. Rama Rao.—Yes, with the season.

President.—I am now talking of the average. Taking pure Mysore the average is 2.

Mr. Rama Rao.—Yes.

President.—Another point is about the pounds of cocoons to a pound of silk. The average is about 15 to 16 pounds of cocoons to a pound of silk. Do I take it that that difference is also entirely due to the kind of cocoons which are found here and in South China?

Mr. Rama Rao.—Probably.

President.—I have taken the information from the books that are available to me.

Mr. Rama Rao.—I think that there is a wide range of quality in South China. When we say average, we are thinking of an average over a much smaller range than the average in South China. Here possibly our range in denier may be from 16 or 17 to 21 or 22—that is all—whereas in South China the range is between 26 and 14, and the average is very deceptive because the range of variation is so great. The average would be merely an arithmetical average—nothing upon which an industry can go. Here when we make a forecast we are on a much safer ground because we know that the range of fluctuation is not great. The scope for mistake is small.

President.—In the case of pure Mysore, it is 12 per cent. In the case of Japanese and Chinese, though they are univoltine and bivoltine, it is 14 per cent.

Mr. Rama Rao.—Yes.

President.—This 14 per cent. is due to the experiments that you have made in India with these cocoons?

Mr. Rama Rao.—These figures have been got from the rearings with those cocoons. They are actuals.

President.—From the personal knowledge of cocoons you are able to say that the difference is hardly 2 per cent. between pure Mysore and pure Chinese and Japanese?

Mr. Rama Rao.—Quite so.

President.—I should like to glance through the statement which you have made with regard to the future. You have described the progress you have made with regard to the supply of cellular seed from 8 per cent. to about 30 per cent. That means in a period of 8 years you have been able to increase it by about 22 per cent.?

Mr. Rama Rao.—Yes.

President.—You don't describe at all the hybrids that you have been able to distribute.

Mr. Rama Rao.—I have dealt with them in a separate note.

President.—Where is it?

Mr. Rama Rao.—Crops are more productive

President.—That is different from what I am saying. I am saying you have not mentioned how many out of the cellular seeds are at present hybrid seeds?

Mr. Rama Rao.—We have given a statement.

President.—Your statement was that you were able to distribute 3,500 ounces out of 310,000 ounces.

Mr. Rama Rao.—In this I was aiming at simplicity of exposition. I wanted to sort out various measures that I would take to improve.

President.—I am not finding fault with your statement. I want to discuss the question because it amounts to only one per cent. of the total distribution?

Mr. Rama Rao.—Just now?

President.—Yes.

Mr. Rama Rao.—I shall tell you the percentage (after consulting his notes). It is about that.

President.—I would like to know whether your experience of these hybrids is ranging from 5 to 7 years?

Mr. Rama Rao.—Seven years.

President.—After 7 years you have only been able to distribute one per cent.? How is that?

Mr. Rama Rao.—Difficulty of organisation. As I told you, production of hybrids requires some delicate processes such as synchronisation of emergence of moths, cold storage, etc. It requires a specially skilled staff. It is a question of cost. We have not had the money at our command for extending this activity.

President.—In the next ten years—if we took that period—what would be the percentage that you would be able to supply to the rearers?

Mr. Rama Rao.—12 to 15 lakhs of layings of hybrid seed. If you want it in ounces, it would be 120,000 ounces. We will be able to distribute that within the next fifteen years.

President.—I have asked for ten years?

Mr. Rama Rao.—You may take two-thirds of that,

President.—I was asking you these figures simply because I wanted to take one or two points with regard to future costs. In the future costs you have put down *rendita* as 13. The daily production is shown as 1½ lbs. and the cost of cocoons is 4 annas per lb. With regard to these two figures (13 and annas 4) I take it that you have two considerations in mind. One is that in future there will be tree mulberry and there will be hybrid races reared.

Mr. Rama Rao.—There is also another circumstance which does not appear but which was influencing me when I gave 4 annas as the price. The rearer gets nothing now and he won't continue rearing unless he gets Rs. 80 to Rs. 100 for the labour of his family. I expect that the rearer would be better off in the future than he is at present when he gets enough money to afford him a living wage for himself and his family, when he will be able to educate his children, clothe them and feed them better than he is doing now. I expect that much of the improvement will be absorbed in ameliorating the lot of the population at present practising the industry. I do not contemplate that the man will work and improve and then give all the results away to some one else. I hope that his own lot will be slightly the better for his work. After reserving what is justly due to him for the amelioration of his own condition, I think that he will be able to give much better cocoons at much lower cost to the reeler. I have had all these considerations in my mind. I expect and I sincerely hope that part of the improvement will be absorbed by the workers in the industry for the amelioration of their own condition.

President.—I was thinking of another point when I asked you this. With regard to the cost of food, I suppose I can take it that about 75 per cent. would consist of tree mulberry?

Mr. Rama Rao.—We shall probably have 60 per cent. tree mulberry and 40 per cent. bush mulberry because a certain amount of bush mulberry will be necessary in the early stages.

President.—With regard to *rendita* of 13 lbs. I take it in other countries they have gone down as low as 11. You don't think that it is possible to go down to that extent with hybrid races?

Mr. Rama Rao.—It might be possible, but 13 is what I feel we might safely count upon. We have reached up to 13 and we consider 13 to be very good. We might do better than that. Our knowledge might improve in the meantime. For instance we have come across some very interesting biological phenomena, which might enable us to get better cocoons. For instance, if we got a univoltine thrown back in the course of hybridisation, it might become multivoltine, while retaining the superior silk content of a univoltine, in which case we would get a multivoltine worm quite as good as univoltine; but so far, this has been a mere speculation. We might succeed in working out a formula in genetics which would enable us to secure this improvement to the industry.

President.—What is the yield you have taken? Have you taken the yield as 70 lbs. as against 50 lbs. per acre?

Mr. Rama Rao.—50 per cent. improvement in the yield.

President.—That will amount to 70 lbs.

Mr. Rama Rao.—75 lbs. We have taken only 40 per cent. Our experience has been 50 per cent. The figures we have taken are very conservative.

Mr. Boag.—There are only one or two small points on which I should like to put additional questions. The first is with regard to *rendita*. At what stage do you take the weight of cocoons?

Mr. Rama Rao.—I shall tell you how we do it. Generally we insist upon our purchasers buying cocoons on the third day after the worms have been mounted. When the cocoons are bought, we take a few lbs. at random from the lot and carefully weigh them to see how many cocoons go to a pound. Then the sample cocoons and the heap containing the number of cocoons that went to the pound are sent to the filature. A certain amount of dryage

takes place in transit. Sometimes we stifle the cocoons when they have a long way to travel. When the cocoons arrive at the filature, the nett weight is taken. There again a few pounds are taken haphazard from the lot in a rough and ready manner and then the number of cocoons that go to the pound is ascertained as before and if the shrinkage in the total nett weight corresponds to the ratio between the number of cocoons per lb. in the green weight and the number of cocoons per lb. more or less in the dry stage, we are satisfied that there is no leakage. We have to be very careful in seeing that lots are taken from all over the supply. Once every month the same tests as to the number of cocoons that go to the pound are repeated. We are sure that our two tests are correct because they have been verified with the shrinkage in the total nett weight. The number of cocoons that go to the pound is confirmed by the nett shrinkage in weight. We know that it is safe to take the original lot as having been of a quality which enables us to get 500 cocoons to a pound. Later on 1,500 cocoons go to a pound after the pupae have been thoroughly dried up. Then you know the shrinkage is to about a third. You write down the weight in the stock register. Supposing there is any noticeable change, you go back to your original test and see how far your cocoons have gained in weight or lost in weight and your stock registers are kept revised from time to time like that. You weigh the dry cocoons when you issue to the filature and refer back to the number of pounds that went to the pound when you issued the cocoons to the filature. Suppose you issued one pound of cocoons to one of your reelers at a time when 1,650 cocoons went to the pound, you might say by referring back to your registers that these cocoons came from a lot which when green were 500 to the lb. I know the loss that they have suffered in weight and that loss is mostly in pupa. That is how I work.

Mr. Boag.—When you say that to get a pound of silk you require 18 pounds of cocoons, you mean 18 pounds as weighed at the time of purchase.

Mr. Rama Rao.—Yes.

Mr. Boag.—Not at the time when they are used?

Mr. Rama Rao.—No. You see how difficult it is to get at the correct figures of rendita.

Mr. Boag.—Yes. You have just now said in reply to the President that the cost of cocoons you have entered as 5 annas and the transport charges as 4 pies per lb. That represents the total expenditure of the filature on its raw material?

Mr. Rama Rao.—Yes, not taking into account stifling.

Mr. Boag.—I understand that. In the memorandum which you gave us before, in the cost of charka reeling and in the cost of domestic basin reeling, you have added a further item of expenditure on account of cocoons and that is brokerage. I want to know why in those cases you incur this charge which apparently you do not incur in the filature?

Mr. Rama Rao.—I shall explain the point. The charka reeler and domestic basin owner are not in a position to make as good bargains as we can. The suppliers of cocoons do not regard it as a privilege to deal with these small purchasers. They do consider it a great privilege to deal with us because they are always sure of getting a market for their cocoons.

Mr. Boag.—Simply because the filature buys in bulk?

Mr. Rama Rao.—Yes. We have our own officers to make purchases. We don't employ brokers.

Mr. Boag.—What about a private filature? Does that incur the charge of brokerage?

Mr. Rama Rao.—They employ a broker. That is what I am advised, but I do not know. The broker is sometimes an undesirable kind of fellow.

Mr. Boag.—That is not peculiar to this industry.

Mr. Rama Rao.—They have a kind of yard stick with which they weigh cocoons and this has notches cut into it. The man who weighs the cocoons with that can make a different of 10 per cent.

Mr. Boag.—The other point which I want to raise is this: how far the price of 5 annas a pound is a remunerative price to the rearer? Surely that must depend upon what the rearer might be able to get from other crops. In prosperous times when he got more for his cocoons, agricultural products brought in a greater return. Now with the fall in the price of cocoons a similar fall has occurred in the price of all agricultural produce and though he might feel that 5 annas a pound for cocoons was not as good a return as he would like to get, in the light of the returns that he got three or four years ago, still he sees that his neighbours who depend entirely on agricultural produce are in a similar plight themselves. That being so, is it correct to say that 5 annas a pound is not in the circumstances of to-day a fair return?

Mr. Rama Rao.—I shall answer that point. There is one point which I wish to make very clear because my answer depends upon that. The returns from sericulture differ in a very essential respect from the returns from general agriculture. The return from sericulture is merely the value of labour which does not find occupation in agriculture.

Mr. Boag.—I am not sure that I follow you all the way.

Mr. Rama Rao.—Anyhow that is my opinion.

Mr. Batheja.—Do you mind repeating it?

Mr. Rama Rao.—The return from sericulture, the profit from sericulture, is really the remuneration for labour which, if it was not used in sericulture, would simply go to waste. It would not be used in agriculture. To make my meaning clear I would say this. The labour of the man during agricultural off seasons which in our country amounts to no less than 3 months in a year, the labour contributed by the mother of the family who does not participate in field work, the labour of women in pardanashin families—and sericulture is practised very largely by pardanashin classes—all these would simply go to waste. The alternative, so far as these workers are concerned, is not whether they shall cultivate field crops and take a small profit or rear silkworms and take a large profit, but merely whether they shall practise sericulture and make a profit or do nothing at all and spend their time in idleness. When a person utilises his or her spare time, there are two values to it: one is money profit that he or she makes and the other—a more important one in my opinion—is the psychological profit, the difference between demoralisation due to idleness and the healthy feeling that one has got some occupation.

Mr. Boag.—On your argument, any return, even one anna a pound for cocoons, would be worth having.

Mr. Rama Rao.—It would certainly be worth having but the problem so far as the worker is concerned, would be this. We know that nothing is undertaken except in the hope of getting a return. If a person were compelled to be absolutely idle, he or she would prefer to have some work, no matter whether remunerative or not, to doing nothing, but if the work were strenuous as sometimes it is in sericulture, there comes a time when the worker will ask himself “shall I work and get that small profit or shall I let that small profit go and consider my own ease?”. It is in the answer to that question the level of wages helps.

Mr. Boag.—And that question is only answered in the light of a comparison with alternative returns from alternative employments or alternative occupations.

Mr. Rama Rao.—If there was a home industry, it would be an alternative. If there was another home industry such as charka spinning of cotton, khadi weaving, etc.—these are home industries which might compete with sericulture—it would provide employment to the kind of labour referred to by me. If you give to us a cottage industry which could take the place of the sericultural industry, I would certainly consider it as an

alternative and would admit that the comparison would be a fair one. I would let sericulture stand or fall on that criterion. Agriculture is not an alternative industry.

Mr. Boag.—In one sense it is. In order to practise sericulture you have to grow mulberry. In so far as the practice of sericulture depends on mulberry plantation it is an agricultural occupation.

Mr. Rama Rao.—Yes, to that extent.

Mr. Boag.—The profits from the cultivation of mulberry are represented by the demand for cocoons. My point is this: that there may come a time—according to you it is not likely to occur—when any return from cocoons is as it were a bonus, simply a return to labour which would otherwise remain unemployed?

Mr. Rama Rao.—That is the point I would like to emphasise.

Mr. Boag.—I am at one with you there. At the same time, is not there a possibility that the price of cocoons may fall so low that the man who grows mulberry begins to think that it does not even repay him for the cost of cultivating mulberry?

Mr. Rama Rao.—Yes. It would work on the grower of mulberry not directly but indirectly through the family. The price of cocoons might fall so low that the family might leave off silkworm rearing, mulberry being incidental, not a main issue at all so far as the sericultural industry goes.

Mr. Boag.—It is an essential part of it.

Mr. Rama Rao.—It is an essential part of it: it is necessary. Silkworms cannot be reared without mulberry, but equally, mulberry would not be grown without silkworms. Mulberry has no value except as food for silkworms. The incidence of the fall in the price of cocoons upon the mulberry grower would be through the family. It would not be direct. The family would feel that it would not be worth their while to rear silkworms; and then they would ask themselves “why, on earth, should we grow mulberry”. That is how the question would arise and be answered. It would come not from competition of other agricultural produce but by wiping out the sericultural industry.

Mr. Boag.—In other words, there would come a time when the profits from sericulture fall below the level of returns from ordinary agriculture. It is more profitable for a man to grow a food crop on his land than to grow mulberry on it. It is simply putting it in another way.

Mr. Rama Rao.—So far as the land is concerned. You are tracing the consequences down to the land. I say that when you have traced it to the family, then tracing it to the land would be a foregone conclusion. When the family found that it was not worth their while, even if there was no other alternative crop, the land would remain waste. Rather than be cultivated with mulberry, it would remain waste.

Mr. Boag.—You have gone some way. I cannot expect you to go further than that.

Mr. Rama Rao.—I am quite willing to go as far as you like.

Mr. Boag.—Is it your contention that with cocoons at 5 annas a pound, there is a risk of the family not finding this work of sericulture worth their while?

Mr. Rama Rao.—Certainly. If it continued for three or four years, the industry would die out.

Mr. Boag.—How long has the price been at this level?

Mr. Rama Rao.—For the last 3 years. Sericulture is a difficult industry to create and also it dies very hard. Our industry is “agonizing” at the present time. Every acre going out of mulberry means Rs. 150 wiped out. Land is going out of mulberry.

Mr. Boag.—You are now getting back to the acreage of 7 or 8 years ago.

Mr. Rama Rao.—That is one way of looking at it. When the land under mulberry goes out, it is the land on the margin that goes out in the first instance.

Mr. Batheja.—Referring to this point again about the price of cocoons, you said that if the price went below 5 annas per lb., mulberry cultivation would disappear.

Mr. Rama Rao.—Even at the present price of 5 annas per lb., sericulture and with it mulberry cultivation would disappear. That was my position.

Mr. Batheja.—Suppose it does disappear, what happens? It means that if sericulture diminishes, the man practising it goes under along with it. You say that the two operations are combined—mulberry cultivation and silkworm rearing. When silkworm production is reduced, along with that automatically mulberry cultivation is reduced. Is not that your point? That is how you explained?

Mr. Rama Rao.—That is what will happen.

Mr. Batheja.—That is not only what will happen but that is what has been happening. That is how you explained the shrinkage in the area under mulberry.

Mr. Rama Rao.—Yes.

Mr. Batheja.—As regards the actual facts—I am not a speculator about the future—I want to know what has happened actually. When silkworm rearing has been curtailed, along with it mulberry cultivation has been curtailed. What has happened to that land? I want the actual facts.

Mr. Rama Rao.—Some of it is lying waste to my knowledge: weeds are growing upon others, and I think ragi is growing on a small percentage.

Mr. Batheja.—To some extent it is being replaced by ragi and to some extent it is lying waste?

Mr. Rama Rao.—Yes.

Mr. Batheja.—Can you tell me what percentage is lying waste and what percentage has reverted to ragi?

Mr. Rama Rao.—I cannot.

Mr. Batheja.—Why not?

Mr. Rama Rao.—I have no records.

Mr. Batheja.—Is your statement then based on general impression?

Mr. Rama Rao.—I have seen lands lying waste.

Mr. Batheja.—I want to know the psychology of the man who has land and who allows it to lie waste. After all there are other uses for that land. Is he a lazy man or is he an indifferent man or is it that even ragi does not pay him? Can you give me any explanation for the strange action of that man?

Mr. Rama Rao.—As regards the psychology of the man, I am afraid I cannot give any explanation. I think it is a question of the return that he gets from the land and his need for further crops of ragi. It depends upon the circumstances of the family concerned of which I have no very intimate knowledge.

Mr. Batheja.—Won't you regard that as an abnormal phenomenon that a man who has land should allow his land to lie waste rather than cultivate it with some other crop and get some return?

Mr. Rama Rao.—I can only give you the facts. With the psychology of the man I am not any more acquainted than anybody else. As you will see from the seasonal crops report a fairly appreciable percentage of land in holding is left uncultivated voluntarily.

Mr. Batheja.—Will it lie waste indefinitely for good?

Mr. Rama Rao.—Probably not.

Mr. Batheja.—It will be used again.

Mr. Rama Rao.—Yes.

Mr. Batheja.—Coming back to those portions of the land which have reverted to ragi; you have divided the land into two parts—one part is lying waste of which you have no exact idea and the other is grown with ragi crop.

Mr. Rama Rao.—About that I cannot give you any exact estimate.

Mr. Batheja.—Will you please look at the figures supplied by you at my request? Will you do me the favour of glancing through ragi figures or rice figures or any other crop figures and silk figures.

Mr. Rama Rao.—Yes.

Mr. Batheja.—Do you agree that the fall in the price of ragi has been greater than the fall in the price of silk? Go through the whole list beginning from 1926. Do you accept the statement that the fall in the price of ragi has been greater than the fall in the price of raw silk?

Mr. Rama Rao.—Yes.

Mr. Batheja.—Compare it with the prices of rice which is also an important staple crop of Mysore?

Mr. Rama Rao.—Yes.

Mr. Batheja.—Do you agree that the fall in the price of rice has been greater than the fall in the price of silk?

Mr. Rama Rao.—Yes.

Mr. Batheja.—The statement is also true of groundnut which is a money crop?

Mr. Rama Rao.—Yes.

Mr. Batheja.—Will not these facts explain that the mulberry cultivator—the man who is carrying on mulberry cultivation and silkworm rearing—still finds it worth while to carry on?

Mr. Rama Rao.—Cocoons are a crop that grow upon the labour of the home. Ragi is a crop that grows entirely on the labour of the man in the field. Ragi is not an export crop. Ragi is grown for consumption and is a field crop. It affords occupation for six months in a year. Mulberry is a crop which affords occupation for 12 months in a year. As I said, silk grows upon the labour of the family.

Mr. Batheja.—Coming to the statement which you have given in connection with this question . . .

Mr. Rama Rao.—Ragi and silk cannot I think be fairly compared in regard to the effects of a drop in their prices! Every family retains enough ragi for its own consumption and it is only the surplus that goes into the market, whereas all the silk goes into the market.

Mr. Batheja.—Shall we take groundnut which is a commercial crop?

Mr. Rama Rao.—That is not grown by the woman of the family and her children in the home. That is a great difference. Please don't think that I am merely trying to be smart; I am struggling to express what seems to me a vital difference.

Mr. Batheja.—I do not suggest for a moment that you are trying to be smart. I want to understand the situation. You have supplied a statement giving the cost of cultivation of rain-fed mulberry garden per annum, and also a statement showing the cost of production of cocoons from leaves of one acre of rain-fed mulberry garden per year. Taking the cost of production of cocoons, will you agree that the main cost is the cost of labour or the cost of mulberry leaves? The main item in that cocoon production cost statement is the cost of mulberry leaves.

Mr. Rama Rao.—It is a very important item.

Mr. Batheja.—It is the most important item—the cost of food for worms—and that you arrive at by estimating the cost of cultivation of one acre of rain-fed mulberry garden. Apart from land revenue for which cash is paid, you will agree that the entire cost is represented by labour.

Mr. Rama Rao.—Yes, but what about manure?

Mr. Batheja.—You yourself say that manure is not bought.

Mr. Rama Rao.—A part of the manure is.

Mr. Batheja.—Will you kindly read the note below the statement showing the cost of cultivation of one acre of rain-fed mulberry garden. You say "A man having one acre rain-fed mulberry garden may produce on an average of about 15 maunds or 375 lbs. of cocoons per annum. Even if he sells these cocoons at the actual cost of production that is 5 annas a pound, he will get an income of about Rs. 40." He ultimately sells cocoons and he gets cash. His labour is paid for at the rate of Rs. 40 as you have mentioned. You say also that he gets a further income of Rs. 5. The total cash income, if he sells cocoons, is Rs. 45 for all the labour which he has put in the field and in the home?

Mr. Rama Rao.—Yes.

Mr. Batheja.—Most of the labour is paid in cash.

Mr. Rama Rao.—You are taking the case of the man who is specially favourably situated, who gets all his crops.

Mr. Batheja.—I take it that your disease-free seed will make an improvement.

Mr. Rama Rao.—Yes.

Mr. Batheja.—Looking at the cost statement again will it be far from truth to say that in the combined cost most of the labour is labour in the field?

Mr. Rama Rao.—It would not be true to say that most of the labour is in the field.

Mr. Batheja.—Taking weeding, manuring, pruning, etc.

Mr. Rama Rao.—All that work is done in the field. Digging is done in the field; manuring is done in the field; pruning is also done in the field. But the cutting of leaves, changing, looking after the worms—all that is done at home.

Mr. Batheja.—In the production of cocoons, after the field labour is gone through, what is the remaining labour that is left?

Mr. Rama Rao.—Do you know what work the rearing of silkworms involves at home?

Mr. Batheja.—Yes. Let me put it this way. Is not the labour inside the house mainly chopping the leaves and feeding the worms?

Mr. Rama Rao.—If you will permit me—Leaves have to be chopped; trays have to be cleaned; worms have to be fed almost continuously. Supposing there is an ounce of seed to be reared, it will give the rearer and his family full occupation from morning till night and even in the night the family will have to get up twice to feed the worms.

Mr. Batheja.—It is a light occupation?

Mr. Rama Rao.—It is very fatiguing—very trying.

Mr. Batheja.—Is it more fatiguing than husking paddy?

Mr. Rama Rao.—Yes, in a different kind of way.

Mr. Batheja.—From the ricefield you get a crop of paddy as you get mulberry from your mulberry land. In order to convert paddy into rice, it has to be husked.

Mr. Rama Rao.—I don't quite follow you.

Mr. Batheja.—I am just giving you an instance. You grow paddy and bring that paddy home. In order to make it fit for human consumption, you have to convert it into rice. That is an agricultural operation.

Mr. Rama Rao.—Yes. For human consumption, rice has also to be cooked.

Mr. Batheja.—Paddy husking is an agricultural operation.

Mr. Rama Rao.—Then cooking is also an agricultural operation.

Mr. Batheja.—We shall leave aside cooking for the present.

Mr. Rama Rao.—Then why not leave aside paddy husking? They all deal with the agricultural produce if that is what you mean.

Mr. Batheja.—Is the harvesting of mulberry leaves more difficult than the harvesting of any other crop?

Mr. Rama Rao.—It requires more skill.

Mr. Batheja.—Does it involve more labour?

Mr. Rama Rao.—It employs the mind more than harvesting ragi.

Mr. Batheja.—Is it a more laborious occupation?

Mr. Rama Rao.—It requires more care.

Mr. Batheja.—Does it require more physical labour than harvesting ragi?

Mr. Rama Rao.—It does not require more physical labour than harvesting ragi or rice. Harvesting rice is slightly harder.

Mr. Batheja.—Probably you won't agree and I don't seek agreement. We shall continue to differ. Leaving aside speculation, let us talk of facts. What are the actual prices prevailing now? Would you be surprised to hear that in Kollegal cocoons are sold at about 4½ annas per pound in the neighbouring tract?

Mr. Rama Rao.—Not exactly surprised but sorry.

Mr. Batheja.—You would not be surprised?

Mr. Rama Rao.—I am sorry.

Mr. Batheja.—Is the practice of cheating the raiyat by this weighing arrangement a general practice?

Mr. Rama Rao.—It is not unknown.

Mr. Batheja.—Is it a general phenomenon?

Mr. Rama Rao.—It is the practice. I would not say it is the general practice. There are honest dealers; there are dishonest ones also. One result that has accrued to the sericultural areas where we buy our own cocoons is that we have installed spring balances.

Mr. Batheja.—Still it is largely used in Mysore?

Mr. Rama Rao.—In some places in the interior. It is largely used by brokers.

Mr. Batheja.—Wherever this unfair practice is in vogue, it is possible that the actual price obtained by the cultivator is less than the theoretical price at which he sells his cocoons?

Mr. Rama Rao.—Yes.

Mr. Batheja.—What is the extent of the loss?

Mr. Rama Rao.—I cannot estimate the loss.

Mr. Batheja.—The market prices of Kempanahalli and Agrahar silk vary as reported by the Silk Association and the Mysore Chamber of Commerce?

Mr. Rama Rao.—Yes.

Mr. Batheja.—If the market prices of these silks vary, there is a *prima facie* presumption that their costs of production vary?

Mr. Rama Rao.—I don't see how you can call the presumption *prima facie*.

Mr. Batheja.—Would you explain to me the phenomenon? Is the cost of production in all the localities where silk is grown uniform?

Mr. Rama Rao.—No.

Mr. Batheja.—Is it less in those places where an inferior silk is produced?

Mr. Rama Rao.—The prices realised are certainly less.

Mr. Batheja.—I want to understand the phenomenon. The prices are certainly less and I want to know whether these prices are reflected in the costs of production?

Mr. Rama Rao.—Sometimes, yes, and sometimes, no. It is difficult to say. The cost of production depends upon so many other factors. The prices depend entirely upon a different set of factors—supply and demand and the price of competing silk. Prices entirely depend upon the conditions of the market. The cost of production depends upon the quality of cocoons, capacity of the labourer, the quality of water and so on. A complete correlation between the two cannot be established.

Mr. Batheja.—The price of Agrahar silk on 28th February, 1933, was Rs. 3-15 to Rs. 4-3, while the price of Kempanahalli silk was Rs. 5-4 to Rs. 5-10. You have given us in reply to question 23 the costs of production of raw silk. Those are the average costs I think?

Mr. Rama Rao.—Yes.

Mr. Batheja.—Are they the costs of any special locality?

Mr. Rama Rao.—I think they are the average of certain figures taken from certain representative localities.

Mr. Batheja.—What do these figures represent?

Mr. Rama Rao.—They are the average costs of a certain number of reeling establishments in particular areas.

Mr. Batheja.—They represent the average?

Mr. Rama Rao.—Yes. Do you want to understand the variation?

Mr. Batheja.—I want to understand the actual costs of Kempanahalli and Agrahar silks.

Mr. Rama Rao.—It is quite possible. The cost of production varies from place to place. The range of variation is from Rs. 5 to Rs. 6-4.

Mr. Batheja.—In the list of papers, the actual costs of different places are given?

Mr. Rama Rao.—Yes.

Mr. Batheja.—Taking the cost of cultivation and the cost of reeling Agrahar silk, can these prices be realised—Rs. 3-14 and Rs. 4-2? How are these prices realised?

Mr. Rama Rao.—They are realised at a loss to the producer.

Mr. Batheja.—Does that statement hold good about other figures?

Mr. Rama Rao.—Most of the silk is being sold at a loss. The average cost is about Rs. 6 and there is no cost lower than Rs. 5-4.

Mr. Batheja.—Still you see these reelers are continuing in business?

Mr. Rama Rao.—Yes.

Mr. Batheja.—How long have these prices prevailed?

Mr. Rama Rao.—The prices have been on the wrong side for about 2½ years to 3 years now.

Mr. Batheja.—The reelers have got such an economic or staying power that they are carrying on still in business in spite of the loss from year to year?

Mr. Rama Rao.—Some of them are carrying on; others have gone under; others are bad debtors to rearers. Sometimes rearers are compelled to sell on credit to the reelers and the reelers become bad debtors if they incur loss.

Mr. Batheja.—The rearers suffer to this extent that they have reduced the acreage?

Mr. Rama Rao.—Yes.

Mr. Batheja.—The acreage has not reached the 1914 figure? You have given us a statement about acreage?

Mr. Rama Rao.—Yes.

Mr. Batheja.—Coming to the costs of your filature having 72 basins: I want to say one thing. I asked Mr. Govinda Rao in my conversation with him to give me the prices of cocoons. In the statement which you have furnished you have compared the price of raw silk with the price of

agricultural commodities. I personally think that it won't be fair. The price of silk is more liable to violent fluctuations. The proper thing to do is to compare the price of an agricultural crop with that of another agricultural crop. Will it be possible for you to give me the price of cocoons month by month as you have given for ragi, rice, etc.?

Mr. Rama Rao.—It will not be possible for me to give you that because we have to work back from the cost of silk. It would be very difficult to work it out. Sometimes it is being made a loss and sometimes at a profit.

Mr. Batheja.—There are no statistics.

Mr. Boag.—Is there no record of purchases made in your filature?

Mr. Rama Rao.—We can give you the actual figures from our books of the purchases made but they are not month to month purchases. We purchase when we have information of a good crop and generally we purchase from our own clientele who use disease free eggs.

Mr. Boag.—They would not be typical of prices generally?

Mr. Rama Rao.—No.

Mr. Batheja.—Are they not available in any other part of Mysore?

Mr. Rama Rao.—No.

Mr. Batheja.—There is no regular cocoon market where prices are quoted and so on?

Mr. Rama Rao.—There is no cocoon market. That is part of our trouble.

Mr. Batheja.—It would help me very much if I got those prices.

Mr. Rama Rao.—I am afraid I cannot give them.

Mr. Batheja.—The cost of producing one pound of silk on the 72 basin filature works out to Rs. 7-9-1.

Mr. Rama Rao.—Yes.

Mr. Batheja.—How much profit would you add to it in order to make it a fair selling price?

Mr. Rama Rao.—Before fixing prices

Mr. Batheja.—This is the cost which you have given for a private filature?

Mr. Rama Rao.—I have given you the cost. I would not wish to sell it below Rs. 10 if the market price was Rs. 10.

Mr. Boag.—What do you think would be a reasonable amount of profit?

Mr. Rama Rao.—If this was started, by a Company, I would be satisfied with a dividend of 10 per cent.

Mr. Boag.—You don't think that anything less would be an inducement to people to start the business?

President.—Ten per cent. dividend means 15 per cent. return. So your proposal would be 15 per cent.

Mr. Rama Rao.—I have not thought sufficiently about it. I was not thinking so much of the dividend as of the profit. I think that a profit of 10 per cent. would be reasonable. It takes a lot of management and there is also risk.

Mr. Batheja.—You cannot say by how much is this price to be pushed up? You cannot expect people to work without profit.

Mr. Rama Rao.—It would be worth while producing at this cost if you could sell somewhere between Rs. 8-8 and Rs. 9.

Mr. Batheja.—Is there a very big demand for raw silk in India of that quality at this price?

Mr. Rama Rao.—At that price, not for a very large quantity.

Mr. Batheja.—At what figure would you estimate for this quality of silk?

Mr. Rama Rao.—I have no material on which to make a calculation. It would be impossible for me to say.

Mr. Batheja.—Presuming the price is pushed up at that level, how many filatures can come into being?

Mr. Rama Rao.—If silk were to be sold at Rs. 8-8 there would be no scope for the formation of any further filatures just now.

Mr. Boag.—Your capital investment on your 72 basin filature is Rs. 61,000. A return of 10 per cent. on that investment requires Rs. 6,100.

Mr. Rama Rao.—Yes.

Mr. Boag.—Your production of silk is 27,000 lbs.

Mr. Rama Rao.—Yes.

Mr. Boag.—That is 3½ annas a lb.

Mr. Rama Rao.—Yes.

Mr. Boag.—So, to give a profit of 10 per cent. on the investment the price of silk would have to be raised by 3½ annas a lb.?

Mr. Rama Rao.—Yes, but that does not take into account management and risk.

Mr. Boag.—It does not, except that you have made a provision for supervision and management?

Mr. Rama Rao.—That is only technical supervision and management.

Mr. Boag.—You have a filature officer. Is that not management?

Mr. Rama Rao.—No.

Mr. Boag.—You don't consider 10 per cent. on your investment sufficient for that?

Mr. Rama Rao.—No.

Mr. Batheja.—You are Director of Industries and Commerce and as such you are in charge of the handloom industry of the State. It is your business to look after it?

Mr. Rama Rao.—Yes.

Mr. Batheja.—Do you think that the handlooms working in Mysore will be able to pay a price which you demand for filature silk?

Mr. Rama Rao.—No.

Mr. Batheja.—Where will this silk be sold if a filature were to be started?

Mr. Rama Rao.—I thought I said I would not advise any filature to be started.

Mr. Batheja.—You are opposed to the starting of a filature altogether?

Mr. Rama Rao.—Yes, at present.

Mr. Batheja.—The starting of a filature is an academic proposition because there is no market at that price?

Mr. Rama Rao.—Rather hard on academics! I don't think that it is a thing that would materialise at present prices. Unless you gave protection I don't think anybody would start a filature.

President.—Your position is this. If adequate protection is granted for the period asked for by the Mysore Government, you think there is a probability of having half a dozen filatures in the State and round about it?

Mr. Rama Rao.—Yes, certainly. That would be one of the best ways of making use of the protection which you would afford.

President.—At present what you are thinking of is having a filature without protection?

Mr. Rama Rao.—Yes.

Mr. Batheja.—I did not ask with reference to the question of protection. I asked will they be able to sell their production to your handlooms.

Mr. Rama Rao.—I gave a very definite answer, no.

Mr. Batheja.—At that price will they be able to dispose of their production?

Mr. Rama Rao.—No, not to handlooms.

Mr. Boag.—Where will they find a market?

Mr. Rama Rao.—If there were any power looms weaving georgettes, crepes, etc., they might be able to dispose of it; otherwise not. Nobody would think of buying filature silk.

Mr. Batheja.—How many power looms are there in India?

Mr. Rama Rao.—I cannot tell you off hand. I might be able to get you the information if you gave me time.

Mr. Batheja.—How many power looms are there in Mysore?

Mr. Rama Rao.—You mean silk power looms?

Mr. Batheja.—I am trying to find out the number of power looms.

Mr. Rama Rao.—There are 10 silk power looms in our Factory.

Mr. Boag.—Any other looms besides your Government filature?

Mr. Rama Rao.—There are a few. Mr. Subbrama Chetti has some. Mr. C. D. Ramachandra has got a few. They are not making the same class of fabrics as we are.

Mr. Batheja.—How much silk will these power looms absorb just now?

Mr. Rama Rao.—About 1,000 lbs. a month I should think at the most.

Mr. Batheja.—Or 12,000 lbs. a year?

Mr. Rama Rao.—Yes.

Mr. Batheja.—And that demand is being met by your filature and the other two private filatures existing in the vicinity of Mysore?

Mr. Rama Rao.—I am not quite sure whether they are buying any imported silk at all. I do not know. Anyhow their demand is being met.

Mr. Batheja.—Coming to this question of reduction of cost in future, you contemplate a programme of 15 years?

Mr. Rama Rao.—Yes.

Mr. Batheja.—In order to carry out this programme I take it a large organisation and a large amount of money would be necessary?

Mr. Rama Rao.—Yes.

Mr. Batheja.—You will have to increase your present staff of the Sericultural Department?

Mr. Rama Rao.—Yes. I have got the organisation. I shall have to strengthen it.

Mr. Batheja.—By how much?

Mr. Rama Rao.—The Department would have to spend 5 times as much as it is spending now. The organisation for the supply of hybrid layings would take some money and we would also have to intensify the demonstration work. All that might take about five times the money we are spending now.

Mr. Batheja.—You are spending at present how much?

Mr. Rama Rao.—Rs. 1,20,000.

Mr. Batheja.—Apart from the charge of direction?

Mr. Rama Rao.—Yes. I am giving you the cost of the sericultural section of the Industries and Commerce Department. I have not included the commercial concerns under the Department.

Mr. Batheja.—Would you require all this increased staff and money immediately in order to push on the scheme?

Mr. Rama Rao.—We would have to train our staff as we went.

Mr. Batheja.—How much time would it take?

Mr. Rama Rao.—It would take about 3 years to get into the stride in a fair way. For the first three years I would train staff and expand gradually. The expansion would become easier from the 5th year.

Mr. Batheja.—How much time would your Government take to sanction a scheme for that purpose? All Governments take time.

Mr. Rama Rao.—Not our Government.

Mr. Batheja.—I am talking of Governments generally?

Mr. Rama Rao.—I can speak only about our Government, and I think I can get a scheme prepared and sanctioned within six months. The difficult thing would be to send up a good scheme. The officer who is to prepare the scheme would have to study the requirements of each locality.

Mr. Batheja.—You will require a recurring grant of Rs. 6 lakhs?

Mr. Rama Rao.—Possibly, when the scheme is fully under way. About five years hence we would have to work up to Rs. 5 or Rs. 6 lakhs.

Mr. Batheja.—Is there any immediate prospect of getting that large money sanctioned in the present financial stringency?

Mr. Rama Rao.—If it was felt necessary for the welfare of the people, Government would probably find the money. In that cause they have spent much larger sums. On irrigation we have spent about Rs. 3 crores.

Mr. Batheja.—I understood from a statement made elsewhere that you could have done much more in the preceding years but that you were not able to do what you wanted because you had not got sufficient funds. Is not that true?

Mr. Rama Rao.—I am not prepared to answer that question. I have had all the money I required. Without protection in the present state of the market it is not much that we can do. It would be merely throwing away good money to promote an industry under impossible conditions. So all that we have been able to do is to meet individual cases, and remove individual cases of hardship, to keep the industry alive. It is not as though we have facilities for constructive work; we cannot construct in the present position of the silk trade. If we get protection, then the case will get a different orientation altogether.

President.—You don't anticipate any difficulty with regard to finance provided adequate protection is granted to the industry?

Mr. Rama Rao.—I do not anticipate any difficulty.

Mr. Batheja.—You promised to give us the views of your Government on this question in reply to a question put to you the other day by the President. When are these views to be expected?

Mr. Rama Rao.—I cannot tell you. I have not got them yet. Government have been very busy and I think as this is a very important matter they would take time to consider. Government are in touch with the proceedings of the Board. They are very anxiously watching developments.

Mr. Batheja.—You said that you had not been able to do much in the shape of improvements because the prices had fallen?

Mr. Rama Rao.—Not as much as we would like to do. We have done a good deal. We have not been able to secure large developments owing to adverse circumstances.

Mr. Batheja.—This Department has been working since 1915?

Mr. Rama Rao.—1914-15.

Mr. Batheja.—Up to 1930 you had put in 15 years working?

Mr. Rama Rao.—Yes.

Mr. Batheja.—All these advances have been made in the last 15 years?

Mr. Rama Rao.—Yes.

Mr. Batheja.—You think that a further 15 years would suffice to put the programme through?

Mr. Rama Rao.—I think so.

Mr. Batheja.—Had you any difficulty in getting funds before the price of raw silk fell very much—say two or three years ago?

Mr. Rama Rao.—We had no difficulty.

Mr. Batheja.—Whatever schemes you put forward they were all sanctioned?

Mr. Rama Rao.—Yes.

Mr. Batheja.—And you could not have done under the circumstances anything more than that?

Mr. Rama Rao.—Under the circumstances, no. We had no models to copy. We had to work out our own organisation. The work that we did in the first ten years was qualitative work. We have now a scheme and what is now required is merely what might be called quantitative development of it. We have a satisfactory plan in our minds, and we have worked out a model which is thorough. We have now to strengthen every branch of it, that is all.

Mr. Batheja.—Do you find any difficulty in persuading your cultivators to adopt your improved methods?

Mr. Rama Rao.—No difficulty at all.

Mr. Batheja.—They are all amenable to suggestion?

Mr. Rama Rao.—Quite. It took us about ten years work to get them into that mood. That was one of the difficulties.

Mr. Batheja.—I thought you said they were all poor, conservative and so on.

Mr. Rama Rao.—I never said that they were not amenable to advice. I only said that we had to take the information to their doors.

Mr. Batheja.—They are illiterate I suppose?

Mr. Rama Rao.—Yes, unfortunately that is true.

Mr. Batheja.—They are conservative?

Mr. Rama Rao.—Yes.

Mr. Batheja.—They are also poor?

Mr. Rama Rao.—Yes, that is the saddest part of it.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF JAMMU AND KASHMIR.

**Evidence of Messrs. H. K. LAL and T. C. WAZIR, representing
the Government of His Highness the Maharaja of Jammu
and Kashmir, recorded at Delhi on Monday,
the 13th February, 1933.**

President.—Mr. Lal, you are Director of Sericulture, Jammu and Kashmir?

Mr. Lal.—Yes.

President.—Mr. Wazir, you are Deputy Director of Sericulture, Jammu?

Mr. Wazir.—Yes.

President.—Both of you gentlemen represent the Government of His Highness the Maharaja of Jammu and Kashmir?

Mr. Lal.—Yes.

President.—You have been authorised to speak on behalf of His Highness' Government before the Board?

Mr. Lal.—Yes.

President.—I have received a letter from Mr. Mehta. The Revenue Minister informing me that the note which was submitted on behalf of Government marked confidential is no longer such and can be treated as a public document?

Mr. Lal.—Yes.

President.—Mr. Lal, there is one point which I want to clear up before we proceed with the details about the replies to our questionnaire. Has there been any correspondence between your Government and the Government of India on the subject of protection to the sericultural industry?

Mr. Lal.—We made no representation to the Government of India. We were preparing ourselves to send up a representation and then we saw published in the papers an announcement regarding the enquiry entrusted to the Tariff Board and then we prepared this note and submitted it to you.

President.—I was referring to a statement made to us that the possibility of an enquiry into the sericultural industry was brought to the notice of the Kashmir Government 4 years ago?

Mr. Lal.—By whom?

President.—By the Government of India?

Mr. Lal.—I am not aware of that.

President.—No representation was made on the subject at that time?

Mr. Lal.—No. We did not feel it necessary 4 years ago. We were getting along all right. The necessity arose only when we were hit hard by the competition.

President.—When was that? Which was the year in which you felt the necessity for protection?

Mr. Lal.—We have been suffering for a little over 18 months.

President.—Only for the last 18 months?

Mr. Lal.—We have been suffering beyond our endurance only for the last 18 months. Not knowing how soon the world conditions would recover we lived in the hope of better times returning, but as our misfortune went on increasing and we got near the breaking point, we felt the necessity of making a representation to the Government. Actually no representation was made.

President.—I had better deal with the questionnaire first in the order in which we have answered it. In your reply to Question 1, you have referred to Mr. Rawley's book on "Economics of Silk Industry". You have referred to the various pages in the book in order to show that the sericultural industry dates as far back as the time of Moghuls or even earlier?

Mr. Lal.—Yes.

President.—But it did not develop in the State till about 1878. I shall read to you a few sentences from that book. "The unorganised state of the sericultural industry continued till the year 1869" and then afterwards it was taken up in the year 1878 by your Government. In 1881 to 1890 it is stated the State left it to the silk rearers and practically only in 1897 the State commenced it again after that bad epidemic which broke out and in 1897 the erection of reeling factories was commenced. In 1903 ten filatures were in full working order and it was only in 1906, that you installed the Italian machinery?

Mr. Lal.—In 1925.

President.—It is stated in the book as 1906. On page 41, it is stated that up-to-date Italian reeling machinery was installed in 1906 in the new filatures which gave employment to over 5,000 people in Srinagar.

Mr. Lal.—Yes.

President.—At present the sericultural industry is practically a State monopoly?

Mr. Lal.—Yes.

President.—May I know exactly how it is run?

Mr. Lal.—It is managed and financed by Government. People cannot produce silk on their own. They cannot do rearing on their own; they cannot produce seed on their own.

Mr. Boag.—When you say that they cannot, are they prohibited by law?

Mr. Lal.—Yes, we have a Silk Protection Regulation.

Mr. Boag.—Could you let us have a copy of the regulation?

Mr. Lal.—Yes.

Mr. Batheja.—Do I understand you to mean that if any man reels silk on his own domestic appliances, he will be committing an offence against the law of the State?

Mr. Lal.—Yes, punishable by imprisonment extending up to three years or by fine or by both.

President.—Therefore, all the rearers are working under the supervision of Government?

Mr. Lal.—Yes, working under and on behalf of Government.

President.—Therefore it is difficult for the Board to find out the actual expenses incurred by rearers as such if they are under the supervision of Government?

Mr. Lal.—It is explained in reply to the questionnaire that the industry of rearing worms involves more labour than anything else. We supply seed free of charge; we supply disinfectants free of charge; what the rearer provides is accommodation in his house and the labour of himself and his family.

President.—Is it a fact that these rearers are paid a fixed price by Government?

Mr. Lal.—Yes, from time to time.

President.—Is it in the shape of wages that the rearers are paid or is it that you buy up all the cocoons they produce?

Mr. Lal.—The rate at which purchase is effected is called its price. We give seed to the rearer free; we give him disinfectants free; we give him part of the leaf which he requires for feeding the silkworms free and the remaining part he makes up from his own land.

President.—In reply to Question 19, you have stated that the question does not arise as the State buys up all the cocoons from the rearers. It is about the price of the cocoons that we have asked.

Mr. Lal.—What we understood by the question is whether the rearer is free to sell in the open market?

President.—Yes, that is the point?

Mr. Lal.—That he is not. He is bound to sell it to us.

President.—The reason why we have asked this question is to find out whether the rearer occupies an independent position and can get the best value for his cocoons?

Mr. Lal.—That he cannot under the existing law.

President.—I would like to understand in that case what factors determine the price which you pay to the rearers?

Mr. Lal.—We with the best of intentions put value upon the labour he expends and upon the use that he permits of his house. For a limited period he finds accommodation in his house. The silkworm has to be reared inside a house and so accommodation has to be provided. That involves investment of some capital. The rearing is done at a time of the year when the rearers can keep their animals out and that is what is happening in Italy and France. I have seen rooms quite decent for human habitation being made use of for silkworms in Italy and France, there the rearer sleeps out for part of the rearing period if need be, in the same manner as the rearers do here. So what we do is this. We take into consideration the labour the rearer expends or his people expend; we also take into consideration the equivalent money value of the accommodation that he furnishes and we fix the price.

President.—And that price I suppose varies according to the season?

Mr. Lal.—No. The price does not fluctuate frequently. We have had three rates in force from the date when the Government took up the industry into their own hands, on present lines, that is since 1897 when Mr. Walton was put in charge. That was the last period of reorganisation and we are concerned to-day with that.

President.—The position as I understand it is that a rearer has got to submit to whatever price Government decide.

Mr. Lal.—I was coming to that. From 1897 we have had three rates in force. The original rate fixed was Rs. 14-6.

Mr. Boag.—Per maund?

Mr. Lal.—Yes, per green maund.

Mr. Boag.—How many lbs. to a maund?

Mr. Lal.—40 seers to a maund: 82 lbs. to a maund.

Mr. Batheja.—That is the railway maund?

Mr. Lal.—Yes.

Mr. Boag.—The rate is Rs. 14-6.

Mr. Lal.—That was the original rate per green maund. A dry maund will be three times more. Green cocoons lose 66 per cent. of their weight. Immediately after the cocoons are prepared by the workers they contain about 75 per cent. of water but then we purchase cocoons when the larvæ change into pupæ.

Mr. Boag.—You always buy cocoons dry, don't you?

Mr. Lal.—We buy them by green weights.

Mr. Boag.—Always?

Mr. Lal.—Yes, when we buy them green they are in the condition in which they contain 66 per cent. water. Our effort always is not to buy cocoons so long as the larvæ are not changed into pupæ.

Mr. Batheja.—How do you find that?

Mr. Lal.—At the larval stage the moisture content of cocoons is about 75 per cent. It is not advantageous to buy cocoons in that condition, not only because of the higher percentage of moisture but also because of the unsuitability of cocoons, so we give the rearers instruction to remove cocoons seven days after the mounting of the silkworms.

Mr. Batheja.—You give instruction to remove the cocoons 7 days after mounting?

Mr. Lal.—Yes.

President.—I now come to the question of mulberry plantation, so that we can have the whole picture presented as far as Kashmir is concerned. Now as far as plantation is concerned, I suppose the zamindar plays a very prominent part?

Mr. Lal.—He is playing now. He has been indifferent for a time because no payments were made to him. The mulberry again is a reserved tree controlled by the State.

President.—What are the general sizes of mulberry?

Mr. Lal.—Full grown tree.

President.—Yes, is it a large sized tree?

Mr. Lal.—Yes.

President.—You have only recently started giving these seeds or plants to zamindars?

Mr. Lal.—We have been distributing for the last 12 to 15 years, but we did not meet with success in the earlier stages because we were making no payments to the zamindars for the attention which was needed after transplantation. The position is entirely changed to-day. I believe we are concerned with the existing conditions.

President.—Mr. Lal, the question which the Board has to consider is the question of remuneration and the cost of the mulberry plant. There are two systems of mulberry plantation: in your case the trees are already existing in the natural state?

Mr. Lal.—That is the old stock which has been standing there for as long as 150 years. The average life of a mulberry tree is 100 years.

President.—You say “the present day policy has helped during the last five years when 218,419 trees were planted”. It is necessary for the Board to find out the exact cost per acre of land, and if mulberry is going to be cultivated by the zemindar then it would be necessary for the Board also to understand what are the recurring as well as initial expenditure.

Mr. Lal.—With regard to the system we are talking about it has never been necessary to devote the land exclusively to mulberry. Mulberry is grown to-day along the borders of the fields and on waste lands and that is the sort of growth we are aiming at for the future. The population in the valley is multiplying very fast and I do not think it will ever be practicable to grow mulberry to the exclusion of rice which is the staple food of the people and the lands in the valley are mostly irrigated by streams.

President.—I don't think you have understood the position correctly.

Mr. Lal.—I have understood it, Sir. Our difficulty is that we cannot compare the costs with the cultural charges in Bengal or Mysore where the whole field is devoted to mulberry bush plantation.

President.—Will you tell me how many zemindars are engaged in mulberry plantation?

Mr. Lal.—None for the whole time. The way we utilise their services is this: the plant is ours, grown in Government nurseries. Each plant costs us, say, about 2 annas: it varies from year to year.

Mr. Boag.—Up to what stage?

Mr. Lal.—Third year of growth. These plants are carried from the nursery to the centres of distribution in the mofussil at the cost of the

department, unless planting is being done within a short radius from the nursery in which case the zemindar will come himself and take his share of the plants. Before the distribution is made in the spring we dig holes three feet deep and get these ready for receiving the plants: as soon as the distribution is made the plants are put in. Then during the first year the only care needed by the plants is watering three or four times when there is drought: in Kashmir we get frequent rains so there is not always need for three or four waterings. Then the other thing is to keep the cattle away, so we tie up thorns around the plants. Then there are to be two or three hoeings of the soil. That is the kind of work we demand from the zemindars for which we make suitable payment.

President.—I want to know what expenditure the zemindar incurs himself?

Mr. Lal.—Nothing except supervision, labour required for hoeing, labour required for fencing, and watering if necessary.

President.—He and his family are engaged in carrying out work of a kind under the supervision of His Highness's Government in which they do not spend any money out of their own pocket.

Mr. Lal.—No cash expenditure is incurred by them.

President.—What is the cash paid to them? Is he paid on an acre or per plant?

Mr. Lal.—We pay per plant. In the first year the plant needs greater care and for that we pay roughly about 4 annas per plant.

President.—Should we assume that a zemindar means a family of five members?

Mr. Lal.—Roughly a family of five people.

President.—How many plants does the zemindar get in his charge?

Mr. Wazir.—In Jammu we have a system of having contractors whom we give a number of plants, say, 200 and we arrange to pay them at a certain rate, may be 3 to 4 annas per plant for the first year; for the second year it will be a little less, for the third year it will be slightly more than the second year but less than the first year.

Mr. Boag.—What would be the typical rate?

Mr. Wazir.—Four annas for the first year and 2 annas for each of the succeeding years.

President.—If it is four annas per plant for the first year and 200 plants are generally given, that makes Rs. 50 for the year.

Mr. Wazir.—Yes, and that only for short time labour that he spends on the work in addition to his other agricultural duties. He attends to these mulberry plants for a short time: it is part time wage for him.

President.—What approximately is the time devoted by him exclusively to work relating to the mulberry plant?

Mr. Wazir.—It would be rather difficult to form an estimate. Watering he may be required to do twice a week in summer months and he may not require watering at all during winter or wet months. Hoeing he will do once or twice a month; fencing once a year. Once the fencing is done all he has to do is to see that it is not damaged.

President.—That requires personal supervision practically throughout the day?

Mr. Lal.—Fencing once done lasts a whole season. For general supervision we have got separate staff.

President.—I want to understand clearly the position of the zemindar in the State, the work he is doing, the remuneration he gets and whether it is supplementary or subsidiary to his ordinary occupation.

Mr. Lal.—It is supplementary.

President.—Is the payment made to him for the work done on a remuneration basis or is it a rate which His Highness's Government fixes as it thinks best irrespective of the labour involved?

Mr. Lal.—One way of judging whether the remuneration is adequate or not is to see whether or not the zemindar takes interest in the work which he is under no obligation to do. And judging by the results of plantation made within the last five years we find that they are deeply interested in multiplying the plants. They want more plants. Within the last three years they have expressed willingness to plant trees on their own private land as well and that shows the popularity which mulberry cultivation enjoys. He knows that it is to his own benefit to plant the mulberry.

President.—Can you tell me approximately how many acres of land the zemindars own privately for mulberry?

Mr. Lal.—So far no zemindar has set apart any part of his land exclusively for mulberry: he will plant mulberry along the borders of his fields, which he needs for rice. It is with a view to help the Board in understanding our peculiar problems that we suggested that a visit to Kashmir may be paid because we are working under a system totally different from other parts of India.

President.—I quite realise that this industry being a monopoly, things are quite different from those prevailing in the rest of India, but when you come before the Board and ask for protection which means a burden on the consumers of India, it is necessary to go into detailed figures of your costs. If that is not available it will be very difficult for the Board to arrive at the measure of protection which may be necessary for the industry. In 1916, according to Maxwell Lefroy's report, you were fourth on the list as regards the production of raw silk in India: to-day I understand you occupy a second position, and you are producing a very large proportion of the silk by means of filatures. It is therefore necessary that the Board should go into the question as to whether there is any land in the State occupied by the zemindar where mulberry is grown exclusively and whether he is independent of the State and has got a place where he can rear the silk worms. When I asked you a question you gave me to understand that the zemindar is very keen on growing mulberry on his private land but go on to say that the acreage is practically nothing. Trees are planted on the borders of his rice fields.

Mr. Lal.—That is the place where he will grow on his own private land. We have to-day 40 per cent. of trees on the lands owned by the zemindars themselves.

President.—These people are not allowed to sell the leaves?

Mr. Lal.—They are not.

President.—Which means they have no independence. The Protection that is asked for is for the State?

Mr. Lal.—That is so, for the industry.

President.—What percentage of the population of the State is engaged in this industry exclusively?

Mr. Lal.—It is a supplementary industry; nobody depends entirely on it except those who are engaged in the filatures.

President.—What about silk worm rearers? Their number in Kashmir, you say, was 42,689 and in Jammu 2,516 in 1926-27 and 31,247 and 7,467 respectively in 1931-32. Are they part time or whole time?

Mr. Lal.—They are all part time.

President.—Then as far as factory labour is concerned, the number engaged in the factory in 1931-32 is about 2,000 and these are the only people who are engaged wholtime?

Mr. Lal.—Yes.

President.—What are the varieties of mulberry which are generally grown in the State? Is it *morus alba*?

Mr. Lal.—It is largely *morus alba*.

President.—Are there any *morus nigra*?

Mr. Lal.—Yes.

President.—Is it not a fact that the leaves of the *morus nigra* are only utilised at a later stage of the existence of the silk worm?

Mr. Lal.—That is what we do.

President.—Because it is a little heavy to digest at the beginning of silk worm rearing?

Mr. Lal.—That is so.

President.—When is pruning generally done in your State? Are there any fixed seasons?

Mr. Lal.—In the existing conditions in the province of Kashmir pruning is done simultaneously with the removal of the leaf for the silk worm. We remove the branches towards the later stages and we do not find it necessary to do any extra pruning.

President.—Is the pruning done more or less on scientific lines?

Mr. Lal.—Yes as far as we can. In our own interest we have got to preserve the tree.

Mr. Wazir.—In fact it is one of the functions of our mulberry Inspectors to see that that is properly done.

President.—Is it a fact that Mr. Wazir was deputed by His Highness' Government to visit Europe for the study of Sericulture?

Mr. Wazir.—Yes.

President.—How long were you there?

Mr. Wazir.—I was out for about 8 months.

President.—And you have seen the conditions prevailing in Italy and France?

Mr. Wazir.—Yes.

President.—Great attention is paid in those countries with regard to pruning on scientific lines.

Mr. Wazir.—Yes.

President.—I want to know whether your experience has shown that the system which is prevailing in your State is the same which is prevailing there.

Mr. Wazir.—It is not exactly the same. They do the pruning of the trees on very scientific lines at the proper time of the year—generally in autumn or early spring. Here in the state we do the pruning during the rearing season. The rearers have to cut twigs with leaves on for purposes of silk worm rearing. That they used to do formerly not so well, not in the way in which it ought to be done, but the staff engaged by the department has been instructed all along to see that they do it in such a manner that they don't create an opportunity for any disease to creep in.

Mr. Lal.—We have got a French gentleman in charge of Mulberry Culture. If the Board feels it necessary to examine him, I will get him.

President.—We will see at a later stage whether there is any necessity to examine him, but at present I don't think we need him. Do you have anything like grafting in your state?

Mr. Lal.—Yes.

President.—Grafting of different kinds?

Mr. Lal.—Yes.

President.—One kind of mulberry on to another?

Mr. Lal.—Yes.

President.—How is that done generally?

Mr. Lal.—It is bud grafting that we now practise very largely.

President.—You have given us the yield of leaf per tree as 80 lbs.

Mr. Lal.—Yes for Kashmir.

President.—For Jammu?

Mr. Lal.—It is higher.

Mr. Wazir.—They have not been defoliated to the extent to which trees in Kashmir are. Trees have been in existence longer in Kashmir and their leaves also have been used longer.

President.—It is because the tree has been used for a number of years that you get less leaves.

Mr. Wazir.—Excessive plucking has taken place.

President.—That is why you get 80 lbs. in Kashmir and about 100 lbs. in Jammu.

Mr. Wazir.—Yes.

Mr. Lal.—There are trees which give 150 lbs., but we have to give the average.

President.—That I understand. I want to know the number of trees that can be grown advantageously on an acre of land in your state?

Mr. Lal.—Large sized mulberry trees are planted 30 ft. apart and since there is no system of plantations exclusively of mulberry tree, we cannot give any idea as to how many plants are found in one acre. Since it is not done in practice, I am not in a position to give you the exact figure.

President.—What kind of worms do you generally rear?

Mr. Lal.—Univoltine yellow and white races.

President.—Generally you import your seed from foreign countries?

Mr. Lal.—We are producing more and more in Kashmir itself. Until a few years ago imported seed predominated, but now we produce more local seed.

President.—What is the proportion as it stands to-day?

Mr. Lal.—Last year's seed that I have got in hand for rearing is 2 to 1—local and foreign.

Mr. Boag.—You sent us your Administration Reports for the last five years. In those reports you have mentioned for each year the quantity of seed distributed both local and imported.

Mr. Lal.—Yes.

Mr. Boag.—From those reports I find that in the last five years, that is to say 1926-27 to 1930-31, that was the last year in which you sent us the report—the proportion of local to imported seed was never as much as 40 per cent. It reached 39 per cent. in 1928-29 and 1929-30, and in 1930-31 it dropped again to 37 per cent.

Mr. Lal.—Yes.

Mr. Boag.—Have you got the figures for 1931-32 showing the proportions of local and foreign seeds distributed?

Mr. Lal.—I will give you the figures later on.

Mr. Boag.—If what you said just now that your proportion of local to imported is 2 to 1, there has been a very great change since the year 1930-31.

Mr. Lal.—In the seed in hand which is being hybernated.

Mr. Boag.—That is the seed which you are going to distribute in a few months time?

Mr. Lal.—Yes.

Mr. Boag.—So that in the last 2 year there has been a great change in that respect.

Mr. Lal.—Yes.

President.—From where do you get generally your imported seed?

Mr. Lal.—France, Italy and partly from Greece. We get French races, Italian races and Bagdad races.

President.—What do they generally cost you to reach Kashmir?

Mr. Lal.—We have given you the figures.

President.—But that is the total cost. I should like to have some details about it.

Mr. Lal.—You mean purchase price?

President.—Yes, plus freight and other charges that you have to incur.

Mr. Lal.—I shall prepare a statement showing the cost of seed as received in Kashmir, and send it to you.

President.—What is the percentage of trees that die due to disease?

Mr. Lal.—Trees in Kashmir die largely of old age. We have not got any serious disease. Only once many years ago we had a disease called *Coryneum Mori* which Dr. Butler came to investigate. This book (shown) contains the proceedings of the Sericultural Conference. It also contains the whole of the details of his deputation. That was many many years ago. After that we never had any epidemic.

President.—It is practically negligible.

Mr. Lal.—Yes. There is no serious disease really and the plants generally die of old age.

Mr. Boag.—Since you began paying your zamindars for looking after the young trees, your loss has been reduced to 25 per cent.

Mr. Lal.—That is failure in fresh plantations. If we plant 100 plants, the failure is 25 in 100.

Mr. Boag.—What is that failure due to?

Mr. Lal.—Drying up.

Mr. Boag.—Is it due to lack of attention?

Mr. Lal.—Yes. The plant is removed root and branch from the soil and if roots of sufficient length are not retained at the time of removal they do not send out rootlets fast enough to suck moisture and receive nourishment. So these failures are due more to inattention in transplantation than to any particular disease.

President.—The point that I was trying to make is with reference to page 3 of your answers to questionnaire to which my colleague referred. There you definitely tell us that out of the trees planted within 5 years, 75 per cent. is highly satisfactory.

Mr. Lal.—75 per cent. success is satisfactory.

President.—You don't mention any causes for the failure. So I want to understand the cause which leads to this loss. I want to know whether there is any disease existing in Kashmir.

Mr. Lal.—This is not due to any disease.

President.—What should be the average loss due to other causes than disease? Should I take it at 25 per cent.?

Mr. Lal.—We look upon that as very satisfactory. Even 30 per cent. failures will be paragonable.

President.—I would say roughly speaking about 25 to 30 per cent. is the failure due to things other than disease.

Mr. Lal.—I would like to say one word in this connection. The percentage of loss would be less if we were to transplant seedlings. But when we have to remove from the land, from its moorings, a three year old plant, we have to put up with failures of 25 to 30 per cent. We have to carry the plants to long distances and sometimes delay is caused in transport or the roots may get exposed and be crushed. We take the very best care we can. We send plants by lorries now-a-days. In previous years we used to send them by coolies. The journey is very slow. In the province of Jammu plants have to be carried by coolies for want of proper communications. Then there are hill-streams which may be flooded owing to seasonal rain when we cannot avoid the delay in transport.

President.—In answer to question 6 (b) you have given us the rearing results and I find no mention is made of local seed. As you are rearing 50 per cent. out of local seed, I would like to know what the figures are. You have given us only Chinese, French and Italian varieties?

Mr. Lal.—Races we produce seed from in Kashmir are practically the same. We are acclimatising these.

Mr. Boag.—You are acclimatising them all?

Mr. Lal.—Yes. We are trying to find out which of them in the long run give us the best results.

President.—Have you succeeded in any experiment up till now to select any particular variety?

Mr. Lal.—We are on the way to it. We are just trying and it is a thing which takes years.

President.—In the 50 per cent. local seed, all these varieties occur. Is that the position?

Mr. Lal.—Cevennes is a very satisfactory race. Pyrennes, Brianza, Maiella, Ascoli and Abruzzo have given very satisfactory results in the local breeding house.

President.—According to the length of filament in meters. I find Italy is the best. They give you 1,000.

Mr. Lal.—That is so. In establishing these races, we have to look to a number of other things. The two main considerations in our industry are which race suits the rearer best and which suits the reeler best. There are special crosses between the French and Italian yellow races and the Chinese golden yellow. These have been found to be equally good both for the rearer and the reeler.

Mr. Wazir.—For reeling purposes these are preferred.

President.—I come now to the question of incubation. What is the method adopted by your State with regard to incubation?

Mr. Lal.—Incubation as we have explained is done largely by the rearer himself.

President.—Under the supervision of the State?

Mr. Lal.—Under the guidance and supervision of the staff of the State. The rearer will incubate either individually, if he is given 1 ounce or $\frac{1}{2}$ ounce, in his own house, or, three or four of them, who are neighbours, will join together and put 5 or 6 ounces in the same house and keep watch over the temperature by turns. A part of the incubation is now being done in our own Seed House under departmental supervision. We have thermometers which give us alarm the moment the temperature rises or falls by half a degree above or below that set for the day. The zamindar of course has not got the means and has not got the sense to use these electrically worked thermometers and these are the thermometers which are largely made use of in Italy to keep control over temperature.

President.—At present the temperature is regulated by the zamindar himself?

Mr. Lal.—He regulates the temperature himself. Either he has got the thermometer provided by the State or he goes by his sense of feeling. Where incubation is done largely by the zamindar, we delay distribution of seed. We raise the temperature in the hybernation house. We raise the temperature gradually in the hybernation house itself so that the seed is partly prepared for incubation before it is given to the zamindar. He requires 8 to 10 days in his house to get the worms out.

President.—Generally the period is about one to two weeks?

Mr. Lal.—Scientific incubation requires up to 3 weeks. Normally it is 2 weeks in Europe. There is a lot of literature on the subject.

President.—I am now confining myself to the practice in the State. I want to know whether you are using incubators or boxes or any other things which go to make the best incubation. I would like you to tell me

how far your system can be compared with the systems which are prevalent in other countries?

Mr. Wazir.—(Explained with the help of a chart). In Kashmir three or four rearers combine in the interests of economy, and put the seed in a house prepared beforehand. They put the seeds generally in pots or vessels which are either earthen or metallic. They put paper first and then the seed over it and cover it up to prevent dust getting in. The pots containing seeds are put in a room which is heated by fire in fire pots placed at convenient places in the room. In Jammu in some cases they use special boxes with two small chambers in them. In one chamber they put the fire; in another they put the seed. They allow the heat from one chamber to go into the other and in that way they raise the temperature.

Mr. Batheja.—What is the temperature required?

Mr. Wazir.—Generally they start with 64° and gradually raise it to 76° . We can go up to 77° also. Then, immediately before the hatching takes place, they raise it a little more so that they may get a bumper crop straightaway. In certain places hatching extends over a long period. Sometimes it goes on for 5 to 6 or even 8 days.

President.—The system you have just now described is approved by His Highness' Government or you are still experimenting and trying to educate the people to adopt a better system?

Mr. Lal.—We are educating the people.

Mr. Wazir.—One idea of giving hatched worms instead of eggs is to demonstrate the right way of incubation to the zamindars and the other is to reduce the period of incubation at the hands of zamindars as far as possible so that the risks of failures may be eliminated.

President.—I understand that at present the position is this that all the rearing is done by the zamindars and not by the State but that the zamindars do it under the supervision of the State?

Mr. Lal.—Yes.

President.—What is the proportion of seeds that do not hatch?

Mr. Wazir.—Sometimes 4 to 5 per cent.; sometimes 2 per cent.

President.—Will the average be as much as 4 to 5 per cent.?

Mr. Lal.—The average is 5 to 6 per cent.

Mr. Wazir.—In the province of Jammu it is something like 4 per cent. It may be a little higher in Kashmir. The average will be about 5 per cent.

President.—Can you tell me exactly the reasons for this failure?

Mr. Wazir.—Mainly due to carelessness in regulating the temperature. In certain cases it may be due to some defect in the seed itself.

President.—But mainly it is temperature?

Mr. Wazir.—Mainly it is due to carelessness in regulating the temperature.

President.—If it is done under the supervision of His Highness' Government and if the technical staff of the State is paying frequent visits, can they not regulate temperature in such a manner as to eliminate this factor altogether?

Mr. Wazir.—This is what happens. The temperature has to be regulated day and night. Supervisors cannot be everywhere all the time. Sometimes during the night somebody is a bit careless and forgets to put the necessary fire at the time when it is most needed. Sometimes suddenly there is variation in the temperature outside and the man fails to take care to regulate the temperature inside accordingly. The Inspectors or Supervisors that are engaged by the State go about the country, tell everybody what to do and how to do and but for them, the loss would be much heavier.

Mr. Batheja.—Can you delay incubation indefinitely? Can you keep the seed for a very long period without the danger of deterioration?

Mr. Wazir.—No, We have to start incubation at the proper time. As soon as the temperature outside comes up to a certain degree, we have to start incubation. It is for that reason that the temperature is strictly regulated in the hybernation house in the preincubation period.

Mr. Batheja.—How long can the seed be kept?

Mr. Lal.—It is usually imported in the month of October-November and then the seed is laid in June or July.

Mr. Batheja.—In Europe?

Mr. Lal.—Yes, and also here. This will undergo hybernation in the winter and in the normal course we incubate it in spring but if required we can keep it in hybernation till July or August for a second crop.

Mr. Batheja.—You cannot delay incubation beyond that period?

Mr. Lal.—No, not beyond that.

Mr. Batheja.—What happens if you do?

Mr. Wazir.—The life in seed becomes extinct.

President.—Coming to the question of yield, in Statement A, you say that the yield is 41 srs. and 8 ch. per ounce of seed which roughly works out to 84½ lbs. Is that correct?

Mr. Lal.—41 srs. 8 ch. for this particular year—middle October 1931 to middle October 1932.

President.—That is for Kashmir?

Mr. Lal.—Yes.

President.—And for Jammu it is 41 srs. 14 ch. in 1931-32 which roughly works out to 86½ lbs.

Mr. Wazir.—Yes.

President.—I find from this statement that the yield is varying very considerably and it appears that you have obtained as high as 47 srs. in 1910-11.

Mr. Lal.—Yes.

President.—Since then it has been going down. What is this deterioration due to?

Mr. Lal.—It has come up again.

President.—Not very much. It has gone down as low as 18 srs. 11 ch. in 1924-25 in Kashmir?

Mr. Lal.—Yes. The main cause responsible for this drop has been insufficiency of leaf. We have been distributing more seed than we should have. That is the conclusion I came to when I took over charge.

President.—You have told us that it takes about 2,000 lbs. of leaves to an ounce of seed?

Mr. Lal.—Yes.

President.—Before you distribute the seed, do you not take into consideration the plantation?

Mr. Lal.—The trouble is this. The zamindars generally are rearing for us. There are others who are not rearing for us and they take advantage of the rearing period and misuse the leaf and feed it to their cattle thus causing a shortage of leaf. That is sometimes the case, not always. Then, the leaf yield is not the same every year. There are good seasons for leaf growth and there are bad seasons. Then any error made in fixing the date of distribution of seed may affect production. Any sudden change in the weather—a spell of cold weather for instance—after the rearing has commenced will reduce leaf production.

President.—I am not quite able to follow this point for the simple reason that it is only after experience you have been able to arrive at the figures that per tree you get about 80 lbs. of leaves and that one oz. of seed roughly requires about 2,000 lbs. of leaves. If that is so, then you can regulate the seed distribution?

Mr. Lal.—We try to but then

President.—What is the position with regard to Jammu, *Mr. Wazir*?

Mr. Wazir.—The position with regard to Jammu is this. There is plenty of leaf in Jammu; in fact, the amount of leaf available there is sufficient to cover three times the amount of seed that we are distributing at present except of course in certain particular localities where the rearing operation has developed to an extent that we may say that we have reached the limit.

President.—But then how do you account for the low production there? Even in Jammu if you see the figure for 1919-20 you will find that it has gone down to 16 srs. 2 ch. and in 1921-22 it was only 8 srs. 12 ch.

Mr. Wazir.—There might have been particular reasons for such low yield in those years.

Mr. Lal.—It was a year of drought in Jammu when we got such a low yield of 8 srs. 12 ch. I was in charge of Jammu sericulture then.

President.—What was the reason for low production two years previous to that, viz., 1919-20?

Mr. Lal.—That was the year, as far as I remember, when the seed arrived late from Europe due to shortage of tonnage created by the war.

President.—I understand there are two kinds of seeds, one is used for reeling and the other for reproduction. What is the difference between the two kinds of rearing?

Mr. Lal.—Rearing for reproduction being intended for seed production, to begin with, we have to take the best seed available for that purpose; on the other hand seed which is intended to give us cocoons for reeling need not be a specially selected one. Hybernation is common to both: then we come to the period of incubation. In Kashmir, seed meant for reproduction is incubated by the department itself and we give the rearers worms.

President.—In answer to question 18 you have put down different prices.

Mr. Lal.—It costs us a little more to rear. In France, for example, certain districts specialise in seed production. In Italy along the Adriatic they specialise in seed production. What cocoons they reject go to the filatures for reeling.

President.—For cocoons for reeling you have put down the price as Rs. 24-2-2 and in 1930-31 as Rs. 26-12-1. Is this the cost of the rearer?

Mr. Lal.—Cost of the department.

President.—Usually cocoons which are reared for reeling are not reared by the Department. Is that correct?

Mr. Lal.—In both cases the rearer does the rearing for us.

President.—I want to know how much of this cost is for the State staff and how much is spent by the silk worm rearers?

Mr. Lal.—The silkworm rearer spends nothing from his pocket. In the case of rearing for reproduction we buy the seed at a higher price. If we are using foreign seed, for example the ordinary seed is purchased at 3 shillings per oz.; for seed of reproduction we have to pay as much as 10 shillings for the same weight.

President.—When you are importing seed you have to pay different prices for the two kinds?

Mr. Lal.—Yes.

President.—Is 10 shillings included in the figure of Rs. 30-13-3?

Mr. Lal.—This is the cost to the department.

President.—The rearer is in the position of a wage earner; he is not in the position of an independent person?

Mr. Lal.—No.

President.—I am talking of cocoons for production of seed.

Mr. Lal.—Even there he rears for us for a fixed wage. The wage will be so much per maund of cocoons delivered to us.

President.—You have given us a figure of Rs. 18-12 for a person who produces 30 seers to an ounce of seed.

Mr. Lal.—That is a rate which we cannot now afford to pay unless we are lucky enough to get protection.

President.—On what calculation have you arrived at that figure?

Mr. Lal.—We have taken into consideration the market value of a cooly; we know exactly how much labour he puts into the job and we try to pay him as good a value as we can.

President.—Unless you have got figures to show the market value of a cooly in other places, it is very difficult for the Board to be convinced that you are paying the market value to the silk worm rearers and reelers as these are assessed according to the discretion of His Highness's Government.

Mr. Lal.—I can assure the Board that there is no pressure whatsoever from the Government.

President.—When we are discussing the question on the merits of payment, I can only do that when I have got figures with regard to other countries in a similar position. Whether there are any considerations which His Highness's Government take into account before arriving at the market value of the wage earner, or whether these rates are fixed arbitrarily by the staff or whether they are fixed in comparison with the price paid for similar kind of work either in British India or in other Indian States.

Mr. Lal.—We go by the local conditions entirely. A cooly can be had at 8 to 10 annas a day in the mufassil. The time we utilise of these rearers is their spare time which they would otherwise waste in idle gossip, so that it is a boon to the zemindar to get this extra work from us to supplement his income. There is absolutely no pressure exerted by His Highness's Government.

President.—How do you arrive at this figure of Rs. 30-13-3 for 1930-31?

Mr. Lal.—The slight difference that is noticeable is due partly to the extra price of the seed and partly to extra charges incurred in disinfection and partly to extra supervision given to it. In the case of rearing for reproduction we have to have more staff in the locality concerned so as to ensure visits to rearings daily.

President.—There is a difference of about Rs. 4 between cocoons for reeling and cocoons for reproduction, but there is an increase in one year even in the cost of production for reeling. Could you give me the details later on?

Mr. Lal.—Yes.

President.—In answer to question 13 you say "It is not easy to isolate a particular factor that is inhibitive to the production of cocoons by silkworms; roughly however 20 to 30 per cent. may be taken as an average figure". Is it due to disease?

Mr. Lal.—It is partly due to disease and partly to other causes such as careless handling at the time of changing beds. At that time through carelessness worms are lost; also rearers do not always keep separately worms of different ages. It seems like this: hatching takes three to four days; so a certain percentage of worms hatch the first day after incubation is complete, a larger percentage hatch on the second day and some hatch on the third and fourth days which results in disparity in age.

President.—What is the period generally taken in Kashmir?

Mr. Lal.—About four days.

President.—Would it be right to say that about 5 per cent. die on account of disease?

Mr. Lal.—About 7 to 8 per cent.

President.—In answer to question 17 you give the total works expenditure incurred on production of cocoons. Will you tell me why there is such a big difference between 1929-30 and 1931-32.

Mr. Wazir.—There has been an extension of operations as you will find from a reference to Statement A of the printed note. 5,512 against 7,598 ounces of seeds distributed.

President.—As regards Kashmir the cost of production in 1931-32 is Rs. 6,76,275. I take it you maintain grainages?

Mr. Lal.—That is the seed house.

President.—Have you got any refrigerating system in vogue? You rear only univoltine which has got only one generation.

Mr. Lal.—One laying of eggs. Eggs laid in June/July will be carried forward to the ensuing winter. In winter months we hybernate these.

President.—Have you got in the seed house anything like a refrigerating box?

Mr. Lal.—We have got a room where the temperature is maintained low for the sake of preservation of male moths for coupling a second time in case there is any shortage of male moths on any particular day.

President.—You don't hybernate artificially?

Mr. Lal.—Our hybernation is artificial. The cold room in the seed house is required entirely for the sake of preserving male moths for being coupled a second time the following day in case there is excess of female moths, i.e., if males and females do not come out in equal proportion.

Mr. Batheja.—Eggs produced without male moths are useless I suppose?

Mr. Lal.—Yes.

Mr. Boag.—I should like for a minute to go back to your answer to question 4 where you have given a list of the various races of worms. I take it from the answer you gave just now to the President that none of these races can be taken as your staple. Are they all reared commonly in the State or can you pick out any one or two as the main bulk of your production? If you prefer, take your answer to question 6 (b) in which you give a statement showing the races which are usually reared in your State.

Mr. Lal.—These are the races which we usually rear.

Mr. Boag.—There are about a dozen here, not one or two.

Mr. Lal.—The first three are more in favour.

Mr. Boag.—What proportion of your total production will these three represent?

Mr. Lal.—I will supply you the figure later on.

Mr. Wazir.—I may mention that we are cultivating more and more of crosses now. In Jammu the pure breeds have practically been abandoned. So far as the yellow varieties go, we take the cross between European and Chinese varieties. We do also rear Bagdad white and yellow.

Mr. Boag.—That is not so in Kashmir.

Mr. Lal.—We do not rear much of Bagdad variety. In the past the yellow races were reared exclusively, but now the proportion of crosses between European yellow and Chinese golden yellow is increasing. I have got figures showing in what proportion the increase has taken place in the last few years. This practice is in consonance with the practice in Italy and France.

Mr. Boag.—In what sense? Their main production is cross breed.

Mr. Lal.—Yes. We have fallen in line with the leading countries in the west. We find from practice that it pays us to cultivate more and more of crosses.

Mr. Boag.—In answer to question 6 (b) you have given the number of cocoons in kilogrammes. Can you give me the relation between kilogrammes and lbs.?

Mr. Lal.—2.202 lbs. to a kilogramme.

Mr. Boag.—To what extent is the climate of Kashmir responsible for your confining yourselves to the univoltine worm? Is the climate largely responsible or is it the fact that you find the univoltine worm gives better results?

Mr. Lal.—The climate.

Mr. Boag.—What I had in mind was the severity of the winter. Does that militate against the cultivation of multivoltine worm?

Mr. Lal.—It does. But we can cultivate multivoltine in certain parts of Jammu.

Mr. Boag.—But you don't.

Mr. Wazir.—We can have two crops from the univoltine as well by carrying the eggs in the hybernation house longer.

Mr. Boag.—You say you can have two crops. You can hatch some of the eggs in May and some in July.

Mr. Wazir.—Yes.

Mr. Boag.—That is not quite the same thing as two crops.

Mr. Wazir.—We can have two crops in that way.

Mr. Boag.—In the sense that it is used. In the case of bivoltine two crops mean two cycles.

Mr. Lal.—We don't have that in Kashmir. We can have the same seed preserved to be used for one rearing in May and for the second rearing in July.

Mr. Boag.—Is it possible to make any comparison between the economic value of the univoltine worm and the multivoltine worm? Has it occurred to you in considering the question of introducing the multivoltine worms? Has the question been considered at all in detail whether it is possible and if so, whether it is desirable to introduce multivoltine races?

Mr. Lal.—We have never seriously taken this question up and I think that question has been fraught with grave risks. In the existing conditions of our development, we would not wish to have the multivoltine worms introduced at all in any part of Kashmir State.

President.—Is it not a fact that the univoltine worms give 20 per cent. more silk than the multivoltine?

Mr. Lal.—They give us more silk and better silk.

President.—Is that the reason which has induced His Highness' Government to adhere to univoltine breed?

Mr. Lal.—That is a matter of past history.

Mr. Wazir.—The question was really considered by the gentlemen who took interest in establishing the industry there. Among them was Sir Thomas Wardle.

Mr. Boag.—The question was considered at that time.

Mr. Wazir.—They went, as far as our knowledge goes, by the similarity of conditions prevailing in European Sericultural countries.

Mr. Boag.—You mean climatic conditions?

Mr. Wazir.—Yes.

Mr. Lal.—Before Sir Thomas Wardle advised, we had an indigenous race. In this book Dr. Rawley refers to a delegation that came from Italy. The epidemic pebrine had exterminated the silk worm in Europe; so they sent out a number of parties, one party to Japan and another to Kashmir. At that time the industry in Kashmir was free and not controlled by Government and we find from this book, and other authorities, that the delegation carried away from the country 25,000 ounces of

silk worm eggs which shows that the country had enough to spare over and above its own requirements and this seed was of univoltine races. From times immemorial we have been cultivating univoltine race and the question has never been taken up whether it would be profitable to introduce multivoltine. If I am asked to give my opinion whether we should cultivate multivoltine, I would say no. The cycle of multivoltine being a short one the disease pebrine may get out of our hands. In the case of the annual race the life cycle being a long one there is much less risk of the disease spreading.

President.—You say originally the univoltine worm was cultivated in Kashmir as being more suited to the climate and that practice having been established, you would consider it undesirable to change.

Mr. Lal.—Yes.

President.—Have you any of the wild silk worms in Kashmir, tassar or eri?

Mr. Lal.—Not in Kashmir, but in Jammu.

President.—Is any use made of them?

Mr. Lal.—Not that we know of.

President.—The State control doesn't extend to that.

Mr. Lal.—No. It is not produced so largely as to have any commercial value.

President.—You don't know anything about it.

Mr. Lal.—From time to time samples of Tassar cocoons have been brought to us and we find that Tassar silkworms exists in the jungles of Jammu. Only that much we know.

Mr. Boag.—Can you give me any idea of the relative value of the mulberry worm silk and the tassar silk?

Mr. Lal.—I do not happen to have any data with me.

Mr. Boag.—I should rather like to have an idea of their relative values.

Mr. Wazir.—I will just try if I can find anything from my file, but that information will be 4 years old. For what it is worth I shall communicate the information which I collected while going round the markets in India in 1927. The prices of various qualities of silk were as follows:—Bengal reeled silk Rs. 10 per lb., Mysore flature reeled Rs. 13 to 14 per lb., Reeled tassar Rs. 10 to 12 per lb. f.o.r. Bhagalpur, Handspun tassar Rs. 2 per lb., Mill spun tassar Rs. 51 per bundle of 11 lbs.

Mr. Boag.—In the letter which you sent us in January you say "recently the acclimatisation of foreign races has been taken in hand". On that point I should like a little more information. How long have you been working on this business of acclimatising foreign races of worms?

Mr. Lal.—I took this up in hand in 1929.

Mr. Boag.—That is about 3 or 4 years ago.

Mr. Lal.—Yes.

Mr. Boag.—How have you been tackling the subject? Actually what measures have you taken?

Mr. Lal.—I have dealt with this question in my Annual Administration Report for the year. I shall read from it. The practice in the past was to issue the yellow races and not mind the cocoons of different races getting mixed up. All the cocoons used to come to the silk factory, from the rearers. In the silk factory cocoons were selected for the seed house. Cocoons that entered the seed house were a mixture of so many races. Breeding was done from these haphazardly without any regard to the races. They were not kept separate. The Chinese, the Japanese, the Italian and the French got mixed up and we had a mixture. So long as that system was in vogue, it was not possible to acclimatise any race.

Mr. Boag.—Not any pure race. You were developing generations of cross breeds.

Mr. Lal.—The first step necessary was to insist upon keeping these different races separate one from the other and acclimatising them. That is how we are proceeding.

Mr. Boag.—That is as far as you have got?

Mr. Lal.—Yes, we are watching the results from year to year.

Mr. Boag.—You are keeping the races separate. You breed not from seed freshly imported every year, but from seeds grown in the country.

Mr. Lal.—We do both. I shall explain it once more. (Explained with the help of a chart).

Mr. Boag.—Are you following the Greece practice?

Mr. Lal.—That is the practice we are following. What they do is: they import seed from France and Italy and go on reproducing from this. In course of time when any weakening in the race takes place, they introduce fresh blood. That is the line we have to adopt year after year. In France and Italy they are cultivating white Chinese races, white Japanese races and the golden yellow of China for crossing purposes. They also find it necessary to renew the blood every 4th or 5th year, for which purpose what is wanted is only a small quantity. The major portion of seed that we produce is intended to supply cocoons to the filatures.

Mr. Boag.—You have not gone far enough to say which of these races show most promising signs of acclimatisation?

Mr. Lal.—We have got an idea but whether they will stand the test of time or not remains to be seen. The period of experimentation has been a brief one so far, but certain races have given good results.

Mr. Boag.—All these that you have mentioned or only some of them?

Mr. Lal.—Cevennes, Var, Brianza, Maiella, and Abruzzo have hitherto proved very promising.

Mr. Boag.—Your investigations have not been conducted long enough to say whether they will ultimately be successful?

Mr. Lal.—No.

Mr. Boag.—In your answer to question 8, you discuss the organisation of seed production. In how many centres have you organised seed production? You say that the area for rearings of reproduction is a selected one. How many such areas are there?

Mr. Lal.—Only one.

Mr. Boag.—I understand that in Kashmir you reproduce seed for Jammu as well?

Mr. Wazir.—In Jammu we use mostly imported seed and only a small proportion of Kashmir seed.

Mr. Boag.—You don't produce seed yourself in Jammu?

Mr. Wazir.—No.

Mr. Boag.—In Kashmir you have got one area for seed production?

Mr. Lal.—Yes.

Mr. Boag.—How many have you of these rearing houses which you speak of for the reproduction of seed?

Mr. Lal.—We have in hand something like 1,000.

Mr. Boag.—But I understood you to say that your seed or some of it was produced in State grainages?

Mr. Lal.—We have three seed houses working as one unit.

Mr. Boag.—How do you mean exactly?

Mr. Lal.—There are three buildings.

Mr. Boag.—Close together?

Mr. Lal.—Yes. At one time there used to be three separate houses under three separate officers. That being a costly affair, I have amalgamated them.

Mr. Boag.—What quantity of seed is produced annually by that house?

Mr. Lal.—Speaking from memory, the maximum that we have ever produced is 21,000 oz.

Mr. Boag.—Is that its maximum capacity or can you produce more?

Mr. Lal.—I had had placed at my disposal two or three years ago a sum of Rs. 60,000 for making additions to buildings but I could not use it owing to the depression in business.

Mr. Boag.—Do you mean to say that in order to raise the production of seed above this 21,000 oz. you would have to extend the buildings?

Mr. Lal.—Yes, and import machinery.

Mr. Boag.—As things stand at present, that is the maximum quantity which you can produce?

Mr. Lal.—That is the maximum with the greatest difficulty.

Mr. Boag.—Even that you can only produce with difficulty?

Mr. Lal.—Yes.

Mr. Boag.—Apart from these seed houses, rearing for reproduction is done by ordinary rearers under closer supervision than you pay for the seed house?

Mr. Lal.—Rearings necessary for the seed house are done in special rearing houses. Other rearing is done for feeding the filatures.

Mr. Boag.—Exactly how is the seed imported? How do you get it? How is it packed and sent?

Mr. Lal.—It comes packed in cardboard boxes.

Mr. Boag.—How many ounces in a box?

Mr. Lal.—One ounce in a box.

Mr. Wazir.—There are half ounce boxes also.

Mr. Boag.—Are these cardboard boxes sent in a wooden case?

Mr. Lal.—Double wooden case.

Mr. Boag.—Do you lose on the voyage?

Mr. Lal.—A very small quantity.

Mr. Wazir.—Almost negligible.

Mr. Boag.—Are any special measures necessary to keep the seed in a cool temperature on the voyage?

Mr. Lal.—The period when we import is September; then the temperature all along the route is favourable.

Mr. Boag.—Even in the Red Sea?

Mr. Lal.—Yes. Once the winter sets in in Europe it is risky to get our seed out because then the same seed will be exposed to very high temperature in the Red Sea.

Mr. Boag.—The variation will be too great?

Mr. Lal.—Yes.

Mr. Wazir.—All the same instructions are issued to shippers to keep the seeds away from boilers.

Mr. Boag.—With nothing more than these instructions you find that these seeds come out undamaged?

Mr. Lal.—Yes. Now and then we have trouble as we had in the year 1918. It arrived very late owing to severe shortage of tonnage and we could not get proper hybernation.

Mr. Boag.—On arrival it goes straight into the hybernation house?

Mr. Lal.—Yes.

Mr. Boag.—It is kept there till it is wanted?

Mr. Lal.—Yes.

Mr. Boag.—What loss do you incur owing to disease? A certain amount loss due to disease you will have to face I think?

Mr. Lal.—In a normal year, the loss due to disease I will assess at 7 to 8 per cent.

Mr. Boag.—What do you do with the pierced cocoons from your seed house?

Mr. Lal.—Pierced cocoons we export. I am just now sending them to Malda but previously we used to export them to Marseilles, Milan and rarely to London where they take higher classes of silk wastes.

Mr. Boag.—Why don't you export them now?

Mr. Lal.—Prices are not favourable.

Mr. Boag.—So that you have found this market in Bengal.

Mr. Lal.—Yes. We are also trying to sell the silk wastes to Chhoi's.

Mr. Boag.—Are they working now?

Mr. Lal.—Yes.

Mr. Boag.—In your answer to question 3, the figures that you give in the statement comparing the present outturn with the possible outturn of cocoons and raw silk, are these figures correct? It looks to me as if there is some mistake: look at the Kashmir figures—present 25,000 green maunds, possible 5 lakhs green maunds. Is that correct?

Mr. Lal.—That is correct.

Mr. Boag.—If you go on to the raw silk, at present you get 2 lakhs lbs. from 25,000 maunds of cocoons. One maund of cocoon gives you 8 lbs., but in the future to which you look forward your 5 lakhs of green maunds gives you 10 lakhs lbs. of raw silk, so that 1 maund of cocoons gives you 2 lbs. of silk instead of 8. I think there must be something wrong there.

Mr. Lal.—We will look into these figures again and let you know.

Mr. Batheja.—Referring to this question which has just been asked by my colleague may I ask you about the organisation which collects statistics of this sort in Jammu and Kashmir? Do you collect the statistics through the sericultural department or through the help of the revenue officials? Take for instance the number of silkworm rearers.

Mr. Lal.—That is taken from our books.

Mr. Batheja.—What about the number of mulberry trees?

Mr. Lal.—That is taken with the help of the Revenue Department. We are arranging to take a new census shortly through the Revenue Department. That is the only agency we can utilise.

Mr. Batheja.—Coming to the question of mulberry cultivation was there any time when mulberry was regarded as a nuisance?

Mr. Lal.—It was regarded as a nuisance because of the punishments inflicted from time to time. Our object in reserving the mulberry was to make sure of sufficient supply of leaves for the industry.

Mr. Batheja.—If mulberry is not popular you will not be able to increase the supply of mulberry leaves if you want to have an expansion of the industry?

Mr. Lal.—That is a thing of the past. It is no longer considered a nuisance.

Mr. Batheja.—What were the features of mulberry cultivation which made it a nuisance which have disappeared now?

Mr. Lal.—Firstly the manner of disposing of the offences against the mulberry rules. We have now relaxed the application of these rules in order to make mulberry cultivation popular.

Mr. Batheja.—I have been going through your Administration Report and generally I find that both Jammu and Kashmir give a long list of offences and those offences do not seem to have reduced in number.

Mr. Wazir.—There is considerable reduction.

Mr. Lal.—These offences in themselves will not be a true indication of the popularity or unpopularity of mulberry cultivation because there is a non-rearing class as well and they have no interest in it. Our effort has been and shall be to strengthen the class of people who are primarily benefited by the cultivation of mulberry and if there is any breach of the law against mulberry by the other people who are not interested in mulberry cultivation we take notice of it. We are endeavouring to make it an attractive thing for them and for that reason we are making every effort to introduce the cheapest method of cultivating mulberry.

Mr. Batheja.—Do you propose to relax the monopoly of the State in mulberry growing, that is to say, try a system of private enterprise?

Mr. Lal.—I believe we will come to that ultimately. For the moment we believe that monopoly is a necessity in the present economic conditions of the country. I would respectfully draw the attention of the Board to a Chapter in Mr. Rawley's book in which he maintains that "State monopoly is a necessity so long as the agricultural communities are not out of their narrow sphere of economic activity" (page 182). Mr. Rawley furthermore acknowledges that "the State monopoly has succeeded in producing a utility by a combination of the capital, the labour and the economic resources of the country, and has thereby added to the annual dividend of the State. It has, moreover, led to the creation of favourable working conditions in the Silk Industry and has, above all, imparted an industrial stimulus to the agricultural classes in small towns and villages".

Mr. Batheja.—If the zamindar now takes kindly to mulberry cultivation I presume he thinks that the occupation is lucrative: what is the proportion of income from this source, that is silk worm rearing, to his total income or to his income from other agricultural sources? Can you give me a rough idea as to how much it adds to his total income?

Mr. Lal.—I will give it to you to-morrow.

Mr. Batheja.—In the administration of the mulberry rules of the State is there an element of harrassment and vexation on the part of petty officials?

Mr. Lal.—There has been but it is decreasing: I can't say it has disappeared altogether. The zamindar has begun to assert himself. There has been a change in the mentality of the people and that acts as a check on that petty harrassment.

Mr. Batheja.—It seems that mulberry even when it is grown by the zamindar on his own private land is a State tree?

Mr. Lal.—We claim the leaves. When the tree dies the wood is made over to the owner. With regard to trees planted before a certain date. . . .

Mr. Batheja.—What is that date?

Mr. Lal.—I will give you the date later.

Mr. Batheja.—I understood from your memorandum that a man who rears silkworm has a right to get the leaves free, it does not matter where the leaves comes from—even if it comes from private land. Does this claim of outsiders to appropriate leaves grown on private land lead to dispute and vexatious interference?

Mr. Lal.—There are petty disputes now and then.

Mr. Batheja.—Who settles the dispute?

Mr. Lal.—Lambardars or the sericulture official.

Mr. Bathèja.—Have the revenue officials authority to settle these disputes?

Mr. Lal.—They assist the department in the collection of leaves.

Mr. Batheja.—Do you get the co-operation of revenue officials?

Mr. Lal.—We do as a rule.

Mr. Batheja.—If the land which is ordinarily used for mulberry cultivation by the zamindar is not used for that purpose what will be grown on it otherwise?

Mr. Lal.—Mulberry cultivation does not interfere with their other cultivation in Kashmir because only the border of the land is used for mulberry cultivation.

Mr. Batheja.—If mulberry was not grown what other things would be grown on the border?

Mr. Lal.—In Kashmir they need fuel for themselves so they must plant some trees for fuel.

Mr. Batheja.—Do they find mulberry tree more profitable than other trees which brings in wood fuel?

Mr. Lal.—The mulberry wood has higher calorific value and in the severe winter of Kashmir they find this better than the charcoal made from any other wood.

Mr. Batheja.—But they can cut the tree only when the tree is dead?

Mr. Lal.—Also a green tree, when in danger of falling by strong wind and causing damage to property, is allowed to be cut.

Mr. Batheja.—Otherwise cutting the tree in any way is an offence? If a green tree interferes with the construction of a building then can he cut the tree?

Mr. Lal.—Yes; in that case also permission is granted to cut the tree.

Mr. Batheja.—Is the mulberry supervising staff paid partly by salary and partly by commission?

Mr. Lal.—In the province of Jammu the mulberry staff gets commission in addition to salary but latterly trouble has arisen; the Accounts Department has taken objection and the matter is not yet settled and is under correspondence. In Kashmir a number of mulberry hands are pensionable because they joined the department many years ago.

Mr. Batheja.—In estimating the cost of production have you included this commission if there is any?

Mr. Lal.—No. Commissions are disbursable on profits declared. In Kashmir it is 2½ per cent. of which the director takes one per cent. and the staff gets 1½ per cent. relatively to the pay drawn during the year. Whatever commission is disbursed is debited to Government.

Mr. Batheja.—What sections of the mulberry cultivation department are given commission besides salary?

Mr. Lal.—Inspectors.

Mr. Batheja.—Have you taken into consideration this commission in estimating the expenditure on mulberry cultivation?

Mr. Lal.—We have not.

Mr. Batheja.—You raised the price of green cocoons recently to Rs. 18-12 per maund and I find from your last administration report that this price was raised in spite of a falling market.

Mr. Lal.—At the time the rate was sanctioned we were not in that position: that was in 1930 and prices were based on the market rates then prevailing.

Mr. Batheja.—You mentioned in your Administration Report that it was necessary to raise this price in order to induce the zamindars to take to silk worm rearing. Was it not worth their while?

Mr. Lal.—We felt it was not, in the changed economic conditions.

Mr. Batheja.—Was there any refusal on the part of the zamindars?

Mr. Lal.—There was reluctance here and there.

Mr. Batheja.—How was the reluctance overcome?

Mr. Lal.—By raising the rate.

President.—By making the proposition more attractive?

Mr. Lal.—Yes by reducing the quantity of seed reared so that each man may get better yield which would give him correspondingly more money.

Mr. Batheja.—What were the economic considerations as distinct from other considerations—I don't want you to specify the other considerations—which influenced the Government to raise the price to that extent? Why not more and why not less? There must have been some considerations which weighed with Government in arriving at that rate.

Mr. Lal.—It was a matter of using our judgment. We felt that a certain rate would be more acceptable to the people and we offered them that rate.

Mr. Wazir.—The rates recommended were Rs. 20 and Rs. 25 which would give a price of 8 annas per seer in the case of ordinary rearings and proportionately more in the case of preferential rearings, but Government, after considering the proposition, decided upon a rate of Rs. 18-12-0.

Mr. Batheja.—Figures about the cost of cultivation, the expenses incurred by the silk worm rearer or the relative wages prevailing in the country side or the cost of appliances, these considerations were not before the Durbar when this rate was fixed?

Mr. Wazir.—Our idea now is to co-relate the price to the market price from year to year, but that is now being thrashed out. That is for the future.

Mr. Batheja.—Did the increased sanction take place with the rise in agricultural wages?

Mr. Wazir.—The wage actually in the market was decidedly higher—had been higher a long time before. This increase so far as we are concerned was rather delayed.

Mr. Batheja.—Did the Department receive complaints from the silk worm rearers that it was hardly worth while to rear silk worms at that price?

Mr. Lal.—They did not say in so many words. They showed by their conduct—by doing things half-heartedly. That reacted upon the crops and that way we judged them. They would be happier if we paid them a little more.

Mr. Wazir.—In the case of Jammu there was a definite demand for a higher price.

Mr. Batheja.—Was it mentioned repeatedly in the reports?

Mr. Wazir.—I think representations were made for increasing the price of cocoons from time to time.

Mr. Batheja.—If economic considerations prevailed in Jammu in raising the rates, I suppose the same economic considerations would weigh with the authorities in reducing the wages.

Mr. Wazir.—That is exactly why proposals have been sanctioned for reducing the price of cocoons from Rs. 18-12-0 to Rs. 16-4-0.

Mr. Batheja.—That is the old rate?

Mr. Wazir.—Yes.

Mr. Batheja.—That would reduce the cost of cocoon production materially?

Mr. Wazir.—Certainly.

Mr. Batheja.—The seed is supplied to zamindars free?

Mr. Lal.—Yes.

Mr. Batheja.—I should say on trust that he will return some cocoons.

Mr. Lal.—Yes.

Mr. Batheja.—If it is misused in any way or carelessly handled, what is the remedy of the Department?

Mr. Lal.—First year it may not be easy to prove that damage was done through any bad intention or motive and we may not take any notice,

but if the same person does not bring any crop for 2 or 3 years, we don't issue seed to him and we strike him off the list.

Mr. Batheja.—That is the only punishment you inflict?

Mr. Lal.—Yes. On the other hand if we find that he has illicitly raised the crop or disposed it off elsewhere, we proceed against him in a Court of Law.

Mr. Batheja.—You say that the silk worm rearer in Kashmir supplies his house, supplies his labour. May I know whether he supplies his own implements or you supply implements?

Mr. Lal.—There are very few implements that he makes use of. He needs a tray. It may be an earthen tray or a wooden tray or a tray of any other material for spreading the eggs for purposes of incubation so as to expose them uniformly to high temperature. Later on if he is hard up for space, he will make shelves, one above the other, for which he will require some pieces of wood which he collects from the nearest jungle.

Mr. Batheja.—You don't supply him with any special implements?

Mr. Lal.—No.

Mr. Batheja.—Do you supply the cocoonages? Is it something like Mysore Chandrika?

Mr. Lal.—Cocoonage is the place where cocoons are formed.

Mr. Batheja.—In Mysore there is some structure called Chandrika. What is your corresponding structure?

Mr. Lal.—Dried branches of bushes.

Mr. Batheja.—Don't they cost him very much?

Mr. Lal.—No. In Kashmir we have another system. The branches of the mulberry, bearing leaf, are placed horizontally on the floor one above the other from day to day. The interspaces between these also provide room to silk worms for making cocoons.

Mr. Batheja.—You have no implements called "Chandrika"?

Mr. Lal.—No.

Mr. Batheja.—So that implements hardly cost anything?

Mr. Lal.—Quite.

Mr. Batheja.—You say you are trying to evolve a Kashmir race of silk worms by having these crossings or by breeding the foreign worms.

Mr. Lal.—It is being acclimatised. The original race is extinct practically. We are not crossing with the indigenous race. We are bringing foreign races and trying to find out which of them will thrive in our country.

Mr. Batheja.—Have you got any research organisation for finding out which thrive best in the climate of Kashmir?

Mr. Lal.—The particular branch which concerns itself with the seed production studies these points.

Mr. Batheja.—You have no biologists on the staff?

Mr. Lal.—No, but we have got trained young men who have spent two years in Italy after spending some years in training in Kashmir.

Mr. Batheja.—You are keeping regular observations?

Mr. Lal.—Yes.

Mr. Batheja.—And making experiments?

Mr. Lal.—Yes for the time being. Our intention also has been to engage a seed expert with ripe experience from abroad for a certain number of years.

Mr. Batheja.—He may be a seed expert, but he may not be an expert in finding out what race would suit best for Kashmir.

Mr. Lal.—The experience that he will bring to bear on the subject will be useful.

Mr. Batheja.—In answer to question 7 you have described the defects of Kashmir silk worm rearing. Do you think there is any prospect of removing these in the near future?

Mr. Lal.—That is a matter of time. We should be able to do that.

Mr. Batheja.—Will you be able to introduce scientific methods of incubation of silk worms?

Mr. Lal.—Yes.

Mr. Batheja.—How much time would you require if you want to extend the industry?

Mr. Lal.—It will not take more than 7 to 8 years to train everybody in the use of incubators. People are illiterate I admit, but they are very intelligent and shrewd.

Mr. Batheja.—You maintain the proposition that the industry can be expanded rapidly if adequate assistance is given.

Mr. Lal.—Yes.

Mr. Batheja.—Do you hope to remove the defects mentioned in (b) and (c) of your answer to question 7?

Mr. Lal.—These defects, I would submit, do not constitute at present an absolute bar to the conduct of business.

Mr. Batheja.—They are an obstacle to the conduct of efficient business and cheaper business.

Mr. Lal.—I have got figures to show what is the average return per ounce of seed in advanced countries like France and Italy. In Kashmir a large number of rearers give as much as 2 maunds per ounce—some give $1\frac{1}{4}$ maunds per ounce and some bring no crop whatever.

Mr. Batheja.—We are talking of averages. Do you hope to eliminate the defects so as to bring down the costs materially? That is a point on which the Tariff Board is very much interested.

Mr. Lal.—Self interest demands of us to improve these things as fast as we possibly can.

Mr. Batheja.—Is self-interest very much operative under the monopolistic system?

Mr. Lal.—I think it is. I am interested. I am allowed one per cent. commission.

President.—You are just going to give us figures about the yield of cocoons per ounce of seed for Italy and France. I have got some interesting figures. I have seen your figure as high as 56 seers.

Mr. Wazir.—Yes.

Mr. Lal.—Is your data from the same source?

President.—No. In Italy I am told that the average touches between 60 to 70 kilos per ounce of seed.

Mr. Lal.—For the country as a whole?

President.—Yes.

Mr. Lal.—France gives something like 49 kilos which are more than 49 seers. There will be 37.2 kilos to a maund.

President.—I have got figures as high as 50 to 60 kilos which the Italian Government consider as unsatisfactory. Your best is one maund.

Mr. Lal.—We have been undoubtedly unfortunate for 10 years or so in getting bad crops. I was fortunate in getting good average last year and we hope to improve it.

Mr. Batheja.—Do you think that this low average as pointed out by the President is chiefly due to the defects mentioned under (a), (b) and (c) of your answer to question 7.

Mr. Lal.—These defects will cumulatively produce certain effects.

Mr. Batheja.—What is the main cause for the low yield as pointed out by the President in spite of the fact that you import all your seeds from foreign countries and I take it that you import the best kind of seed.

Mr. Lal.—We try to import best seed always. I admit for a certain period our average return per ounce in Kashmir has been low, but prior to that we were somewhere in the vicinity of one maund which in the existing conditions, I personally think, is satisfactory, because people of Kashmir are not educated. It is different to convey instruction.

Mr. Batheja.—You get a distinct advantage over the growers in other parts of India in so far as much of the control of the industry is in the hands of the department.

Mr. Lal.—We issue instructions, but the actual execution is in the hands of the illiterate raiyat.

Mr. Wazir.—Improvement on these lines will lead to better results.

Mr. Batheja.—In reply to question 8, you mention seed houses, that is rearing houses for seed production. How many houses are there? Are they scattered over the two provinces?

Mr. Lal.—Seed production is conducted only in one province. There are over a thousand houses.

Mr. Boag.—All in one area?

Mr. Lal.—Yes, spread over a number of village—over two dozen villages.

Mr. Batheja.—You don't find it necessary to centralise seed production—you don't confine seed production to a limited area?

Mr. Lal.—It is confined to a limited area.

Mr. Batheja.—Accessible to Srinagar?

Mr. Lal.—Within easy reach of Srinagar. It has also this advantage that it gives us a range of temperature. We operate the warmest part first. We rear one batch. While this is under rearing, we prepare the next, that is to say, for the next batch we incubate races so that at no time is there any tremendous rush in the seed house for the purpose of selection or for preparing cocoons or for the reception of moths.

Mr. Batheja.—You select these places primarily for climatic advantages?

Mr. Lal.—Yes.

Mr. Batheja.—Or for the better distribution of seeds?

Mr. Lal.—That comes incidentally. The place we have selected is close to Srinagar and it affords other advantages automatically.

Mr. Wazir.—There is no seed production in the province of Jammu.

Mr. Lal.—This localisation is of recent date, I mean the localisation for reproduction purposes.

Mr. Boag.—Formerly was it different?

Mr. Lal.—We used to draw upon every part of the valley for cocoons.

Mr. Boag.—Both for reeling and for seed production?

Mr. Lal.—Yes.

Mr. Batheja.—You find the centralisation advantageous?

Mr. Lal.—It is a necessity. It is the common practice in Europe which we look up to as a model for our working.

Mr. Batheja.—Is there any special equipment needed for the hybernation house?

Mr. Lal.—We have a number of shelves to accommodate seed boxes. Besides these, we have hydrometers, thermometers, maximum and minimum thermometers for registering temperature and humidity from day to day. Those are the two things we have to look to. The houses are specially

constructed with three walls. Inside the outer wall there is a passage and then a room with double wall for putting snow for refrigerating purposes. In another room where hybernation is done we have cylinders suspended from the ceiling. This is again in a double storeyed building.

Mr. Boag.—You put snow into that?

Mr. Lal.—Yes. We have to bring the temperature down to 35° F.

Mr. Batheja.—There is no risk of temperature going too low?

Mr. Lal.—We don't let it go down below 0° C. in any case.

Mr. Batheja.—You don't want it.

Mr. Lal.—The seed must be exposed to cold for three months. In the olden days all over Europe they used to approach freezing point. Now they favour 2° C. or 35·6° F. Some go down gradually and come up gradually. Some go down straightaway to 35° F. and maintain at that level for three months continuously and then come up suddenly. There are different methods of hybernation and different methods of incubation.

Mr. Batheja.—You have a central incubation house?

Mr. Wazir.—We have a separate incubation house.

Mr. Batheja.—There is only one central hybernation house for the two provinces?

Mr. Lal.—There are two. There is a separate hybernation house at Batote in Jammu.

Mr. Batheja.—You have a separate incubation house?

Mr. Wazir.—We don't do incubation departmentally. Only for demonstration to zamindars, for the last few years, we have tried in some cases the experiment of incubating the seed in their own houses.

Mr. Batheja.—I think you said that you supplied worms also.

Mr. Wazir.—The seed is incubated in the zamindars' own houses and hatched worms are distributed.

President.—Let us get to the question of costs, that is to Question 21. I find that in Kashmir the quantity of dry cocoons required to produce a lb. of silk is on the average 4 lbs.?

Mr. Lal.—Yes.

President.—The usual ratio is 3 to 1 from green to dry cocoons and the gross yield is about 3·5. If you multiply 4 by 3·5, you get 14 lbs. of green cocoons?

Mr. Lal.—Yes.

President.—I find that in spite of same varieties being used both in Kashmir and in Jammu, the Jammu factory requires about 4½ as against 4 by the Kashmir factory. Will you tell me what is the exact difference between the two?

Mr. Wazir.—The reason is that in Jammu the proportion of white cocoons to yellow cocoons raised in the province is higher than that in the Kashmir province and the white cocoons give less yield of silk.

President.—Which is the variety that gives white cocoons?

Mr. Wazir.—Bagdad white.

President.—Are you using Bagdad mostly?

Mr. Wazir.—Not mostly. The proportion in Jammu is more than that in the sister province of Kashmir.

Mr. Batheja.—Why do you prefer Bagdad white variety?

Mr. Lal.—It gives the best result in Jammu. Then there is another reason. In Kashmir we have two filatures equipped with up-to-date machinery particularly with machine brushes—one of the important features is the machine brush. We make less waste with that and produce more silk.

President.—It does not show very much less if you look at the figures in the last line. In 1931-32 Kashmir's proportion of silk waste to a pound of raw silk is .49 whereas in the case of Jammu it is only .48 which is practically the same.

Mr. Lal.—In these waste figures we have taken the chief wastes only.

President.—We will come to that later on when we discuss the question of silk waste, but the total approximately is the same.

Mr. Lal.—The reason for variation in the quantity of dry cocoons is due to the difference in the kinds of cocoons and the difference in machinery.

President.—You have given the average prices realised. Will you tell me where you realised those prices? In 1931-32 I find you have put down Rs. 6-11-6 as the average price realised per lb. of raw silk. It means that it is the price per lb. of raw silk?

Mr. Lal.—Yes.

President.—Where did you get that price? Which are your principal markets?

Mr. Lal.—At present India is our only outlet.

Mr. Boag.—This is the average of prices obtained both in Europe and in India?

Mr. Lal.—Yes.

President.—How have you worked it out? It is necessary for us to know that. Will you please tell me what figures you have taken in order to arrive at that figure?

Mr. Lal.—That is the total realisation against the total quantity of silk sold out. We can furnish the data to-morrow or a few days after reaching Srinagar we can prepare a statement showing what quantity was sold out each time and at what price and send it on to you.

President.—Let us take the cocoons first. In Statement E, you give Rs. 4-5-3 as the cost of cocoons. Does that include the charge for transport and stifling? This is the price of dry cocoons, is it not?

Mr. Lal.—Yes. This column represents the value of cocoons consumed for producing one pound of raw silk.

President.—I want to know whether these costs include the cost of transport and the cost of stifling?

Mr. Lal.—These charges are included.

President.—What are they? Can you separate them?

Mr. Lal.—Stifling charges and handling of cocoons come to about 4 annas per lb.

Mr. Batheja.—Is it not a fact that most of the drying is done by the zamindars?

Mr. Lal.—Yes, which we want to stop.

President.—I want you to work out the figures so that we can understand the position with regard to the cost of production and manufacturing charges.

Mr. Lal.—Will you please indicate the lines on which you want them to be worked out?

President.—I want the details. You have given us the total works expenditure on reeling in Kashmir as Rs. 13,05,473. Will you tell me how many basins there are which give you this total expenditure?

Mr. Lal.—840 basins that were active during the year.

Mr. Boag.—Is that the same in each of the previous years?

Mr. Lal.—The position has been different from year to year. I have had to curtail production. To-day 152 basins are inactive in Kashmir.

President.—That means that your filature has got 992 basins?

Mr. Lal.—Yes.

President.—This works expenditure on reeling is the expenditure of a filature with 840 basins?

Mr. Lal.—Yes.

President.—What about Jammu?

Mr. Wazir.—In Jammu we had 94 basins working.

President.—That is all?

Mr. Wazir.—Yes.

President.—These work throughout the year?

Mr. Wazir.—Yes. There may be a few basins short on a particular day but generally we work 94 basins.

President.—The total expenditure is Rs. 68,777?

Mr. Wazir.—Yes.

President.—Does that correspond to the reeling expense given under works expenditure? In Statement E, of your printed note, you have given Rs. 1-3-10 as reeling, cleaning, water and bailing charges? As far as I am able to make out these reeling charges cover three items—fuel, reeling and other charges—which figure works out as Rs. 2-4-9. It must be equivalent to 840 basins expenditure?

Mr. Wazir.—These are figures for 1930-31.

President.—That is, the total expenditure is Rs. 11,08,964?

Mr. Lal.—Yes.

President.—What are generally the deniers that you manufacture.

Mr. Lal.—13/15, 16/20, 20/24, 24/28, 45/55.

President.—What is the bulk of your production?

Mr. Lal.—Sizes below 32 deniers.

President.—What I want you to do is to work out the cost of a typical filature with 200 basins with 13/15 deniers and 28/32 deniers. The daily production to be 1½ lb. and the cost of waste, etc., to be deducted from the total works cost. I understand in other countries they get a price for on the chrysalis, the waste and double cocoons; then they get some return out of burst or dropped cocoons.

Mr. Wazir.—Would these basins be fitted with modern machinery?

President.—With the kind of machinery which you have at present.

Mr. Wazir.—We have some machinery fitted with Jette Bouts.

President.—Then I would like it to be one equipped with modern machinery.

Mr. Lal.—We will let you have the figures later.

President.—What was your total production in 1931-32?

Mr. Lal.—About 2,31,000 lbs.

President.—Which are your principal markets in India?

Mr. Lal.—Benares, Amritsar, Surat, Multan and Jullundur.

President.—As far as Kashmir is concerned what you sold in 1930-31 locally is practically negligible. What is the percentage at present of your total production that is sold locally?

Mr. Lal.—We have not sold anything to foreign countries.

President.—Let us take your figure of total production in Kashmir in 1931-32—1,98,485: as against that you have sold in India 1,53,758 lbs. How do you account for the balance? Is it on hand?

Mr. Lal.—Yes. I am carrying to-day stocks aggregating to 2 lakhs of pounds.

Mr. Boag.—Where does the bulk of your production go?

Mr. Lal.—Last year it was Benares.

(Continued on the 14th February, 1933.)

President.—I will now come to the figures regarding cocoons. If you will see 1931-32 you give the figure of outturn of cocoons in green maunds as 25,201. Is that a correct figure?

Mr. Lal.—That is correct.

President.—If you will refer to page 10, in answer to question 18 you give a figure for cocoons reeled of 32,733 green maunds. How can you reel more than you produce?

Mr. Lal.—We carry stocks.

President.—If you carry stocks you can show it in a note. We want the annual figures in order to find out how many cocoons you use for reeling purposes and how many cocoons you use for a pound of silk. You have put the cost of a maund of cocoons in your revised statement for 1931-32 as Rs. 26-13-4. I want to know how you have arrived at this cost.

Mr. Lal.—That is the actual cost.

President.—How do you arrive at this cost?

Mr. Lal.—(Statement handed in).

President.—I want to know whether Rs. 18-12-0 per green maund paid by you to the rearer works out to the total of Rs. 4,82,695.

Mr. Boag.—It works out to Rs. 19.

Mr. Lal.—What happens is this. For instance, say, there are 10,000 rearers: out of these 10,000 rearers 6,000 bring in cocoons which give an average yield of say above 30 seers. Then we pay at the rate of Rs. 18-12-0; those who bring 30 seers or less we pay at the rate of Rs. 16-4-0. On the whole we take into account how many maunds have been delivered by the zamindars to the department and what amounts have been actually paid to them and that we put down as the price paid for cocoons. To this we add also the cartage paid to rearers from their houses to the centre of delivery as well as commission to be paid to lambardars.

Mr. Wazir.—The commission that we pay to the lambardar is a certain percentage of the price of cocoons paid in the village concerned. In certain cases it is as much as 5 per cent. of the price.

Mr. Boag.—Why in certain cases.

Mr. Wazir.—We always pay commission but the rate differs. In one province it is 5 per cent., in another it is 2 per cent.

President.—We had better work it out here. As a matter of fact 4,83,695, if you divide that by 25,201 which is the quantity of cocoons produced, it comes to more than Rs. 19.

Mr. Lal.—Because there is the cartage.

President.—What price have you paid exactly?

Mr. Lal.—We have paid two rates, Rs. 18-12-0 to those who have brought in more than 30 seers to an ounce and Rs. 16-4-0 to those who brought in 30 seers or below.

President.—What is the percentage?

Mr. Wazir.—I can give you for Jammu separately. The price paid to rearers in 1931-32 is Rs. 1,49,653 for 7,664 maunds of cocoons raised.

Mr. Wazir.—That would amount to Rs. 19-8-6 per maund.

President.—Please give us details about Rs. 19-8-6.

Mr. Wazir.—This is the price paid to the rearer and commission to lambardars.

President.—Do I understand that you are paying over and above the maximum price fixed by the State?

Mr. Lal.—That includes carriage. That is how the budget is drawn up.

President.—There is difference amongst you with regard to this statement. Mr. Wazir definitely tells me that this does not include the carriage and lambardars' commission.

Mr. Wazir.—If you will kindly refer to the figure in Statement E pertaining to Jammu, the price paid to rearers is Rs. 1,59,648.

President.—Let us take Jammu then. You say that Rs. 19-8-6 is the price paid to the rearer.

Mr. Wazir.—Yes, for cocoons alone excluding carriage and the other charges which we pay to lambardars. Now the carriage amounts to Rs. 3,140. On 7,664 maunds it works out to a little less than 8 annas per maund. There is a third item—commission paid to lambardars. We may take it at 14 annas or 15 annas per maund.

President.—That is Rs. 20-14-5.

Mr. Wazir.—Yes, roughly.

President.—What is the reason that has induced the Government to pay more than the price of Rs. 18-12-0 to the rearers?

Mr. Wazir.—We have always been paying carriage in addition to the price paid for the cocoons.

President.—The price worked out by you just now comes to Rs. 19-8-6 which is more than Rs. 18-12-0.

Mr. Lal.—This is the average earning per head. We take on the one hand the total amount paid to the rearers and on the other the total quantity of cocoons received.

President.—Let us take the second figure. The other figure you have put down here is the average cost of producing one lb. of silk. In 1931-32 you have put down Rs. 4-7-6. That is the value of green cocoons.

Mr. Lal.—That is the value of cocoons reeled. That is dry.

President.—Is that dry?

Mr. Lal.—Yes. We reel our dry cocoons.

President.—If we take the average of 14 lbs. of green cocoons to a lb. of silk and if we take your price as worked out by you as Rs. 26-13-4 for a maund of 82½ lbs., it works out to Rs. 4-9-2. Let us take the manufacturing charges. Your figure for 1930-31 was Rs. 2-4-9 whereas for 1931-32 you have put down Rs. 2-1-8. Will you please tell me where this reduction has taken place?

Mr. Lal.—I have given the details for Rs. 2-1-8 in the supplementary statement just handed in.

President.—What fuel do you use?

Mr. Lal.—We use firewood.

President.—At what price do you purchase the firewood?

Mr. Lal.—Contracts were made at Rs. 87 per 100 Kharwars or 2 maunds and 3 seers delivered at the factory. We had to pay different rates during the year.

President.—What is the average rate paid during the year 1931-32 for firewood?

Mr. Lal.—The maximum price I have ever paid was in the vicinity of Rs. 100. This rate that I have just quoted is for Deodar wood. The other wood that we use is Budlu (Silver Fir) and Kail (Blue Pine).

President.—The average works out to Rs. 100.

Mr. Lal.—That is the maximum rate I have paid. The average will be somewhere in the vicinity of Rs. 94-95.

President.—Delivered at the factory?

Mr. Lal.—Yes, including carriage any everything.

President.—Is this local supply?

Mr. Lal.—We generally buy from the forest people and do the cartage ourselves.

President.—That is one of the Government Departments.

Mr. Lal.—Yes. It is established on quasi-commercial basis. The Forest Department would make as much profit out of me as I would if I were to sell them our silk.

President.—Will you tell me the quantity of firewood used per pound of silk?

Mr. Lal.—In my last Annual Administration Report I have referred to the saving effected under fuel.

President.—I am coming to that presently.

Mr. Lal.—These charges have been brought down from As. 9 and 4 pies to 6 annas a lb.

President.—It works out to 6 annas per lb. of silk reeled?

Mr. Lal.—Yes.

President.—Rs. 2-1-8 is the price that is paid by you for manufacturing charges for one lb. of silk.

Mr. Lal.—Yes.

President.—You tell me that roughly speaking it takes about 6 annas per lb. for fuel charges.

Mr. Lal.—5 annas 1 pie is the cost of fuel.

President.—You just now told me that the quantity of fuel consumed per lb. of silk comes to 6 annas whereas the total charges including electric and contingent come to 5 annas 1 pie.

Mr. Lal.—You will remember that these charges fluctuate. When I was referring to the report, this figure was for another year.

President.—I asked you the figure for 1931-32.

Mr. Lal.—I haven't got the figure for that year.

President.—How can you arrive at an estimate of 5 annas 1 pie without telling me the details? If the figures were not available, how did you arrive at this figure?

Mr. Lal.—The figures are available in the office. I have not brought them with me. I thought these figures would be accepted.

President.—It is impossible for the Tariff Board to accept any figures without proper scrutiny. Let me see the other charges. What about this additional charge in the shape of interest on capital. What is the rate you have charged?

Mr. Lal.—6 per cent.

President.—On what amount?

Mr. Lal.—Government Capital Account—(Statement handed in).

President.—Let us understand these figures. The total production for 1931-32 was 198,485 lbs.

Mr. Lal.—Yes.

President.—The interest is 2,20,893. Was the capital locked up for the whole year?

Mr. Lal.—We have been carrying heavy stocks. That is why the rate of interest went up.

President.—I am talking of the amount which is locked up, how it is locked up and on what calculation have you put down the interest as Rs. 2,20,893?

Mr. Lal.—We have taken the capital cost of buildings, machinery and stocks carried.

President.—Interest on the capital invested?

Mr. Lal.—Yes.

Mr. Boag.—That is both fixed and working capital?

Mr. Lal.—Yes.

President.—We asked Mr. Tarachand Wazir to give us only the interest on working capital.

Mr. Lal.—Interest on capital invested in the business.

President.—That is the working capital. I think you have given Rs. 13 lakhs as the total investment.

Mr. Lal.—We are carrying very heavy stocks.

President.—What does the working capital according to you represent? You have given us a figure of Rs. 36,81,565. I take it that it is comprised of Rs. 6,40,000 for buildings, Rs. 6 lakhs for plant and machinery and Rs. 13 lakhs for working capital. Even that does not come to Rs. 33 lakhs.

Mr. Lal.—Wouldn't you make any allowance for the stocks which are locked up?

President.—I am asking you for figures. When you say that the interest is Rs. 2,20,893 at the rate of 6 per cent. on Rs. 36 lakhs, I want to know the details of Rs. 36 lakhs.

Mr. Lal.—Our accounts are maintained partly by ourselves and partly by the Accountant General. If the Tariff Board can visit Kashmir, we can produce all the account books.

President.—I have told you that the Tariff Board is not able to visit Kashmir, but when the Board asks you to appear before it, it is expected that you will be ready to supplement your replies to the answers given. Let us take another figure—the leaf supplied from Government land. How have you worked that out?

Mr. Lal.—Here is a statement (handed in) showing the price of leaf from Government lands.

Mr. Boag.—The statement of 60 per cent. from Government lands is based on assumption?

Mr. Lal.—It is based on the last census.

Mr. Boag.—When was that taken?

Mr. Lal.—A pretty long time ago—about 12 to 15 years ago.

Mr. Boag.—How have you arrived at this figure of 4 annas as the price of leaf?

Mr. Lal.—That is the price I have put upon it.

Mr. Boag.—That is an assumed price?

Mr. Lal.—Yes, but it is a very modest price.

President.—That price is put by you in calculating the cost which the Government have to incur in maintaining the plantations and nurseries. What is the basis upon which you have arrived at this figure? That amounts to practically 50 per cent. of the cost per pound?

Mr. Lal.—We are charging only 8 annas.

President.—What is the basis for this figure of 4 annas? It cannot be an arbitrary one?

Mr. Lal.—That is an assumed price. The leaf is selling at a much higher rate in other countries.

President.—It may be assumed that it is an arbitrary figure, taking into consideration the cost incurred by Government in maintaining plantations and nurseries?

Mr. Lal.—That is an assumed figure.

President.—As regards your reply to Question 39, you say that you have been able to sell 153,758 lbs. of silk in India from your Kashmir factory. Is that out of the total quantity produced namely 198,485 lbs.?

Mr. Lal.—This is out of the total stocks.

President.—On page 11 of your replies you have given 198,485 lbs. as the total quantity of raw silk produced in Kashmir in 1931-32. Will you

tell me what stock should be added to this in order to arrive at the total quantity available for sale in that year?

Mr. Boag.—What was the stock that you brought forward from the previous year?

Mr. Lal.—About 210,000 lbs.

President.—It comes to this then that in 1931-32 you had 408,485 lbs. on hand.

Mr. Lal.—Not on any one particular date. This was the opening balance and we went on reeling. Simultaneously we kept up the sale.

President.—I can only take the annual figures put down by you. The quantity produced in the year is given. The stock at the opening of the year is given and the stock sold is also given. If you add the stock on hand to the amount produced in the year, then the amount of sale which you have effected comes to about 40 per cent. of the total.

Mr. Lal.—Yes.

President.—I would like to know whether you have made any sales in foreign countries?

Mr. Lal.—No, not in 1931-32.

President.—Can you give me the reason for the sudden stoppage of sale in a market which took most of your production in previous years?

Mr. Lal.—The reason is economic. The price obtainable in Europe is not attractive enough to induce me to send the goods out of the country.

President.—To what would you attribute that? Do you attribute that to the general depression prevailing throughout the world?

Mr. Lal.—I would attribute that to the dumping which is taking place in Europe.

President.—What about the quality of Kashmir silk? Have you received any authentic market reports to show whether the quality of Kashmir silk sold in foreign countries has deteriorated or whether it is purely a question of underselling by other countries in foreign markets that is responsible for the loss of your markets?

Mr. Lal.—It is purely a question of underselling.

President.—Who are your competitors in foreign countries?

Mr. Lal.—I used to sell in competition with even European countries at one time but the European countries are suffering as much by the Chinese and Japanese competition as I am out here in India. Hundreds of filatures have closed down in France because they cannot go on losing money year after year.

President.—But I find from one of your reports that about 75 per cent. of filatures have closed down in Shanghai.

Mr. Lal.—They have closed down recently because they are not able to get rid of the stocks they have in hand. They have produced more than the world markets can absorb and that is why our submission is that the price at which they are selling to-day is the distress price and not the economic price.

President.—You have not given me any figure to substantiate that statement?

Mr. Lal.—We have said that we have no direct evidence.

President.—It is very difficult to establish a case of dumping unless I get specific instances to prove that statement. It is a statement which is made generally by all businessmen who suffer from the price factor.

Mr. Lal.—That is true.

President.—That is why we have specifically asked a question in our questionnaire to which your reply is not satisfactory. Now please look up your reply to Question 46.

Mr. Lal.—We have not got recent data. The data that we have refer to the year 1924-25. Here is a book entitled "Survey of Silk Industry in South China" which is a very reliable document.

President.—I have seen that book. Will you send us a detailed statement?

Mr. Lal.—I have got it in this book.

President.—I have seen it. This won't help us much.

Mr. Wazir.—If it be of any use to the Tariff Board, I can give figures showing what extraordinary production has taken place especially in China and Japan and what stocks are lying in those countries. I can also give figures of production and consumption which show that the consumption has not been keeping pace with production. Production exceeds consumption and the result is a cataclysmic fall in price.

President.—You might give us those figures but the point at issue is how far the exchange factor has entered into the question of price. Are you in a position to say anything about the exchange factor?

Mr. Lal.—I believe it is well-known that exchange has depreciated very much. We are not in possession of exact figures to show to what extent it has dropped. The time we had at our disposal for collecting information was a very brief one. We got your questionnaire only on the 20th January while it was issued on the 3rd.

President.—Can you supply the Board detailed information as regards the exchange factor?

Mr. Lal.—If you will give us some time, we will do so.

Mr. Wazir.—Shall I give you those figures now?

President.—If you will send us a short note on the subject, it will be better.

Mr. Wazir.—Yes, we will do so.

President.—You are at present selling about 40 to 45 per cent. of your production in India. Will you please tell me what are the principal markets to which your goods go and their percentages?

Mr. Lal.—I have data available for 1929, 1930 and 1931 (statement handed in).

Mr. Boag.—Has there been any material change in 1932?

Mr. Lal.—In 1932 the takings have not been heavy. This 2 lakhs of lbs. shown as being sold against Delhi has not yet been cleared. We are finding it difficult to get them to clear it.

President.—The statement shows that sales have already taken place.

Mr. Lal.—Goods have been sold but delivery has not taken place.

President.—As far as you are concerned, you have sold away the goods.

Mr. Lal.—Let us take the instance of that 2 lakhs of lbs. The delivery was to be completed in 12 months. Twelve months expired in December last, but stocks have not been cleared because of the slump in the market.

President.—What I want to understand is this. Now that you desire to concentrate on the Indian markets it is necessary for me to find out which of the qualities which come to India from other countries compete with your goods and which is the place where the competition is keenest. I can only find out from the previous statement made by you the amount of sale that is taking place in a particular place. If you tell me that 2 lakhs of lbs. have been sold in Delhi, am I to understand that Delhi is your principal market?

Mr. Lal.—These goods have been contracted for; that is all. The position is like this. A firm at Benares may place an order for any quantity not necessarily for consumption in that particular locality. This firm for example may be re-selling the goods all over India.

President.—I am not concerned with what your agent is doing. What I am concerned with is that as far as you are concerned, your market is

Delhi. What your agent in Delhi or any other person who purchases from your agent does with the goods is beside the point. My concern is to see that the goods produced in India find a sale all over India and if not what are the hindrances which obstruct the development of the goods produced in India. I can only judge that position by getting information from you as to which is the market which takes your goods. Suppose a merchant in Delhi buys the whole of your production, I conclude that Delhi is your principal market. I want to understand therefore where your goods go for the most part.

Mr. Lal.—Delhi is an isolated place.

President.—Should I take Benares as the Principal centre?

Mr. Lal.—Benares is the principal centre.

President.—Then let us take Benares as your typical market. Your cost of production including interest and leaf charges for 1931-32 comes to Rs. 7-12.

Mr. Lal.—Yes, of all qualities taken together.

President.—As far as railway freight is concerned, it is Rs. 4-0-7 per maund of silk to Benares?

Mr. Lal.—The burden of the freight falls on the consumer.

President.—What does it cost a customer at Benares to purchase your goods?

Mr. Wazir.—From Jammu the freight is 1 anna 3½ pies by passenger and 8½ pies by goods train.

President.—Mr. Wazir, but yours is not an economical unit.

Mr. Wazir.—We are extending the factory but there is room for further extension. At present it is being operated on a small scale. So far as sales are concerned this statement will help you (statement handed in). The general position is that most of our sales are effected in the Punjab and part of it in the United Provinces, Benares being the principal centre. A small proportion goes to Surat.

President.—What is the freight?

Mr. Wazir.—The freight from Jammu to the principal market in the Punjab, which is Amritsar, is 5 pies per lb. by passenger train and 1½ pies by goods train. Silk generally goes by passenger train. To Benares it is 1 anna 3½ pies by passenger and 8½ pies by goods; to Surat 1 anna 9 pies by passenger and 10½ pies by goods train.

President.—Is there any additional expenditure that you have got to incur before railling the goods?

Mr. Wazir.—Insurance charges.

President.—What is the cost per pound for sending the goods from the factory to the railway station?

Mr. Wazir.—The distance from the factory to the station is just a mile.

President.—You send the goods by motor lorry?

Mr. Wazir.—No. By tonga generally. The cost will be less than a pie. It is almost negligible.

President.—What will be the insurance charges?

Mr. Wazir.—Three annas per 100 rupees.

Mr. Boag.—Let us now come to the question of Customs tariffs. You have seen the customs tariff for raw silk?

Mr. Wazir.—Yes.

Mr. Boag.—For yellow Shanghai it is Rs. 4 and for yellow other kinds it is Rs. 3-5; for white Shanghai Rs. 4-4 and white other kinds Rs. 3-4; for white Shanghai T or Dupion it is Rs. 2-12. At present for all classes of silk that come into India *ad valorem* duties are calculated on a fixed tariff valuation. I understand that tariff valuation is revised only once a year and that the Government of India takes into consideration various market

prices prevailing in the country. Have you got any particular grievances with regard to the tariff valuations that have been calculated from time to time or have they hindered the development of the raw silk industry in India?

Mr. Lal.—It is for the Board to judge whether the recent drop in the tariff valuation does not indicate an attempt by interested parties to avoid payment of full duty. From the day we had it announced that the Tariff Board was going to enquire into the sericultural industry I have been getting reports that importers are trying to circumvent any possible rise in duty by getting the tariff valuation lowered.

President.—What are your specific proposals?

Mr. Lal.—We are not against tariff valuation; all we demand is that it should be a fair valuation.

Mr. Boag.—Do you suggest that those valuations are not fair?

Mr. Lal.—Not fair as far as we are concerned.

Mr. Boag.—Are they correct values for the kinds of silk specified; that is the point.

President.—You have been in the market for some time; you are already aware of the cost of production of your raw silk. Having regard to the fact that the present duty is calculated on these fixed tariff valuations, on the prices ruling in the markets where your products go, do you consider that these valuations have hindered the development of the industry? If so, what are your recommendations with regard to the fixed tariff valuations?

Mr. Lal.—I understand that tariff valuations are based on prices prevailing during the 12 months preceding. One suggestion I have to make is that the period for striking the average may be extended, say to three or four years.

President.—In arriving at the tariff valuation your suggestion is that the Government of India should take into consideration the average prices for the last three or four years?

Mr. Lal.—Yes.

President.—We shall consider that. Have you any other suggestions to make?

Mr. Lal.—Not so far as tariff valuations are concerned.

President.—Let us now come to the question we have asked in connection with the conditions of the Fiscal Commission, and the measure of protection. Your position is that you require protection for a period of 15 years?

Mr. Lal.—15 to 20 years.

President.—Could you give us a definite idea as to whether you want it 15 or 20 years? At present the Board is engaged in investigating the grievances of the industry and therefore it is for the industry to give an idea to the Board as to what period they think is necessary for the revival of the industry.

Mr. Wazir.—If protection is granted for 20 years it would enable us to understand the position of the industry better.

President.—His Highness's Government desires that the period should be fixed for 20 years?

Mr. Lal.—Yes.

President.—One of the conditions laid down by the Fiscal Commission is that the industry must ultimately be in a position to dispense with protection. If the Board agrees with your view that 20 years is necessary, will you tell me what reduction in costs you will be able to effect within the protective period to enable the Board to find out whether it would be possible for the industry ultimately to dispense with protection after this period?

Mr. Lal.—It is very difficult to envisage the exact reduction in the costs within the next 20 years. The data furnished in this connection would I

trust be taken as an earnest of our efforts in the direction of reducing our cost of production year after year.

Mr. Boag.—I should like to ask you one or two questions on statement B of your printed note. If you look at the figures for the Srinagar factory you will see that the proportion of silk waste to raw silk is 50 per cent. or less. Take 1926-27; it is just over 50 per cent.; 1927-28 it is considerably less; so it is in 1928-29 and 1929-30 and again in 1930-31. If you turn over the page and look at the figures for Jammu you will find that in Jammu in 1928-29 the output of waste is very much more than the output of silk. It is more again in 1929-30 and in 1930-31: in 1931-32 it is a little less. What is the reason for that very great difference?

Mr. Wazir.—This silk waste in the case of Jammu includes basin refuse also.

Mr. Boag.—Is that not so in the case of Kashmir?

Mr. Lal.—No.

Mr. Boag.—Is the basin refuse thrown away?

Mr. Lal.—It is in stock now; we cannot make any profit on it.

Mr. Wazir.—With your kind permission, may I refer to the point raised this morning in regard to the price of cocoons? I have looked into it and I find the situation is as follows:—

Mr. Boag.—You are now confining to Jammu.

Mr. Wazir.—That was the point raised in the morning. The rate worked out was Rs. 19-8-5 which was higher than the rate fixed for cocoons. The figures are correct. The fact is that this amount of Rs. 1,49,653 that we gave as the price paid to rearers includes carriage paid to rearers from their houses to the centre of receiving crop. In the province of Jammu we have got a few centres fixed for receiving the crop of cocoons from the rearers. There is generally one centre in each tehsil. The rearers of that tehsil bring the cocoons and deliver them to the officer deputed to the crop receiving centre. According to the distance travelled we pay them at a certain rate, i.e., 2 pice per maund per mile for cocoons delivered dry. Then from the crop receiving centre we have to bring the cocoons to the factory at Jammu. That carriage is included in the other figure of Rs. 3,140 which I gave.

Mr. Boag.—It is only the second that is shown separately.

Mr. Wazir.—Yes. Otherwise in the price paid to rearers, the amount paid on account of carriage from their house to the crop-receiving centre is included.

President.—I would like you to work that out. I understand that in the figure given by you, viz., Rs. 19-8-6, you would distinctly separate Rs. 18-12 as the price paid to the rearer at his house?

Mr. Wazir.—Yes.

President.—You told me that the distance from his house to the cocoon market is about 20 miles.

Mr. Wazir.—15, 20, 8 miles and so on.

President.—What is the average? Shall I take 20 as the average?

Mr. Wazir.—In the case of neighbouring villages the distance is short—only 2 or 3 miles.

President.—Whether the rate just now given by you, 2 pice per maund per mile, works out the difference.

Mr. Wazir.—Yes.

President.—Unless you give the mileage, how can I work out the figures?

Mr. Lal.—The average distance from their house to the crop-receiving centre will have to be worked out for each tehsil and for each village.

President.—The figures remain as they are. I am afraid. You had better send me a revised statement showing how the balance can be accounted for, between Rs. 19-8-6 and Rs. 18-12.

Mr. Wazir.—The difference is due to the carriage of cocoons from the rearers' houses to the crop-receiving centre.

Mr. Boag.—My colleague was just discussing with you a question and that was the difference shown in statement B between the proportion of silk waste to silk in Kashmir and the proportion in Jammu. In Kashmir the proportion of silk waste to silk is less than half, while in Jammu it is almost equal and you were saying Mr. Tarachand that difference was due partly to the fact that in Jammu some kinds of waste are included which are not included in Kashmir.

Mr. Wazir.—Yes. In statement B pertaining to Jammu figures given in silk waste column include basin refuse. The local name is Khokhar.

Mr. Boag.—In the Kashmir figures that is not included.

Mr. Lal.—If you will kindly refer to page 11, you will find the percentages given.

Mr. Boag.—I am talking about the actual figures now. That is exactly my point. These proportions are not borne out by the figures which you have given in statement B. That is exactly the point I am trying to clear up.

Mr. Wazir.—In that statement they include the basin refuse. In working out the proportions here, basin refuse is excluded.

Mr. Boag.—Can you give me the weight of basin refuse? Will that account for the whole of the difference?

Mr. Wazir.—I can give the kinds of waste that are included in these figures, but separately I cannot give the figures just now.

Mr. Boag.—The difficulty is that if we are going to use these two different statements, they represent entirely different things. The Kashmir statement and the Jammu statement are not comparable.

Mr. Lal.—Those statements in the Printed Note were prepared to suit us. These statements have been prepared in response to your questions.

Mr. Boag.—Even so that does not explain the point that the two parts of statement B, one part relating to Kashmir and the other part relating to Jammu, represent different state of things.

Mr. Lal.—One set of statement was prepared by Mr. Wazir and another statement was prepared by myself.

Mr. Boag.—The only difference is that in the Jammu statement more kinds of silk waste are included than in the Kashmir statement.

Mr. Lal.—Yes.

President.—I think we had better go back to the point which I raised just before we adjourned with regard to the scheme of protection. You have in your note on Raw Silk Industry told us that you require both the *ad valorem* duty as well as the specific duty.

Mr. Lal.—Yes.

President.—You want a duty of 75 per cent. over and above the *ad valorem* duty at present in existence, and you have asked for a specific duty of Rs. 3-8 per lb. It is necessary for the Board to find out how you have worked out this Rs. 3-8. Will you give me an idea as to how this particular duty was worked out by your Government.

Mr. Lal.—Statement handed in.

President.—You have prepared two sets of statements and I am not able to understand both the statements. In the one statement you have given your average cost of production as Rs. 6-10. Is it exclusive of the other charges, *viz.*, the interest on capital and the charge for the value of the leaf?

Mr. Wazir.—This was worked out at the time the printed note was drawn up. At that time we were in possession of the facts which are contained in this. We knew only what the valuation of Chinese silk according to the Customs Tariff of 1932 was. The cost of production we

gave amounted to Rs. 6-10 and the average of tariff rates of Chinese silk (valued at Rs. 2-10, Rs. 1-13, Rs. 2-14, Rs. 4-8, Rs. 4-8, Rs. 4-1 and Rs. 4-6) came to Rs. 3-8-6½ and the difference in the said Rs. 6-10 and Rs. 3-8-6½ amounts to Rs. 3-1-5½. Adding 8 annas as margin of profit per pound of silk to Rs. 3-1-5½ the specific duty proposed was Rs. 3-8 per lb. In the year 1933 however we have got a different tariff valuation.

Mr. Boag.—8 annas per lb. lower.

Mr. Lal.—We worked out the cost of production according to the instructions issued and added interest on capital and the value of leaf supplied from the Government lands. The average tariff value was Rs. 3-8-6½. That makes a difference of Rs. 4-11.

President.—The proposal that you wish to put forward before the Board at present is not the original proposal contained in your note on the Raw Silk Industry, but that you desire a specific duty of Rs. 5-4 per lb. which is equivalent to an *ad valorem* duty of 150 per cent. whichever is higher. Is that your proposal before the Board?

Mr. Wazir.—We only wanted to show the change which the reduction in tariff valuation has brought about in the situation. In December last we considered protection to the extent of Rs. 3-8 specific duty or an *ad valorem* duty of 100 per cent., as against the existing 25 per cent. *ad valorem*, would do. This year the situation has changed and we do not know what the situation will be next year.

President.—I don't think you understand the position of the Board. How can you expect the Board to report from year to year. As a matter of fact you yourself have asked that the period of protection should be 20 years. Therefore you must take into consideration the prices for 20 years. The whole basis of your protection, as you yourself have pointed out now, is based upon the tariff values. In one year you have made a difference in the *ad valorem* duty to the extent of 50 per cent. That was just the reason before asking you the measure and the period of protection I discussed with you the question about tariff valuations and I gave you to understand that the tariff valuations as it is to-day is fixed once a year and your proposal was that if the tariff valuation is taken as an average for a period of preceding four years, your purpose would be served. You have not given me what that figure will be, nor am I in a position to get from you the current market prices of the imported qualities which come in competition with your qualities and the classes of deniers that you manufacture. Unless I get those figures from you and definite proposals from you as to how the tariff valuation should be fixed by Government, it is impossible for me or for anybody to go on changing duties from year to year.

Mr. Lal.—We see that point. Whatever protection is afforded now will hold good for future years.

President.—You also want a duty on spun silk. The present duty on spun silk is 25 per cent. *ad valorem*. You probably are aware that in the seaborne statistics spun silk is not shown separately. It is mixed up with silk yarn, noils and warps. Your proposal is that a duty should be put on all these three.

Mr. Lal.—On spun silk.

President.—It is included there. You want that duty to be applied to all the three.

Mr. Lal.—We want that spun silk should be taxed.

President.—Supposing we ask the Customs Authorities to show spun silk separately from silk yarn, noils and warps, and if we have the duty on spun silk and leave the others out, would you be satisfied?

Mr. Lal.—Which would you leave out?

President.—At present silk yarn, warps and noils are classed as one and 25 per cent. *ad valorem* duty is levied upon it. That definition includes

spun silk. If we request the Customs Authorities to separate the item of spun silk from these, and raise the duty on spun silk leaving the duty on the other three as it is, would you be satisfied?

Mr. Lal.—We fear competition from warp as well.

President.—Then your proposal is to include everything.

Mr. Lal.—Yes.

President.—That means you want 75 per cent. duty on these classes of silk that come into India. That means an increase of 50 per cent.

Mr. Boag.—An additional 75 per cent.

President.—Is it 100 per cent. that you want?

Mr. Lal.—75 per cent.

President.—75 per cent.?

Mr. Lal.—25 per cent. to 75 per cent.

President.—You make a difference between the duty on raw silk and the duty on silk yarn.

Mr. Lal.—And spun silk.

President.—It means an increase of 50 per cent.

Mr. Batheja.—If the duties are different, then silk yarn will be coming and not raw silk.

Mr. Lal.—Having consulted the Customs tariff, I would say that the increase will take us from 25 to 100 per cent.

President.—That means an increase of 75 per cent. on these?

Mr. Lal.—Yes.

Mr. Batheja.—Additional 75 per cent.?

Mr. Lal.—Yes.

President.—As regards silk goods your proposal is that it should be raised from 50 per cent. to 125 per cent.?

Mr. Lal.—Yes.

President.—That will have to be revised in the light of the statement which you have presented just now?

Mr. Lal.—Yes. We say whichever is higher of the two.

President.—This position will have to be considered in the light of your new suggestions.

Mr. Batheja.—In the light of your 1933 statement?

Mr. Lal.—Yes.

President.—As regards costs I asked you a question: if protection was granted for a period of twenty years, what reductions would you make in your costs during the period of protection. You simply referred me to a statement which you have given showing the reduction in costs from year to year?

Mr. Lal.—Yes.

President.—May I say roughly speaking, without going into details, that a reduction of about 40 per cent. will take place in your present costs.

Mr. Lal.—Indeed it is very difficult for us to commit ourselves definitely to a percentage.

President.—If you are not willing to say about the percentage, which I thought was easier of the two, I would ask you whether you have got any detailed statement by which you will be able to tell me in which items you think there is a possibility of reduction?

Mr. Lal.—Firstly in the raw material itself, that is, the cost of cocoons.

Mr. Boag.—How much do you expect in cocoons?

Mr. Lal.—By improving the outturn per ounce of seed and producing a good deal more with the same staff.

President.—How much will it be approximately?

Mr. Lal.—There again I am faced with the same difficulty.

President.—At present your average yield is about 84 to 86 lbs. What do you expect in the near future?

Mr. Lal.—We should be able to carry it up to 50 to 55 seers in the course of the next ten years.

President.—You have done 56 seers.

Mr. Lal.—Only in certain cases.

President.—That is not the average now?

Mr. Lal.—No.

President.—How much do you hope to do?

Mr. Lal.—Between 50 and 55 seers I look upon within the range of possibility.

President.—That amounts to 110 lbs.

Mr. Lal.—Yes, that is one big item. Then there is some scope for reducing the cost of fuel but not considerably.

President.—What will it be about?

Mr. Lal.—I think that we may be able to bring it down. We have already got it down to 5 annas 1 pie. I consider 4 annas to be within practical politics.

President.—What about the electric charges?

Mr. Lal.—Electric charges are fixed and we can effect reduction only indirectly and not directly, that is to say by obtaining more silk from the same quantity of cocoons, in other words by increasing the yield of cocoons. That saving will be indirect.

President.—What about reeling?

Mr. Lal.—As for reeling I think we should be able to bring down the cost?

President.—To 15 annas?

Mr. Lal.—Yes, in the course of the next ten years or so. The political conditions in the country do not at present permit the cut that I myself am prepared to make to-day. There will be hue and cry if we do it. Last X'mas, we closed down as usual and there was agitation.

Mr. Batheja.—Did you close down the factory?

Mr. Lal.—I was down at Jammu with the Minister in connection with the Tariff Board's work. In my absence my Deputy held charge of the factory and when he closed down in accordance with the past practice for effecting annual repairs and letting the staff a few days off, there was hue and cry and we had to resume work. Those are political factors.

President.—May I take it then that within the next twenty years it may come to 15 annas?

Mr. Lal.—Yes, possibly 14 annas.

President.—Take supervision and management charges. At present this item consists mostly of the salary of the staff. What does this item mainly comprise of?

Mr. Lal.—Salary of the staff. The staff to-day is not paid extravagantly. So, I don't expect much saving there.

President.—The staff is paid on a monthly basis?

Mr. Lal.—Yes.

President.—Irrespective of production?

Mr. Lal.—Yes.

Mr. Boag.—If you increase your outturn, then the supervision charges will automatically be reduced?

Mr. Lal.—There will be saving under every head, but I don't expect anything appreciable. The staff is due some increase in wages.

President.—Let us take the other item “Miscellaneous charges”. What does that consist of?

Mr. Lal.—Insurance, depreciation, commission to selling agents, etc. These will not admit of any reduction. Insurance charges are more or less fixed and we are paying only the minimum charges. Commission to selling agents is not very high. It is only $1\frac{1}{2}$ per cent.

President.—If the production increases, it might increase with production.

Mr. Lal.—Yes.

President.—As regards filatures, you have said in reply to Question 27 that you consider a filature with 96 basins to be of economical size for India. Is that correct?

Mr. Lal.—That pertains to France and Italy where filatures are owned by private persons.

President.—We have asked what is the economical size for India? Would you consider 200 basins to be too big?

Mr. Lal.—My replies will be confined to Kashmir.

President.—I am only asking about Kashmir.

Mr. Lal.—I have no knowledge of conditions obtaining in other parts of India relating to poly-voltine. The question reads as follows:—“Have you any knowledge of filatures in foreign countries? If so, please state what size is generally considered to be economical?” I understood this to mean economical in other countries.

President.—What would you consider economic for India?

Mr. Lal.—200 would be very economical. 100 would give greater efficiency. The rule in Italy is not to have too many basins in order to permit the staff to have very close supervision. Too many basins somehow or other become unmanageable. Some big filatures I have seen in Italy do contain 300 basins but they are divided up into so many blocks, each under a separate officer.

President.—Do you mean that there will be more supervision required if you have more basins?

Mr. Lal.—Yes.

President.—But you would consider generally 200 basin filatures an economic size for India?

Mr. Lal.—Yes.

Mr. Batheja.—What is your opinion, Mr. Wazir, on this question of economic size of a filature in India?

Mr. Wazir.—I hold the same view as my colleague.

President.—As regards silk waste, how is it sold in India and abroad?

Mr. Lal.—Through commission agents.

President.—Is it sold in pounds?

Mr. Lal.—By weight in kilos.

President.—Are there any qualities like superior and inferior?

Mr. Lal.—I shall show you presently (shown samples and explained).

President.—We have been given to understand that there is a great demand in India for silk waste below one inch size. That is why I asked you whether the question about inches came in, when sales were effected.

Mr. Lal.—It is an inferior quality.

President.—I was told that it was not available in India?

Mr. Lal.—We have got plenty. We have sent as samples 400 lbs. of each of the qualities to Chhoi's.

Mr. Boag.—Has the basin refuse any marketable value?

Mr. Lal.—Yes.

Mr. Boag.—Why does not Kashmir take credit for it?

Mr. Lal.—It is a matter of tabulation.

President.—I have asked you about the details of a filature having 200 basins. There are two kinds of waste. There is firstly the sale of pupae which will fetch a certain amount of price.

Mr. Lal.—(Explained with the help of a chart the structure of cocoons).

Mr. Boag.—Chhoi's are the only people who are buying?

Mr. Lal.—They are the only people who are working. Sassoon's have also got a plant.

Mr. Boag.—They are not working?

Mr. Lal.—No.

President.—Your foreign market is affected?

Mr. Lal.—Yes. There are monopolistic concerns which dictate terms.

President.—What about the question of packing? Have you included that in your costs?

Mr. Lal.—We have.

President.—May I know where it is?

Mr. Lal.—On page (ix) of the printed note.

President.—How are they packed?

Mr. Lal.—Here is a packet (shown). The blue wrapping paper preserves the silk from getting bleached.

Mr. Batheja.—Are you particular about this colour?

Mr. Lal.—The customer is. The moment the colour fades, he suspects that the stuff is old. This is our best quality—Lotus chop.

President.—How do you pack it?

Mr. Lal.—This is a packet of 5 lbs. Of course the number of skeins will vary from time to time but not the weight. We pack according to the wishes of the customer 50 lbs. per bale. We will cover the packets over with wax paper or wax cloth.

President.—10 packets in a bale?

Mr. Lal.—Yes.

President.—Will you tell me how much of this can be put down exclusively for packing or baling charges?

Mr. Lal.—We will send you that figure later. It is all mixed up here.

Mr. Lal.—(Samples of silk shown). Then there is this inferior silk. These are from double cocoons.

President.—What is the system of sale adopted as far as your Government is concerned, both in India and in England?

Mr. Lal.—We book orders through agents and we pay agency commission which varies. The English agents get one per cent.

President.—The sales that take place in foreign countries take place after the quality is tested through a conditioning houses?

Mr. Lal.—The conditioning houses test the quality. As a neutral body they declare their opinion as to the quality and on the basis of these reports transactions are completed and prices are fixed.

President.—Is it not a fact that silk imported from Kashmir to foreign countries is not allowed to be sold unless it is tested through the conditioning house?

Mr. Lal.—No. Sales made in England are generally made independently of conditioning houses. But on the continent, transactions take place on the basis of conditioning house tests.

President.—Where does most of your product go in Europe?

Mr. Lal.—It varies from time to time. In 1929 we sold a good deal in England.

President.—Is there a system of conditioning houses there?

Mr. Lal.—There is no complete plant for conditioning in England.

President.—Sales take place on the brand?

Mr. Lal.—Our customers know the quality by actual working and they judge the quality and fix the prices. The percentage of moisture content is tested in England.

President.—The question that is of importance as far as your sales are concerned is the question of boiling off. There is a complaint that the Indian silk loses more in the boiling off than the imported silk.

Mr. Lal.—Yes, yellow silk does lose more because it contains more gum.

President.—Have you been able to effect any changes?

Mr. Lal.—Improvement in that direction will come when we have more of the young plantations, because the quality of food has great influence on the percentage of gum in addition to the characteristics of the race. Italian silks give boiling off of 23 to 24 per cent.

President.—Kashmir silk I understand loses about 25 per cent. and Mysore 20 per cent. I find from the books you have referred to that the great art lies in reeling, that is to say, if it is reeled properly and scientifically by the reelers the question of gum is eliminated to a very great extent.

Mr. Lal.—On the other hand, each quality of silk requires a certain percentage of gum to give the best possible results in working it off.

President.—But people, as far as I understand, in India pay great attention to the uniformity and winding quality of the silk both of which we have been told definitely are lacking in Indian silk.

Mr. Lal.—Kashmir silk has a demand in the Indian market chiefly for its tenacity and elasticity.

President.—We were told that Indian silk is better so far as tenacity and elasticity is concerned.

Mr. Lal.—I believe so.

President.—Are the qualities turned out by Jammu and Kashmir, practically the same? You have given us the different names but I want to understand the quality. Is there any sort of competition between Jammu silk and Kashmir silk?

Mr. Wazir.—We have got a variety called "Neel" which corresponds almost to the "Lotus" and we have got "No. 1" which corresponds to "Tulip" of Kashmir and "No. 2" corresponds to "Saffron" of Kashmir.

Mr. Batheja.—Are there two different kinds of prices between Jammu and Kashmir?

Mr. Wazir.—To-day there are slightly different prices.

President.—These are some of the reports, which we have been able to gather about the quality of silk. It is stated that Jammu silk is inferior because it is irregular in size, irregular in colour.

Mr. Wazir.—Things have improved a great deal since then. Irregularity of size has improved; the threads are now more even than they used to be before; as regards devidage also it has improved. Formerly, a few years back, the devidage was very low, about 20 to 25, but now it has come up to 50 and in the case of "Neel" it gives a devidage of 100 and more tavelles.

President.—The complaint about Kashmir silk was that it is inferior in cleanliness and method of preparation. These are some of the things I am bringing to your notice; because we want to find out how far competition is due entirely to prices and how far the quality is hindering the sale of Indian products.

Mr. Lal.—I deny the charge. I think our silk is more even and cleaner than Chinese silk and it is only the price factor which hinders the sale of our products. The stuff we are putting on the market is far superior.

President.—Perhaps the criticism was about silk waste. I would like to understand something about what your Government has done as regards training of young men and concessions to the Industry, *e.g.*, distribution of disease free seeds and plants. Is there any school or arrangement in your province for the training of reelers and others?

Mr. Lal.—We give practical training in the filatures so far as reeling goes. I am an agriculturist. I came out with a diploma in agriculture and then the Kashmir Government thought of engaging me. I had to stay with the labourers and work with them for months together.

President.—What is the period of training for a raw man who wishes to become a reeler?

Mr. Lal.—It takes at least a year to 18 months to become an expert reeler but for lower quality of work about six months' training would be sufficient.

Mr. Boag.—In giving your costs for reeling you have given us one figure for Kashmir and another for Jammu. I understand in Kashmir there are several filatures.

Mr. Lal.—There are four: two equipped with modern machinery and two with old machinery.

Mr. Boag.—Could you give us separate costs for each of the filatures? We would then be able to see what advantages you have derived from the installation of new machinery and so on.

Mr. Lal.—The accounts are all kept together.

Mr. Boag.—As a rule of course we do insist upon having separate costs for each separate establishment. I notice that the Kashmir filatures are at present working only to half their capacity.

Mr. Lal.—That is so; they have not been working to their full possible capacity.

Mr. Boag.—I take that from your answer to question 25 in which you say that you could increase your output in Kashmir to 400,000 lbs. by working full number of hours and utilising your present machinery to its maximum capacity. 400,000 lbs. is practically double your present output from which I infer that your filatures at present are working only to about half their capacity.

Mr. Lal.—(Statement handed in).

Mr. Boag.—I don't see that it alters the position.

Mr. Lal.—In the first place the total working days as given in this estimate are 290 days. We are not working 290 days.

Mr. Boag.—I am not criticising, I am simply stating the fact that your present output compared with these 4 lakhs of pounds indicate that your filatures are at present working only to half their capacity. The output is half of the maximum capacity obtainable.

Mr. Lal.—I will have to make alterations in the machinery (explains with the help of a new statement).

Mr. Boag.—Could you give me any idea by how much this thread outturn compared with the capacity of the filatures increases the cost of production. Does it increase it at all?

Mr. Lal.—When I was being examined on the question of costs, keeping this in view I said that reductions will be possible by increasing production to the maximum capacity.

Mr. Boag.—As regards Jammu as far as I can make out, the filatures are working to three-fourths of their capacity.

Mr. Lal.—Our outturn is over 31,000 lbs.

Mr. Boag.—And you can work up to 40,000 lbs.?

Mr. Lal.—Yes.

Mr. Boag.—That is about three-fourths.

Mr. Wazir.—Yes. Some of the basins are working 5 skeins or 6 skeins. But we can go up to 8 skeins.

Mr. Boag.—With the present equipment you can work up to 40,000 lbs.

Mr. Wazir.—Yes. Apart from that there is another filature which is lying idle. We propose to work it.

Mr. Boag.—You mean a third one?

Mr. Wazir.—One filature is active, *i.e.*, working at present. Another filature we wanted to start. We installed the machinery but owing to the economic depressions we had to abandon the idea of working it.

Mr. Boag.—When was it ready to start working?

Mr. Wazir.—At the end of 1930-31. In 1931-32 we could not work it because of the depression.

Mr. Boag.—That is practically two years.

Mr. Wazir.—1½ years.

President.—In Italy I find that they are reeling 8 skeins. Would you be able under the scheme of protection to reel 8 skeins?

Mr. Lal.—We are reeling 8 skeins.

President.—I think we asked you to give figures for 200 basins. I want the figures worked out on the 8 skeins basis.

Mr. Lal.—I have noted that.

Mr. Boag.—Do the cocoons come to your filatures already stifled or is that done at the filatures?

Mr. Lal.—Part of the stifling is done in the factory itself, but major portion is done by the rearers in the sun. Recently Government have sanctioned a sum of Rs. 4 lakhs for installing stifling machinery in course of five years.

Mr. Boag.—Where is this installed?

Mr. Lal.—The first instalment of the machinery is being fitted up in the factory at Srinagar. Next season this will enable me to consume half a lb. of cocoons less for every lb. of silk that I produce.

Mr. Boag.—What proportion of the crop are you dealing with in that way?

Mr. Lal.—I hope to be able to deal with a little over ⅓rd of the crop. Next season it would not be a full crop, because we are rearing less.

Mr. Boag.—Because you are distributing less seed than usual.

Mr. Lal.—Yes I have got in hand 33,000 ounces.

Mr. Boag.—In your answer to question 25 you mention that in this new factory at Jammu the machinery installed is of local manufacture. That has not been worked at all.

Mr. Wazir.—We have not worked it at all.

Mr. Boag.—You do not know how far the machinery is satisfactory. You have not even given it a trial.

Mr. Wazir.—Basins of that kind exist in the filatures that are being worked at present.

Mr. Boag.—Are they locally made?

Mr. Wazir.—Yes.

Mr. Boag.—Is there any perceptible difference between the locally made machinery and the imported machinery?

Mr. Wazir.—The imported machinery has the advantage of jette bouts and machine brushes which cannot be manufactured locally. The locally made machinery is wanting in those respects. These cannot be made locally. At least I do not know of any firm in India producing them.

Mr. Boag.—Can you import them separately and add them?

Mr. Wazir.—That will alter the construction of the whole plant. We didn't construct it to enable the fitting in of those equipments if they are imported separately.

Mr. Boag.—Do you employ any foreign labour or supervisory staff in the filatures?

Mr. Lal.—We have to-day one Englishman and one Frenchman in the factory at Srinagar.

Mr. Boag.—Not in Jammu?

Mr. Wazir.—No.

Mr. Lal.—We have two of our own young men trained in Japan. We have often trained Indians in Kashmir who have also been trained in Japan. Mr. Wazir has seen the working in Europe. I have been twice to Europe, but I have not been to Japan and China.

Mr. Boag.—In your answer to question 23, in the middle of page 12, you mention the value of bye-products. What are these bye-products?

Mr. Lal.—The silk wastes.

Mr. Boag.—The value of the silk waste has not been deducted in your original statement of costs.

Mr. Lal.—No. There is a footnote at the end of Statement E, page ix of the printed representation.

Mr. Boag.—You don't say that you had not taken credit for the silk waste. You left that inference to be drawn.

Mr. Lal.—Yes.

Mr. Boag.—In answer to question 33 where you give the rates of depreciation, you say that you wrote down your buildings by 5 per cent. every year and your plant and machinery by 10 per cent. Have you any special reason for adopting those rates?

Mr. Lal.—These are the rates recommended by the Royal Engineers who helped us in erecting buildings and installing the machinery.

Mr. Boag.—When was this building put up?

Mr. Lal.—The old buildings were put up in 1900. The system was started then and it has been kept up.

Mr. Boag.—If you depreciated buildings put up in 1900, you would have by now written them off.

Mr. Lal.—We had a disastrous fire in 1913.

Mr. Boag.—Of the buildings at present in existence, which is the oldest?

Mr. Lal.—The office building is the oldest.

Mr. Boag.—When was that built?

Mr. Lal.—That was about 1900.

Mr. Boag.—After that what is the next oldest building?

Mr. Lal.—Menials' quarters.

Mr. Boag.—Give us a building of any importance or of any size.

Mr. Lal.—Hybernation house.

Mr. Boag.—When was that built?

Mr. Lal.—By about the same time, 1900.

Mr. Boag.—In both those cases the value of the buildings has been written off completely 10 years ago by depreciating at 5 per cent. It has been the practice of the Tariff Board in dealing with other industries to adopt rates of depreciation as a rule which are allowed by the Indian Income-tax Authorities which are 2½ per cent. for buildings and 7½ per cent. for machinery. Would you have any serious objection to our adopting those rates in this case.

Mr. Lal.—As a matter of fact we are considering this question.

Mr. Boag.—In what connection?

Mr. Lal.—In connection with the commercialisation of accounts on modern lines. The accounts are partly maintained by the Accountant General and partly by us. In that connection the buildings are being revalued and the question of depreciation is being considered.

Mr. Boag.—Are you inclined to think that these rates are too high?

Mr. Lal.—I personally think that these rates are on the higher side.

Mr. Batheja.—I understand that when the rates paid for cocoons were raised, they were raised in a falling market. Why did you lower the rates when the market was falling?

Mr. Lal.—Rates were sanctioned in October, 1930, when the market position according to our judgment justified that small increase in order to stimulate rearing.

President.—The most important point in that connection was that you wanted better yield and that is why you gave this protective price irrespective of the condition of the market.

Mr. Lal.—I have the report of the Development Minister which I will read to the Board. "From time to time in the past proposals have been put up to Government for an increase in the price of cocoons. The Silk Industry in the State is run on the lines of a Government Monopoly and the price that is paid to the zamindars is below the market price of cocoons. There is some feeling regarding this matter among the rearers in both the Provinces and representations have been received on several occasions for an increase in the price paid by the Department for cocoons. Moreover, it has been urged by the Department from time to time that an increase in the price of cocoons is not only necessary to keep the rearers contented, but is also necessary for the development of the Silk Industry itself. As a result of this feeling regarding the price the rearing work is not done efficiently which results in loss both in quantity and quality of cocoons produced. If the price is increased even slightly, rearing work in Jammu where it is already showing excellent results, will receive an even greater impetus and rearing work in Kashmir would become more efficient than at present. The Finance and Development Minister has discussed this question thoroughly with both the Directors of Sericulture and has gone into all its pros and cons and has come to the conclusion that some relief may well be given, particularly now that extensive retrenchment and reorganisation is being recommended."

Mr. Batheja.—What I am concerned with is there was some non-economic reason for raising the price paid to silk worm rearers. The statement is that one idea was to keep the silk worm rearers contented. That means there was some non-economic reasons.

Mr. Lal.—It is also an economic reason to secure the contentment of rearers.

Mr. Batheja.—You mentioned in the case of reeling when the market justified the factory being shut down, the factory had to be opened and output had to be maintained in spite of the fact that no sale was effected.

Mr. Lal.—There but not in this case.

Mr. Batheja.—In this case political considerations did not enter at all.

Mr. Lal.—No.

Mr. Batheja.—You have very kindly described in answer to questions of my colleagues the selling organisation in London. What is your selling organisation in India?

Mr. Lal.—We have agents in India also.

Mr. Batheja.—What commission do you pay them?

Mr. Lal.—We don't send goods to them for sale. They merely book orders and pass them on to us. We send the goods according to the instructions of the customer and deliver the documents against cash payment.

Mr. Batheja.—What commission do you pay for this sort of service?

Mr. Lal.—We pay 1½ per cent.

Mr. Batheja.—This commission is paid when the sale is effected.

Mr. Lal.—Yes and when the amount has been realised.

Mr. Batheja.—The foreign agents in London, Milan and Lyons have got the power to sell without waiting for your consent?

Mr. Lal.—They usually telegraph to me. They are expected to take my consent.

Mr. Batheja.—What is the difference between the selling organisation in Europe and in India?

Mr. Lal.—In the case of Europe we consign the goods.

Mr. Batheja.—In the case of India you don't consign the goods until the whole contract is settled. That is the only difference.

Mr. Lal.—Yes.

Mr. Batheja.—The rate of commission that you pay in Europe is the same in different centres.

Mr. Lal.—Agents in England are working for one per cent.

Mr. Batheja.—I want to know the rate of commission paid by you in different centres.

Mr. Lal.—1½ per cent. to the Agents in Milan and 1½ per cent. in Zürich.

Mr. Batheja.—What is the commission that you pay to Lyons Agents?

Mr. Lal.—1½ per cent. Business is chiefly done through the Milan agents.

Mr. Batheja.—You don't sell any goods in America?

Mr. Lal.—We made a few trial consignments. The reports were not encouraging.

Mr. Batheja.—What were the nature of the reports? Did not the American market like the quality?

Mr. Lal.—The few trial consignments we made did not prove encouraging.

Mr. Batheja.—I suppose American market prefers Japanese silk to yours.

Mr. Lal.—Yes.

Mr. Batheja.—On account of its quality or price?

Mr. Lal.—Both. The difference in price was 2 shillings a lb. in 1928.

Mr. Batheja.—You don't think that Kashmir silk would be suitable for any American fabrics.

Mr. Lal.—I should think it is a matter of finding out an outlet in America. Nobody has seriously worked for it so far.

Mr. Batheja.—You have not worked for it so far?

Mr. Lal.—No.

Mr. Batheja.—Are the methods of production adopted in your factory in any way inferior to the methods adopted in other countries, say Japan, China or other foreign countries?

Mr. Lal.—I have no personal knowledge of the methods adopted in Japan.

Mr. Batheja.—Or other European countries?

Mr. Lal.—Going by the book knowledge

Mr. Batheja.—I am not talking of cocoon production. I am talking only of factory production.

Mr. Lal.—I can make comparison with the methods adopted in Italy, France and Jugo-Slavia.

Mr. Batheja.—Do your methods compare unfavourably with those in European countries?

Mr. Lal.—They do.

Mr. Batheja.—In what respects?

Mr. Lal.—The deficiency lies principally in unskilfulness of labour and further our Indian labour is not so honest as European labour. They require too close a supervision.

Mr. Batheja.—Are there any cases of theft in your factory?

Mr. Lal.—There have been cases but not frequent.

Mr. Batheja.—In what respects is the Indian labour not so honest?

Mr. Lal.—I may be doing injustice to labour in other parts of India.

Mr. Batheja.—I quite understand that you are making the statement in reference to Kashmir. In what respects is it not so honest in lack of attention to work or in thieving?

Mr. Lal.—I don't mean quite in that sense. They are very intelligent. They have got very nimble fingers. If only they put their whole heart into the work like honest workmen they can produce more.

Mr. Batheja.—They pay less attention to their work?

Mr. Lal.—All I want to say is that they could do much better than they are doing now.

Mr. Batheja.—Is that statement true of Jammu labour?

Mr. Wazir.—The labour in Jammu is slightly better in that respect.

Mr. Batheja.—But the defect is there too?

Mr. Lal.—It is really a case of male labour in our country not being so up to the mark as female labour that they employ in foreign countries. We really cannot depend upon them so much to do the thing that is required to secure proper quality and proper outturn, as we can upon labourers in Europe.

Mr. Batheja.—This is what you mean by your statement in reply to Question 30—"This difference manifests itself in the quality and yield of silk". It means that the output suffers and the quality of the silk produced also suffers on account of this defect in Indian labour?

Mr. Wazir.—Yes.

Mr. Batheja.—When I say Indian labour, I mean of course Kashmir and Jammu labour?

Mr. Wazir.—Yes.

Mr. Batheja.—Is there any other defect of organisation or defect of production in the factory which you have noticed as compared with foreign countries? I do admit that with their limitations Kashmir and Jammu factories are reasonably efficient, but still I want to have a comparison with foreign countries?

Mr. Lal.—There is one important drawback which we would have made good long ago but for this depression. The brushing of cocoons in the old filatures is done by hand. There again the conscientiousness of labour comes in. I have seen labour in Italy using hand brush without damaging the fibre much. Our labour would give better results with machine brush. The idea was and is to purchase machine brushes to make good that deficiency.

Mr. Batheja.—It is your definite opinion that in a filature of economic size machine brushes should be used.

Mr. Lal.—Yes. In the existing conditions of India, machine brush will be a boon.

Mr. Batheja.—You don't think that that defect can be removed with better training of labour?

Mr. Lal.—They care more for their wages. They have had training, but they don't have the will to work.

Mr. Batheja.—Is the lack of care or lack of will due to very low wages?

Mr. Lal.—I think that we are paying to-day more than we should.

Mr. Batheja.—How do wages of Jammu and Kashmir factories compare with occupations of similar difficulty in the same area?

Mr. Lal.—The wages in the factories are slightly higher than the market wages.

Mr. Batheja.—Why do you pay higher wages?

Mr. Lal.—Take the case of embroidery work or Kashmir wood carving which has won fame for Kashmir. The man engaged in those industries does not get paid very much.

Mr. Boag.—What are the other factories in Kashmir?

Mr. Lal.—Carpet factories.

Mr. Boag.—What are the rates of wages paid there?

Mr. Lal.—With the exception of Master weavers others do not earn more than 8 annas a day.

Mr. Batheja.—You pay for very skilled workers about one rupee a day?

Mr. Lal.—Yes.

Mr. Batheja.—You say that these wages are higher than the market wages of similar skill?

Mr. Lal.—Yes, to-day.

Mr. Batheja.—Does it not add to your cost of production?

Mr. Lal.—Yes, we realise it. This is one of the headings in which with improvement in political conditions I hope to effect some saving.

Mr. Batheja.—You will see that it is difficult to lower wages in accordance with the decrease in the price of raw silk. Would you find any difficulty in bringing down wages to the level which ordinarily prevails in Kashmir and Jammu?

Mr. Lal.—Just now it would be rather difficult. I shall explain to you what I have done in the last three years. I have increased the quantity of work and working hours. In that way indirectly I have cheapened production.

Mr. Batheja.—Is labour organised in Jammu and Kashmir into Unions?

Mr. Lal.—They are now organising themselves.

Mr. Batheja.—Do you think that there would be a strike if you attempted to lower wages?

Mr. Lal.—There will be serious trouble to-day. We want time. We are conscious of the importance of that point.

Mr. Batheja.—You have said in reply to another question that a plentiful supply of skilled labour is available.

Mr. Lal.—That would be in the mufassil.

Mr. Batheja.—Not in Srinagar?

Mr. Lal.—No. Another disadvantage which we have is peculiar to the habits of the people. The reelers or other filature employees are all males while in Europe, in Japan and in China, the labour engaged is exclusively female.

Mr. Batheja.—That is the case to some extent in Mysore.

Mr. Lal.—We have to continue labouring under this disadvantage so long as we cannot replace the male labour by female labour. The majority of people in Kashmir being Moslems their females like to do work at home. They don't like to come to a factory to work. We experimented many years ago. We ran a few filatures with female labour and there was trouble. We will have to prepare the ground. We have got all this in view when we say that we would bring down the cost of production.

Mr. Batheja.—Do you see any prospect of improving the efficiency of labour within the period for which you have asked for protection?

Mr. Lal.—We feel confident. People will settle down and they will realise that we are working for their own good.

Mr. Batheja.—Do you think that you will be able to introduce female labour?

Mr. Lal.—It is a necessity for us.

Mr. Batheja.—What sort of wages are paid to female labourers in Kashmir and Jammu?

Mr. Wazir.—We have a small number of female labourers in our filature at Jammu.

Mr. Batheja.—Do you pay them at the same rate as your male labour?

Mr. Wazir.—We make no distinction on that ground.

Mr. Batheja.—You make no distinction as regards wages?

Mr. Wazir.—No distinction between male and female labour. There are chiefly two classes recruited from females, *viz.*, sorters of cocoons and cleaners of silk wastes.

Mr. Batheja.—The females are employed as silk waste cleaners?

Mr. Wazir.—Yes, in Jammu cocoon sorters and waste silk cleaners belong to the female class.

Mr. Batheja.—In reply to Question 29 you have described the classes of labourers. Who are these Muraniwalas?

Mr. Lal.—They are the people engaged in the work of cleaning and folding skeins of silk.

Mr. Batheja.—In reply to Question 30, you say that approved apprentices for all classes of factory work including reeling, knotting, cooking, etc., receive training from old hands skilled in their job, working off and on as their seconds.

Mr. Lal.—Yes.

Mr. Batheja.—Their only hope is that they will be engaged as workers?

Mr. Lal.—Yes.

Mr. Batheja.—Do they agree to that?

Mr. Lal.—Yes.

Mr. Batheja.—Is the supply more than the demand?

Mr. Lal.—Yes, but we have to judge their suitability by their age and tendency to work.

Mr. Batheja.—Do you get many applications?

Mr. Lal.—Yes.

Mr. Batheja.—They are relatives of the workers themselves I think.

Mr. Lal.—Yes, and other village fellows.

Mr. Batheja.—What is your system of supervising the work of apprentices? Do you set apart a special officer?

Mr. Lal.—We attach them to workers as helps. We watch them in their work.

Mr. Batheja.—What sort of help do they give?

Mr. Lal.—We first of all engage them as helps and later on when they become a little efficient to manage for themselves, we appoint them whenever a suitable vacancy occurs.

Mr. Batheja.—In reply to Question 31, under (e) you mention "other assets". What are your other assets for which no exact information is available in your factory? What are your other assets besides the items mentioned from (a) to (d)? What are the other possible assets which you have in view?

Mr. Lal.—Various miscellaneous petty items. These relate to the commercialisation of accounts.

Mr. Batheja.—What is the proportion of these other assets to the total value of your factory?

Mr. Lal.—I cannot tell you off hand. But this much I can say that they are not very important items.

Mr. Batheja.—In reply to Question 32 you have given the cost of replacing the existing equipment of the factory and buildings. Do the buildings and the plant and machinery cost more than they cost you in spite of the serious fall of prices?

Mr. Lal.—I have deducted 20 per cent.

Mr. Batheja.—From these figures?

Mr. Lal.—From the original amount.

Mr. Batheja.—The present day cost is Rs. 6,40,000 for buildings and Rs. 6 lakhs for plant and machinery. It appears that the buildings, plant and machinery cost more now than they cost you sometime back. How can this statement be reconciled with the fact that prices have been falling and that prices are at present very low?

Mr. Boag.—These are depreciated costs.

Mr. Batheja.—You still think that these are reasonable costs. When you prepared these figures, how did you ascertain these figures?

Mr. Lal.—We took the old data available and took a certain percentage off in view of the cheapness of the building material. We consulted the Public Works Department as well. They came over and the whole thing was done in a great hurry.

Mr. Batheja.—So, these are rough figures?

Mr. Lal.—Yes, so far as items of deduction go. We have not taken into account the rates actually paid when the buildings were constructed.

Mr. Batheja.—How did you arrive at an estimate of the cost for plant and machinery?

Mr. Lal.—In the same way. It was quoted at a certain price when I was in Europe but was supplied at 25 to 30 per cent. under those prices.

Mr. Batheja.—There has been no further fall since then?

Mr. Lal.—No.

Mr. Batheja.—The superior staff of the factory is paid at certain rates; how do these compare with the rates paid in other factories, say, in Mysore?

Mr. Lal.—I have no idea.

Mr. Batheja.—How have these rate been fixed? Are they the same rates as given to gazetted officers and officers of the same standing in the Kashmir State service?

Mr. Lal.—Up to a certain time they lack, more or less, but since then the position of cadres other than those in Sericulture Department has materially improved.

Mr. Batheja.—Most of these will be working on salary *plus* commission?

Mr. Lal.—Yes because the posts are not pensionable.

Mr. Batheja.—And the commission has recently disappeared?

Mr. Lal.—Yes, because of this depression.

Mr. Batheja.—Compared to other officers serving in other departments you have suffered more?

Mr. Lal.—Yes.

Mr. Batheja.—You think that the superior officers are paid less than their adequate value and that their pay should be revised?

Mr. Lal.—I should think so.

Mr. Batheja.—And if you started any factory probably it would be necessary to pay higher rates?

Mr. Lal.—That would depend on the qualifications of the men employed.

Mr. Batheja.—These costs under “higher supervision, direction, organisation” can they be decreased?

Mr. Lal.—We had at one time 20 gazetted officers to assist me, to-day we have 6 or 7.

Mr. Batheja.—Is your staff adequate for the efficient working of your factory? I am talking only of the technical staff.

Mr. Lal.—Some of them are men with foreign training; some have had long experience of working in the department.

Mr. Batheja.—It has to be viewed as a business proposition. If the factory was run on commercial lines and a new factory of that dimension and size were started would it be necessary to increase the cost or decrease the cost under this head?

Mr. Lal.—If a factory of 200 basins was started it will cheapen production if we pay the man adequately so as to get him to give his whole time and attention to the work.

Mr. Wazir.—We have revised salaries considerably and come to a point where we cannot reduce them any further.

Mr. Batheja.—Is it the settled policy of His Highness's Government to run the reeling branch of the industry as a monopoly concern?

Mr. Lal.—I am not authorised to express any opinion, but I think the time is not far distant,—may be within 20 or 25 years,—when there will be a change. The Kashmir Government, so far as I have been able to judge, took up the industry because the people were not able to look after it. This industry was at one time very flourishing in Kashmir; then disease devastated the indigenous race and we had to import seed from outside. Several efforts were made to revive the industry with the advice of high authorities in England through His Majesty's Secretary of State. Sir Thomas Wardlee helped us and the consensus of opinion at the beginning was that the industry must be controlled by Government. But I think the time is not far distant when it must change hands.

Mr. Batheja.—Was it the original idea to start the factory as a commercial concern or a demonstrative concern?

Mr. Lal.—As a commercial concern.

Mr. Batheja.—In answer to question 41 and also in your administration report you say that you are getting better prices in the Indian market than the European markets in recent years.

Mr. Lal.—To-day that is the position.

Mr. Batheja.—I notice from your administration reports that the prices fetched in India were distinctly higher than the prices fetched in Europe. What was the cause of the difference in price for the same quality of product?

Mr. Lal.—The Indian market paid a higher value willingly and now outsiders have come in to oust us.

Mr. Batheja.—Why were they paying higher rates?

Mr. Lal.—Because of the intrinsic merits of our goods. To-day the difference in price is marked and people are mad over the question of price because of their reduced purchasing power. Until therefore dumping commenced in 1930-31 of the Chinese and Japanese silk we were able to secure better values for our silk in our home markets.

President.—On this question of different markets and different conditions, are the markets in India and the markets in England governed by different considerations?

Mr. Lal.—In India there is that wave of swadeshim.

Mr. Batheja.—That was partly a reason why you were able to command a better price?

Mr. Lal.—I am not quite sure.

Mr. Batheja.—You have given the grades of Jammu and Kashmir silk. Are there are special qualities by which these types of Jammu and Kashmir silks can be recognised without a label?

Mr. Lal.—The consumer knows it from actual use.

Mr. Batheja.—Is the grade determined only because you produce a certain class of silk with inferior material and with inferior equipment or are there some special qualities which are connoted by that label?

Mr. Lal.—Lotus is our best quality.

Mr. Batheja.—Can that be described without being seen?

Mr. Lal.—Lotus will give greater evenness. Japanese silk is being offered on the basis of certain standards as regards devidage, evenness, lustre and so on. For this the silk has to be tested and for that purpose very expensive and delicate machinery is necessary.

Mr. Batheja.—Would you consider the advisability of your having an improved system of grading and sorting the silk?

Mr. Lal.—Different prices will be paid for particular qualities of silk tested for winding at a particular speed. For silk with a winding speed of, say, 100 metres per minute a particular price will be paid; for silk which gives a winding speed of only, say, 50 travels they will pay so much less.

Mr. Batheja.—Is the quality of a particular brand always uniform or does it vary?

Mr. Lal.—We try to maintain uniformity but there will be decidedly a slight scientific difference.

Mr. Batheja.—And the same is the case with Jammu?

Mr. Lal.—Yes.

Mr. Boag.—Do you make in each of these grades silk of various deniers?

Mr. Lal.—Yes. Lotus will be reeled in any size between 9/11 and 28/32.

Mr. Boag.—Are there different prices for different deniers?

Mr. Lal.—There is very little difference. I charge one uniform price for sizes ranging between 18 and 32; for sizes above 32 I charge 2 annas per pound less.

Mr. Boag.—Are you responsible for marketing Jammu silk also?

Mr. Lal.—Yes, both for Kashmir and Jammu.

Mr. Boag.—In your answer to question 45 what do you mean by the phrase "all the varieties of Chinese" high and low?

Mr. Lal.—We are being hit either directly or indirectly

Mr. Boag.—By all the foreign silk that is imported?

Mr. Lal.—Yes.

Mr. Batheja.—Have you any evidence for sweated labour in China and Japan?

Mr. Lal.—I think we have some evidence.

Mr. Batheja.—Is it more sweated than in parts of India?

Mr. Lal.—In Japan labour has to work very long hours.

Mr. Batheja.—How many hours do you work in Kashmir factories?

Mr. Lal.—The maximum working period is 9 hours a day—during summer. One cannot work so much in winter.

Mr. Wazir.—In Jammu we reduce the number of hours in summer because of excessive heat. For two months we reduce the time of working to 7 hours a day.

Mr. Batheja.—Do you give any holidays?

Mr. Lal.—Yes. We close as a rule on Sundays and local festivals.

Mr. Batheja.—Are your wages higher than those paid in China and Japan?

Mr. Lal.—I have no idea of the present wages in those countries. In the printed note we have referred to certain statistics from the proceedings of the House of Commons where reference has been made to Japanese competition as a result of long working hours.

Mr. Batheja.—Have you got any objective evidence for that statement?

Mr. Lal.—There is evidence here,—a responsible statement made in the House of Commons that Japanese labour works in the weaving branch 10 hours a day; that is 60 hours a week.

Mr. Batheja.—Is there a Factory Act in Jammu and Kashmir?

Mr. Lal.—No, but we look after the welfare of labour.

Mr. Batheja.—You show the maximum working days of filatures. How is the maximum arrived at? Is it impossible to work during certain periods? Supposing you had a brisk market could you not keep the filatures working for a longer period?

Mr. Lal.—We can. We shall have to make special arrangements for winter months, and if the prices soared up we can work day and night shifts. Now the filatures are equipped with thermo-ventilators, but the staff and labour are exposed to grave risk, owing to great variations in temperature of inside and outside air.

Mr. Batheja.—Have you any idea of working your own products into woven cloth?

Mr. Lal.—There are a number of handloom factories in Srinagar which are weaving our silk into cloth. A Silk Mill of 100 power looms is also being established with Government aid. The Government have already advanced Rs. 3 lakhs for this purpose and another application for help to the extent of a lakh of rupees has come up from the same firm.

Mr. Batheja.—Will it be a suitable way of absorbing your products?

Mr. Lal.—We think so. We will depend less on the Indian market in that case.

Mr. Batheja.—Have you got a large local demand for silk goods in Kashmir?

Mr. Lal.—We will be able to develop that as well, because thousands of visitors come up to Kashmir every year and take with them saris and other things as curios.

Mr. Boag.—In answer to question 41 where you give the rates realised for your goods in Europe and in India, you state that the rates realised in Europe are exclusive of home charges.

Mr. Lal.—Yes.

Mr. Boag.—What do they amount to?

Mr. Lal.—These are conditioning house charges (statement handed in). Home charges include conditioning house charges, warehouse charges, insurance charges, agents' commission—all charges incurred exclusive of freight.

President.—The question which I would like to discuss now is about the artificial silk yarn. I do not know whether your Government has paid any importance to this question. If you see the import figures, you find that artificial silk yarn which comes chiefly from Italy has in 1932-33 for seven months reached a colossal figure of 4,075,000 lbs. coming as against 3,899,000 lbs. in 1931-32, Japan which was up till 1931-32 a negligible figure, has during those seven months sent as much as 1,499,000 lbs. The Board would like to know very much the opinion of your Government with regard to this indirect competition and whether you want any additional duty on artificial silk yarn.

Mr. Lal.—I think it will be very helpful. We thought of it ourselves, but rather too late.

President.—I find a mention of it made in your report for 1926-27.

Mr. Lal.—Up to a certain date it was not looked upon as a rival of natural silk, but in these days of depression people want everything cheap forgetting the art that there is in the natural silk, and its durability. I should think that as the income of people has been reduced, we ought to look after them and prevent them from going in for cheap stuff which ends in smoke and in the long run puts them to loss. I certainly do think that in artificial silk we have a rival indirectly and if the Board can help us, it would be useful.

President.—How far have prospects of sale been improved by the swadeshi movement which was some time ago strongly prevalent and is still in existence?

Mr. Lal.—There is a growing demand. In previous years our sales in India used to be somewhere about 60 to 80,000 lbs., but now I have been able to market, though at a loss, some lakhs of pounds.

President.—That means the movement has definitely helped you.

Mr. Lal.—Yes and I hope to benefit more and more from this movement. Kashmir is the only country in the British Empire which is important in this line. There is no other part of the British Empire which produces so much raw silk of high quality reelable from cocoons of mayavoltiyo races, though they have made attempts on a small scale here and there, for example, in South Africa.

President.—In the Administration Report of Kashmir, 1929-30, you have criticised the oversunning the cocoons which is so harmful to the fibre and I understand that a plant has been installed to get over this difficulty.

Mr. Lal.—In the same year, i.e., 1930, Government sanctioned an expenditure of Rs. 4 lakhs to be spread over 5 years, but then the rates were very high. I think we should be able to manage in Rs. 2½ lakhs now.

President.—It is not yet in use.

Mr. Lal.—We used one drier for a time. Now the building is being completed.

President.—It will be in working order next year.

Mr. Lal.—Yes in full working order. The ovens are already in their position. Although the purchase of such machines would cost some lakhs, the improvement effected in the quality and yield of silk would enable us to recoupe the expenditure fully within a few years.

Mr. Boag.—Would that involve any alteration in the amount you pay for the cocoons?

Mr. Lal.—No.

Mr. Boag.—Although the rearer doesn't have to spend money on it.

Mr. Lal.—He exposes to the sun. He spends no money.

President.—In the Administration Report of 1930-31 you have made one important statement and that is that the assorting of cocoons on improved lines has resulted during the year in the reduction of labour charges from As. 12 to As. 6 per green maund which gives a clear saving of nearly Rs. 10,000 to the department. What is the system that you adopt which has led to such a big saving.

Mr. Lal.—I introduced the Jammu system in Kashmir.

President.—What is the system in vogue for assorting the cocoons? Can you give me some idea?

Mr. Lal.—Cocoons are assorted into No. 1 quality medium for export, —but to-day export is out of question,—No. 1 small, which is merely for reeling, No. 2 and miscellaneous consisting of Puda (weak or flimsy) cocoons, cut cocoons and double cocoons. In the past we used to pay the sorters 7 annas for 10 seers of selected cocoons. I have changed the system. Now assorting of 1½ green maunds enables them to earn daily 9 annas against 7 annas in previous years. Thus both the department and labour get benefited. During the last 4 years I have been in charge I have had to send away about 275 hands of labour and 126 salaried hands just to cut down the cost of production.

President.—You have mentioned that the labour charges work out to 3.18 annas against 2.91 annas of last year. That means you have increased the wage, but you have decreased the staff.

Mr. Lal.—I have increased the wage of one particular class.

President.—Labour charges exclusive of salaried hands—page 4 of the Administration Report for 1930-31.

President.—Labour charges have increased?

President.—Better quality of cocoons?

President.—I thought the seed was mostly imported.

President.—That is 1933. This is 1930-31.

Mr. Lal.—Whatever seed we produced this year. I introduced crossing in 1929. Now we are producing a little over 3,500 ounces of cross seed. Cross seed is always more expensive whether imported or prepared locally because of the expensive processes involved.

THE GOVERNMENT OF BENGAL.

**Evidence of Mr. A. T. WESTON, Director of Industries, Bengal,
Mr. P. C. CHOUDHURY and Mr. A. N. SEN, recorded at
Calcutta on 25th February, 1933.**

President.—Mr. Weston, you are Director of Industries?

Mr. Weston.—Yes.

President.—Mr. Choudhury, you are Deputy Director of Sericulture?

Mr. Choudhury.—Yes.

President.—We find that the Government of Bengal have not answered the questionnaire that we sent to them.

Mr. Weston.—That is so; they have passed it on to me.

President.—They have sent answers to the letter we issued to them on the 5th December and even in that questions 4 and 5 and 10 (2) have not been replied. They stated that they will follow but so far we have received nothing.

Mr. Weston.—We have done our very best to collect the information required to give you the answers you desire. You will understand that it involves two departments. Mr. Choudhury is a responsible officer in charge of the sericultural section of the work

President.—My difficulty is this, that even the replies that you promised to send us with regard to our letter have not reached us. There are two important points involved there; one of them is the question of the measure of protection.

Mr. Weston.—These are my instructions as to what I am to tell you in this matter—"It has been decided by Government that it would be best for you to confine yourself" (I have subsequently sent the substance of my written instructions to the Secretary of the Tariff Board at his written request.)

President.—We have not received that reply, but I am glad you make it perfectly clear that the Government of Bengal's position is that whilst they favour protection as far as your province is concerned, they are not prepared to say that protection is necessary for the industry as a whole in India.

Mr. Weston.—That is the present position.

President.—When you consider that protection should be given to your province, what is the kind of protection that the Government of Bengal consider is necessary for the industry?

Mr. Weston.—I may be excused from giving this answer: I have already told you that I have not been favoured with instructions of the Government of Bengal on this matter.

Mr. Boag.—You said just now that Government are addressing us?

Mr. Weston.—Yes but I am precluded from anticipating Government reply.

President.—I may say that you are placing the Board in a very awkward position because this is the only opportunity which the Board gets of asking questions to the representatives of the Bengal Government in order to elucidate some of the important points. What about the handloom weavers?

Mr. Weston.—We have got some information about that. Our difficulty is that in Bengal we use very little foreign silk; that is to say, the weavers use very little imported silk.

President.—That may be true, but you will realise that in case the duty on imported silk is increased then to that extent the handloom

weaver will have to pay more for his raw material. What would be the attitude of your Government with regard to protection?

Mr. Weston.—I can't tell you what the attitude of my Government will be but I can tell you what my view is. In my view it would not be right to jeopardise the economic life of the weavers in the way you indicate and there are strong and substantial grounds for an enquiry by the Board, when considering the question of protection to the raw silk industry, into the question of the silk weaving industry as well.

President.—Do I understand that you are opposed to protection unless simultaneous assistance is given to the weaving industry?

Mr. Weston.—Certainly. I am merely speaking as an individual.

President.—I will satisfy myself with your point of view if I cannot get the views of your Government. The position I understand is this: if after enquiry the Tariff Board comes to a decision that protection to the raw silk industry is necessary and if the raw material used by the handloom weaver is protected to the extent to which it is used by the weavers, you would have no objection from the weavers' point of view to protection being granted to the raw silk industry?

Mr. Weston.—I say that it is essentially necessary to protect the silk handloom weavers if you enhance the price of his raw material by protection to the raw silk industry.

President.—I would like to understand then the affect on the consumer. What is his capacity to bear the burden of additional taxation?

Mr. Weston.—It is very difficult to analyse such a position from the point of view of prices. Prices are entirely upset by many causes as you will agree. It is not many years ago since the price of raw silk was double what it is to-day and the market which our handloom weavers then found for their product was even better than what it is to-day with the low price for their raw material and therefore a low price for their finished product. Even with the advantage of low prices which obtain to-day, their market, from all the records which we have got, has been seriously restricted, so that the effect of the weavers having to pay a higher price for their raw material and thus enhancing the cost to the consumers of their woven product does not seem to me to be an insuperable difficulty.

Mr. Boag.—Has not the consumers purchasing power declined?

Mr. Weston.—There again I should say that this is a very general question.

Mr. Boag.—If his purchasing power has declined he may not be in a position to-day or to-morrow to pay the price that he was paying six or seven years ago.

Mr. Weston.—That is true provided you qualify your suggestion by the fact that the consumer is better off than the generality of people, silk being a luxury article and being only used by people who have some margin for luxuries in a broader sense.

President.—Is it not a fact that silk is not regarded now as a luxury: from the religious point of view there are some classes who regard this as a necessity?

Mr. Weston.—I believe it is, but to the extent that they can afford it.

Mr. Batheja.—Is it not also a fact that even for poorer people the buying of silk goods on some occasions is almost a necessity?

Mr. Weston.—Yes, but I am not aware of any particular difficulty which they experience in getting what they require; that is to say they take the necessary loan to buy these.

President.—As regards question 10 (b) could you forward to me the statement which has been asked for by the Board and which we have not yet received?

Mr. Weston.—As far as the Department of Industries are aware there is not reliable source from which we can obtain these figures and on which

we have any confidence to show what quantity of silk waste is used locally or sold for use in other parts of the country. You will understand that this industry is a widely distributed cottage industry in which there is no central market or control conditions of any kind by which you can assess its production or its export.

President.—Now let us deal with your replies. Mr. Choudhury, I would like to understand the position of the sericultural department as it was at the time Maxwell Lefroy and what it is to-day.

Mr. Choudhury.—Maxwell Lefroy's report was published in 1916 and his figures are those for 1914-15. He says that in 1914-15 the area in Bengal was 19 thousand acres and he calculated the production to be 520,000 lbs., but I find from a reference to the body of the book that there was a mistake. Mr. Lefroy says that in Bengal 200 maunds of leaf per acre in five pluckings is near the average but that 300 was the possible yield per acre. According to this statement the leaf per acre is 200 maunds or 10 maunds of green cocoons, and 10 maunds of green cocoons means 50 lbs. of raw silk. On that calculation on the figure for 1914-15 which he states to be 19,000 acres the production should be 950,000 instead of 520,000 lbs. On the same standard the present area we find to be 25,000 acres in 1926-27; even now we have been keeping records. We take the names of rearers and we do not find that there has been any large shortage; it has not decreased up-to-date. There may have been shortage in certain localities but that has been recouped in other areas by expansion.

President.—I understand from the replies given here that at present sericulture is practised in nine districts but you have given me the figure of acreage for three places only?

Mr. Choudhury.—That was given of some important localities. That is not the entire area. We were asked to make a survey of the economic problem but we had not sufficient staff, and travelling would have been expensive if we sent these people into the interior and collect figure from all the villages.

President.—I don't think you have understood the question. I am now talking of the industry in the whole of Bengal. On the front page of your reply you say that the industry is carried on as a cottage basis in the districts of Maldah, Murshidabad, Rajshahi, Birbhum, Bankura, Midnapore, Bogra and Howra whereas I find that in answer to question 1 you give the total area under mulberry of three districts only.

Mr. Choudhury.—We say "in the important silkworm rearing areas". We could not get figures for all the villages in Bengal. These are very correct figures that we have given as we have got the name of each man on record, number of members in each family and so on.

President.—The figures given by you are in bighas. If I calculate three bighas to an acre I get a figure of 17,992 acres. Can you tell me approximately how many acres there will be for the rest of the places?

Mr. Choudhury.—About 8,000 acres more.

President.—That makes nearly 25,000 acres.

Mr. Choudhury.—That is so.

Mr. Batheja.—You said in 1926-27 the figures was about the same?

Mr. Choudhury.—Yes. As a matter of fact I took it to be 30,000 acres. Then it was discussed in the Silk Committee and it was decided to make some allowance, and a figure of 25,000 acres was taken.

President.—This figure of 1,87,000 the number of people engaged in the industry, is for the whole of this acreage?

Mr. Choudhury.—Yes.

President.—The net profit shown here for Murshidabad on a total outturn of 13,44,010 kahons is Rs. 6,18,530; what approximately was the price you obtained for the cocoons?

Mr. Choudhury.—The prices are shown in the next page.

President.—I find on that page that there is some variation between the prices obtained by Government nurseries and these obtained by the ordinary cocoon rearers.

Mr. Choudhury.—There is great variation.

President.—On what basis were these calculated?

Mr. Choudhury.—We went to each house, took down each man's return of the quantity and these have been added together. One man sold at one rupee, another at 8 annas.

President.—It would facilitate the Board's work if you could give for one district the figures worked out in detail.

Mr. Choudhury.—In answer to questions 7 and 8 we have replied to this: we have shown the costs.

President.—In answer to question 8 you give the price obtained as 9 annas a seer. Can I take this figure then for my calculations?

Mr. Choudhury.—That is the present price which is of course a low rate.

President.—In answer to question 2 you tell us that sericulture is carried on a subsidiary to agricultural pursuits. Are there people who have taken this up as their main occupation?

Mr. Choudhury.—In Malda there are some rearers who do the work on a large scale but they have agriculture as well. In most places the average area for mulberry cultivation is 0.6 acres per family.

President.—What is the position with regard to filatures? You say there are several owners of big filatures who reel the silk yarn by purchasing cocoons.

Mr. Choudhury.—There are about 50 filatures; many of them are working but not full number of basins. In 1922-23 we had a survey and there were then about 62 filatures with 859 basins; then about 10 went out of existence and now there are about 50.

President.—Where are they generally situated?

Mr. Choudhury.—Most of them are in Murshidabad, Beldanga, Jangipur and two in Birbhum.

President.—Do you know any person or firms who owns these filatures?

Mr. Choudhury.—Mr. Haji Haroon Rashid in Debkundu, Maulvi Maniruddin in Jangipur, Bholanath Banerjee in Beldanga. Maulvi Maniruddin has 300 basins working.

Mr. Batheja.—Are they proprietary concerns?

Mr. Choudhury.—They are private concerns.

Mr. Boag.—Do you render any assistance to them at all? Have you investigated their condition?

Mr. Weston.—No.

Mr. Boag.—Have you got any statistics about their production?

Mr. Weston.—No.

Mr. Choudhury.—Our men go into the villages and collect figures as far as they can.

Mr. Weston.—I have visited these filatures; I know their condition: they are very bad; they are practising obsolete methods of reeling and we have done this much, we have imported up-to-date filature model reeling plant in the Berhampore Silk Weaving Institute and we are trying to make them follow the method. We have an Italian up-to-date machine in the Weaving Institute but financial conditions have not allowed us to proceed further.

Mr. Batheja.—Do you keep any statistics about their production?

Mr. Weston.—No. I think it is most desirable that my department should have information regarding the production of filatures as well as handloom weavers.

President.—You have stated on page 4 that the merchants who advance money get yarns at their own terms from the reelers. Has the reeler to accept any price the merchant gives?

Mr. Choudhury.—If he has other purchasers then he can get a better price but if there is no other purchaser forthcoming he has got to sell his yarn.

President.—The reeler has the option to sell to other purchasers if available in spite of the money advanced by the merchant?

Mr. Choudhury.—He has simply advanced money but has no option.

President.—At what price is he to sell if there is no other purchaser?

Mr. Choudhury.—At any price the man offers. Later on the merchant has the advantage over him, because if he has advanced money, then he will say "return my money at once with heavy interest". So it is better for him to sell it cheaper and get another loan for further work.

President.—There are two ways I understand by which the Government of Bengal is helping the industry. One is by the establishment of the Bengal Silk Committee and the other by the establishment of Co-operative Silk Union and Silk Weaving Institutes.

Mr. Choudhury.—The reference to the establishment of Bengal Silk Committee, I don't follow.

President.—I understand that there is a Committee called Bengal Silk Committee. I would like to know what is the position and the kind of work which it does to further the advance of the silk industry in Bengal.

Mr. Choudhury.—It is an Advisory Committee composed of the heads of the three Departments, Industries, Co-operative and Agriculture and also representatives of merchants, silk rearers and reelers and the Collectors of Malda and Birbhum and myself as Secretary.

President.—The silk merchants are nominated by Government?

Mr. Choudhury.—Yes.

President.—When does the Committee generally meet?

Mr. Choudhury.—That depends on when the Director calls a meeting. Generally now-a-days it meets once a year or at the most twice if we have funds to pay travelling allowance to members. That is another reason why we are not able to call the meeting more frequently.

President.—Because of the allowance which the Members would be entitled to in case they came to Calcutta?

Mr. Choudhury.—Yes.

President.—The Director of Agriculture is the Chairman of the Committee.

Mr. Choudhury.—Yes. The meeting is held sometimes in Malda and sometimes in Berhampore, so that members may come and see the farms and meet the people.

Mr. Weston.—The Chairman of the Committee is the Director of Agriculture and therefore the whole thing comes under the Department of Agriculture.

President.—Does the Director in his capacity as Chairman carries out the orders of the Committee or does he refer the resolutions to Government?

Mr. Choudhury.—Yes, it has got to be referred to Government when there is a difference of opinion. As a matter of fact we are working very amicably and there is seldom any difference of opinion.

Mr. Weston.—All matters involving policy or expenditure must be referred to Government.

President.—What is the staff which is generally engaged for Sericulture?

Mr. Choudhury.—The sericultural staff is entirely Government staff and it has nothing to do with the Committee. We have at present 12 nurseries in different places. The superior staff consists of one Deputy Director

and 3 Superintendents of Sericulture in charge of Circles. Then there are subordinate staff for each nursery and we have got two inspectors for village work in Malda and one in Murshidabad and each of them has got demonstrators entirely for them. At present we have got 12 demonstrators and 2 officers for village work and the Sericultural Superintendents whom you probably met in Malda inspect their work. I also go sometimes. That has also been reduced now-a-days because of retrenchment and we cannot go there frequently for want of funds.

President.—What is the amount which is allotted for this kind of work?

Mr. Choudhury.—The total Sericultural budget is about Rs. 2 lakhs.

President.—Devoted exclusively for the development of Sericulture.

Mr. Choudhury.—Within this we have there schools where we give rewards to the students after they pass their examination. We have 18 stipends of Rs. 10 a month for one year and when the boys pass the examination, we give Rs. 400 as reward to construct model rearing house according to our plan in the village and give written registered agreement to serve for 7 years under Government control for seed production.

President.—In these 3 schools there are only 18 stipends.

Mr. Choudhury.—There are two schools in Piasbari and Berhampore Sericultural nurseries. There are also primary classes attached in other nurseries.

President.—I want to understand how much money is spent on Education.

Mr. Choudhury.—Our total expenditure on Sericultural Education in 1931-32 was Rs. 7,317.

President.—Is that inclusive of the teacher's salary?

Mr. Choudhury.—The teacher's salary is separate.

President.—Rs. 7,317 is given in the shape of rewards to students.

Mr. Choudhury.—Out of this we give stipends, contribution grants to village schools for sericultural work. In a silk rearing area there is a village school where there are 60 boys undergoing training in the rearing classes. We give a grant to that school on condition that our men can go and inspect and also give lectures and the teacher also has to give daily lessons for one hour to the boys. The total comes to Rs. 7,317. In that the Piasbari school cost is also included which comes to Rs. 1,600.

President.—You are rearing 3 kinds of indigenous silk worms, Nistari, Chotopolu and Barapolu.

Mr. Choudhury.—Yes.

President.—You have given us to understand that foreign races do not stand the climate of Bengal. I want to know what experiments your department has carried on.

Mr. Choudhury.—Our department has carried on experiments with various broods. For some years I was myself in charge of that work before I became Deputy Director. I was in charge of the cross breeding experiments and we did experiments on a big scale. We created many hybrid types. We wanted to have a multivoltine breed by crossing and tried to fix it up. But our rearers who have got certain peculiarities would always like to have worms with Nistari mark. We tried to create a race with Nistari marks and nistari colour and the shape of cocoons but yielding more silk. We succeeded. It was giving good results, but it was difficult to fix up a particular season for giving good results. In one year, say 1920 it gave good result in June crop. In 1918-19 it gave a good result in December, but the June crop was a failure. Thus we found it was very difficult to fix particular season when the hybrid race would give a definite result. We had to depend entirely on seasonal fluctuations and so we abandoned it. In furtherance of this work Silk Committee also got to the extent of Rs. 6,000 a year from Messrs. Anderson and Company.

President.—Was it a question of humidity that was coming in the way of a successful crop?

Mr. Choudhury.—It is very difficult to say. I have seen in July which is a most humid month that one race gave very good result. In the next year it didn't give in that season, but it gave in the winter. I think the main point is the great difference in the variation of temperatures between the maximum and the minimum. If that varies too much and also changes within a week, there is trouble.

President.—Do I understand at present that it has been definitely given up as a research work?

Mr. Choudhury.—That is because we have sufficient facts and figures. To-morrow if we like we can create these. If we give to the rearers, we must be able to guarantee that they will be a successful crop.

President.—Those rearers are people who are not educated.

Mr. Choudhury.—Yes.

President.—Now you have got the advantage through your school for having created selected rearers.

Mr. Choudhury.—Yes.

President.—Why the selected rearers are not inclined to take these hybrid races?

Mr. Choudhury.—Selected rearers are for seed production. They help us in giving seed. Now in this hybrid question there is one difficulty. If we are to have these races, we can only give guarantee for the first generation, but not the second or the third. The selected rearers will deal with second or third generation, so the guarantee cannot be given.

President.—The selected rearer comes from the rearing family. Though he may be doing the reproduction work, his family is doing the rearing work. He should be inclined to do propaganda work if he could get better results from hybrid races.

Mr. Choudhury.—For the cocoons.

President.—Yes.

Mr. Choudhury.—For the cocoon production. If you give hybrids, you must give fixed hybrids, because if you find any variation in the marks the rearers will not rear. We must give a hybrid which is not normally different in larval marking. Everything must be uniform. I can give any hybrid race to-morrow which will show these differences, but the rearers won't take them.

President.—What is the definite opinion of Government as such with regard to the experiments carried out by them as to the future of hybrid races in Bengal?

Mr. Choudhury.—We have given up hybrid races. We are in favour of pure line selection. That is what we have adopted. I don't think it is safe to give to the rearers in this country, because the hybrid races that we have introduced will eat more leaves. Rearers generally always under-feed worms. So high breeds have got very little chance.

President.—Do you think hybrid races are a distinct improvement if necessary propaganda is carried out amongst rearers.

Mr. Choudhury.—Hybrid races are a distinct improvement if you can get a well organised institution to rear.

President.—Therefore for the present the research work is at a stand still.

Mr. Choudhury.—We are investigating on pure line selection. We are trying to improve pure breeds.

President.—From the report of 1930-31 of the Department of Agriculture I find that you are now supplying nearly 50 per cent. of the disease free seed cocoons.

Mr. Choudhury.—Yes.

President.—What is the system you are adopting to secure these seed cocoons?

Mr. Choudhury.—There is production of seed in Government nurseries and also by selected rearers. We keep our stock races ourselves always throughout the year by exchange with different Government nurseries by microscopic examination in every generation. We rear crops in the nurseries, at the same time we give to the selected rearers seeds from Government nurseries which they rear and sell. Selected rearers also get them examined microscopically.

President.—I want to know whether you are giving any disease free eggs or only disease free seed cocoons to the rearers who purchase from your nurseries.

Mr. Choudhury.—The cocoon producers get the industrial seed. That is as seed cocoons which was derived from microscopically examined layings of the previous product.

President.—Can you tell me whether this system which you have now adopted in Bengal is practised in any sericultural country in the world?

Mr. Choudhury.—Most of the countries in the world have univoltines. I am not aware of China where I understand multivoltines are reared also, but in Bengal we find that if you give these industrial seeds, the rearers, so long as the industrial seed is below 20 per cent. disease, are sure to get a crop. All our nursery seeds are tested not to exceed 5 per cent.

President.—You think that 20 per cent. of the seeds die of disease.

Mr. Choudhury.—With seed up to 20 per cent. disease they can get crop.

President.—Do Government consider that a satisfactory position?

Mr. Choudhury.—Government seed is never more than 5 per cent. disease. That is quite negligible. This was also investigated in Pusa by Mr. Hutchinson who conducted experiments. The difficulty with multivoltine is this. The interval between the date of cutting and the hatching of the eggs is only 7 days and to examine such a large number of months you require a very large number of staff to examine.

President.—What is the position of the rearer? Does he get his requirements of seed cocoons entirely disease free?

Mr. Choudhury.—They are only getting 50 per cent. from Government nurseries and selected rearers and 50 per cent. in village seeds which are of second or third generation. If they get a good crop, they will be able to sell it as seed to another village for the next crop.

President.—The position as far as rearers are concerned, is the disease free seeds on the whole do not exist.

Mr. Choudhury.—It is only 5 per cent. that is diseased. That is the maximum.

President.—You have not understood my point. I am a rearer. I require a certain amount of disease free seed for rearing. You only give me 50 per cent. of my requirements.

Mr. Choudhury.—Yes.

President.—Then I have got to have 50 per cent. from villages.

Mr. Choudhury.—Yes.

President.—They are then mixed up. The result is in spite of getting disease free seed from you, I may not be able to rear successful crop.

Mr. Choudhury.—There is that danger.

President.—Is there any instance which you can tell me that a rearer has exclusively been able to get all the seeds from your nurseries without having to mix it up with village seed?

Mr. Choudhury.—That we can't say. There are rearers who are bound to take village seed to make up the deficit.

President.—I understand you have started experiments with regard to the tree mulberry. In the last report you have given us the results of your experiments. You state that tree mulberry takes four years to

mature, but once established it yields about 30 seers of leaves per tree or with 100 trees per bigha at the rate of 75 maunds per bigha per annum.

Mr. Choudhury.—Yes.

President.—Was there at any time prejudice against the use of tree mulberry?

Mr. Choudhury.—There was prejudice and that was probably because we got seeds from Hungary and planted those in farms. Most of the trees died of fungus. Later on we tried cuttings from local bush mulberry. We found it was much better.

President.—Is there any disease from which the mulberry suffers in Bengal?

Mr. Choudhury.—Our work in connection with the tree is only about 7 years now. We can't say what will happen after 20 years cropping.

President.—In the bush mulberry there was a disease?

Mr. Choudhury.—Yes.

President.—Even now?

Mr. Choudhury.—Tukra. That has been investigated.

President.—What is the percentage of loss due to this disease?

Mr. Choudhury.—Tukra disease doesn't cause much heavy loss—not more than 5 per cent.

President.—You are also rearing eri silk worms.

Mr. Choudhury.—Not much in Bengal. It is mostly in Assam and Bogra in the district of Bengal and Dooars.

President.—What is your experience about the district of Bogra where silk worms are reared? I want to know whether they are successful.

Mr. Choudhury.—The rearers prefer eri.

President.—They are fed on castor leaves.

Mr. Choudhury.—Eri won't feed on any other leaves than castor leaves.

President.—I was told rearers are trying to rear them on other leaves as well.

Mr. Choudhury.—No they cannot.

President.—It is only on castor leaves that they live?

Mr. Choudhury.—Yes.

President.—You have two kinds of silk white and yellow?

Mr. Choudhury.—Yes, sample shown.

President.—This is from Barapola?

Mr. Choudhury.—Yes.

President.—Is there any great difference in the quality?

Mr. Choudhury.—The bave of the Barapola is thicker than the other. Chotopola is also thicker than Nistari.

President.—The recent reports from Bogra seem to confirm the impression that local rearers are inclined to replace mulberry by eri silk.

Mr. Choudhury.—They are taking to Eri cultivation in Bogra.

President.—They are replacing mulberry by castor leaves?

Mr. Choudhury.—Yes.

President.—Can you give a statement showing the comparative costs of the two, castor and mulberry?

Mr. Choudhury.—As regards mulberry silk I have already given you. But as regards Eri I don't think that there will be much difference in the cost. The only point of importance to be noted is this. In Bogra there is not much reeling done at present. Formerly there were some big concerns which did this business. Now they are all closed down and people are finding it difficult to dispose of their mulberry cocoons. So, they have taken to Eri. They spin by charka, weave the yarn into cloths and use them themselves because they are cheaper. There is not much selling.

Mr. Boag.—Eri silk is not sold?

Mr. Choudhury.—Eri silk of Bogra is not sold much. It is used by people themselves.

President.—It does not come into the market?

Mr. Choudhury.—Not much.

Mr. Batheja.—It is reeled?

Mr. Choudhury.—No, it is not reeled. It has to be spun.

President.—In your replies you talk about the spinning method?

Mr. Choudhury.—Yes.

President.—Even the filatures adopt this method?

Mr. Choudhury.—The filatures mostly buy cocoons after the crysalides inside are killed.

President.—They buy dry cocoons?

Mr. Choudhury.—Yes.

President.—They are stifled by the Sun's heat?

Mr. Choudhury.—Mostly.

Mr. Batheja.—Is not this method defective?

Mr. Choudhury.—Yes, to some extent, but the rearers are situated in scattered villages far in the interior. They kill the cocoons there because they do not know when the paikar will come to buy them. Further it also takes time. They must kill the crysalides; otherwise they will cut out early.

President.—You have told us 1 kahon as being equal to 1,280 cocoons?

Mr. Choudhury.—Yes.

President.—1 kahon is equal to 1 seer or 2 lbs.

Mr. Choudhury.—Yes.

President.—It all depends on the weight of cocoons?

Mr. Choudhury.—Yes.

President.—Do even the cocoons reared in villages weigh the same?

Mr. Choudhury.—No, they don't. They weigh differently.

President.—May I take it that this is the average weight of the nursery cocoons—1 kahon as being equal to 1 seer?

Mr. Choudhury.—There are rearers who get 12 pans and even 14 pans.

President.—May I take it that on an average 1 kahon is equal to 1 seer?

Mr. Choudhury.—Yes.

President.—But it does not necessarily follow?

Mr. Choudhury.—No.

President.—In the cost statement that you have given on page 8, you say that the cost of labour is nil?

Mr. Choudhury.—Yes.

President.—That is because the labourer does all the work himself with the help of his wife and children?

Mr. Choudhury.—Yes.

President.—Can you tell me approximately what it would cost if these people are employed in a similar kind of work?

Mr. Choudhury.—The difficulty is this. Now the labourer does the work himself. One feeding takes about 15 minutes or a little more in the morning and another feeding about the same time in the night. It is difficult to assess the hours devoted to this work.

President.—In order to live, they must have a certain amount of money. You have not mentioned any figure. I simply want to know if you can give a rough figure so that the Board may have an idea.

Mr. Choudhury.—We may take it like this. The total cost which the rearer has to incur is shown in the statement as Rs. 66. Anything that he gets in excess of that amount on the sale of cocoons may be taken as his labour or his profit.

President.—That is to say, this price of 4 annas 6 pies per lb. at which he is able to sell now includes his profit?

Mr. Choudhury.—Yes, that is to say at 8 annas, he will get Rs. 90. His cost is shown as Rs. 66.

President.—You have said that he only gets Rs. 74 for the product?

Mr. Choudhury.—The labour cost is 8 annas per maund.

President.—The cost given is for production from one bigha of land?

Mr. Choudhury.—Yes. The amount shown here is the cost of food. That also represents his own labour.

President.—For the cost of food you are taking a price which would be obtained for the leaf if he did not use it for himself?

Mr. Choudhury.—He is using it.

President.—I don't follow.

Mr. Choudhury.—At present he is looking after the mulberry plantation. He has not got to spend much on manure. He does all the work himself. So, anything that he gets is to his benefit. This Rs. 48 is his income and it includes the cost of food.

President.—In reply to question 10, you say that the total produce of reeled silk is 20 lakhs of lbs.?

Mr. Choudhury.—Yes, on the basis of Prof. Lefroy's book.

President.—I want to know what is the total annual production of silk in Bengal?

Mr. Choudhury.—1½ million lbs. of reeled silk on 25,000 acres.

President.—20 lakhs of lbs. in the province of Bengal?

Mr. Choudhury.—Yes.

President.—The figure that we have got is 20 lakhs of lbs. for the whole of India?

Mr. Choudhury.—From the calculation that I made in the beginning

President.—What is your calculation?

Mr. Choudhury.—Prof. Lefroy's report showed 570,000 lbs.

President.—You must calculate on the basis of the actual yield.

Mr. Choudhury.—Prof. Lefroy has said that the yield of leaf is 200 maunds per acre.

President.—Are you getting that?

Mr. Choudhury.—We are getting more, even 300 maunds.

Mr. Batheja.—Why do you assume that it is used and not wasted?

Mr. Choudhury.—They have to pay a high rent for land under mulberry and so they will take care that it is not wasted.

President.—To what page are you referring in Mr. Lefroy's report?

Mr. Choudhury.—Vol. I, page 87. You will see that he has calculated or estimated the yield of leaf per acre of mulberry at 200 maunds.

President.—In 5 pluckings?

Mr. Choudhury.—Yes.

President.—This is from the tree mulberry?

Mr. Choudhury.—Yes, but on top of page 88 you will find he says that less will be got from the big shrub system and less still from trees. There are two more pages to be consulted, viz., 19 and 21, to arrive at these figures. On page 19, he says "A maund of cocoons will give 3 seers of **Khangru silk**, native reeled or 2½ seers of **filature silk**". On page 21, he

says "on the whole it requires 20 seers leaf per seer of green cocoons"; that is to say, 10 maunds of green cocoons from 200 maunds of leaves. On that calculation it comes to 50 lbs. of raw silk per acre.

President.—20 seers of leaf per seer of green cocoons?

Mr. Choudhury.—Yes; in other words 10 maunds of cocoons for 200 maunds of leaf. While Prof. Lefroy says 3 seers of silk per maund of cocoons, I have calculated at $2\frac{1}{2}$ seers or 50 lbs. per acre.

President.—Those figures are based on conditions that do not exist to-day?

Mr. Choudhury.—Why not? There are 25,000 acres. I know that people are getting even 300 maunds of leaf per acre, but I am taking only at 200 maunds. I cannot say that I have taken statistics but I find that people are getting that.

President.—What is the actual state of affairs existing in Bengal?

Mr. Choudhury.—This is the position.

President.—20 lakhs of lbs. of raw silk is being produced?

Mr. Choudhury.—Yes.

President.—Where does all this silk go?

Mr. Choudhury.—The whole thing is exported to different provinces. I don't find any accumulation in the market. On the basis of 25,000 acres, this is my figure.

President.—Has Prof. Lefroy taken into consideration the percentage of diseased cocoons?

Mr. Choudhury.—The condition has improved much more. In Prof. Lefroy's time, there were no selected rearers. We are growing 15,000 kahons now. There is no doubt that the condition has improved. In Prof. Lefroy's time we had only two farms. We have now 12 farms.

Mr. Boag.—I have worked out this figure from another point of view. In this report of yours you mention 43 tons of seed produced from Government nurseries and sold by selected rearers. That is about half the total quantity of seed used in the province.

Mr. Choudhury.—Yes.

Mr. Boag.—I have worked out from the data that you have given that 86 tons of seed will produce about $1\frac{1}{2}$ million lbs. of raw silk and not 2 million lbs.

Mr. Choudhury.—I have also said $1\frac{1}{2}$ million lbs.

Mr. Boag.—I thought you said 20 lakhs?

Mr. Choudhury.—The filature silk I have taken at $2\frac{1}{2}$ seers. The majority is khamru which gives an yield of 3 seers, in place of 50 lbs. on which the whole calculation is made.

Mr. Boag.—On the seed produced in Government nurseries and the seed sold by selected rearers, what do you consider as the wastage? What percentage of seed is wasted? Some do not hatch and in some cases the worms die after they are hatched? What do you reckon as the wastage?

Mr. Choudhury.—The wastage comes like this. The average number of eggs is about 300. If for 300 eggs I get an outturn of 100 or 150 cocoons, the rest is wasted?

President.—You don't get 100 cocoons?

Mr. Choudhury.—I have also got 150 cocoons.

President.—The figure given by Prof. Lefroy is 60 to 70?

Mr. Choudhury.—Village seed yields that much.

President.—After all, village seeds have to be taken into consideration?

Mr. Choudhury.—The village seed is only 50 per cent. The rest is Government seed on which we have a production of 150 cocoons.

President.—Does one kahon of seed give you as many as 100 to 150 kahons of cocoons?

Mr. Choudhury.—The production of rearers is not the same. It varies from 100 to 150.

Mr. Boag.—You say that one kahon of seed gives you 100 to 150 kahons of cocoons. Does that mean that that is the normal state of thing?

Mr. Choudhury.—Yes, that is what is happening.

Mr. Boag.—How do you calculate the wastage? If there was no wastage what would you get?

Mr. Choudhury.—If all the eggs are hatched, there will be 300.

Mr. Boag.—So, the wastage is 50 per cent.?

Mr. Choudhury.—Yes.

Mr. Boag.—We were told the other day that in the case of village seed 3 hatchings out of five were completely lost and of the two which are not lost 50 per cent. of the worms die before they spin cocoons, so that your wastage there comes to 80 per cent. of the total.

Mr. Choudhury.—Yes.

Mr. Boag.—These 50 per cent. of worms which die before they reach maturity will consume a certain amount of mulberry leaves so that for the mulberry that they have consumed you get no return at all?

Mr. Choudhury.—If you calculate it in that way the figure will be a little less.

Mr. Boag.—It will be considerably less. From the information we have received about the enormous wastage of seed and the very high percentage of loss of worms I think there is a very great deal of mulberry which is grown and which is gathered and supplied to the worms but results in nothing at all.

Mr. Choudhury.—Our calculation is on the basis of acreage.

President.—The basis must be on the actual yield that you are able to get.

Mr. Choudhury.—If Government nurseries seed is taken into consideration the capacity is according to the figure we have given.

Mr. Boag.—We do not want that. We want to know what you are actually producing.

Mr. Choudhury.—In that case the figure will have to be altered.

Mr. Boag.—What will be the correct figure then; will you give me that?

Mr. Choudhury.—You may take about half the area as representing Government seed and half as village seed. I will send you a correct statement based on that.

President.—You are taking a basis which is wrong, as I have been telling you.

Mr. Batheja.—From the figures actually supplied by you for three districts of Murshidabad, Malda and Birbhum you give a total output of 60 lakhs of kahans.

Mr. Choudhury.—It does not consist of all the villages in the Murshidabad district but only of the important silk rearing areas in the district, because it was not possible to send up people to investigate in all the villages.

President.—We must get some idea of at least one district.

Mr. Batheja.—These figures represent about 60 lakhs of kahans. In reply to question 8 (b) you have said that from 160 kahans of cocoons about 10 seers of reeled silk is obtained. At that rate on 60 lakhs of kahans you obtain about 8 lakhs of pounds. If that is the majority of your production then this figure of 20 lakhs cannot be sustained? We have been told that Malda, Murshidabad and Birbhum are the most important districts and in other districts the production has declined. In a general way I wish to say that these three districts produce 8 lakhs of lbs. of raw silk and another 2 lakhs by the other districts, or say about 10 lakhs against a figure of 2 millions which you have given.

Mr. Choudhury.—That was on the basis of the calculation of 200 maunds to an acre. I will work out fresh figures and let you have them.

Mr. Boag.—I should like to refer you to an interesting table on page 139 of the report for 1930-31 (comparative costs between bush mulberry and tree mulberry). You show the cost of cultivating bush mulberry at Rs. 240 an acre a year after the first year. In your answer to question 7 the cost of cultivating bush mulberry is put down at Rs. 30 a bigha which I take approximately as Rs. 90 an acre. There is rather a wide gap there.

Mr. Choudhury.—That is explained by the fact that expenses are higher in Government nurseries. In the villages labour is cheap; in the farm we pay 6 annas and in the villages they can get labour at 2 annas when there is no other work. In a village if you want to hire a man to cultivate a field you can get it at 2 annas.

Mr. Boag.—Two annas is the normal rate of daily wage to an agricultural labour in Bengal?

Mr. Choudhury.—May I explain the position. For example, for digging one bigha of land at Berhampore at a contract rate I pay the man Rs. 2-8. That man in the village for the same work on contract basis won't get more than one rupee at the most.

Mr. Boag.—What proportion of your Rs. 240 is labour?

Mr. Choudhury.—That is made up of manure and cultivation both.

Mr. Boag.—Have you got the details?

Mr. Choudhury.—The manure cost we take at about Rs. 30 per bigha or about Rs. 90 per acre and the rest is all labour.

Mr. Boag.—That is Rs. 150?

Mr. Choudhury.—Yes.

President.—If you work out at 6 annas per labour, do I understand that you employ for bush mulberry as many as 400 men? How many men do you employ?

Mr. Choudhury.—They are mostly employed at contract wages.

President.—Do I understand that all this sum of Rs. 150 go to labour charges per acre?

Mr. Choudhury.—Yes.

Mr. Boag.—I take it then that all these figures in your statement on page 139 represent your cost in the government farms?

Mr. Choudhury.—Yes.

Mr. Boag.—And the costs in the village are likely to be about a third of these costs?

Mr. Choudhury.—Yes.

Mr. Boag.—You give the yield of mulberry in weight; does that weight include stems as well as leaves?

Mr. Choudhury.—Yes.

Mr. Boag.—Can you tell me what is the proportion of stem to leaf?

Mr. Choudhury.—That we cannot say because it will vary very much and also in different seasons and for our calculation we find it easier to calculate on the leaf bundle. Then again, in different plots in the same nursery the proportion will vary.

Mr. Boag.—It is very difficult to draw any conclusions from the weights given and calculated on such data.

Mr. Choudhury.—That is true.

Mr. Boag.—Is it the practice in the case of bush mulberry here to cut the bush to the ground every time you pick the leaves?

Mr. Choudhury.—Not every time. The rotation is this: in Malda and Murshidabad say in October I cut down the plant to the level of the soil; then it is given a digging. Then it grows on. After that I will go one

inch higher and higher till at the end of September it will be kept as high as, say, 8 inches.

Mr. Boag.—How many bushes do you plant in an acre?

Mr. Choudhury.—They are all laid in lines. It is very difficult to give you the figure.

Mr. Boag.—These figures that you give in answer to question 1 of the number of people engaged in the industry, are these figures for the whole province?

Mr. Choudhury.—Yes.

Mr. Boag.—I was talking just now about the loss of seed and the loss of worms before they mature. Do you accept the percentage of loss which I mentioned just now?

Mr. Choudhury.—Yes.

Mr. Boag.—I should like you to give me some details of the work you are doing on the improvement of races of worms. About pure races what work are you doing?

Mr. Choudhury.—Our selection is mostly now on Nistari, boropolu, chotopolu.

Mr. Boag.—You make a special selection of cocoons?

Mr. Choudhury.—Yes. First of all we begin with seed cocoons. Selection is made of the seed cocoons by weight, that is, it should not come to below 15 pans a seer. Our Government nursery standard is when we keep a seed, we will try to keep 12 pans to a seer. That is, the weight of 960 cocoons should be one seer, but that standard may not be possible all through the year especially in the dry season.

Mr. Boag.—That is what you aim at.

Mr. Choudhury.—During winter I get sometimes even a higher figure—about 10 lbs. to a seer.

Mr. Boag.—Is that the only means by which you select the cocoons?

Mr. Choudhury.—Yes. The first selection is in the seed when it is obtained. Then when the worms are spinning if there are any deaths in the litters, they are entirely rejected. That is flacherie. Then there is a further selection on the basis of the weight of cocoons. After that the moths are allowed to come out; then the moths are selected for mating. Any deformed moths are not allowed to mate. Then the selection comes after the moths are mated. The female moths are selected and subjected to microscopic tests.

Mr. Boag.—Your selection is mainly with a view to avoid disease and not with a view to increase the silk content of the cocoons.

Mr. Choudhury.—The weightment of the cocoons per seer is the test made for reeling.

Mr. Boag.—How long has this work been going on?

Mr. Choudhury.—The Sericultural Section was opened in 1908 and all these big farms were started in 1915.

Mr. Boag.—This selection has been going on since then?

Mr. Choudhury.—Yes.

Mr. Boag.—All the results have been attained in that time. Can you say whether the silk content of the cocoons have improved?

Mr. Choudhury.—However much races may improve when they are reared throughout the year, there is little fluctuation in the weight and we find from the old reports that 20 kahons produce one seer of silk.

Mr. Boag.—What is the result?

Mr. Choudhury.—The result is improvement.

Mr. Boag.—What is the improvement?

Mr. Choudhury.—There is the percentage improvement.

Mr. Boag.—What is the figure to-day?

Mr. Choudhury.—In all crops the increase will not be the same. It will vary.

Mr. Boag.—What is the increase?

Mr. Choudhury.—20 kahons to a seer.

Mr. Boag.—When you started work, the average yield was 20 kahons to a seer.

Mr. Choudhury.—Yes.

Mr. Boag.—Now the average is 14 to 16?

Mr. Choudhury.—Yes.

Mr. Boag.—That is Nistari?

Mr. Choudhury.—Yes.

Mr. Boag.—What about the other races?

Mr. Choudhury.—Barapolu is a thing which is restricted to a very small area, because its hatching period is in February, but now we have been able to hatch it in November. It is being extended in Malda. It is being gradually introduced in other areas.

Mr. Boag.—What is the silk content?

Mr. Choudhury.—Barapolu silk content is 2 grains per cocoon.

Mr. Boag.—How does that compare with Nistari?

Mr. Choudhury.—1.25 to 1.75.

Mr. Boag.—What about Chotopolu?

Mr. Choudhury.—It is also the same.

Mr. Boag.—1.25 to 1.75?

Mr. Choudhury.—Yes. 1.75 is at the best period. It goes down after November season.

Mr. Batheja.—In reply to a question you have given the maximum and the minimum prices per seer of cocoons and of silk yarn. What is the reason for the difference?

Mr. Choudhury.—These have been taken from the books and from the nurseries. We have got the village prices.

Mr. Batheja.—The maximum and the minimum prices?

Mr. Choudhury.—Yes, they vary. The maximum and the minimum prices of the day's sale are recorded in the village hat.

Mr. Batheja.—These figures were calculated when you carried out the survey?

Mr. Choudhury.—We are now keeping a record.

Mr. Batheja.—You are keeping a record of silk content from year to year.

Mr. Choudhury.—Yes.

Mr. Batheja.—What does the difference in price represent? Does it represent a difference in quality?

Mr. Choudhury.—To some extent the difference is due to quality and also due to demand.

Mr. Batheja.—I take it these figures have been calculated on the same day and at the same place.

Mr. Choudhury.—It will be difficult to say that it will be entirely due to quality. On a day there are 500 seers of cocoons brought to the market. Supposing there is a demand for 200 seers and if the man who has brought them reduces the prices, he may sell them.

Mr. Batheja.—I understood from some of the witnesses at Malda that this difference in price is due to the fact that there are certain poor cocoons which do not fetch a good price.

Mr. Choudhury.—There is the question of quality and also the demand.

Mr. Batheja.—Is there any Co-operative Silk Union outside Malda District?

Mr. Choudhury.—The Silk Union in Malda is entirely different.

Mr. Batheja.—What assistance does the Co-operative Department render to Silk Industry in other districts outside Malda.

Mr. Choudhury.—In Murshidabad District there are Co-operative Societies.

Mr. Batheja.—Are they Co-operative Credit Societies?

Mr. Choudhury.—Yes.

Mr. Batheja.—Are they Sale Societies?

Mr. Choudhury.—I am talking of the Silk Rearing Society.

Mr. Weston.—Our best exponent is Malda.

Mr. Batheja.—Where there is no Co-operative Society to help the weaver, rearers are financed by mahajans. If they do so, at what rate of interest?

Mr. Choudhury.—About Re. 1-4 per 100 monthly.

Mr. Batheja.—The marketing of cocoons is done through the village pikars. What commission or profits do they charge? Some people come and sell their own cocoons in the Hat; some sell through the pikars and some sell directly to the reelers.

Mr. Choudhury.—When the pikar buys it, he buys it for himself, and then sells it according to the demand. He pays the money and buys it.

Mr. Batheja.—I want to know the price paid by the pikar and the price he charges to the reeler.

Mr. Choudhury.—I can't say. Our department hasn't got any information. If the price of cocoons goes up, he will sell it at that rate.

Mr. Batheja.—You have not estimated the cost of the service of the middlemen.

Mr. Choudhury.—No.

Mr. Batheja.—You said in answer to a question put by my colleague that the rent charged by the zamindar for mulberry land is the highest. Has this rent diminished in the last few years on account of the falling market?

Mr. Choudhury.—So long as mulberry is there, the same rent will be charged.

Mr. Batheja.—What is the rent charged by the zamindars for other crops per acre?

Mr. Choudhury.—It varies from Re. 1 to Rs. 2 per bigha—Rs. 3 to Rs. 6 per acre.

Mr. Batheja.—And the highest rate charged for mulberry cultivation?

Mr. Choudhury.—Rs. 24 per acre in Murshidabad.

Mr. Batheja.—You have given Rs. 5 per bigha.

Mr. Choudhury.—That is the average rate.

Mr. Batheja.—There is a statement in Lefroy's book that the mulberry industry suffers on account of the fact that the zamindar charges a heavy rent. Is that factor still operating?

Mr. Choudhury.—Yes, they have not reduced the rent.

Mr. Batheja.—In spite of the fall in the prices of cocoons and raw silk?

Mr. Choudhury.—That is why people are going in for heavy manuring in the land to get more yield.

Mr. Batheja.—In view of the high rent there is a tendency to give up mulberry cultivation and take up the cultivation of other crops.

Mr. Choudhury.—There might have been more areas in Bengal. In previous Census reports we found that before Government work was started there were 60,000 acres under mulberry.

Mr. Batheja.—Supposing the same land is put to other uses, then the zamindar will reduce the rent.

Mr. Choudhury.—That I can't say.

Mr. Batheja.—How far has the Bengal market been invaded by foreign raw silk?

Mr. Weston.—The information which we have is very little.

President.—There is one point which I want to ask you and that is there is a disease known as flypest in Bengal. I want to know whether the department has made any investigation with regard to this parasite.

Mr. Choudhury.—This is not a disease. The fly comes and lays eggs on the caterpillar. If the caterpillar dies, it also dies. If the caterpillar doesn't die, the fly comes out after piercing the cocoons. As a preventive measure we are trying to induce rearers to put in wire nets on the doors and windows and kill as many flies as they can catch hold of.

President.—Is that the only thing they are doing?

Mr. Choudhury.—Fumigation is also being done.

President.—Mr. Weston, what about the replies to the Handloom questionnaire?

Mr. Weston.—I have got them collected. I have not been able to assimilate them. We shall send you a considered reply in a very short time through my Government.

President.—We will get it in due course.

Mr. Weston.—I hope so. Our information is that there is very little imported silk used in Bengal. We have only trace of it in two places.

Mr. Boag.—What about artificial silk yarn?

Mr. Weston.—Very little artificial silk is used in Bengal.

President.—Can you tell me what are the kinds of qualities turned out by your weavers approximately? Which is the production which is most found in Bengal?

Mr. Weston.—Chaddars, saris, dhoties, etc., are prepared mostly in Malda and Murshidabad.

President.—What is the percentage of matka silk?

Mr. Weston.—Matka silk is made from pierced cocoons and we can't tell you the exact percentage. Our experience is that it is only a small percentage.

President.—How many silk weaving Institutes are under the Government of Bengal?

Mr. Weston.—Only one Silk Weaving Institute.

President.—You have a teaching school also?

Mr. Weston.—It is also a teaching institution. It teaches all branches of the silk industry from the reeling to the weaving, twisting, printing and dyeing operations.

Mr. Boag.—I just want to ask one or two questions about filatures. I understand they are not run by power.

Mr. Weston.—No.

Mr. Boag.—They are simply a collection of charkas in one building?

Mr. Weston.—Yes.

Mr. Boag.—And the water is heated by steam pipes?

Mr. Weston.—Yes.

Mr. Boag.—Otherwise it is the same as charka?

Mr. Weston.—Yes. Our trouble is that they have not tried to improve the industry on modern lines at all. There is no separation in the heat treatment which is essential there.

Mr. Batheja.—Is it possible for you to give me an idea of the capital invested in filatures?

Mr. Weston.—No. They are really the relics of the days gone by. Thirty or forty years ago when silk was not developed in other countries, as it has since been developed, there was a considerable market for Bengal silk. Now the filatures operated by firms like Anderson Wright and other French firms are slowly becoming extinct. It will be very difficult indeed for me to tell you what investment there is in them just now.

Mr. Batheja.—Nor can you give us any figures showing production, wages, and so on?

Mr. Weston.—No.

Mr. Batheja.—Not even a rough estimate?

Mr. Weston.—No.

Mr. Batheja.—I want to know whether they could be revived?

Mr. Weston.—I will come to that in a moment.

Mr. Batheja.—If you could give us information as to what handicaps there were, what were the causes for their closing down and whether they could be revived, we should be very grateful? The Bengal market for the Bengal raw silk industry has not been materially affected. The Bengal raw silk industry has only lost the markets outside India.

Mr. Weston.—Yes, that is our experience that it still retains its own inherent connection with the local market but the markets outside such as Benares and those in Southern India are practically gone.

Mr. Batheja.—What is the cause of the provincial market being retained and the other markets being lost?

Mr. Weston.—The invasion of cheaper imported silk.

Mr. Batheja.—Do not the same causes operate in regard to the home market or is there any special cause?

President.—It may be due to swadeshi movement.

Mr. Weston.—Swadeshi movement and local sentiment. The local people stick to their own silk.

Mr. Batheja.—Or is it due to the fact that the Bengal silk products supply the local need?

Mr. Weston.—Yes, very likely. To that extent the industry is able to retain its home market.

Mr. Batheja.—But if the fashion changes, then the same consideration which has been responsible for the industry losing the outside markets will also apply?

Mr. Weston.—Quite.

Mr. Batheja.—Is there a tendency to use artificial foreign silk?

Mr. Weston.—Yes.

Mr. Batheja.—Though at present the Bengal market has not been seriously affected, there is a danger that it may be affected in the future?

Mr. Weston.—Yes.

Mr. Batheja.—In reply to President, you have said that you are personally in favour of protection being given to the raw silk industry on condition that protection is also given to the handloom industry. I want to understand the exact meaning of that statement. Do you want that the question of protection to the handloom industry should be considered as an independent proposition or will you be satisfied if the handloom weaver receives protection to the extent of the rise of the price of his raw material? The two things are different.

Mr. Weston.—I want both, but I shall be more than satisfied if protection is given to the finished product to the extent to which it will be handicapped as a result of the increase in the price of the raw material.

Mr. Batheja.—You will be satisfied if the Bengal handloom weaver is left in the same position as before?

Mr. Weston.—That is all we can logically ask for.

Mr. Batheja.—If protection is granted, and suppose the condition of protection is that a suitable organisation should be set up for putting the industry on a sound footing

Mr. Weston.—It would be, in my view, a very proper recommendation.

Mr. Batheja.—Would your Government be prepared to set up an organisation?

Mr. Weston.—I was coming to that. It is perfectly clear, from what you have heard my colleague say to-day and what I will say at some greater length, that we have the greatest possible difficulty in getting Government to accept our proposals for increasing the efficiency of the organisation of this industry in all its aspects, because of the slowly deteriorating market and the difficulty of showing anything like immediate economic results. Our Government is not happy about the industry and our experience is that it is a slowly, and in some places rapidly, decaying industry. But it is a very vital industry to Bengal and from the figures which we have given you, you will find that it gives employment to large numbers of people and it satisfies the Bengal sentiment to an extraordinary degree. It is an industry for example which my own countrymen were very largely engaged in in the history of the early British life in Bengal. If this industry could be put in a condition of some security—and it is an essential one for meeting the needs of India—if this industry could be put into a position of security, we should have much greater confidence in asking Government to go in for some measure of research and control and organisation to a much greater degree than we have ever been able to do in the present situation.

Mr. Batheja.—Are you very happy about the experience that at present the industry is the concern of two Departments?

Mr. Weston.—I think it is a weakness. I cannot say more than that. It is a distinct weakness. We are aware that in other countries it has received a protective market. It has also received the determined policy of Government to serve the industry in the interests of its own nationals and I think that it would be quite possible and feasible to do that in Bengal.

Mr. Batheja.—Will Bengal co-operate in any measures adopted for the whole of India?

Mr. Weston.—I think so.

Mr. Batheja.—Have you any experience of the Mysore domestic basin?

Mr. Weston.—It is the nearest equivalent which we have been able to get, at a reasonable price, to the efficient and technically sound modern reeling equipment adopted in other countries such as Italy and France. We think that it will yield good results if used intelligently, I mean equally good results to what could be obtained with the equipment purchased from other countries such as Italy or France.

Mr. Batheja.—Are you in favour of replacing the country charkha?

Mr. Weston.—I would like to embark upon an aggressive policy by Government for the discontinuance of the inefficient country ghosi and ignorant way of using it, replacing it by modern domestic basins under reasonably disciplined control through co-operative societies or private enterprise or some form of disciplined organisation.

Mr. Batheja.—Would you stop at this half way house or proceed still further and try to set up a power filature on absolutely modern lines?

Mr. Weston.—I should go in for the development of the industry ultimately as a factory industry.

Mr. Batheja.—What would be the reactions of that on the employment of people? Are you prepared to face the decline of the cottage industry and to replace it by the power industry?

Mr. Weston.—The cottage industry is declining as it is. I think that it would be a great improvement and a beneficent change to introduce an efficient organisation in the industry. It may involve some dislocation of labour but it is an industry which necessarily requires a large amount of hand labour. Take the case of Mysore domestic basin. It requires 8 men per unit altogether. The Mysore basin does not displace labour to the extent that modern equipment does in other industries.

Mr. Batheja.—You don't anticipate a great degree of unemployment amongst charkha workers if power filatures are set up?

Mr. Weston.—No. I think that it would be a lesser of the two evils anyway.

Mr. Batheja.—Do you think that capital and organisation would be forthcoming in Bengal?

Mr. Weston.—Yes. The Department of Industries would be able to say that the best efforts hitherto made have been very casual efforts and the existing filatures distinctly inefficient compared with modern filatures such as are used in other countries. With an organised effort, backed by Government and with a protected market—capital would be forthcoming as has been the case with sugar.

Mr. Batheja.—Are you in favour of introducing Mysore domestic basin?

Mr. Weston.—Yes.

Mr. Batheja.—Do you think that you have passed the experimental stage?

Mr. Weston.—No. You ask us at a moment when we have not made the final assessment of the position but we are satisfied that what is being done in Mysore is equally possible in Bengal. In Mysore it has passed beyond the experimental stage. We think that we should be able to achieve the same successful result here.

Mr. Batheja.—In Mysore has it passed the experimental stage?

Mr. Weston.—It has gone further than we have.

Mr. Baag.—What about the cost? Are you satisfied that it is economical to run?

Mr. Weston.—Yes.

President.—I think there are two points arising out of the statement you have made. Has Government definitely given up hopes for the prosperity of the sericultural industry in Bengal?

Mr. Weston.—No.

President.—And if so, do they contemplate the abolition of the department of sericulture?

Mr. Weston.—No, though I must qualify that. The Finance Department for instance would like to abolish it, merely in order to save money.

President.—I am asking you this question because it has an important bearing on the enquiry that we are conducting.

Mr. Weston.—As a Government, they have not come to any final decision.

President.—You know very well that Bengal occupied a very prominent position in years past in respect of the sericultural industry and from the Industrial Commission's report I find that in 1914-15 Bengal exported 600,000 lbs. of raw silk and stood second in the list of all the provinces in India?

Mr. Weston.—Yes.

President.—If the industry has declined owing to various factors, some of which have been enumerated in Prof. Lefroy's report, I want to know whether the Government of Bengal have definitely made up their mind that the industry at present in existence in Bengal is of such a character that it is not worth while spending money on it?

Mr. Weston.—I should say that the Government of Bengal feel that the industry is in a very precarious condition at present and they are naturally anxious as to whether they are justified in spending further money on it.

President.—If they are thinking that way, I do not know why their attitude regarding protection is of such a lukewarm character?

Mr. Weston.—I cannot answer that.

Mr. Batheja.—Is it a fact that recently a questionnaire was sent out in which the possibility of the abolition of the sericultural department was foreshadowed?

Mr. Weston.—No, that would not be a true inference. We had a Retrenchment Committee as in other provinces, and for the purpose of the Retrenchment Committee the questionnaire was drawn up and examined and nothing more.



GOVERNMENT OF MADRAS.

Evidence of Mr. V. RAMAKRISHNA, I.C.S., Director of Industries, Madras, Mr. D. M. AMALSAD, Assistant Director of Industries and Principal, Government Technical Institute, and Mr. K. T. ACHAYYA, Sericultural Expert, recorded at Bangalore on Wednesday, the 23rd March 1933.

President.—Mr. Ramakrishna, you are Director of Industries, Madras?

Mr. Ramakrishna.—Yes.

President.—Mr. Achayya, you are Sericultural Expert?

Mr. Achayya.—Yes.

President.—Mr. Amalsad, you are Assistant Director of Industries and Principal, Government Technical Institute?

Mr. Amalsad.—Yes.

President.—Regarding the memorandum that has been sent to the Board on behalf of the Government of Madras, I take it that only as far as the question of protection is concerned, the Government of Madras are in agreement with the views expressed by the Director of Industries?

Mr. Ramakrishna.—Yes.

President.—As far as the other replies to the questionnaire are concerned, they are your personal views?

Mr. Ramakrishna.—So far as the replies already sent are concerned, they may be taken as the views of the Government of Madras because the replies to the questionnaire were approved by the Government of Madras.

President.—The reason why I raise this point is this. There is a covering letter in which it is specifically stated that the Government only agree with the views expressed in the replies to questions 55, 56, 57 and 60.

Mr. Ramakrishna.—I have not received a copy of that letter.

President.—The views of Government are distinct from the views of the Director of Industries. As far as your Government is concerned, I find that they agree with the views expressed by you as far as the question of protection is concerned.

Mr. Ramakrishna.—Yes.

President.—Now I will just run through the letters that have passed between the Government of Madras and the Government of India, before the question of protection to the Sericultural Industry was referred to the Tariff Board. The correspondence began on the 10th of October 1932 and the subjects that were dealt with in this correspondence are principally two. One is the question of protection and another is the system at present in vogue as far as tariff values are concerned?

Mr. Ramakrishna.—Yes.

President.—As regards the question of tariff values, I propose to deal with it at a later stage and as far as the question of protection is concerned, I find that the proposals that were made in this correspondence have been substantially revised by you in your replies to the questionnaire, namely for an *ad valorem* duty of 60 per cent, which was proposed, you are now suggesting a specific duty of Rs. 3-12 per lb.

Mr. Ramakrishna.—May I give the reasons?

President.—I will come to that later. I am just now dealing with the correspondence between the Government of Madras and the Government of

N.B.—Evidence not corrected by the witnesses.

India on the subject of the enquiry. For the purpose of discussion I think it would be better if I were to divide the questionnaire into four or five parts as we go along. The first part I would like to discuss with you is the question of mulberry plantation. What kind of varieties do you grow here?

Mr. Ramakrishna.—*Morus alba*—the variety grown in Mysore.

President.—We have examined the Mysore Director of Industries who has given us the various kinds of mulberry grown in which I don't find the name which you have just now mentioned. They only say Indian varieties and other varieties.

Mr. Ramakrishna.—*Morus indica*.

President.—I take it that you are at present only confined to bush mulberry?

Mr. Ramakrishna.—Yes.

President.—Though in the book that was sent to us by you—"Practical treatise on Sericulture"—you have dealt with the question of tree mulberry as well?

Mr. Achayya.—Yes.

President.—It has not been found possible to conduct any experiments as far as tree mulberry is concerned?

Mr. Ramakrishna.—Not so far.

President.—As far as the bush mulberry is concerned, you are confining yourself to the cost of cultivation on dry land?

Mr. Ramakrishna.—Yes.

President.—There is hardly any irrigated land?

Mr. Ramakrishna.—Excepting where we are conducting the experiments, there is no irrigated land.

President.—So, practically there is none?

Mr. Ramakrishna.—That is so.

President.—The initial cost of cultivation of one acre in 1924 was about Rs. 35?

Mr. Ramakrishna.—That is according to the book on sericulture.

President.—So, practically this was the ideal?

Mr. Achayya.—It was a scheme worked out for the other districts.

President.—The cost was Rs. 35 in the year 1924?

Mr. Achayya.—Yes.

President.—The cost at present is Rs. 24-8?

Mr. Ramakrishna.—That figure was arrived at after consulting a number of raiyats—cultivators.

President.—The only difference I find is that the initial cost there contained 15 cart loads of manure for one acre of land whereas here it contains 20 cart loads of manure though the price is the same. I would like to know why this increase was necessary?

Mr. Ramakrishna.—That was the practice in Kollegal. These are the figures which we got from the raiyats.

President.—May I take these figures as figures which were not actuals in 1924?

Mr. Achayya.—They were at the time. These figures were correct. The cost of manure was less.

President.—The figures were taken from the raiyats?

Mr. Ramakrishna.—Yes.

President.—I am not talking of the cost of manure; I am talking of the amount of manure. The amount of manure has increased by 5 cart loads. I would like to know why it has been found necessary to increase the amount at the present time?

Mr. Ramakrishna.—In those days, that is in 1924, the raiyat was getting a better return and was putting in more manure.

President.—I am afraid you have not understood my point.

Mr. Ramakrishna.—This 20 cart loads is in the initial cost.

President.—I am talking of the initial cost.

Mr. Ramakrishna.—These figures are correct.

President.—You are not able to explain to me why the increase has taken place.

Mr. Ramakrishna.—Of course they might have been the figures given by some raiyats. These are the figures given by some other raiyats.

President.—I take it when the figures are submitted to the Tariff Board, that they are generally average figures and not figures of any one individual.

Mr. Ramakrishna.—These are the average figures.

President.—That is always the practice. Whenever figures are submitted, they are submitted as average figures. About the recurring cost, will you tell me how many cart loads are required? May I take it that it works out to something like 8 annas per cart load?

Mr. Ramakrishna.—10 cart loads.

President.—I want to take those figures into consideration. Here also as far as cart loads are concerned, they differ. The figure given is 15.

Mr. Ramakrishna.—In the first year when they plant, they give a heavier manuring than in the succeeding years.

President.—As far as your Department is concerned, it is not merely confined to mulberry; it has also castor seeds?

Mr. Ramakrishna.—Yes.

President.—I find from the report that you have given us that in the year 1932 the area under castor is estimated at 324,300 acres as against 283,238 acres and the yield at 32,400 tons as against 28,020 tons in the previous year.

Mr. Ramakrishna.—Yes, that is castor seed.

President.—As far as castor leaves are concerned, you are using them for the production of *eri* worms?

Mr. Ramakrishna.—At present it is a waste product and we are using it.

President.—As far as the cost of castor leaves is concerned, most of the cost or all of the cost is met by the sale of seeds.

Mr. Ramakrishna.—All the cost at present is met by the sale of seeds.

President.—Therefore as far as the castor leaf is concerned, it costs you nothing to feed the *eri* worms?

Mr. Ramakrishna.—Quite so. In this connection, let me hand in the letter of the Director of Agriculture.

President.—The statement here is that the area of castor cultivation in this province is about 330,000 acres.

Mr. Ramakrishna.—Those are the final figures for last year.

President.—I suppose you have made a comparison when you make a statement that this area is the biggest among British Indian provinces?

Mr. Ramakrishna.—Quite so.

President.—It is stated here that the castor leaves of one acre of land can feed a maund of *eri* cocoons.

Mr. Ramakrishna.—That is the average.

President.—I do not know why you have estimated the price of leaves as 12 annas per lb.

Mr. Ramakrishna.—This is not the price of leaves; this is the price of cocoons.

President.—Is it 12 annas per lb.?

Mr. Ramakrishna.—The Director of Agriculture considers 12 annas a reasonable price. I think that 8 annas would be a reasonable price.

President.—For a lb. of *eri* cocoons?

Mr. Ramakrishna.—Yes. That will give just 4 annas for every unit of labour employed in the production of cocoons. The litre of *eri* worms is a very valuable manure.

President.—Are you using this litre as manure?

Mr. Ramakrishna.—This is the report of actual experiments (handed in).

President.—The *eri* silk worm is as good as groundnut cake?

Mr. Ramakrishna.—Yes.

President.—That is found after an analysis of the tests carried out by the Department?

Mr. Ramakrishna.—That is the Department of Agriculture. We get about 6 maunds of litre for every maund of cocoons produced. So the total production is something like 73,000 tons of *eri* litre.

President.—With regard to the area under cultivation, I find that you have reported that the area has gone down from 15,000 acres to about 6,000 acres.

Mr. Ramakrishna.—Yes.

President.—And the mulberry cultivation is at present confined to 41 villages?

Mr. Ramakrishna.—Yes, in Kollegal.

President.—What about Salem District?

Mr. Ramakrishna.—Villages near Matgiri in Salem District.

President.—I find as far as the mulberry cultivation is concerned in the Madras Presidency it is divided into two places: one is Kollegal Taluq in the Coimbatore District and the other is Salem District. It has not been extended beyond that.

Mr. Ramakrishna.—It has been extended, but only on a small scale.

Mr. Boag.—I saw somewhere that you mentioned 105 acres outside Kollegal.

Mr. Ramakrishna.—Yes.

President.—I would like to know where these 105 acres are extended.

Mr. Ramakrishna.—Hosur, Salem District. Hosur is a taluq in Salem District.

President.—It is an extension in the Salem District?

Mr. Ramakrishna.—Yes.

President.—Therefore it is confined only to Salem District. There are various other Districts. So these 105 acres are confined to districts other than Kollegal?

Mr. Ramakrishna.—Yes.

President.—And the total population which is concerned with the mulberry rearing is about 32,000?

Mr. Ramakrishna.—Including the business people it would be 33,000 people.

President.—As far as the Government work is concerned, I suppose they have got 3 silk farms.

Mr. Ramakrishna.—We are really including Madras which comes to 4.

President.—What kind of experiments are conducted at present?

Mr. Ramakrishna.—So far as mulberry cultivation is concerned, we are not doing anything. We are merely following the existing methods. We are producing disease free seed and supplying to the Kollegal and other newly extended areas. We are also conducting work on hybridisation of cocoons. That is the French Univoltine and the Mysore Multivoltine.

President.—Is there any other mixed race that you are producing?

Mr. Ramakrishna.—Only with one race.

President.—Have you made any successful hybridisation?

Mr. Ramakrishna.—No, we have not been able to achieve any useful results.

President.—What is the amount that the Government spends on this Department of Sericulture?

Mr. Ramakrishna.—About Rs. 25,000.

President.—That doesn't include the work that you are putting forward?

Mr. Ramakrishna.—No.

President.—May I take it at Rs. 50,000?

Mr. Ramakrishna.—It will be about Rs. 30,000. Only a proportionate charge of direction can be charged to this.

President.—You are at present able to get 3,500 pounds as the yield?

Mr. Ramakrishna.—Yes.

President.—And the average life of the bush is 10 to 12 years.

Mr. Ramakrishna.—Yes.

President.—You have calculated 6,724 bushes on an average $2\frac{1}{2}$ apart.

Mr. Ramakrishna.—That is the calculation we have arrived at.

President.—That is the actual practice at present?

Mr. Ramakrishna.—That is the practice in vogue.

President.—You have given us substitute crops or crops which are likely to take place in case the mulberry goes out.

Mr. Ramakrishna.—Yes.

President.—The initial costs I find are the same?

Mr. Ramakrishna.—Yes.

President.—I take it that this item No. (iii) is recurring costs.

Mr. Ramakrishna.—In the case of mulberry there is only one cost. There is no initial cost.

President.—What is the initial cost?

Mr. Ramakrishna.—There is no initial cost, because that is an annual cost.

President.—If I change from mulberry into any other crop, the cultivator loses Rs. 25 which is the initial cost.

Mr. Ramakrishna.—Yes.

President.—But the land is quite fit to be used without any additional expenditure.

Mr. Ramakrishna.—He doesn't lose Rs. 25, because I have provided for writing off this Rs. 25 if he continues for 10 years.

President.—That means if he puts in an alternative crop and works it for 10 years, he will be able to get his Rs. 25.

Mr. Ramakrishna.—Not alternative crops. If he continues sericultural operations for 10 years, it will cost him only Rs. 16 to produce 3,500 lbs. of leaves. In case he gives it up after a few years, there will be a certain amount of loss, because part of Rs. 25 has already been recovered.

President.—Do I take it in your Rs. 16 annual expenditure you have included a certain amount?

Mr. Ramakrishna.—Rs. 2 has been included.

President.—The recurring cost for dry ragi is Rs. 25 as against Rs. 16.

Mr. Ramakrishna.—Yes.

President.—And for cholam it is Rs. 17 which is practically the same as that of mulberry.

Mr. Ramakrishna.—Yes.

President.—You have given us the calculation that 10 per cent. of the cost should be added.

Mr. Ramakrishna.—Rs. 10 should be added.

President.—It should be added to the cost of cocoons to equalise the cost of alternative crops.

Mr. Ramakrishna.—The profits that might accrue by raising ragi. If the raiyat gives up mulberry to-day and takes to ragi, he can get a return of Rs. 10. Unless the mulberry pays him at least Rs. 10, he will not continue to raise mulberry.

President.—To that extent your proposal is that unless the cultivator who is also a rearer gets 5 annas 9 pies per pound of cocoons, there would be no inducement for him to continue to grow mulberry.

Mr. Ramakrishna.—Quite so.

President.—Are there any crops which you think over and above these that you have given, that can take the place of mulberry?

Mr. Ramakrishna.—No. So far as the Kollegal area is concerned, 45 per cent. of the total cultivated land is under ragi. So that is the principal alternative crop. The next alternative crop is cholam with 6½ per cent.

President.—I take it that the condition in Kollegal is the same as Government in the other districts.

Mr. Ramakrishna.—It is not so.

President.—What is the alternative crop?

Mr. Ramakrishna.—In the other districts we are just starting mulberry. So the question of alternative crop doesn't arise at all.

President.—Your main attention is concentrated in Kollegal?

Mr. Ramakrishna.—That is about the existing area.

President.—6,000 acres belong to Kollegal. What is the percentage?

Mr. Ramakrishna.—It is all in Kollegal except 105 acres which are outside Kollegal.

President.—Is there any system of pruning adopted by you?

Mr. Ramakrishna.—Yes.

President.—What kind of method have you adopted?

Mr. Ramakrishna.—All the bushes are cut to the level of the ground once a year.

President.—Is it done by scientific methods?

Mr. Achayya.—There is not much of scientific method.

President.—Do you employ any chemicals to stop the cavity or diseases?

Mr. Achayya.—Not so far.

President.—Are the bushes suffering from any diseases?

Mr. Achayya.—Except in Coonoor.

President.—What is called fungus?

Mr. Achayya.—That is in Coonoor farm and not in the other farms.

President.—You are using what is called nicotine sprays.

Mr. Achayya.—Yes.

President.—Has that been successful?

Mr. Achayya.—It has been successful to a certain extent, but has not absolutely remedied the disease.

President.—What is the percentage of bushes that die?

Mr. Achayya.—There is no death.

President.—The quality of the leaves suffer?

Mr. Achayya.—After they come to a stage, there is a sort of fungus at the bottom of the leaves. The top is healthy. It is only at the bottom the fungus attacks the bottom of the leaves.

Mr. Boag.—There are one or two points with regard to this statement of cost that you have just given to me. To what extent is the labour allowed for in these statements?

Mr. Ramakrishna.—I have not taken the labour of the family in this statement.

Mr. Boag.—So that the difference between this statement and your original one is just that.

Mr. Ramakrishna.—By mistake instead of saying the recurring cost, they have said the initial cost. I did not check the memorandum when it was sent to the Board. However you will find the result to be the same.

Mr. Boag.—Could you just point out the difference in the actual figures to me? The initial cost is practically the same?

Mr. Ramakrishna.—Yes

Mr. Boag.—The only other difference that I notice is in the second statement showing the recurring cost. You are adding Rs. 2 in order to cover the initial cost?

Mr. Ramakrishna.—That is the only difference.

Mr. Boag.—Re the statement of cost that you give in answer to question 17 (b)—this is a statement of cost of raising cocoons from 500 layings of seed?

Mr. Ramakrishna.—Yes.

Mr. Boag.—What is the acreage under mulberry in this case?

Mr. Ramakrishna.—One acre. 500 layings are for one acre.

Mr. Boag.—Does the statement stand still?

Mr. Ramakrishna.—It is not that statement. There were two statements originally in the file, one showing the first year's cost and another showing the recurring cost. Even in this instead of typing the recurring cost they have typed the initial cost.

Mr. Boag.—Which of these figures requires correction?

Mr. Ramakrishna.—I have handed in a second statement showing the recurring cost.

Mr. Boag.—You mean the statement at the bottom of the page?

Mr. Ramakrishna.—The figure requiring correction is the cost of food for worms which is Rs. 26 and not Rs. 35. Rs. 35 will be the cost in the first year.

Mr. Boag.—You don't state there. You simply say that the cost of food is Rs. 26.

Mr. Ramakrishna.—That Rs. 26 is made up of Rs. 16 recurring cost and Rs. 10 which is what the raiyat would have got if he had produced ragi.

Mr. Boag.—That is Rs. 16 plus Rs. 10.

Mr. Ramakrishna.—Yes. The initial cost would have been Rs. 25 + Rs. 10 = Rs. 35. This is the statement showing the initial cost (shown).

Mr. Boag.—That is Rs. 35?

Mr. Ramakrishna.—Yes. I say that it must be really Rs. 26 to give us the recurring cost.

Mr. Boag.—Does that Rs. 31-4 include the cost of family labour?

Mr. Ramakrishna.—It does.

Mr. Boag.—This figure of Rs. 75 is the total cost of cultivating an acre of mulberry assuming that all labour is paid for and allowing a profit of Rs. 10 over and above the actual cost.

Mr. Ramakrishna.—Yes.

Mr. Boag.—Is that correct?

Mr. Ramakrishna.—Yes, but in this case I have not taken the land value into consideration. I have not provided for that.

Mr. Boag.—You have only provided for the payment of the assessment?

Mr. Ramakrishna.—The land has got a value. I have made allowance for it by providing the minimum return which he would get by taking to an alternative crop.

Mr. Boag.—What is the average value of the land on which mulberry is grown in Kollegal?

Mr. Ramakrishna.—Rs. 100 per acre.

Mr. Boag.—I notice that in this statement you have just given to us you have very considerably raised your estimate of the average production of leaf?

Mr. Ramakrishna.—Yes.

Mr. Boag.—You put it here as 3,500 lbs. whereas in your original statement it was 2,100 lbs.

Mr. Ramakrishna.—Yes.

Mr. Boag.—What is the explanation for that large difference?

Mr. Ramakrishna.—When we went to Kollegal and weighed two or three bundles at random, it was about 60 lbs. each. At the same time I wanted the Hosur farm to conduct experiments on actual feeding of the worms and this figure is raised with reference to the results achieved at Hosur and also with reference to a larger number of headloads. In Kollegal they take 35 headloads as the yield from an acre and when we went and asked somebody to show the weight, he showed 60 lbs.

Mr. Boag.—How exactly did you arrive at this figure of 3,500? You say that you got experiments conducted at Hosur?

Mr. Ramakrishna.—Yes.

Mr. Boag.—What is the area of the land under mulberry at Hosur?

Mr. Ramakrishna.—2½ acres.

Mr. Boag.—From what extent of land did you take leaf?

Mr. Ramakrishna.—Not the whole 2½ acres.

Mr. Boag.—How have you arrived at this figure of 3,500? Will you just describe the data on which that result is achieved?

Mr. Ramakrishna.—Originally we took 3 headloads and weighed. Those were not headloads meant for sale. They were merely headloads and they showed them to us because we wanted them to show what a headload meant.

Mr. Boag.—I am talking of Hosur. What did you do in Hosur? I want to know the data on which you arrived at this result of 3,500?

Mr. Ramakrishna.—We weighed the amount of leaf fed to the worms.

Mr. Boag.—What is the amount of leaf fed and to how many worms? I want actual figures?

Mr. Ramakrishna.—I shall hand in a statement.

Mr. Boag.—I should like to get them immediately.

Mr. Ramakrishna.—500 layings—that is what in Kollegal they expect to do out of an acre—require about 3,500 lbs.

Mr. Boag.—For the moment I will take that. But then how does that justify your saying that you get 3,500 lbs. from one acre?

Mr. Ramakrishna.—This is not the only thing. Also we had some other headloads weighed. Those headloads which we got weighed in the first instance when we went there were not meant for sale.

Mr. Boag.—How did you find them?

Mr. Ramakrishna.—We asked them to show us what a headload was. They took some leaves and showed us that it was a headload. That was not correct.

Mr. Boag.—What was the weight of a headload?

Mr. Ramakrishna.—60 lbs.

Mr. Boag.—Each headload was 60 lbs.?

Mr. Ramakrishna.—Yes.

Mr. Boag.—Why do you say that it was not correct?

Mr. Ramakrishna.—We had subsequently weighed the headloads sold to the raiyats. They weighed between 90 and 110 lbs. So we took 100 lbs. as the average.

Mr. Boag.—How many headloads come from an acre?

Mr. Ramakrishna.—35.

Mr. Boag.—This is simply what you are told?

Mr. Ramakrishna.—Yes.

Mr. Boag.—You have not based it on any experiments of your own?

Mr. Ramakrishna.—No.

Mr. Boag.—I find it rather difficult to know which of these figures we should credit.

Mr. Ramakrishna.—3,500 is the correct figure.

Mr. Boag.—Is that based on the results of your farm at Hosur?

Mr. Ramakrishna.—Yes.

Mr. Boag.—Are conditions in Hosur exactly the same as they are in Kollegal?

Mr. Ramakrishna.—They are different.

Mr. Boag.—Very well, then how can you argue from 3,500 lbs. which you got at Hosur that you would get the same at Kollegal?

Mr. Ramakrishna.—That is only to test the accuracy of the results obtained subsequently. The Superintendent there was asked to weigh a number of headloads and report to us.

Mr. Boag.—You mean the Superintendent in Hosur?

Mr. Ramakrishna.—At Kollegal. These are the headloads really meant for sale—not the head loads which we got weighed.

Mr. Boag.—I should have thought from a sort of *a priori* judgment of human nature that the weight of a headload meant for sale would probably be less than the weight of a headload which was not meant for sale. Would not you expect that?

Mr. Ramakrishna.—Quite so.

Mr. Boag.—I should not expect it to be 50 per cent. higher than what you say it was. I do not understand it at all.

Mr. Ramakrishna.—They showed us a headload which was not meant for sale. You know how little reliance we can place on these estimates. They put some leaves in a piece of cloth or a blanket and tie it round and that is called a headload. When we weighed a headload it was 60 lbs. and we took that as correct.

Mr. Boag.—I leave it at that. It does not seem to me that we shall get very much further but I must say that I am not at all satisfied.

Mr. Ramakrishna.—Nor am I.

Mr. Boag.—I am not at all satisfied with these estimates and since the estimate of the yield of mulberry leaf per acre is the very first figure which it is necessary for us to know in order to form an estimate of your cost of producing cocoons and producing silk, it seems to me that if you cannot give us anything more accurate, anything more reliable than this, the statement of cost prepared on these figures is practically valueless.

Mr. Ramakrishna.—In Kollegal for 500 layings they get about 250 lbs. of cocoons. About that, there is no question.

Mr. Boag.—What has that got to do?

Mr. Ramakrishna.—210 lbs. of cocoons is their output in Kollegal from 500 layings. The mulberry leaf is only an intermediate stage in the production of cocoons.

Mr. Boag.—You cannot get 210 lbs. of cocoons unless you feed the worms with a certain amount of mulberry?

Mr. Ramakrishna.—We did not ourselves weigh the leaves. It is really only the hearsay information which we have verified.

President.—Is it your actual experience that the 500 layings would produce 210 lbs. of cocoons?

Mr. Ramakrishna.—About that I can vouch.

President.—That is the result of actual experience of your department?

Mr. Ramakrishna.—Not only of the department, but also that is the result of a number of investigations we made.

President.—It is very important as you will admit having regard to the fact that even up to the time you sent in your replies to the questionnaire you have maintained a figure of 2,100 lbs.

Mr. Ramakrishna.—That is what we got.

President.—Is it not up to the department that whenever the figures are got, to see whether those figures are correct or not?

Mr. Ramakrishna.—Certainly.

President.—It is only to-day which is very unfair to the Board that you place before us a figure which is wide off the mark of the original figure which you have submitted on which all our calculations are based.

Mr. Ramakrishna.—In this connection I may say that this 2,100 lbs. does not really affect our cost of production. I have given the cost of production as 5 annas 9 pies.

President.—It may be so, but it will take some time before we can work out your figure of 3,500 lbs.

Mr. Boag.—What percentage of the cost of production of cocoons is represented by the cost of mulberry leaves?

Mr. Ramakrishna.—That doesn't vary.

Mr. Boag.—What percentage of the cost of producing cocoons is represented by the cost of mulberry leaf?

Mr. Ramakrishna.— $\frac{1}{4}$ will work it out.

Mr. Boag.—I should suggest something like 50 per cent. That being so, I don't see how can you say

Mr. Ramakrishna.—That will be about 50 per cent. The only question is if we take 2,100 lbs. then 210 lbs. of cocoons would require 10 lbs. If we take 3,500 lbs. then for producing one pound, we require something like 17 lbs. So it has not in any way affected the calculations.

Mr. Boag.—I don't quite see how the appetite of worms can vary according to the quantity of leaf available which is what you are suggesting.

Mr. Ramakrishna.—Our experience at Hosur and Kuppam is they require about 17 lbs.

Mr. Boag.—I must say I still feel very much in the air about these figures.

President.—Would you give me a considered note on the basis of 3,500 and 2,100?

Mr. Ramakrishna.—We have not altered any figures except that 3,500 lbs. of leaves are sufficient to feed 210 lbs. of cocoons. Before we said 2,100 lbs. of leaves would suffice for 210 lbs. of cocoons. The quantity of cocoons has not altered.

President.—Your worms have enlarged their extent of the stomach that they can get more feed than they originally got.

Mr. Ramakrishna.—2,100 as against 3,500.

Mr. Batheja.—Referring to the point raised by my colleague, you said that you have worked out the figure in the following way. That means that the average peasant from one acre of mulberry land in Kollegal carry on operations on 500 layings.

Mr. Ramakrishna.—Yes and produce 200 lbs. of cocoons.

Mr. Batheja.—On one acre of land 500 layings can be reared. You know the amount of leaves consumed per laying.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—From that data you work back to a figure of the yield of mulberry per acre?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—You have not measured the yield from an acre of mulberry land independently.

Mr. Ramakrishna.—We have not weighed.

Mr. Batheja.—You work back the yield by knowing actually how much worms reared on 500 layings consume.

Mr. Ramakrishna.—Yes, that is one method.

Mr. Batheja.—That gives you the figure of yield on one acre of mulberry land.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—In Kollegal it is not the custom to weigh the yield. The peasant actually knows how many headloads they use.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—The number of pounds contained in a headload is an unknown quantity?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—You ascertain the value of a load by dividing the total amount of yield by the number of loads which are generally used.

Mr. Ramakrishna.—Here when we originally took the figures, we took on the basis of 3 headloads and that gave us about 60 lbs. We asked the raiyat to show what a headload meant.

Mr. Batheja.—Do you know the headloads which are obtained from an acre of mulberry land?

Mr. Ramakrishna.—35

Mr. Batheja.—You also know the amount of food consumed by the worms reared on 500 layings.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—From these data you work back to your figure of the yield of an acre of mulberry.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—That is how you arrived at this figure of 3,500 lbs.?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—The previous figure of 2,100 lbs. was an arbitrary figure arrived at by weighing two or three loads. This subsequent figure is based on these calculations which I mentioned.

Mr. Ramakrishna.—Not only this, but also subsequently we asked the Superintendent to report on the number of headloads which were actually sold and not merely shown and both tallied.

Mr. Batheja.—That is how you get that figure?

Mr. Ramakrishna.—It is about 3,500.

Mr. Batheja.—That doesn't affect your result as regards the cost of producing cocoons.

Mr. Ramakrishna.—It doesn't.

Mr. Batheja.—Because you argue that you know by experience that from one acre of land 500 layings can be reared.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—You also know by experience that from 500 layings, 210 lbs. of cocoons are produced.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Whatever be the figure, the accuracy of the figure supplied by you is not affected.

Mr. Ramakrishna.—No.

Mr. Batheja.—How is the yield from an acre of mulberry land estimated in other places outside Kollegal say, in Mysore?

Mr. Ramakrishna.—Naturally they ought to weigh.

Mr. Batheja.—They harvest the whole crop.

Mr. Ramakrishna.—They have a number of experimental stations where they weigh the leaves. I started weighing the leaves only recently.

Mr. Batheja.—Did you get the yield from an acre of mulberry land weighed?

Mr. Ramakrishna.—500 layings we have weighed and not from an acre.

Mr. Batheja.—You have weighed the yield of mulberry which is necessary for 500 layings.

Mr. Ramakrishna.—Yes.

Mr. Ramakrishna.—500 layings we have weighed and not from an acre. of mulberry land?

Mr. Ramakrishna.—It will take one year to verify that, because we have to take a number of crops. One crop will not give us any data.

Mr. Batheja.—That is the only method of calculating.

Mr. Ramakrishna.—Yes at present. We didn't collect this data before.

Mr. Batheja.—Has the Madras Government any idea of replacing bush mulberry by three mulberry with a view to reduce the cost?

Mr. Ramakrishna.—So far we have taken no steps.

Mr. Batheja.—Have you studied the problem?

Mr. Ramakrishna.—No, I haven't.

Mr. Batheja.—The Madras Government has no views on that question.

Mr. Ramakrishna.—No.

Mr. Batheja.—You are aware that in some other places bush mulberry is being replaced by tree mulberry with a view to reducing the cost. I take it that the Madras Government has not studied the question.

Mr. Ramakrishna.—If Mysore succeeds, then we will take up the question.

Mr. Batheja.—You will wait for results to be obtained by other people. You have supplied certain figures in reply to question 1. What is your method of collecting these statistics?

Mr. Ramakrishna.—The Revenue Department collects these statistics. The village officer reports to tahsildar and the tahsildar in his turn reports to

Mr. Batheja.—You only get the acreage?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—How do you come to know about the number of families engaged in silkworm rearing?

Mr. Ramakrishna.—That is an arbitrary calculation I adopted.

Mr. Batheja.—How is the figure of 30,000 arrived at?

Mr. Ramakrishna.—In 41 villages sericulture is carried on.

Mr. Batheja.—That is based on revenue records?

Mr. Ramakrishna.—That is based on the revenue records. The total population of 41 villages is 53,966. From the total population of Kollegal taluk, I have taken all those people under 10 and above 60 and omitted them as being people not taking any part in sericultural operations. Then I deducted a percentage of such people in Kollegal for the 41 sericultural villages.

Mr. Batheja.—How did you get this percentage?

Mr. Ramakrishna.—I deducted the total number of people under ten and people above 60 from the total population of Kollegal. Then I took the same

percentage for these 41 sericultural villages and deducted from the total population.

Mr. Batheja.—You assumed that in Kollegal everybody above 10 and below 60 was engaged in sericulture?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Then you worked out the percentage of the population engaged in sericulture to the total population?

Mr. Ramakrishna.—Yes and I arrived at the figure.

Mr. Batheja.—Is this assumption correct that everybody above 10 and under 60 in Kollegal is engaged in sericulture?

Mr. Ramakrishna.—I took 20 per cent. of the population as being non-sericultural.

Mr. Batheja.—How did you arrive at 20 per cent.?

Mr. Ramakrishna.—I went round a few villages and saw most of the people connected with sericulture and I thought that 20 per cent. would be reasonable.

Mr. Batheja.—That is just a rough guess.

Mr. Ramakrishna.—Yes, just a rough figure.

Mr. Batheja.—What about the other figure—2,000?

Mr. Ramakrishna.—We have taken for every silk reeling machine one reeler, one turner and one water carrier.

Mr. Batheja.—Have you got accurate statistics?

Mr. Ramakrishna.—We have accurate statistics about the number of machines.

Mr. Batheja.—Do you know how many are working and how many are idle?

Mr. Ramakrishna.—Most of them will not have work all the year round.

Mr. Batheja.—You have taken it that every reeling machine is working?

Mr. Ramakrishna.—Only part of the time—not the whole time.

Mr. Batheja.—For instance, we went to Kollegal and saw a number of reeling machines not working at all. Would you include those?

Mr. Ramakrishna.—Yes, in some other portions of the year.

Mr. Batheja.—I understand the methods which you have adopted in arriving at these figures. In reply to a question of the President, you said there are 4 silk farms including the one at Madras. Where are they?

Mr. Ramakrishna.—Hosur, Kuppam, Palmaner and Coonoor.

Mr. Batheja.—Where is Kuppam?

Mr. Ramakrishna.—In the Chittoor district.

Mr. Batheja.—And Palmaner is also in Chittoor district?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—In your reply to question 3 you have said the production of cocoons attainable under existing conditions is about 12 lakhs lbs. How did you estimate that figure?

Mr. Ramakrishna.—By multiplying the acreage figure by 210.

Mr. Boag.—By “under the existing conditions” you mean given the existing acreage under mulberry?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—The figure of 210 lbs. of cocoons per acre includes all the losses due to disease?

Mr. Ramakrishna.—It excludes all losses.

Mr. Batheja.—It is the nett figure?

Mr. Ramakrishna.—Yes. Including losses it may come to 270 lbs.

Mr. Batheja.—You use only farmyard manure for your mulberry cultivation?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—You don't use any phosphates?

Mr. Ramakrishna.—No artificial manure is used.

Mr. Batheja.—Is it possible to increase the yield by introducing artificial or other kinds of manure?

Mr. Ramakrishna.—It is possible, but it is a question of economics. We have to see whether the additional manure is going to bring in an additional return.

Mr. Batheja.—The question is whether the yield of mulberry could not be increased by the use of manure?

Mr. Ramakrishna.—We have not done so far.

Mr. Batheja.—Whether the yield of mulberry could be increased by irrigation?

Mr. Ramakrishna.—Certainly.

Mr. Batheja.—What irrigation is possible in Kollegal taluk?

Mr. Ramakrishna.—In Kollegal there are not any great irrigational facilities unless we are going to build a number of tanks. The country is suitable for the construction of tanks.

Mr. Boag.—What about wells?

Mr. Ramakrishna.—Well irrigation will be a very expensive form of irrigation.

Mr. Batheja.—What about pumps?

Mr. Ramakrishna.—It is purely a question of economics.

Mr. Batheja.—You have not considered the question of increasing the yield of mulberry leaves by introducing these various methods?

Mr. Ramakrishna.—We would have. On account of depression we felt there was no chance of increasing it.

Mr. Batheja.—Depression seems to me to be the explanation of all things. The industry has been in existence for the last 15 years, and thought has not been given to this aspect of the question. Are you conducting any experiments for the purpose of increasing or improving the yield on your present plans?

Mr. Ramakrishna.—No.

Mr. Batheja.—No research of that kind is carried on?

Mr. Ramakrishna.—No.

President.—With regard to the silk content, the size of silk—the cocoon filament is generally $1\frac{1}{2}$ to 3 deniers. You have given in your reply to question 6 (b) $1\frac{3}{4}$ to $2\frac{1}{2}$ deniers.

Mr. Ramakrishna.—Mysore— $1\frac{3}{4}$ to $2\frac{1}{2}$.

President.—Generally it is $1\frac{1}{2}$ to 3 deniers. That is the reason why it is not possible to use single cocoon filament in weaving?

Mr. Ramakrishna.—Quite so.

President.—So, several filaments are combined to make a commercial silk?

Mr. Ramakrishna.—Yes.

President.—The silkworm that is reared in the Madras Presidency is multivoltine breed?

Mr. Ramakrishna.—Yes.

President.—Which is similar to the Mysore variety?

Mr. Ramakrishna.—Yes.

Mr. Boag.—Is it the same?

Mr. Ramakrishna.—It is the same.

President.—You have stated here that the methods of rearing worms in Japan and France differ from the methods of rearing in this Presidency?

Mr. Ramakrishna.—Yes.

President.—Have you got any personal knowledge?

Mr. Ramakrishna.—I have no personal knowledge. My sericultural expert was in Japan and in Kashmir.

President.—Were you deputed by the Madras Government?

Mr. Achayya.—No, I went on my own.

President.—What is your experience? What is the exact method adopted there?

Mr. Achayya.—It was 23 years ago that I went to Japan. So my knowledge is rather old.

Mr. Batheja.—Do you propose to go again?

Mr. Achayya.—I propose to go next month.

President.—With regard to the silkworms I understand that the silkworms pass through 4 stages, egg, larva, chrysalis and adult. The egg of the moth is nearly round and when first laid it is yellow in colour?

Mr. Achayya.—Yes.

President.—It soon turns, if fertile, to a grey or slate colour?

Mr. Achayya.—Yes.

President.—The baby worm is born black in colour; scarcely an eighth of an inch in length covered with long hair and sixteen small legs?

Mr. Ramakrishna.—Yes.

President.—Small tender leaves of the mulberry are fed to them?

Mr. Ramakrishna.—Leaves have to be finely chopped.

President.—Does it require long experience or can it be done by an ordinary cultivator?

Mr. Ramakrishna.—Very easily. If he sees once or twice, he will be able to do it.

President.—There is no difficulty at all?

Mr. Ramakrishna.—No.

President.—I had better now take up the question of the diseases of silk worm. Out of the 4 diseases pebrine is the one which causes a great deal of damage.

Mr. Ramakrishna.—Yes.

President.—What percentage of the worms in the Madras Presidency suffer on account of this disease?

Mr. Ramakrishna.—From all the diseases put together the loss is 2 out of 7 crops.

President.—Do you get as many as 7 crops?

Mr. Ramakrishna.—I meant possible 7 crops.

President.—I would like you to consider the question of cost. The statement that you have given is 500 layings of seed which produces 210 lbs. of cocoons and the cost given here is Rs. 87-7-8, whereas the revised statement given by you is Rs. 75-7.

Mr. Ramakrishna.—One is the initial cost and the other is the recurring cost. It is on the basis of Rs. 87-7-8 the cost of 5 annas 9 pies is arrived at. This is the first year's cost.

President.—This is the first year cost?

Mr. Ramakrishna.—When he starts plantation, he has necessarily to incur a little more expenditure. The total investment comes to Rs. 87-7-8 and in subsequent years Rs. 73-7. If we are going to take the recurring cost, it will be Rs. 73-7. If we are going to distribute the excess cost of the first year throughout the life of the mulberry plantation, it will come to Rs. 75-7.

President.—I am not able to follow that at all. I am looking at the two statements given by you and the only difference I find is the cost of food for worms.

Mr. Ramakrishna.—Yes.

President.—The initial expenditure according to your own statement has been divided into 10 years at Rs. 2 per year.

Mr. Ramakrishna.—Yes. That is the first year's statement.

President.—What does this Rs. 35 consist of?

Mr. Ramakrishna.—Rs. 25 plus Rs. 10.

President.—How can you take the total initial expenditure?

Mr. Ramakrishna.—It is wrong. The cost of 5 annas 9 pies is on the basis of Rs. 75-7.

President.—You have given us the yield as 63 lbs. of cocoons for 150 disease free layings.

Mr. Ramakrishna.—Yes.

President.—What proportion of disease free layings are you able to distribute to the raiyats in their usual consumption of cocoons?

Mr. Ramakrishna.—The present percentage is 10. We are distributing a little over 3 lakhs of layings and the total requirements is 30 lakhs.

President.—With regard to this Rs. 10 profit, I would like to understand the position better. The present position in the Madras Presidency is that the cultivator is also a rearer.

Mr. Ramakrishna.—Yes.

President.—I would like to understand this question of profit for the simple reason that I understand that mulberry cultivation and the silk worm rearing are known as subsidiary occupation.

Mr. Ramakrishna.—Yes.

President.—If that is so, then the income derived from these two sources are over and above the income which a person derives from his ordinary occupation.

Mr. Ramakrishna.—In Kollegal it may be a full time occupation.

President.—I take it that as far as your position is concerned, it is the main occupation.

Mr. Ramakrishna.—In the case of a number of raiyats it is the main occupation.

President.—Your position is that as far as your cultivators are concerned, it is the main occupation?

Mr. Ramakrishna.—Yes, because the whole area is concentrated.

President.—Your position is not the same as in other provinces?

Mr. Ramakrishna.—I can't entirely say. In the case of some it is the main occupation. In the case of a great majority it is a subsidiary occupation.

President.—When you say "main occupation" what is the percentage?

Mr. Ramakrishna.—I can't say.

President.—It is the most important point. You are asking 5 annas 9 pies and I must justify it.

Mr. Ramakrishna.—It is so in the case of some.

Mr. Boag.—Would you say in the case of a majority? Is it more often a supplementary occupation or more often a main occupation?

Mr. Ramakrishna.—In the majority of cases it is supplementary occupation. The figures of cultivation show that.

President.—For the simple reason that the figures given by you with Rs. 10 as profit work out to 5 annas 1 pie.

Mr. Ramakrishna.—I have not taken into my calculations the interest on the land value. When a person invests money on land, he expects to get a return apart from what he would get from his labour.

President.—It is necessary that you should have worked out these figures.

Mr. Ramakrishna.—I have taken the main competing crop.

President.—Which is ragi?

Mr. Ramakrishna.—Yes as giving the necessary return.

President.—What return can you get from ragi?

Mr. Ramakrishna.—Rs. 10-2-0. I have taken Rs. 10.

Mr. Batheja.—Your point of view is that if mulberry had not been cultivated in that land normally, it would have been devoted in Kollegal district to the cultivation of ragi.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—And with the same amount of labour which is spent on mulberry cultivation, apart from the extra cost of labour of picking leaves, the profit to the cultivator of ragi would have been Rs. 10 and therefore this ought to be allowed for in the cost of mulberry leaves.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—If this Rs. 10 profit is not available, you think that the land will revert to ragi cultivation.

Mr. Ramakrishna.—Yes.

President.—With regard to the point about selling the seed cocoons the practice is to sell it on credit.

Mr. Ramakrishna.—It was the practice. Now we gave it up.

President.—What is the practice at present?

Mr. Ramakrishna.—At present we sell for cash.

President.—And the price you charge is 5 annas 4 pies per 100 layings.

Mr. Boag.—What does it cost you to produce?

Mr. Ramakrishna.—If I am going to make use of the services of my staff, it will cost me 5 annas 4 pies. I have fixed that as the price. Actually it is costing me much more.

Mr. Boag.—Actually what does it cost you?

Mr. Ramakrishna.—Rs. 1-10-0.

Mr. Boag.—You are selling at 5 annas 4 pies?

Mr. Ramakrishna.—Yes. We are not employing our staff to the fullest extent.

President.—In spite of the fact that there is a great deal of demand.

Mr. Ramakrishna.—Only after the price has been reduced, the demand has increased. Before that we were selling at Re. 1 per 100 layings. The demand was not much. Quite a large portion of the staff had no work.

Mr. Boag.—Referring for one moment to your figures of production, in answer to question 3, you have given the production of cocoons from disease free layings at 63 lbs. per 150 layings. That is correct?

Mr. Ramakrishna.—Yes.

Mr. Boag.—You have also stated that the total demand for seed is 30 lakhs of layings?

Mr. Ramakrishna.—Yes.

Mr. Boag.—Assuming for the moment that the whole of this disease free seed at the rate of 63 lbs. of cocoons for 150 layings I work out that you should have got 1,260,000 lbs. of cocoons.

Mr. Ramakrishna.—Yes.

Mr. Boag.—Your figure for the yield of silk from cocoons is 14 lbs. of cocoons to one pound of silk.

Mr. Ramakrishna.—Yes.

Mr. Boag.—If you divide this 12 lakhs by 14, it gives you exactly 90,000 lbs. of silk which you have put in your statement in answer to question 3.

Mr. Ramakrishna.—Yes.

Mr. Boag.—My difficulty here is that this yield presupposes that the whole of the 30 lakhs of layings of disease free seed has been provided. You said that you only provide 10 per cent. of disease free seed.

Mr. Ramakrishna.—Yes.

Mr. Boag.—Then how do you get 90,000 lbs. of silk?

Mr. Ramakrishna.—We have worked on the basis of 210 lbs. of seed.

Mr. Boag.—I suggest then that there is something wrong, either your 210 lbs. of cocoons represents the yield from disease free seed or it doesn't.

Mr. Ramakrishna.—It represents the actual yield.

Mr. Boag.—It represents the yield from seed which is not disease free.

Mr. Ramakrishna.—Not disease free.

Mr. Boag.—In that case your total production ought to be higher than 90,000 lbs. to allow for the 10 per cent. of disease free seed which you had distributed.

Mr. Ramakrishna.—Quite so. These are calculations based on averages.

President.—I take it that in the 210 lbs. yield, there would be a certain percentage of disease free seed included.

Mr. Ramakrishna.—Yes.

President.—Then the figure of 90,000 lbs. must be higher.

Mr. Ramakrishna.—Yes.

Mr. Boag.—Your figure is in excess of 90,000 lbs.

Mr. Ramakrishna.—Yes it will be only a very small increase.

Mr. Boag.—That is what I say. It must be in excess or 210 lbs. should be reduced.

Mr. Ramakrishna.—210 is the average.

Mr. Boag.—You have made no mention at all in your answers to the questionnaire of the production of silk from the *eri* worm.

Mr. Ramakrishna.—No. I took it that the enquiry related to Sericulture.

Mr. Boag.—We asked definitely in one of our questions: if your worms feed on mulberry leaves, what are the conditions; if they feed on other leaves, what are the conditions. We referred also to the different quality. I am not complaining of that. I should like to put a few questions about *eri* worms. In how many districts of the Presidency is this industry carried on?

Mr. Ramakrishna.—12 districts out of 25 or 26.

Mr. Boag.—Is it an established industry in all the districts?

Mr. Ramakrishna.—No.

Mr. Boag.—In how many districts it is an established industry?

Mr. Ramakrishna.—Not anywhere.

Mr. Boag.—It is simply in the experimental stage in each of these districts?

Mr. Ramakrishna.—Yes.

Mr. Boag.—Have you any figures of production of silk?

Mr. Ramakrishna.—From the acreage we can get the amount.

Mr. Boag.—What is the total production?

Mr. Ramakrishna.—Only in a few individual cases we have conducted these experiments. It is only a few pounds that we have produced in each district.

Mr. Boag.—How long have these experiments been going on?

Mr. Ramakrishna.—For the last one year.

Mr. Boag.—Before that the industry was unknown in Madras?

Mr. Ramakrishna.—One year we conducted ourselves at Kuppam alone; then next year we extended to these districts.

Mr. Boag.—Two years ago the production of this *eri* worm silk was an unknown industry in Madras?

Mr. Ramakrishna.—Yes.

Mr. Boag.—During the last two years you have been trying experiments in 11 or 12 districts?

Mr. Ramakrishna.—Yes.

Mr. Boag.—Have these experiments been sufficient to enable you to form any opinion of the possibility of the industry?

Mr. Ramakrishna.—They are.

Mr. Boag.—What conclusions have you formed?

Mr. Ramakrishna.—In all the districts of the Presidency for about 8 months in a year we can rear worms.

Mr. Boag.—The climate permits it?

Mr. Ramakrishna.—Yes. We have got the food for the *eri* worm.

Mr. Boag.—Is there any indication that the village people are taking to it?

Mr. Ramakrishna.—The village people are taking to it but the trouble is there is no market.

Mr. Boag.—There is no demand for this silk?

Mr. Ramakrishna.—At present there is no demand because the English market which used to be 1s. 10d. in 1930 has gone down to 7d.

Mr. Boag.—That is a definite quotation for *eri* silk?

Mr. Ramakrishna.—Yes, from the Imperial Institute.

Mr. Boag.—What has been done with the silk that has actually been produced?

Mr. Ramakrishna.—We are distributing it to spinning wheels for spinning it into yarn, so that we may weave it into cloth and dispose it of locally.

Mr. Boag.—Have you done that? Have you woven any cloth from it?

Mr. Ramakrishna.—We have.

Mr. Boag.—Have you sold it?

Mr. Ramakrishna.—We have not marketed it.

Mr. Boag.—You don't find any one to buy it?

Mr. Ramakrishna.—It is not that.

Mr. Boag.—You cannot get any one to weave it or you cannot get it spun?

Mr. Ramakrishna.—We cannot get it spun. That is the difficulty. Here are some samples (shown).

Mr. Boag.—This is all *eri* silk?

Mr. Ramakrishna.—Yes.

Mr. Boag.—Where was it spun?

Mr. Ramakrishna.—In England and woven in the Textile Institute in Madras.

Mr. Boag.—I take it that the silk spun from *eri* cocoons corresponds to the silk spun from mulberry silk waste.

Mr. Ramakrishna.—Yes, that is correct.

Mr. Boag.—In respect of the quality of silk?

Mr. Ramakrishna.—Yes.

Mr. Boag.—And in value?

Mr. Ramakrishna.—It ought to be about the same. It may have a higher value because a certain section of the community considers it superior.

Take the case of Marwaris and Guzeratis. They do not want to use any silk cloths which are the result of taking life.

Mr. Boag.—Can you tell me what are the qualities possessed by the mulberry silk which are not present in the spun silk? Why is it that raw silk has a higher value than the spun silk? What is the reason for that?

Mr. Batheja.—Why does spun silk yarn fetch a lower price?

Mr. Boag.—When you come to use the yarn you don't necessarily enquire into its origin?

Mr. Amalsad.—No, we do not.

Mr. Boag.—You don't care whether it is spun from waste. You will only see how far it will serve your purpose?

Mr. Ramakrishna.—So far as reeled silk is concerned, it has a better lustre. About tensile strength and other properties, we do not find any difference.

Mr. Boag.—The quality of spun silk must have been well known.

Mr. Amalsad.—Lack of lustre and lack of tensile strength. The spun silk has less tensile strength and less lustre.

Mr. Boag.—Is that generally accepted? Or is it simply your own opinion?

Mr. Amalsad.—It is generally accepted.

Mr. Boag.—You mention these various places in which you have been trying to extend the cultivation of mulberry. How long have you been carrying on these experiments?

Mr. Acharya.—In Hosur for the last 3 years we have been doing it. Palmaner—for the last two years. Tinnevely—for the last two years. Yellore—for the last one year. Nuzvid—for the last one year. Chingleput—for the last two or three years.

Mr. Boag.—Is there any indication that the sericultural industry is going to become popular in those places? It has created interest among the people?

Mr. Ramakrishna.—Because there is no market we are reluctant to extend it.

Mr. Boag.—What is being done with the cocoons that are produced now?

Mr. Ramakrishna.—They are being reeled by demonstrators who are assisting the people.

Mr. Boag.—Are the demonstrators buying?

Mr. Ramakrishna.—We are not.

Mr. Boag.—Who actually produces the cocoons?

Mr. Ramakrishna.—The raiyats.

Mr. Boag.—You don't buy the cocoons?

Mr. Ramakrishna.—We don't buy. We reel for them and sell for them.

Mr. Boag.—You reel the silk and give it?

Mr. Ramakrishna.—We also market it.

Mr. Boag.—They get the cost of the silk for the trouble of producing cocoons?

Mr. Ramakrishna.—Yes.

Mr. Boag.—I notice from your report of 1931-32 that the great bulk of the seed cocoons produced at your Hosur farm in that year were not used for seeds at all?

Mr. Ramakrishna.—No.

Mr. Boag.—Only two consignments out of 7 were used.

Mr. Ramakrishna.—Yes.

Mr. Boag.—Why was that?

Mr. Ramakrishna.—In that year we were conducting also some experiments to find out the silk content of cocoons produced.

Mr. Boag.—You mean although the cocoons were produced primarily for seed purposes, you reeled them.

Mr. Ramakrishna.—Both for seed and for reeling.

Mr. Boag.—You call them seed cocoons. You definitely say that 7 consignments of seed cocoons were sent from the Hosur farm out of which two only were used.

Mr. Ramakrishna.—That is because there was no demand. The price was too high.

Mr. Boag.—You could not get the price reduced in time?

Mr. Ramakrishna.—We did not reduce it in time.

Mr. Boag.—In addition to producing disease free seed you have got an organisation in Kollegal for the examination of the ordinary raiyat seed?

Mr. Ramakrishna.—Yes.

Mr. Boag.—Would you tell us how that works exactly? How many men have you got?

Mr. Achayya.—I have six men. They go from door to door.

Mr. Boag.—Are these 41 villages distributed among the six men?

Mr. Ramakrishna.—They do from one central place. We concentrated our work in one village first. That was the village of Kamakarai.

Mr. Boag.—You put all the six men in one village?

Mr. Ramakrishna.—Yes. We thought that we could distribute the disease free seeds in one village and see how that village took to it. For nearly four years we worked there. When we saw that the work was sufficiently well understood, we moved the party to Mudigundam and the party is working there.

Mr. Boag.—So it is really now working in the second area.

Mr. Ramakrishna.—Yes.

Mr. Boag.—When did it move into the second area?

Mr. Ramakrishna.—A year ago.

Mr. Boag.—Since it left Kamakarai, what has happened there?

Mr. Ramakrishna.—There are certain periods when they have seed cocoons. After all the distance from Kamakarai to Mudigundam is 10 miles and those who are very anxious to get their seed tested to the testers and take them back after having tested to the villages. Even now it is being done.

Mr. Boag.—My point is this that the stay of these testers in Kamakarai has had sufficient influence to induce the people even now after the testers have left the village to get their seed examined.

Mr. Ramakrishna.—Not only that; before the party left the village, we set up an aided grainage there under Mr. Silva but unfortunately it worked only for a year. Now there is no aided grainage in Kamakarai. We thought that this aided grainage would at least be useful to those rearers who were desirous of having their seeds tested. But the aided grainage did not work for long. So, when some of the rearers wrote to the Silk Superintendent at the time of seed cocoons and asked for the help of testers, he sent some of them to test the seeds in their own houses.

Mr. Boag.—9/10th of the seed which is used in Kollegal is not disease free?

Mr. Ramakrishna.—It is not disease free.

Mr. Boag.—How much of this is examined by this party of yours.

Mr. Ramakrishna.—I think last year's figures are about 2 lakhs.

Mr. Boag.—They examined two lakhs out of 30 lakhs. Is that all they can do? It doesn't seem to me to be a very large proportion.

Mr. Ramakrishna.—It is not all that they can do. They can do more.

Mr. Boag.—Even the six men that you have got at present could do more?

Mr. Ramakrishna.—Yes.

Mr. Boag.—But there is no demand.

Mr. Ramakrishna.—There is no demand, because the price is high.

Mr. Boag.—Do you charge any fee for testing?

Mr. Ramakrishna.—It was free. Before they were getting from Mysore vendors at Re. 1 for 1,000 layings.

Mr. Boag.—I am not on the point of getting seed from Government. I am simply suggesting that this seed examining party which you have got working in Kollegal have not done much more than touch the fringe of the work which has to be done. Do you expect them to examine all the non-disease free seeds that is now being used.

Mr. Ramakrishna.—They have not done much. I have laid down a programme of 50,000 per month for the party.

Mr. Boag.—That would be 6 lakhs a year.

Mr. Ramakrishna.—Yes.

Mr. Boag.—The aided grainages are closed?

Mr. Achayya.—Yes.

Mr. Boag.—Why was that? Could they not produce seed at a price which might be worth while?

Mr. Achayya.—Because they were buying seed cocoons from Mysore and selling them on credit they found that it was very difficult to collect the money. That was the chief reason for the closing down of the grainages.

Mr. Boag.—They required a certain amount of capital, because they sold on credit.

Mr. Achayya.—Yes.

Mr. Boag.—That was not forthcoming.

Mr. Achayya.—Quite.

Mr. Boag.—Is the silk worm in Kollegal liable to all these diseases? Do they all occur? Which are the commonest?

Mr. Achayya.—Pebrine and flacherie. Grasserie sometimes does occur. Muscardine we hardly find.

Mr. Boag.—You have worked out your costs on the basis of your concession price for seed at 5 annas 4 pies.

Mr. Ramakrishna.—Yes.

Mr. Boag.—What is the price at which people who buy from Mysore pay?

Mr. Achayya.—One rupee per thousand.

Mr. Batheja.—Talking about the aided grainages, what facilities did you give them?

Mr. Achayya.—We gave them a microscopic set free and then for every 1,000 disease free layings tested, a bonus of Rs. 5.

Mr. Batheja.—No other concession to them?

Mr. Ramakrishna.—No.

Mr. Batheja.—The men whom you select to serve in the aided grainages, were they the proper men for it conducting a business of that character?

Mr. Ramakrishna.—They were the only men that could be got hold of in a place like Kamakarai.

Mr. Batheja.—How do you propose to supply disease free seed to everybody in Kollegal? What system do you propose to adopt?

Mr. Ramakrishna.—With our existing staff it is possible to supply 1/3rd of the seed requirements for the present 6,000 acres.

Mr. Batheja.—That means supplying Government seed.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—If you want to cover the whole ground, what steps do you propose to take?

Mr. Ramakrishna.—In my reply to one of the questions, I asked for a subsidy from the Government in case a tariff is levied.

Mr. Batheja.—That is a matter of finance. Suppose finance is available?

Mr. Ramakrishna.—I will increase my staff.

Mr. Batheja.—You will supply only Government seed?

Mr. Ramakrishna.—At that concession price.

Mr. Batheja.—You won't have a system of aided grainages?

Mr. Ramakrishna.—I don't think so. They may give us false returns about seed and there will be difficulties. Instead of giving them Rs. 5 per thousand, we can do it cheaper ourselves.

Mr. Batheja.—That is not the experience of Mysore Government.

Mr. Ramakrishna.—That is what I think.

Mr. Batheja.—Will you be able to persuade the Government of Madras to incur this loss from year to year?

Mr. Ramakrishna.—At present our outturn is very small. It is only about 3 lakhs. I am going to treble that with the same staff. Practically Government loses nothing.

Mr. Batheja.—What about the next part of the programme? You said you would be able to supply one-third of the requirements. What about the remaining two-thirds? Some loss will have to be incurred.

Mr. Ramakrishna.—No loss will be incurred. If I am successful in this, it won't be difficult to undertake a larger programme. Then I will be able to convince my Government.

Mr. Batheja.—It may be expected that the supply at this concession price may continue indefinitely.

Mr. Ramakrishna.—Yes.

Mr. Boag.—I understood you to say that if you increase your production, it will cease to be a concession price.

Mr. Ramakrishna.—Yes. At present it is a concession price. I have based it on 10 lakhs output.

Mr. Batheja.—At present I find your yield of cocoon is 210 lbs.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—That is the present actual figure using both kinds of seed.

Mr. Ramakrishna.—I have taken the figure for raiyats' seed.

Mr. Batheja.—Non-tested seeds?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—By how much do you think that this figure will be increased when your tested seed is supplied to everybody?

Mr. Ramakrishna.—Probably I may put it at another 15 per cent., because we cannot completely eliminate all disease.

Mr. Batheja.—Instead of losing 2 out of 7, you will lose only one out of 7.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—How long will you take to attain this ideal?

Mr. Ramakrishna.—About 5 years.

Mr. Batheja.—You say in Kollegal you get 7 crops?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Is that normal?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Throughout Kollegal you do actually get 7 crops?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Out of this only 2 fails?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—With the use of non-tested seeds?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—You will be able to reduce the cost of production when your seed campaign succeeds.

Mr. Ramakrishna.—Yes by about 15 per cent.

Mr. Batheja.—In this revised cost statement which you have given there is an item of Rs. 26 as representing the cost of food for worms.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—That includes Rs. 10 profit which would have been derived if that land had been devoted to the cultivation of ragi.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—The rest of Rs. 16, what does it represent?

Mr. Ramakrishna.—It represents only recurring cost of the production of leaves.

Mr. Batheja.—That means the cost of labour which is required.

Mr. Ramakrishna.—That excludes the labour of the family.

Mr. Batheja.—This excludes the labour of the family in rearing silk worm.

Mr. Ramakrishna.—Not only that, but also for picking leaves for the first three moulds: the transport of leaves from the field to the rearing house—all that is shown under Rs. 31-4-0.

Mr. Batheja.—That means in cultivating mulberry apart from the extra cost incurred in picking leaves and rearing silk worms and so on, the cost of cultivation is really less than the cost of cultivation of ragi.

Mr. Ramakrishna.—It is less in the subsequent years. In the first year it is the same as ragi.

Mr. Batheja.—How have you calculated this item of Rs. 31-4-0. I want to understand the method of your calculation?

Mr. Ramakrishna.—That is with reference to the time spent. We have got Government stations. In those stations I have got the timings recorded for looking after, for picking leaves and so on and I have worked out for every pound of cocoons how much labour is required.

Mr. Batheja.—How do you find out these timings? I don't understand it. You can allow the cost of labour incurred in picking leaves after the fourth mould, but I do not know how you have found out the time of the labour units so far as the actual silk worm rearing operations are concerned.

Mr. Ramakrishna.—We take the time required to look after the worms in a Government station.

Mr. Batheja.—My impression is that at a certain stage silk worms had to be looked after the whole of 24 hours.

Mr. Ramakrishna.—All that is taken into account and also the time taken for picking leaves and also the normal distance. In Hosur our farm is about quarter of a mile from the field and I have noted the time taken for transport. All these have been included.

Mr. Batheja.—You have taken the hours of labour?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—You have fixed the rate?

Mr. Ramakrishna.—Yes 6 pies per hour.

Mr. Batheja.—You have allowed for 8 hours a day?

Mr. Ramakrishna.—Yes, I have put 4 annas.

Mr. Batheja.—4 annas for every kind of labour, child labour, woman labour and adult labour?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Is it not rather an excessive rate considering the state of agricultural wages?

Mr. Ramakrishna.—It may be so. If we are taking the wages as prevailing to-day, it may appear to be a little higher, but that I consider a reasonable wage to maintain a certain standard of living.

Mr. Batheja.—That may be a reasonable wage to maintain a certain standard of living. We are concerned with actual wages.

Mr. Ramakrishna.—That is why the producer is able to sell his cocoons even below the price I have fixed. That is why you will find the actual producer not charging for his labour.

Mr. Batheja.—We want to get actual figures. We do not want to have theoretical figures which might improve the standard of living.

Mr. Ramakrishna.—It is entirely for you to fix the basis.

President.—The figure which you have given is based on your local knowledge?

Mr. Ramakrishna.—It is not. This 4 annas is taken as reasonable basing the rate at half an anna per hour. One does not get work all the day. Supposing one gets 3 hours work, in that case he only gets $1\frac{1}{2}$ annas.

Mr. Batheja.—I have no idea of the agricultural wages prevailing in that part of the country but when we had an occasion to look at a reeling factory in Kollegal we found that the labourer who was turning the wheel was paid at the rate of $2\frac{1}{2}$ annas per day of 10 hours for working continuously in those uncomfortable conditions. If that is the rate of wages, 4 annas per day seems to me to be an excessively high figure.

Mr. Ramakrishna.—There it was only a small boy who was doing it.

Mr. Boag.—Not only boys; we saw women of all ages.

Mr. Batheja.—The rate of wages is given as $2\frac{1}{2}$ annas.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Even before it was not more than $3\frac{1}{2}$ annas.

Mr. Ramakrishna.—That is so.

Mr. Batheja.—That was a very unpleasant labour and a very hard labour. What would be the agricultural wage for the corresponding work?

Mr. Ramakrishna.—I would put it at 4 annas.

Mr. Batheja.—Could you give me an idea of the agricultural wages prevailing in Kollegal?

Mr. Ramakrishna.—I shall send you a figure.

Mr. Batheja.—Do you happen to know what the wages are?

Mr. Ramakrishna.—During the harvest time, the agricultural labourer will get as much as 12 annas.

Mr. Batheja.—The rearing of silkworms is the most pleasant form of work for a normal man. What will be the wage for that class of work?

Mr. Achayya.—During the harvest time, the wages are higher—about 12 annas for an adult.

Mr. Batheja.—What will be the wages for a woman and for a child?

Mr. Achayya.— $2\frac{1}{2}$ to 3 annas.

Mr. Batheja.—For continuous work in the field?

Mr. Ramakrishna.—Yes, especially for weeding.

Mr. Batheja.—For how many hours?

Mr. Achayya.—They go after food and get back in the evening—say from 10 A.M. to 5 P.M.

Mr. Batheja.—That work is more strenuous than this work?

Mr. Achayya.—Yes. They do it with a number of people joining together.

Mr. Batheja.—Does the cultivation of cholam require a special kind of soil? Is the soil required for the cultivation of cholam different from that required for ragi?

Mr. Ramakrishna.—It can be grown on any soil.

Mr. Batheja.—Both are food crops?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—There is no preference between the two?

Mr. Ramakrishna.—No preference—whichever gives the higher return.

Mr. Batheja.—The return is roughly equal judging from the figures which you have given. So it is a matter of indifference to the raiyat what he cultivates?

Mr. Ramakrishna.—As a matter of fact, the return from cholam is not as much as from ragi; so I have taken ragi.

Mr. Batheja.—Coming back again to the statement of cost, item No. 4, in Table 3, at what rate have you calculated these charges—the charge for extra labour for plucking leaves?

Mr. Ramakrishna.—Everybody has given us that figure.

Mr. Batheja.—Rs. 10?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Do they pay wages in cash?

Mr. Ramakrishna.—Sometimes in cash; sometimes in kind. More or less that is the wage given to us by everybody.

Mr. Batheja.—Then I notice in Table 2, you have given us the cost of ploughing as Rs. 6?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Is it the practice to plough the land in Kollegal?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Are you aware that in Mysore they dig and hoe?

Mr. Ramakrishna.—That was what I was told.

Mr. Batheja.—How is it that the two figures are quite close when the system of cultivation differs so much?

Mr. Ramakrishna.—They plant it much closer which makes digging necessary. That is a practice which has been in vogue and still continues.

Mr. Batheja.—Would it be possible to improve the yield by planting closer?

Mr. Ramakrishna.—By planting more widely and applying manure we can.

Mr. Batheja.—Is it not a fact that by planting closer you save some extra cost of weeding because there will be fewer weeds?

Mr. Ramakrishna.—Not much I suppose.

President.—With regard to reeling I find that you have got one filature and one Mysore domestic basin, the rest of the reeling being done by country charkas?

Mr. Ramakrishna.—Yes.

President.—As regards the filature, it belongs to Mr. Silva?

Mr. Ramakrishna.—Yes.

President.—I take it that the figures that you have given here are all taken from him?

Mr. Ramakrishna.—Which figures?

President.—The details showing the cost of Rs. 8?

Mr. Ramakrishna.—Yes, they are as reported by him.

President.—All the costs of the filature?

Mr. Ramakrishna.—Yes.

President.—As far as the Mysore domestic basin is concerned, I think it is closed?

Mr. Ramakrishna.—Yes.

President.—Therefore you have got now single charkas.

Mr. Ramakrishna.—Yes.

President.—You have placed before us the costs of production of three kinds of charkas. I take it that the two new kinds of charkas—one improved charka and one with cooking range—are still in an experimental stage?

Mr. Ramakrishna.—They are.

President.—None of the charkas at present in use in Kollegal and other districts are any other than single charkas?

Mr. Ramakrishna.—Quite so.

President.—With regard to the improved charkas they are in a stage, though experimental, in which they can be safely distributed to the reelers?

Mr. Ramakrishna.—That is what I propose to do and the Madras Government is giving a grant for lending them on hire purchase system.

President.—The price that you have put down is roughly Rs. 50?

Mr. Ramakrishna.—Yes.

President.—Will they be able to get electricity?

Mr. Ramakrishna.—So far as the electric heater is concerned, it is not useful to us. We simply wanted to experiment and see. It is the other thing which we are going to distribute.

President.—The only point of importance here is the cost?

Mr. Ramakrishna.—Yes.

President.—The cost of production on a country charka is Rs. 5-12-0 and the cost of production on the improved charka excluding of course the price which he gets for waste is Rs. 3-2-6 and with cooking range it is Rs. 6-2-5.

Mr. Ramakrishna.—Yes.

President.—You have not taken into consideration the initial cost which is Rs. 50?

Mr. Ramakrishna.—I have provided for depreciation.

President.—You mean 9 pies?

Mr. Ramakrishna.—Yes.

President.—That covers that?

Mr. Ramakrishna.—Yes.

President.—The main increase in the cost is the rendita. You require 16 lbs. of cocoons to a pound of silk?

Mr. Ramakrishna.—Yes.

President.—The other costs are practically the same?

Mr. Ramakrishna.—They are lower.

President.—Except in the case of fuel.

Mr. Ramakrishna.—That is one large item.

President.—It is 3 annas lower.

Mr. Ramakrishna.—That requires a turner and this does not require.

President.—You mean labour?

Mr. Ramakrishna.—Yes.

President.—Instead of 5 annas 6 pies you put here 12 annas which is the main item and which you have given as the cost of cocoons?

Mr. Ramakrishna.—Yes.

President.—I would like to understand whether you have placed in the market or at least shown to the merchants the class of silk produced by improved charkas?

Mr. Ramakrishna.—We have not placed the silk on the market. We have ourselves tested it and we consider it very good.

President.—Would it be able to fetch a correspondingly higher price?

Mr. Ramakrishna.—Probably it will be a little less than the filature price but it will certainly be much higher than the country charka.

President.—You think in spite of the cost being higher by about 6 annas than the country charka it will be compensated in the selling price?

Mr. Ramakrishna.—Yes.

President.—What is the selling price in the Kumbakonam market?

Mr. Ramakrishna.—They charge 9 per cent. interest on the money they give to the weavers from the date on which it is advanced.

President.—Where do you get your Kollegal silk sold mostly? Which is your principal market?

Mr. Ramakrishna.—Conjeevaram.

President.—I shall take the Conjeevaram market.

Mr. Ramakrishna.—Yes at present.

President.—What is the price of Kollegal silk which is sold at Conjeevaram?

Mr. Ramakrishna.—For soso the price at Conjeevaram will be Rs. 2-1-0 or Rs. 2-2-0.

Mr. Boag.—What is the landed price?

Mr. Ramakrishna.—Rs. 2-0-6.

Mr. Batheja.—With regard to fuel, you are using paddy husk?

Mr. Ramakrishna.—This is the wood model. Paddy husk model is not the thing we are going to distribute. The model of course is paddy husk model. We have got a model for wood and other fuel.

Mr. Batheja.—What is the price of wood at Kollegal?

Mr. Ramakrishna.—Rs. 6 to 7 a ton.

Mr. Batheja.—What amount of fuel is used for a pound of silk?

Mr. Ramakrishna.—It is less than an anna.

Mr. Batheja.—It has been calculated according to the actual consumption?

Mr. Ramakrishna.—Yes. In my own house I have been lighting these cookers the whole day. From the results I have seen, I can say that.

Mr. Batheja.—Practically speaking in Kollegal District even in the filature, I think a very small quantity of power is consumed. One of the conditions of the Fiscal Commission with regard to the scheme of protection is that cheap power is available.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—I would like to know to what extent power is consumed in the filature.

Mr. Ramakrishna.—Only in the case of steam filature, power is required and even that is very small. A small oil engine will be able to generate the necessary power for a small filature.

Mr. Batheja.—May I take it then for all practical purposes as far as the silk industry is concerned, power is very little used and that fuel is used in the shape of wood?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Not even coal?

Mr. Ramakrishna.—There is no need for coal.

Mr. Batheja.—With regard to the economic unit you have given 40 basins.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—I take it that is because the filature existing in Kollegal possesses 40 basins?

Mr. Ramakrishna.—We have worked out an estimate. After 3 or 4 years that will be the production obtainable.

Mr. Batheja.—Are these figures independent of the figures given by Silva?

Mr. Ramakrishna.—They are.

Mr. Batheja.—This is what you consider to be a model filature which should be established under the scheme of protection?

Mr. Ramakrishna.—This production should be attained in 2 or 3 years.

Mr. Batheja.—I take it that on the whole the average cost of production per pound of silk would be in the neighbourhood of Rs. 7?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—What is the price you have taken for a basin?

Mr. Ramakrishna.—Rs. 100. We won't have imported basins. We can manufacture basins locally.

Mr. Batheja.—Have you got any experience of the local basins?

Mr. Ramakrishna.—We can copy, duplicate them. There is no difficulty.

Mr. Batheja.—I want to know the actual working of it. You have not had any experience?

Mr. Ramakrishna.—No, it is a thing which can be easily copied.

Mr. Batheja.—What about these helpers? Are they the same as cookers?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—I don't think in the Italian system you require only 20 helpers.

Mr. Ramakrishna.—20 for cooking.

Mr. Batheja.—Here you have put down 40 for reeling. Is it because of the local model?

Mr. Ramakrishna.—Out of the 40, 20 will be cookers and the other 20 will attend to the silk waste. I have taken all those on the same wages under one head.

Mr. Batheja.—What is the class of work these extra 20 men are expected to do?

Mr. Ramakrishna.—Cleaning the waste.

Mr. Batheja.—No definite work is assigned to them here?

Mr. Ramakrishna.—No.

Mr. Batheja.—You have included I find the interest on working capital?

Mr. Ramakrishna.—Yes. This is on the basis of 1½ pounds of production.

Mr. Batheja.—Per day?

Mr. Ramakrishna.—Per day per basin which is attainable from Mr. Silva's filature. I have found quite a large number of people being able to produce between 1½ to 2 lbs. That is with our experience after two or three years we ought to be able to attain that provided we have the necessary capital and necessary amount of cocoons available.

Mr. Batheja.—The number of working hours you have taken into consideration is 9 hours of 25 days.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—And the denier you have taken is 28/30?

Mr. Ramakrishna.—Yes.

President.—As regards the consumption of silk in the Madras Presidency you state that approximately 17 lakhs of lbs. are being consumed.

Mr. Ramakrishna.—Yes.

President.—Out of which about half is from Mysore?

Mr. Ramakrishna.—Yes.

President.—And half is practically from the imports?

Mr. Ramakrishna.—Yes.

President.—You are producing about 90,000 lbs.

Mr. Ramakrishna.—Yes.

President.—It works out according to the revised figure to 91,575 for 6,105 acres working on the basis of 210 lbs. per acre plus 3,000 for the filature.

Mr. Ramakrishna.—Yes, this includes.

President.—It cannot include if your figures are correct. Your figure is 210 lbs.?

Mr. Ramakrishna.—Yes.

President.—The acreage of mulberry is 6,105?

Mr. Ramakrishna.—Yes.

President.—It comes to 91,575.

Mr. Ramakrishna.—Yes.

President.—It has not taken into consideration 3,000 lbs. of filature silk.

Mr. Ramakrishna.—No, we have not included Mr. Silva's filature.

President.—So that Madras Presidency would be producing somewhere about 95,000 lbs.

Mr. Ramakrishna.—Yes. Mr. Silva also gets cocoons from Mysore.

Mr. Boag.—I do not understand how you put up your production at 95,000 lbs.

Mr. Ramakrishna.—We didn't also take into account the effect of the disease free seed. That is why I said we might put it at 95,000.

President.—I take it that most of the cocoons bought by Mr. Silva's filature are either from Mysore or from his own grainage.

Mr. Ramakrishna.—He is getting partly from Kollegal area and partly from Mysore area.

President.—Amongst the imported class of raw silk which enters the Madras Presidency, it is mostly Yellow Shanghai?

Mr. Ramakrishna.—That is about 88 per cent. of the total.

President.—Can you tell me the brands which come under Yellow Shanghai?

Mr. Ramakrishna.—Handed in a statement.

President.—All these brands are coming into the Madras market?

Mr. Achayya.—Into the Kumbakonam market.

President.—I want to know which of these brands are included in the quality which is known in the Customs as Yellow Shanghai?

Mr. Achayya.—Except the two varieties, Teatlee and Kubing.

President.—All these qualities or brands come into competition with your country charka silk?

Mr. Achayya.—Yes and also filature silk.

President.—What is generally the price of Minchow filature silk in Conjeevaram?

Mr. Achayya.—We will give you the Kumbakonam figures. For which year you want?

President.—For the present year, the most recent price.

Mr. Achayya.—Minchow Rs. 287½ per picul of 133 lbs.

President.—Is that the selling price ex-duty?

Mr. Achayya.—That is the landed price at Kumbakonam ex-duty.

President.—What is the selling price in the Kumbakonam market?

Mr. Ramakrishna.—They charge 9 per cent. interest on the money they give to the weavers from the date on which it is advanced.

President.—Where do you get your Kollegal silk sold mostly? Which is your principal market?

Mr. Ramakrishna.—Conjeevaram.

President.—I shall take the Conjeevaram market.

Mr. Ramakrishna.—Yes at present.

President.—What is the price of Kollegal silk which is sold at Conjeevaram?

Mr. Ramakrishna.—For soso the price at Conjeevaram will be Rs. 2-1-0 or Rs. 2-2-0.

Mr. Boag.—What is the landed price?

Mr. Ramakrishna.—Rs. 2-0-6.

President.—Rs. 2-2-0 will be the selling price at Conjeevaram including the duty?

Mr. Ramakrishna.—Excluding the duty. Including the duty it will be Rs. 2-10-0.

President.—You have no idea of the actual selling price?

Mr. Ramakrishna.—No.

President.—I should like to have the prices of a range of brands which come into competition with the Indian silk as reeled in Kollegal and the selling prices which should include all charges including the duty and the commission of the merchants.

Mr. Ramakrishna.—Yes.

President.—Will you please tell me what is the price at which Kollegal silk is sold in Conjeevaram and Kumbakonam?

Mr. Ramakrishna.—The present price will be over Rs. 5-12-0.

President.—Are you able to sell at that price?

Mr. Ramakrishna.—Yes.

President.—Without any difficulty?

Mr. Ramakrishna.—There is difficulty because the demand is not much.

President.—Rs. 5-12-0 is the gross price?

Mr. Ramakrishna.—Yes.

President.—You are selling it on the basis of cost of production?

Mr. Ramakrishna.—It is on the basis of cost of production. There is an element of Rs. 31-4-0 of which he is going to forego a part.

President.—As far as the cost of production is concerned, including the items that you have given it comes to Rs. 5-12-0 in Kollegal.

Mr. Ramakrishna.—Yes.

President.—Whereas you have not taken into consideration the transport and other charges as regards these two markets?

Mr. Ramakrishna.—No.

President.—As against Rs. 5-12-0, the competition that you are getting is Rs. 2?

Mr. Ramakrishna.—That is the lowest grade and probably the import of that particular grade is not very large.

President.—I think it would be better if you were to give a detailed statement telling me the actual selling price of Kollegal silk in those markets and the percentage of the sale of Kollegal silk in those two areas?

Mr. Ramakrishna.—We could give you only very approximate figures.

President.—It must be sold in India. Either it is not sold or it is sold at unremunerative prices. I would like to understand which are the markets at present to which most of the production of Kollegal silk goes and the kinds of brands which come into competition with it and the ruling prices of these brands—I want the most recent prices of such brands if possible?

Mr. Ramakrishna.—Yes.

President.—As regards the loss in boiling off, have you actually tried it with China silk?

Mr. Ramakrishna.—As a result of the experiments conducted here.

President.—It is 21 per cent. as against 25 per cent. in South India?

Mr. Ramakrishna.—Yes.

President.—What is the price at which you are able to dispose of waste at present?

Mr. Ramakrishna.—There is practically no market for the waste.

President.—Is it unsaleable at present?

Mr. Ramakrishna.—Yes.

President.—It is being accumulated by the country charka reeler?

Mr. Ramakrishna.—Yes.

President.—Then, I don't think you should consider in your cost at present the price for the waste? On what basis is it being considered?

Mr. Ramakrishna.—You mean if there is a market?

Mr. Batheja.—What price have you allowed?

Mr. Ramakrishna.—I have allowed 4 annas.

Mr. Batheja.—Per lb.?

Mr. Ramakrishna.—Yes.

President.—This price is not obtainable?

Mr. Ramakrishna.—No.

Mr. Boag.—For how long has it been unobtainable?

Mr. Ramakrishna.—About 8 months.

President.—I would like to understand the point about the Customs tariff valuation. I understand that there has been a great deal of correspondence with the Government of India on this subject?

Mr. Ramakrishna.—Yes.

President.—What is exactly your position to-day?

Mr. Ramakrishna.—I don't want any reclassification because it leads to a lot of confusion.

President.—Would you agree to the question of abolition of the Customs values and of charging on the correct invoice values the Customs duty, *ad valorem* or specific?

Mr. Ramakrishna.—I prefer the specific duty.

President.—You think that as far as the trade is concerned that would be a satisfactory position?

Mr. Ramakrishna.—Yes.

President.—You would recommend the abolition of the present fixed tariff values?

Mr. Ramakrishna.—Yes.

President.—The only other point that remains before I come to the question of protection is the question of exchange?

Mr. Ramakrishna.—Yes.

President.—You have sent us a graph in which you have shown the fall in the price of Kollegal silk due to exchange fluctuations of China?

Mr. Ramakrishna.—That is one factor. The price of the Chinese silk depends upon the rate of Chinese exchange and the price of Kollegal silk

depends upon the price of Chinese silk. That is a general reason. There are a number of variations in this graph but up to about say July 1930 more or less the exchange graph and the Kollegal silk price graph are the same.

President.—You are basing your normal exchange at somewhere near 137.

Mr. Ramakrishna.—I have taken from February the actual rates.

President.—You are now discussing the drop from 137 to 107 in July 1930 and you say to that extent the fall is due. . . .

Mr. Ramakrishna.—To some extent there is a relationship.

President.—You don't attach much importance to this—the fall in the rate of exchange as a relative comparison?

Mr. Ramakrishna.—I attach some importance.

President.—Not much?

Mr. Ramakrishna.—Not much. That is not the only factor. There are other factors influencing it.

President.—Compared to the other factors, this may not be the most important factor. What value do you attach to the fall in exchange as compared with other factors which led to the decline in the price of imported silk.

Mr. Ramakrishna.—That is one of the important factors; that is all I can say.

Mr. Boag.—While we are on this I should be glad if you could let me know exactly what deductions you draw from this?

Mr. Ramakrishna.—There has been a sudden rise. You will see in February 1931 there has been a rise in the price of Kollegal silk. The market for Kollegal silk depends upon the marriage season. That is one of the things to be noted. Generally the marriage season is say from December to March. So, that is one of the factors which always influence the price of Kollegal silk.

Mr. Boag.—Let us go on to the following year. I find in those months the price of silk was falling?

Mr. Ramakrishna.—Which year?

Mr. Boag.—The early months of 1932. It went up in December 1931 and from there it fell steeply, in January, February, etc.

Mr. Ramakrishna.—That is about the marriage season.

Mr. Boag.—You cannot have it both ways.

Mr. Ramakrishna.—Our auspicious months may occur between December and March or one month this way or that way.

President.—The fall is due to the demand rather than exchange.

Mr. Ramakrishna.—That is one of the factors. There will be always a little rise in those months. You will find afterwards there has been a fall.

Mr. Boag.—Which are you referring to?

Mr. Ramakrishna.—April to September 1931.

Mr. Boag.—From April to May there was a fall, but after that the price was steady. The rate of exchange was steady.

Mr. Ramakrishna.—I am referring to the fall in the price of silk.

Mr. Boag.—Yes, there was a fall. I understand that the object of this graph was to establish some relation between the fluctuations in the price of Kollegal silk and the fluctuations of exchange.

Mr. Ramakrishna.—That is one of the factors.

Mr. Boag.—I want you to point out to me. I fail to see any relation at all between the fluctuations in the price of silk and the fluctuations in exchange.

Mr. Ramakrishna.—There is a subtle relation—see from April to July 1930.

Mr. Boag.—I find there was a rise in the price of silk in May 1930 in which month the exchange was falling.

Mr. Ramakrishna.—Of course it takes time to adjust.

Mr. Boag.—I cannot see any connection between the two factors at all. I cannot see whether they follow one another at whatever interval.

Mr. Ramakrishna.—There is a fall from December to February.

Mr. Boag.—December 1930 or December 1931—which year are you referring to?

Mr. Ramakrishna.—Take January 1931.

Mr. Boag.—Yes.

Mr. Ramakrishna.—There is a fall in the price of Kollegal silk and there is also a fall in the exchange. The correspondence is not very exact.

Mr. Boag.—In that one month there is some correspondence. What conclusion do you draw from this?

Mr. Ramakrishna.—That is one of the factors—that is all I can say.

Mr. Boag.—This statement is for three years and on the strength of a correspondence in the movement of price and exchange in one month, you conclude that the fluctuations of exchange have some influence on prices?

Mr. Ramakrishna.—It is not one month.

Mr. Boag.—You have shown me only one month. I am asking you to show where the correspondences are?

Mr. Ramakrishna.—From April to May again there is a drop here and there is a drop there. Of course it is not exactly parallel.

Mr. Batheja.—What year?

Mr. Ramakrishna.—1931. From August to September both are parallel. From September to October both are rising.

Mr. Boag.—Throughout 1931 that is so, I agree.

Mr. Ramakrishna.—From January 1932 to April there was a fall. From July to September more or less the variation is not much.

Mr. Boag.—The prices have been absolutely steady and there have been slight fluctuations in exchange?

Mr. Ramakrishna.—Yes. If both had been parallel, then we could have said straightaway that there was correspondence.

Mr. Boag.—That brings out the degree to which there is correspondence. That is exactly what I wanted. The other factor that has influence on prices is the increase in the demand during the marriage season?

Mr. Ramakrishna.—Yes, for Kollegal silk. It also depends on the supply and demand of Chinese silk. In 1929-30 China exported 12,777,000 lbs. to U. S. A. which is the biggest silk market in the world. In 1930-31 it came down to 10,432,000 lbs.; that is, the Chinese share of the United States trade fell by 16.4 per cent. So China had more quantity left on its hands. That had a very great effect on our market. I did not have the figures with me.

Mr. Boag.—That fact could only influence your prices provided there was a large increase in the imports of Chinese silk into India; otherwise it would have no effect on prices at all.

Mr. Ramakrishna.—The Customs figures show that we are importing large quantities.

Mr. Boag.—You have got those particular years and months in which your prices show marked fluctuations. If you want to establish a connection between these variations and the imports of Chinese silk, you want something more than these figures of exports of Chinese silk to America.

Mr. Ramakrishna.—These influence the price of Chinese silk.

Mr. Boag.—But when and how?

Mr. Ramakrishna.—The Mysore Government also I think have given you some figures.

Mr. Boag.—I don't think that those figures throw very much light on this point. However, I accept what you say. It can be argued from this graph that the fluctuations in exchange do to some extent influence price, but obviously prices are affected by other considerations as well?

Mr. Ramakrishna.—Yes. There was a fall in cultivation and also in the stocks of Chinese silk in India. The Chinese imports in these quarters fell.

Mr. Boag.—Which quarter please. You say 'those quarters' Conditions in each quarter differ. If you have got anything of value bring it up; otherwise we may leave it at that.

Mr. Ramakrishna.—In October to December 1931 the imports of total silk were only 268,840 lbs.

Mr. Boag.—That was the quarter in which there was a biggest rise of price.

Mr. Ramakrishna.—There was a very small quantity of foreign silk available in the country and the marriage season suddenly came. The normal quarterly imports were 750,000 lbs. The actuals came to about a third.

Mr. Boag.—Let us leave it at that. I should like to go back to the question of reeling. I notice that there is a slight discrepancy between your answers to questions 20 and 45. In your answer to question 20 you say that the total production of raw silk reeled by hand on single charka is 90,000 lbs. In reply to question 45, you say "The output of this factory is reported to be about 12,000 lbs. of filature silk per annum as against 78,000 lbs. produced by about 500 reelers in Kollegal in a year".

Mr. Ramakrishna.—That is not correct.

Mr. Boag.—What are the correct figures?

Mr. Ramakrishna.—The figure we have arrived at is 95,000 lbs.

Mr. Boag.—What is the production of filature?

Mr. Ramakrishna.—That is the possible production. The filature is estimated to produce 1,000 lbs. per month.

Mr. Boag.—You mean the possible output?

Mr. Ramakrishna.—Yes.

Mr. Boag.—In your replies you say "Uniformity of temperature in the reeling basin and the constant changing of water gives the necessary lustre, tenacity and elasticity to the silk". In reply to question 47 you say "in point of lustre, tensile strength and wearing qualities the local silk scores". Are you referring to the local filature silk?

Mr. Ramakrishna.—That is the charka silk.

Mr. Boag.—In your answer to question 20 you seem to imply that lustre, tenacity and elasticity come only from filature reeling.

Mr. Ramakrishna.—Compared to local filature silk, the local country charka silk has less lustre, less tenacity.

Mr. Boag.—They are both superior to imported silk?

Mr. Ramakrishna.—Yes.

Mr. Boag.—With regard to these improved charkas which have been experimental in Madras, how long have you been carrying on these experiments?

Mr. Ramakrishna.—The first charka we built about six months ago.

Mr. Boag.—How many have you got altogether?

Mr. Ramakrishna.—We have only those three models.

Mr. Boag.—The first was built about six months ago?

Mr. Ramakrishna.—Yes. The first was built with brick and chunam.

Mr. Boag.—How long have they been working?

Mr. Ramakrishna.—They have been working continuously.

Mr. Boag.—How long have they worked?

Mr. Ramakrishna.—We have taken out the production figures after working two days continuously.

Mr. Boag.—Each one?

Mr. Ramakrishna.—Yes, only as an experiment.

Mr. Boag.—On two days working you claim to be satisfied that these charkas are suitable to be broadcasted for the Kollegal area?

Mr. Ramakrishna.—We worked for 2 days for taking figures.

Mr. Boag.—What is the total quantity of silk produced on these two charkas?

Mr. Ramakrishna.—I can send you the figures.

President.—I am only asking you this question, because you say you have given us a figure for the cost of production and so on and you claim that this is a great improvement. I have only asked you to what extent. What are the means of judging?

Mr. Ramakrishna.—To find out the production.

President.—What was the result? What conclusions did you draw from it?

Mr. Ramakrishna.—We can produce a little over a pound.

President.—You can produce one pound a day.

Mr. Ramakrishna.—That we have taken as the basis, but we can produce a little more than one pound. We have been working off and on.

President.—For the purpose of cost you think that one pound a day is a safe figure to take.

Mr. Ramakrishna.—Yes.

Mr. Boag.—This cost is based on two days working?

Mr. Ramakrishna.—Yes.

Mr. Boag.—I don't quite understand your answer to question 24. You say "prices of cocoons are high owing to the restricted output of leaves per acre per annum" What are you comparing with? What restriction do you refer to?

Mr. Ramakrishna.—Due to unscientific methods of production of mulberry as well as cocoons.

Mr. Boag.—What is the restrictions you are referring to?

Mr. Ramakrishna.—The low output.

Mr. Boag.—What are you comparing with? What standard you have set yourself? You know the return of leaf is lower in Kollegal than in other parts of India or in other countries.

Mr. Ramakrishna.—In other countries.

Mr. Boag.—What are you comparing it with?

Mr. Ramakrishna.—We compare it with the Japanese production.

Mr. Boag.—Your return is 3,500 lbs. per acre.

Mr. Ramakrishna.—At that time we had only 2,100 pounds.

Mr. Boag.—Does this answer still apply?

Mr. Ramakrishna.—3,500 is still low production.

Mr. Boag.—What would you consider a satisfactory production?

Mr. Ramakrishna.—I have not considered.

Mr. Boag.—If you call it unsatisfactory production, you must have some standard in your mind. What is the production in Japan? In answer to question 30 (iii) you say that facilities have been provided for such of the rearers and reeler as require practical training, to receive such training in the Government farms and so on

Mr. Ramakrishna.—Yes.

Mr. Boag.—How many people have taken advantage of these facilities?

Mr. Ramakrishna.—It is only people from the districts where we have extended mulberry cultivation.

Mr. Boag.—At this moment how many of them are under training?

Mr. Achayya.—In Hosur Farm there are about 6.

Mr. Boag.—In Palmaner?

Mr. Achayya.—There are about 3.

Mr. Boag.—In Coonoor?

Mr. Achayya.—None.

Mr. Boag.—In Madras?

Mr. Achayya.—6.

Mr. Boag.—There are 15 altogether.

Mr. Achayya.—Yes. These people stay there for a month and go away.

Mr. Boag.—They only stay for a month.

Mr. Achayya.—Yes or two months at the most.

Mr. Boag.—As they go, are their places immediately filled?

Mr. Achayya.—We have got no recognised training. Anybody that comes we train.

Mr. Boag.—You consider a month as sufficient time to give an adequate training.

Mr. Ramakrishna.—About 5 weeks. We are now getting a number of graduates.

Mr. Boag.—What do they do when they go back? After a graduate has spent some time in your farm, does he carry on the work in the village?

Mr. Ramakrishna.—That is what I expect them to do.

Mr. Boag.—Do they do that in fact?

Mr. Ramakrishna.—It is only recently people have come.

Mr. Boag.—How long have they been coming?

Mr. Ramakrishna.—For the last six months.

Mr. Boag.—Did you ask those people to let you know what they were doing?

Mr. Ramakrishna.—No.

Mr. Boag.—You don't follow them up at all?

Mr. Ramakrishna.—No.

Mr. Boag.—You have given us this estimate for 40 basin filature. What exactly were the considerations which led you to the conclusion that 40 basin filature was the most economical size?

Mr. Ramakrishna.—Capital really. If it is a bigger thing, it will be difficult for the local people to take it up.

Mr. Boag.—Do you mean to say that although a larger filature might be more profitable, more economical to run, the fact that it involves a larger initial outlay rules it out as far as you are concerned?

Mr. Ramakrishna.—Yes.

Mr. Boag.—So that it is not quite right to say that you consider 40 basin filature is the most economical.

Mr. Ramakrishna.—It is not.

Mr. Boag.—Have you considered the question from a wider aspect assuming that you are not limited by considerations of the amount of capital available?

Mr. Ramakrishna.—It is a mathematical problem and I will have to work out which is the most economical.

Mr. Boag.—You have not done that?

Mr. Ramakrishna.—No. Supposing we have got more cocoons, we can work two shifts instead of spending money on machinery and buildings.

Mr. Boag.—Even so, it doesn't still come up to the capacity of many of the filatures both in this country and in others.

Mr. Ramakrishna.—No.

Mr. Boag.—You definitely limited yourself by considerations of capital.

Mr. Ramakrishna.—Yes.

Mr. Boag.—There is another point with regard to question 30. You say that a peripatetic rearing party started at Kollegal provides practical training in microscopic examination of moths.

Mr. Ramakrishna.—Yes.

Mr. Boag.—Have any of the rearers microscopes of their own?

Mr. Ramakrishna.—The two people who took it up are the people who run the grainages.

Mr. Boag.—This was for the benefit of the people running aided grainages.

Mr. Ramakrishna.—Yes.

Mr. Boag.—Now that they have stopped work, the benefit of that has gone. In answer to question 43, you say that no Chamber of Commerce in this Province publishes the sale price of silks.

Mr. Ramakrishna.—Yes.

Mr. Boag.—I suppose strictly speaking that is correct. After all you are not very far from Bangalore and the Mysore Chamber of Commerce does publish prices.

Mr. Ramakrishna.—We have taken our figures from the Mysore Chamber.

Mr. Boag.—For all practical purposes the Mysore Chamber of Commerce does publish prices and it also publishes the prices of Kollegal silk.

Mr. Ramakrishna.—Yes.

Mr. Boag.—Can you answer the question now? Putting it in this definite form, is there any difference between the price which the Mysore Chamber of Commerce publishes for Kollegal silk and the price which the reeler obtains.

Mr. Ramakrishna.—I shall submit a statement. I am not prepared to say it off hand.

Mr. Boag.—It would be useful if we had that answer.

Mr. Ramakrishna.—Yes. This morning I was not able to give you the production of leaves because my reference books were not with me. The figures for various countries are in this book (shown). They have to be converted from hectares and kwans into acres and lbs.

Mr. Boag.—Let us go into the question of market for raw silk. The first thing I would like to clear up is this. I find that the Mysore Chamber of Commerce in quoting the rates for Kollegal silk gives a very wide range Rs. 95 to Rs. 140 per maund of 1,000 tolas.

Mr. Ramakrishna.—Yes.

Mr. Boag.—Those are the latest rates and they have been the same for some little time past. How many grades of Kollegal silk are covered by these rates? How many sorts of qualities are there?

Mr. Achayya.—According to the villages in which the reeling is done.

Mr. Boag.—There are three or four qualities?

Mr. Achayya.—Yes.

Mr. Boag.—According to the reeling centres?

Mr. Achayya.—Yes

Mr. Boag.—Certain weaving centres are producing high grade silk and certain others inferior grade silk.

Mr. Achayya.—Yes.

Mr. Boag.—What is the difference in price between each grade?

Mr. Achayya.—Not more than Rs. 20.

Mr. Boag.—Per 1,000 tolas?

Mr. Achayya.—Yes.

Mr. Boag.—The Kollegal reeler sells his silk to merchants in Kollegal?

Mr. Achayya.—Yes.

Mr. Boag.—Does any of it come into the Bangalore market?

Mr. Ramakrishna.—May come through the Bangalore merchants.

Mr. Boag.—The reeler always sells it in Kollegal?

Mr. Ramakrishna.—Yes.

Mr. Boag.—The Kollegal merchants have connections in Bangalore?

Mr. Ramakrishna.—One or two of them may have.

Mr. Boag.—With whom do they deal mostly?

Mr. Ramakrishna.—They deal mostly with Madras weavers in Conjeevaram, Dharmavaram, etc.

Mr. Boag.—How exactly do they carry on the business? When they have bought the silk from the reelers, do they wait for people to come to Kollegal to buy it or do they send it off?

Mr. Ramakrishna.—Yes, by rail. They send it off to their small traders. They don't deal direct with weavers.

Mr. Boag.—Have they agents in weaving centres?

Mr. Ramakrishna.—Yes.

Mr. Boag.—They send the silk to their agents in weaving centres?

Mr. Ramakrishna.—Yes.

Mr. Boag.—Now I should like to refer to question 45 in which you deal with the qualities of imported silk which compete with the Kollegal silk. As a matter of fact I think you have said in answer to a question of the President that you are going to give us the various qualities of imported silk which are now competing with Kollegal silk in the principal weaving centres?

Mr. Ramakrishna.—Yes.

Mr. Boag.—All that I would ask in that connection is this that you would differentiate the various qualities of Kollegal silk. You have just now said that there are three or four recognised qualities.

Mr. Batheja.—I may add with their prices.

Mr. Boag.—That of course is implied.

Mr. Ramakrishna.—Yes.

Mr. Boag.—I need not delay the Board any more on account of that. The only other point I want to raise at present is your answer to question 53, in which you say that the only way of arresting the decline of the industry is to stabilise the basic cost of cocoons at an economic level.

Mr. Ramakrishna.—Yes.

Mr. Boag.—How exactly do you contemplate doing that?

Mr. Ramakrishna.—There are both temporary and permanent factors. As regards the permanent factors, some of them are familiar to you such as the reduction of price consequent on the issue of cellular seeds.

Mr. Boag.—Reduction of price through an increased yield?

Mr. Ramakrishna.—Yes, and improvement in the yield of mulberry leaf, increasing the silk content of cocoons, and improvement in charka—the present reeling basin. As regards the temporary causes

Mr. Boag.—Before you go on to the temporary causes, have you considered at all what reduction in price is likely to be effected by the means which you have just enumerated?

Mr. Ramakrishna.—40 per cent.

Mr. Boag.—You think that the price of cocoons might be reduced by about 40 per cent.?

Mr. Ramakrishna.—Yes.

Mr. Boag.—In these three ways namely, the improvement in the yield of mulberry, the increase of supply of disease free seed and increasing the silk content of cocoons.

Mr. Ramakrishna.—The increase in the supply of disease free seed alone will bring about a reduction of 15 per cent.

Mr. Boag.—What about the reduction due to the improvement of mulberry yield?

Mr. Ramakrishna.—It is difficult to say. The total general effect would be a reduction of 40 per cent.

Mr. Boag.—Now about the temporary causes?

Mr. Ramakrishna.—Temporary causes relate to the present world depression, if it could be called so, and the fluctuations of Japanese and Chinese exchange.

Mr. Boag.—What I was leading up to is this. You would state the economic price for cocoons, I think, with reference to the present conditions?

Mr. Ramakrishna.—Yes.

Mr. Boag.—In the present conditions of the industry and of the world trade generally you would consider the economic price of cocoons as 5 annas 9 pies.

Mr. Ramakrishna.—Yes.

Mr. Boag.—You consider that the conditions of the industry might be so considerably improved that that price could be reduced by 40 per cent.?

Mr. Ramakrishna.—Yes, at least by 40 per cent.

Mr. Boag.—Further improvement in the conditions of the trade and competition with other countries and so on might lead to a further reduction still.

Mr. Ramakrishna.—Yes. Apart from that there may be a general rise in the world price level.

Mr. Boag.—With world conditions as they are, the most that you expect is 5 annas 9 pies?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Referring to the point raised by Mr. Boag about the price of cocoons I notice from your annual report that you say that six crops are reared and that the losses are two to three. How do you reconcile that statement of yours with your recent statement?

Mr. Ramakrishna.—2 to 7 is the result of our enquiries.

Mr. Batheja.—You stand by that?

Mr. Ramakrishna.—Yes. That was the subordinates' report. For this we conducted a house to house enquiry.

Mr. Batheja.—Referring again to the annual report of yours you talk of a domestic reeling plant at Peddapuram. What sort of a plant is that?

Mr. Ramakrishna.—The same as the Mysore domestic basin.

Mr. Achayya.—It was purchased in Mysore.

Mr. Batheja.—You go on further to say about the yield in the report that the steam filature worked satisfactorily but that the domestic plant had to close down?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—What was the reason for the failure of the Mysore domestic basin?

Mr. Achayya.—The reeler could not get a better price for that than the country charka silk but his working cost was more. Since the rendit was more than the country charka and he could not get a better price at

least in the Kollegal market—and in the other markets also he said he could not get a better price—he had to close down.

Mr. Batheja.—Was the quality turned out on the Mysore domestic basin superior?

Mr. Achayya.—It was superior to the charka silk.

Mr. Batheja.—Somehow he could not find a market?

Mr. Ramakrishna.—He could not find a local market.

Mr. Batheja.—Did he try it in other markets?

Mr. Achayya.—He took it to Bangalore two or three times. Even there he could not get a better value than the charka silk.

Mr. Batheja.—At what grade of charka silk was he receiving offers?

Mr. Achayya.—The best quality of charka silk.

Mr. Batheja.—Kempnagalli and Sidlaghatta?

Mr. Achayya.—Yes. He could not get more than that.

Mr. Batheja.—Mr. Amalsad, you have seen the Mysore domestic basin?

Mr. Amalsad.—Yes, only when it was exhibited.

Mr. Batheja.—Who is responsible for the construction of the Madras improved charka?

Mr. Amalsad.—Myself.

Mr. Batheja.—You must have compared it with the Mysore domestic basin?

Mr. Amalsad.—I have not compared it but I have seen the Mysore domestic basin.

Mr. Batheja.—What do you think of the Mysore domestic basin as a technical contrivance apart from its economic aspects?

Mr. Achayya.—The boiling off of the cocoons was not very uniform and also the reeling basin never kept up the uniform temperature because the water had to be brought from the boiler on to the reeling basin.

Mr. Batheja.—The temperature was not uniform?

Mr. Achayya.—It was not both in boiling as well as in the reeling basin.

Mr. Batheja.—And that affected the quality of the silk?

Mr. Achayya.—Yes. Also since it was being turned by hand, it used to give a small amount of jerk and that also affected the quality of the silk.

Mr. Batheja.—Is there any other technical defect in the basin?

Mr. Achayya.—No other.

Mr. Batheja.—How far have you succeeded in eliminating these in your improved charka?

Mr. Amalsad.—Either in the improved charka or in the Mysore domestic basin there is no means of maintaining a uniform temperature of water in the reeling basin. Even in the power filature although the reeling basin is connected with the boiler by means of a pipe, the reeler has to open steam valve in order to admit steam for raising the temperature. There is no automatic arrangement. There is not much room for technical improvement either. The principle is to concentrate on the cutters which will give a uniform denier.

Mr. Batheja.—When your attention was drawn to that point by my colleague, you said that if the temperature was not uniform and if the motion was not uniform, certain defects would arise. I want to know how far you are able to eliminate these defects which you have found in the Mysore domestic basin in your province?

Mr. Amalsad.—Even in the case of a power filature, there is no automatic motion whereby the heat can be let into the water or cut off. You have to regulate it by hand and people generally know it by the feel of the hand. In a power filature there is always a Superintendent who is constantly watching. He goes round and says "This water is high and this water is low". In our machine we depend solely upon the reeler in

opening the tap for hot water and emptying the dirty water. It is also a question of supervision.

Mr. Batheja.—That defect can be eliminated if there is proper supervision.

Mr. Amalsad.—Yes.

Mr. Batheja.—What about the lack of uniformity and motion? In the filature the motion is more uniform and therefore better quality of silk is turned out.

Mr. Amalsad.—That is true.

Mr. Batheja.—Have you been able to minimise the defect?

Mr. Amalsad.—There is nothing wrong in the machine.

Mr. Batheja.—In your charka there is a fly wheel to regulate the motion?

Mr. Amalsad.—Yes. It doesn't completely eliminate it, but certainly reduces the defect.

Mr. Boag.—I understand that the Mysore Domestic Basin has a gearing.

Mr. Ramakrishna.—I have no idea of the Mysore basin.

Mr. Batheja.—Were there any other considerations besides the question of capital which made you think of regarding the 40 basin unit as a proper unit?

Mr. Ramakrishna.—There will be difficulty of supplying cocoons.

Mr. Batheja.—Will there be difficulty in getting skilled labour in one place?

Mr. Ramakrishna.—In a big place like Kamakarai, there may be no difficulty.

Mr. Batheja.—A big filature of say 200 basins?

Mr. Ramakrishna.—It may be difficult.

Mr. Batheja.—It would necessarily imply a large supply of skilled labour.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Would there be difficulty in getting a supply of skilled labour?

Mr. Ramakrishna.—It should not be difficult to get skilled labour. We might recruit from different villages.

Mr. Batheja.—Do you think that the present labourers or workers who are accepting low wages in the area in which they are working could be induced to go to a big filature and work at the same wage?

Mr. Ramakrishna.—It may not be possible. The bigger the institution the higher will be the rate of wages, because the labour leaders will come and naturally demand more wages for the labourers.

Mr. Batheja.—There may be labour troubles.

Mr. Ramakrishna.—There may not be exactly labour troubles. The question of unions and other things will crop up. They won't generally agree to work on lower wages.

Mr. Batheja.—Will the larger filatures be able to buy cocoons in very large quantities and thus bring down the price?

Mr. Ramakrishna.—I don't think that will have any effect.

Mr. Batheja.—How did you work out the figures? Are they based on any experience of yours?

Mr. Ramakrishna.—They are theoretical calculations. Also we have got some information from Mr. Silva—1½ lbs. per day. I have also taken from Mr. Silva's filature the cost of fuel and cost of labour.

Mr. Batheja.—Is it possible to reduce the costs after some time?

Mr. Ramakrishna.—That is the lowest level to which we can go to.

Mr. Batheja.—Rs. 7 per pound.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—And the quality of silk turned out will be just like filature silk.

Mr. Ramakrishna.—The only difference is that the machinery will be built in India instead of being imported from France or Italy.

Mr. Batheja.—That is how you cut down the cost?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—If the costs do go down at all, they will go down chiefly in the price of cocoons.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—There is no other possibility of reducing the costs.

Mr. Ramakrishna.—No.

Mr. Batheja.—Nor is there any other possibility of reducing the costs in your improved charka except in the price of cocoons?

Mr. Ramakrishna.—No other possibility.

Mr. Batheja.—You think that all the staff is necessary?

Mr. Ramakrishna.—Yes. It is based on Mr. Silva's experience.

Mr. Batheja.—Mr. Silva expects that there will be reduction in the operating costs.

Mr. Ramakrishna.—He probably took a higher figure and then expected reduction.

Mr. Batheja.—In the correspondence which the Madras Government exchanged with the Government of India when it applied for protection, the costs which are given per pound of Kollegal silk are materially higher and it is even asserted that the price of Kollegal silk cannot go down below a certain level. I cannot get hold of the figure. It seems to me to be a pretty high figure.

Mr. Ramakrishna.—It is Rs. 5-12-0.

Mr. Batheja.—I think it was in the letter dated 18th June, 1930, which Mr. Ramamoorthy sent to the Government of India. There it is stated that Kollegal silk will pay only if it is sold at Rs. 14 per pound.

Mr. Ramakrishna.—Yes, which year was that?

Mr. Batheja.—18th June, 1930, when the Madras Government made the first claim to protection.

Mr. Ramakrishna.—I am not aware of the circumstances under which that letter was written. The only explanation that I could offer was at the beginning the crop must have been paying a higher return.

Mr. Batheja.—In 1930?

Mr. Ramakrishna.—Probably Government's letters are based on information of 1929 figures.

Mr. Batheja.—In 1930 the full effect of the depression was felt with regard to all agricultural commodities, isn't that so?

Mr. Ramakrishna.—Certainly it was.

Mr. Batheja.—At that time that was regarded as irreducible minimum. Kollegal's silk will pay only if it is sold at Rs. 14 per pound, and now the minimum has been reduced to about Rs. 8. Can you find out how this figure was arrived at?

Mr. Ramakrishna.—I can only do it after going to Madras.

Mr. Batheja.—Will you oblige me by looking at the figures which were supplied to the Government on which this statement is made? If you could give me figures, they might be instructive for purposes of comparison. What has happened in the meanwhile?

Mr. Ramakrishna.—They were merely based on a report without detailed investigation. Any how I shall look into that.

Mr. Batheja.—I am reluctant to believe a statement made without any examination by the Government of Madras unless you say so.

Mr. Ramakrishna.—I don't say so.

Mr. Batheja.—In that correspondence you also try to explain the wide variations in the price of Kollegal silk in reply to Mr. Drake's enquiry and you made the statement.

Mr. Ramakrishna.—Which letter is it?

Mr. Boug.—29th November, 1932, just a month before the enquiry was referred to the Tariff Board.

Mr. Batheja.—In that letter to the Government of India, the Madras Government says: "These fluctuations are, however, due to special causes of a local or seasonal character, e.g., the volume and vigour of the cocoon crop, the irregular demands of reelers, etc., in short, to factors typical of a somewhat primitive and unorganised industry". I don't understand that.

Mr. Ramakrishna.—Those are given as instances.

Mr. Batheja.—Could you amplify the statement? That was when you were probably the Director of Industries. I want to understand the statement 'volume and vigour of the cocoon crop'.

Mr. Ramakrishna.—If there is a bumper crop of cocoons, naturally the number of reelers being limited, the price is reduced.

Mr. Batheja.—I take it that the prices of Kollegal cocoons are governed by Bangalore market prices.

Mr. Ramakrishna.—Not necessarily. As pointed out by my Assistant the Mysore Domestic basin silk doesn't fetch the same price in the Kollegal market as it does in the Bangalore market.

Mr. Batheja.—Let us concentrate on the price of cocoons as a factor in the price of raw silk.

Mr. Ramakrishna.—The demand of reelers depends upon the demand of silk and the demand of silk depends upon the marriage season.

Mr. Batheja.—That means the price of cocoons varies with the price of raw silk.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Here you must try to explain why the Kollegal silk varies so much in price when the price of foreign silk does not vary so much.

Mr. Ramakrishna.—The same variation must have been found in the Mysore silk also during that particular period.

Mr. Batheja.—The point is while the price of Kollegal silk varies in such a violent fashion, the price of the competing article doesn't vary. That was the point of Mr. Drake's question addressed to the Madras Government.

Mr. Ramakrishna.—Will you kindly see the graph?

Mr. Batheja.—The graph will explain the variations in the imported silk.

Mr. Ramakrishna.—Also Kollegal silk.

Mr. Batheja.—Do you argue that exchange is a serious factor?

Mr. Ramakrishna.—This graph shows very violent fluctuations.

Mr. Batheja.—Your point is that some of the fluctuations may be explained by the fluctuations in the price of the imported silk.

Mr. Ramakrishna.—That is one of the factors. Another factor is the supply during that quarter of imported silk. In the quarter beginning from September to December, 1931, the import into the country was only 2·68 lakhs of lbs. as against 6·4 lakhs in the subsequent quarter and 7·4 in the quarter succeeding that.

Mr. Batheja.—That means the price of Kollegal silk depends upon the supply of foreign silk.

Mr. Ramakrishna.—That is one of the factors. Another factor is there is this marriage season coming also in December and the production has fallen.

Mr. Batheja.—Another reason is the irregular demand of reelers.

Mr. Ramakrishna.—Yes. That depends upon the demand for raw silk and the demand for raw silk depends upon the marriages.

Mr. Batheja.—When you considered the fluctuations of the price of Kollegal silk, what price had you in view? In reply to Mr. Boag you said Kollegal silk consisted of different varieties. Were you thinking of the price of one quality?

Mr. Ramakrishna.—Really it depends upon the reeler.

Mr. Batheja.—In quoting prices in the discussion of the question what quality had you in view?

Mr. Ramakrishna.—That is the lowest quality. The largest amount of Kollegal silk is of the cheapest variety.

Mr. Batheja.—In making an application for protection, the Madras Government when comparing the price of Kollegal silk with the price of foreign silk had always in view the price of the cheapest variety. Will that be a correct statement?

Mr. Ramakrishna.—The lowest priced Kollegal silk.

Mr. Batheja.—On the other hand the price of Kollegal silk was compared to Yellow Shanghai.

Mr. Ramakrishna.—Yes. I have only compared with the cheapest Yellow Shanghai.

Mr. Batheja.—What variety was mentioned? Yellow Shanghai is a big term.

Mr. Ramakrishna.—In December when I sent up my letter, this was the silk I had in view (handed in soso quality).

Mr. Boag.—The Madras Government in their letter dated 29th November, 1932, say "The current market price of Yellow Shanghai is now quoted at Rs. 3-10-0 a lb."

Mr. Ramakrishna.—Subsequently there was a letter from me wherein I quoted Rs. 2-0-6.

Mr. Boag.—That was the communication you sent us.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—I shall give you the extract from Mr. Drake's letter. "It appears that while the prices of 'Yellow Shanghai' have remained at Rs. 5 to Rs. 6 per lb. during the period from January, 1928, to June, 1932, there have been extreme fluctuations in the prices of Kollegal silk".

Mr. Ramakrishna.—Yes.

Mr. Batheja.—So that Mr. Drake assumes for the purpose of discussion the price of Yellow Shanghai was Rs. 6. Then you gave a different price.

Mr. Ramakrishna.—Yes, Rs. 3-12-0.

Mr. Batheja.—When you gave a different price, what variety of Yellow Shanghai had you in view? It could not be soso.

Mr. Ramakrishna.—No. Soso was subsequently brought to my notice.

Mr. Batheja.—The current price of Yellow Shanghai is now quoted. What was meant by Yellow Shanghai?

Mr. Ramakrishna.—That is one of the varieties.

Mr. Boag.—Which variety?

Mr. Ramakrishna.—I shall supply that information later.

Mr. Batheja.—You have promised to give me a statement showing what classes of imported silk compete with your Kollegal silk?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—So I won't ask any questions about that point. Can you grade Kollegal silk? In reply to question 42 you say that no system of sorting and grading of country raw silk is at present in vogue, and that you desire that a silk sorting house should be established for grading.

Mr. Ramakrishna.—Yes. If we are going to grade, the charka silk will go out of existence.

Mr. Batheja.—Can there be grading under the improved charka system?

Mr. Ramakrishna.—That is what I have in view.

Mr. Batheja.—Grading is possible there?

Mr. Ramakrishna.—No.

Mr. Batheja.—So you are not referring to the improved charka silk.

Mr. Ramakrishna.—No.

Mr. Batheja.—Do the qualities of different grades of Kollegal silk remain uniform or do they vary from year to year?

Mr. Ramakrishna.—They vary tremendously.

Mr. Batheja.—From the same manufacturer?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Does the same individual tend to produce the same quality of silk?

Mr. Ramakrishna.—There will be variation.

Mr. Batheja.—Will there be wide variations?

Mr. Ramakrishna.—Fairly wide variations.

Mr. Batheja.—Are they so wide that the price given to the same maker is affected?

Mr. Ramakrishna.—To some extent.

Mr. Batheja.—What are the variations detected by the import merchants.

Mr. Ramakrishna.—By the merchants who purchase at Kollegal. They are responsible to the dealers in the other markets. So they take an interest in buying proper quality, otherwise the weavers may not accept the consignment.

Mr. Batheja.—How do these dealers classify the Kollegal silk? Have they got a system of classification different from that of the reeler?

Mr. Ramakrishna.—The reeler takes the silk round to a number of merchants and the merchants select it.

Mr. Batheja.—They fix the price?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—When the merchant sends it to his market, does he try to classify the silk into various grades according to price?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—And that division corresponds to the division which you refer in reply to a question from Mr. Boag?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—There is no other division?

Mr. Ramakrishna.—No.

Mr. Batheja.—In reply to question 46, you have referred to the indirect assistance which importers of silk receive by the removal of an export duty. What is your proof for that statement?

Mr. Ramakrishna.—We got the information from a silk merchant in Kollegal. He received a letter from China and we have taken a copy of that.

Mr. Batheja.—That was the letter you showed us at Kollegal?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Are you aware whether any bounty is also given in addition to the remission of the export duty?

Mr. Ramakrishna.—I have no information.

Mr. Batheja.—You say that you are in favour of abolishing the fixed tariff values. Supposing that is not possible on administrative grounds, have you any alternative proposal?

Mr. Ramakrishna.—I believe that it will conduct to administrative efficiency if we abolish the fixed tariff valuations.

Mr. Batheja.—Does the soso silk priced at Rs. 2-0-6 seriously compete with Kollegal silk?

Mr. Ramakrishna.—That is the latest thing that has come into the market.

Mr. Batheja.—Does it compete with your Kollegal silk?

Mr. Ramakrishna.—If it is allowed for any length of time, it will displace it.

Mr. Batheja.—You have got at present no evidence that it has displaced Kollegal silk?

Mr. Ramakrishna.—It just came into the market.

Mr. Boag.—Have you got the quantities?

Mr. Ramakrishna.—Only very small quantities are imported.

Mr. Batheja.—As regards the intrinsic silk, there is no comparison between the soso silk and the Kollegal silk?

Mr. Ramakrishna.—When the weaver buys, he passes it off to the consumer who buys the cheapest silk. That is one of the unfortunate characteristics of our market.

Mr. Batheja.—Do you seriously maintain that the Kollegal silk requires protection against this soso silk?

Mr. Ramakrishna.—Yes in the end it will. It may not require protection at the moment, but in the end it will.

Mr. Batheja.—Referring to the fluctuations of prices of silk on account of greater demand during the marriage season, I take it that period of marriage season which you have given is uniform for the whole of South India.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Mysore silk must be suffering from the same fluctuations?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—What is the difference in price generally due to?

Mr. Ramakrishna.—It depends upon the stock available, because if the production is small and if there is a sudden demand like the Sarda Act Marriage season, it would affect.

Mr. Batheja.—Have the Kollegal merchants got large stocks of silk?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Are they able to sell all the silk that they produce at the price mentioned in the Association's Report?

Mr. Ramakrishna.—Yes. Cultivation is adjusting itself to demand.

Mr. Batheja.—That may be. I want a clear answer to this question: Are the Kollegal merchants able to dispose of all their stock at the prices mentioned in the Silk Association's Report?

Mr. Ramakrishna.—The prices are Rs. 3-12-0 to Rs. 5-8-0 a lb.

Mr. Batheja.—There are no stocks in Kollegal?

Mr. Ramakrishna.—No.

Mr. Batheja.—You have no reason to believe that there are unsold stocks lying at Kumbakonam and Bangalore.

Mr. Ramakrishna.—No.

Mr. Batheja.—Those are the markets which you feed?

Mr. Ramakrishna.—Yes.

President.—I would like to discuss with you the question of protection and the respective duties. I take it that your most recent proposals which are supported by your Government are that you would like protection for a period of ten years with a specific duty of Rs. 3-12-0 on all imported silk?

Mr. Ramakrishna.—Yes.

President.—That duty you have based on the lowest price of silk which is now imported into Madras at Rs. 2-0-6 and Rs. 3-12-0 added to it will make Rs. 5-12-6 which is the price of Kollegal charka silk?

Mr. Ramakrishna.—Yes.

President.—The second proposal of yours is that there should be a correlated duty on silk fabrics?

Mr. Ramakrishna.—Yes.

President.—Your proposal is there should be an *ad valorem* duty which should be raised from 50 per cent. to 100 per cent?

Mr. Ramakrishna.—Yes.

President.—The next proposal is that there should be a duty on silk yarn, noils and warps?

Mr. Ramakrishna.—Yes.

President.—What is your proposal for that?

Mr. Ramakrishna.—The same specific duty.

President.—You want a specific duty on silk yarn, noils and warps?

Mr. Ramakrishna.—Yes.

President.—What do you base this specific duty on? What price have you taken into consideration?

Mr. Ramakrishna.—As regards silk yarn, noils and warps, I must confess I have not made any study of it.

President.—Would you like to defer the question as to what kind of protection you would require, whether you want any duty and if so what kind of duty and on what sorts?

Mr. Ramakrishna.—Yes.

President.—When you are considering the question of silk yarn, noils and warps you have in mind the question of spun silk?

Mr. Ramakrishna.—Yes.

President.—Which I find is coming in very large quantities?

Mr. Ramakrishna.—Yes.

President.—The Board asked the different Collectors of Customs to send in the figures as distinct from silk yarn, noils and warps. The figures we have got are:—

	lbs.
1928-29	66,418
1929-30	157,000
April to February this year	290,000

Mr. Ramakrishna.—Yes.

President.—I suppose you had that in mind when you were discussing the question of duty on this.

Mr. Ramakrishna.—Yes.

President.—But I find that as far as Madras is concerned, the figure is very low.

Mr. Ramakrishna.—The Madras figures are very low because Madras is a market which has the chance of supplying the rest of India.

President.—As far as Madras is concerned, the main competitor to the Indian silk is the artificial silk in which there is an enormous increase in the imports. In 1931-32 the figure was 1,917,380 lbs., whereas in 10 months the artificial silk has gone up to 3,592,455 lbs. I want to know whether you have got any proposals to make with regard to the artificial silk.

Mr. Ramakrishna.—I was not aware that the Board would consider that.

President.—If it is seriously hampering

Mr. Ramakrishna.—It is certainly hampering.

President.—If it is seriously hampering the growth of silk industry in India, then it is within the purview of the Board to consider that question.

Mr. Ramakrishna.—I shall send you a considered note on the subject.

President.—As far as the silk fabrics are concerned I take it that 50 per cent of their cost is the cost of raw silk?

Mr. Ramakrishna.—Yes.

President.—You have given me as between 42 and 58 per cent. If I take the average it comes to about 50 per cent?

Mr. Ramakrishna.—It varies between 42 and 58 per cent.

President.—If I took it at 50 per cent., you would have no objection?

Mr. Ramakrishna.—No.

President.—As regards the subsidy you have mentioned a figure of 15½ per cent.?

Mr. Ramakrishna.—Yes.

President.—I do not know whether you would like that figure to be maintained. I take it that your object is that some percentage of the duty should be given to the provinces which are doing sericultural work for their propaganda and research work to be carried on in connection with sericulture?

Mr. Ramakrishna.—Yes.

President.—If I took it at 50 per cent. you would have no objection?

Mr. Ramakrishna.—No.

President.—You would require a reasonable figure if the Board so decided to suggest that it should be given to the provinces which are devoting themselves to the question of sericulture.

Mr. Ramakrishna.—Yes.

President.—Now the question that arises has reference to question 60. You have already informed the Board that if protection is granted there is a reasonable chance of the cost being reduced by about 40 per cent.?

Mr. Ramakrishna.—Yes.

President.—And you consider that this reduction of 40 per cent. is easily attainable within the period of ten years?

Mr. Ramakrishna.—Yes.

President.—If I take your model which produces at the cost of Rs. 7 a lb. it works out roughly as about Rs. 4—I mean the reduction of 40 per cent. would roughly work out to Rs. 4. Do you think that after a period of ten years the Indian silk would be able to command a market at the rate of Rs. 4?

Mr. Ramakrishna.—Yes.

President.—As regards the model factory you have attached a condition to it by saying that as far as Kollegal is concerned you consider that unit to be the most economical unit?

Mr. Ramakrishna.—Yes.

President.—I take it that when you were considering the figures for your model factory you were constantly in touch with the conditions at present in vogue at Kollegal—I mean with the filature there at present?

Mr. Ramakrishna.—Yes, and also the likelihood of some other merchants of Kollegal starting a factory. If it is to cost more, they would not.

President.—You have made a statement to the effect that you would not consider that 40 basin filature as a real economic unit to be adopted for India?

Mr. Ramakrishna.—I mean if a real economic unit is needed, then the best thing is to try and increase the size as much as possible.

President.—What would you consider as a reasonable size?

Mr. Ramakrishna.—Say, 200 basins.

President.—You would consider for the whole of India the reasonable size would be 200 basins.

Mr. Ramakrishna.—I have not worked it out but it is certainly more than 40 basins.

President.—Your idea which is I think reasonable is this. If there is a small capital and if the production can be turned out somewhere near 7 lbs. there is a likelihood of the filatures being increased in India to some extent?

Mr. Ramakrishna.—Yes.

President.—Therefore by that means it would lend itself to the rapid development in the production of uniform silk in India?

Mr. Ramakrishna.—Yes.

President.—You think that it is likely that a number of people would go in for 40 basin filature if protection is granted?

Mr. Ramakrishna.—There would be no difficulty about it.

President.—If a filature of 40 basins is started, to the extent that they will be able to sell silk at somewhere about Rs. 7-12-0 to Rs. 8 it would be a feasible proposition to try it.

Mr. Ramakrishna.—Yes.

President.—The only other point which remains is the question about linked organisations. I would like to take that question up when I am discussing the handloom questionnaire. The other point is the cost of cocoons. You pay great importance to the cost of cocoons for the simple reason that unless the cost of cocoons is made an attractive proposition it is likely that the mulberry cultivation may go out altogether?

Mr. Ramakrishna.—Yes.

President.—Your price is somewhere near 6 annas?

Mr. Ramakrishna.—5 annas 9 pies.

President.—If I, in my calculations of costs for a filature, fix the price at somewhere near 6 annas per lb. of cocoons, do you think that it is quite a reasonable price which would induce the cultivator to keep on to the mulberry and which would also induce those who have given up mulberry cultivation to take it up once more?

Mr. Ramakrishna.—Yes, that would be a sufficiently attractive price under present conditions.

Mr. Boag.—There are only a few points which I want to raise. The first is with regard to your proposal of a specific duty of Rs. 3-12-0. That proposal is based on the difference in price between the lowest quality of Chinese silk imported into the country and the best quality of Kollegal silk?

Mr. Ramakrishna.—Not our best silk. Rs. 5-12-0 is our lowest quality, because our filature silk is our best quality.

Mr. Boag.—The quantity of your filature silk is so small that for practical purposes it can be ignored. Your Rs. 5-12-0 represents the best quality of the charka silk. You have mentioned there are 4 qualities. From the statement I find that the highest price quoted is Rs. 140 per maund of 1,000 tolas. As far as I can see, it is something like 5 rupees 9 annas per lb.

Mr. Ramakrishna.—That is not an economic price.

Mr. Boag.—That is the present highest price that you can expect.

Mr. Ramakrishna.—I want my lowest grade silk to get that price.

Mr. Boag.—What proportion of the production of charka silk in Kollegal is in your lowest grade?

Mr. Ramakrishna.—Most of it is in the lowest grade.

Mr. Boag.—What percentage would you say?

Mr. Ramakrishna.—80 per cent.

Mr. Boag.—How much in the first grade?

Mr. Ramakrishna.—There will be very little.

Mr. Amalsad.—There are some reelers who reel both the first quality and the last quality.

Mr. Boag.—We may take it that practically the whole of it is lowest grade?

Mr. Ramakrishna.—Yes.

Mr. Boag.—Your proposal for protection is based on the difference between the prices of your lowest quality and the lowest quality of imported silk?

Mr. Ramakrishna.—Yes.

Mr. Boag.—In answer to one of the President's questions you said that you were going to send in a supplementary note regarding the duty on yarn including spun silk, noils and warps?

Mr. Ramakrishna.—Yes.

Mr. Boag.—I should like to ask how you have arrived at your proposal for an increase in the duty on imported silk cloth from 50 to 100 per cent?

Mr. Ramakrishna.—At present the duty on silk is 25 per cent.

Mr. Boag.—You mean on raw silk?

Mr. Ramakrishna.—Raw silk in a finished cloth represents about 50 per cent. of the total cost. We have proposed a duty of Rs. 3-12-0 as the minimum specific duty. Let us take Rs. 2-8-0 or somewhere about that as the general average price of imported silk.

Mr. Boag.—You put the average price of imported silk at Rs. 2-8-0.

Mr. Ramakrishna.—Let us take it at Rs. 2-8-0. If cloth is manufactured with that

Mr. Boag.—Before you go any further, does your Rs. 2-8-0 represent your market price including the duty?

Mr. Ramakrishna.—That is the landed price.

Mr. Boag.—That is ex-duty price.

Mr. Ramakrishna.—Yes. Then there is Rs. 3-12-0 which works out to about 150 per cent. Half the value of the cloth is raw silk and the other half is the cost of manufacture. At present cloth is protected to the extent of 50 per cent. Half of it is raw material and half of it is labour charges.

Mr. Boag.—You mean of the value of the silk cloth.

Mr. Ramakrishna.—Yes. We take one rupee as the price of a piece of cloth out of which half a rupee is yarn and half a rupee is manufacturing charges. On half a rupee, the 25 per cent. duty comes to 2 annas. This 2 annas will be raised according to my proposal to 150 per cent., i.e., 12 annas. The duty on the raw material works out at about 12 annas and then on the other half it is 50 per cent. That is 4 annas. So it works out at about one rupee. There is one thing against this and that is in the case of higher class of cloth, it may work a little adversely.

Mr. Boag.—I should have thought that 100 per cent. was pretty severe on any class of cloth. I should like to put one question to you. It may possibly have more connection with the handloom weaving industry. Isn't there a danger that if you raise the price of silk goods to this extent that the handloom weaver of silk goods may find that the price of the goods he produces is raised so high that he cannot sell them?

Mr. Ramakrishna.—He has got the advantage of the foreign cloth not entering the country.

Mr. Boag.—You are not going to keep all the foreign goods out. You can't expect to do it.

Mr. Ramakrishna.—No.

Mr. Boag.—If the duty on foreign goods is raised to 100 per cent., you must expect a corresponding increase may not necessarily be to the same extent, but there will be some increase in the price of the Indian made goods.

Mr. Ramakrishna.—Not necessarily. The case is different here. We have got so many handlooms that from cotton can change over to silk. When the wage level of the weaver rises, above say a rupee, there will be so many coming into competition with the result that the prices will be kept down.

Mr. Boag.—That might be so if your weavers were all of their own but I understand from the report that you have given us that your weavers

are mostly in the hands of middle men and I don't think you can expect that amount of competition in those circumstances.

Mr. Ramakrishna.—If a subsidy is granted, one of the things I propose to do is to organise the weavers into Co-operative Societies.

Mr. Boag.—I am not quite sure that it is quite within the purview of any subsidy for the improvement of the Sericultural industry. That is by the way. You would consider the desirability of using any money that might become available for the improvement of the Handloom weaving industry as well as the Sericultural industry?

Mr. Ramakrishna.—Yes, the whole of the Sericultural industry including the weaving industry.

Mr. Batheja.—In reply to question 55, you say that 16½ per cent. of the proceeds from the revenue derived from the imposition of the enhanced duty may be granted as a subsidy. Do you expect an increase in the revenues as a result of the duties which you have proposed?

Mr. Ramakrishna.—For some years to come there will be an increase. In 1925-26 we imported something like 13 lakhs of lbs.

Mr. Batheja.—What year are you referring to?

Mr. Ramakrishna.—1925-26, when we had the largest crop under mulberry cultivation.

Mr. Batheja.—When the purchasing power of Indian masses was necessarily very high.

Mr. Ramakrishna.—Yes, we had 13½ lakhs of lbs. this year.

Mr. Boag.—This year for 10 months it is 27½ lakhs.

Mr. Ramakrishna.—I have calculated my duties only on the basis of 13 lakhs of lbs. I expect the other 14 lakhs of lbs. to be replaced by locally produced silk in the course of a few years. So on the basis of 13-25 lakhs of lbs. if we have the specific duty of Rs. 3-12-0 per lb. it would give an income of Rs. 45 lakhs and the Government would have got on 27½ lakhs of lbs. On the basis of the first quarter, Rs. 28 lakhs would be the revenue derived by the Government of India. That would give them more than Rs. 20 lakhs.

Mr. Batheja.—That doesn't presume that the demand for silk is an inelastic one, as if it is a demand for salt or dal or rice.

Mr. Ramakrishna.—It can't go below 13 lakhs of lbs.

Mr. Batheja.—You cannot dispense with salt, but you can easily dispense with silk.

Mr. Ramakrishna.—In 1925-26 the price level of silk was Rs. 311. It has gone down to 93 in 1931. These are the Italian figures.

Mr. Batheja.—It seems to me that the whole thing is theoretical. After all you cannot reconcile two things at the same time. Either the duty must be protective. If it is effective, it must keep away the goods. If the goods are kept out, there is no revenue. How can you have revenue and protection at the same time.

Mr. Ramakrishna.—For a few years there will be income. Ultimately the revenue will vanish.

Mr. Batheja.—For a few years we will have both revenue and protection.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—That means goods are coming in.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Then your industry is not protected.

Mr. Ramakrishna.—Instead of 27 lakhs we will be getting 13½ lakhs, less than half.

Mr. Batheja.—Supposing there is an increase of revenue under the protective duty which you are proposing, does the present constitution admit of any grant to the Indian States?

Mr. Ramakrishna.—We need not go into the question of Indian States.

Mr. Batheja.—Your proposal is confined to Madras and Bengal?

Mr. Ramakrishna.—Assam and Bihar and Orissa.

Mr. Boag.—Is not "Development" a provincial subject?

Mr. Ramakrishna.—Yes, but Sugar is a provincial subject. The Government of India have given a grant. So they have departed.

Mr. Boag.—Not direct?

Mr. Ramakrishna.—Through the Imperial Council of Agricultural Research. Even for this we must have a body.

Mr. Batheja.—Supposing a bounty is granted, what is the percentage that should be given to the provinces?

Mr. Ramakrishna.—I would leave it to the Board.

Mr. Batheja.—I want to understand the question of principle involved. I suppose the Government of India will expect to see that the money is properly spent.

Mr. Ramakrishna.—The organisation I would suggest.

Mr. Batheja.—How will it find out whether the money which has been given for this purpose is being properly used and not in aid of general revenues?

Mr. Ramakrishna.—It can lay down a condition that sericultural provinces must contribute a certain proportion. If they put in 50 per cent., they will give another 50 per cent.

Mr. Batheja.—As an experienced administrator you must be aware of the difficulties that are met with when grants are given to District Boards and Municipalities.

Mr. Ramakrishna.—We are a Provincial Government.

Mr. Batheja.—While the Provincial Government has definite means of seeing that the grants to Municipalities and District Boards are properly utilised, what means have the Government of India?

Mr. Ramakrishna.—We are their representatives; we will look after their interests.

Mr. Batheja.—If protection is granted to the Raw Silk industry, is it also necessary to protect the production of cocoons in India?

Mr. Ramakrishna.—It automatically follows. If protection is granted to raw silk, it follows that protection is granted to cocoons.

Mr. Batheja.—It may happen this way: suppose protection is granted and as a result of the increase in the price of raw silk, big filatures are set up and these big filatures instead of buying indigenous cocoons may find it cheaper and more convenient to import cocoons from China. Will it be necessary to have a special duty for cocoons also? You have not made any proposal about that.

Mr. Ramakrishna.—Though they are found in the Customs Schedule, they are not imported.

Mr. Batheja.—The industry has got many leaks and all the leaks have got to be stopped. Instead of sending raw silk, suppose they send cocoons.

Mr. Ramakrishna.—Give us a specific duty of Rs. 3-12-0 on cocoons as well.

Mr. Boag.—Is the import of cocoons a practical possibility?

Mr. Ramakrishna.—Yes if the existing duties are allowed to continue on cocoons, there will be an Indian filature industry.

Mr. Batheja.—If Chinese are able to send filature silk at Rs. 4-11-0, the price of their cocoons must be very low.

Mr. Ramakrishna.—At present it is 25 per cent. *ad valorem*. That is nothing.

Mr. Batheja.—For cocoons?

Mr. Ramakrishna.—Yes.

Mr. Boag.—There was a time when 25 per cent. was a very high duty and that too not very long ago. Now you say that it is nothing.

Mr. Batheja.—You have proposed a specific duty of Rs. 3-12-0.

Mr. Ramakrishna.—Yes and also empower the Governor General in Council to vary the duty if necessary.

Mr. Batheja.—You want to cover that margin. You want this protection for 10 years?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—And you expect after 10 years as a result of the great improvements made by you, the price of a pound of raw silk will go down to Rs. 4.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—That means you won't be able to satisfy the third condition of the Fiscal Commission.

Mr. Ramakrishna.—At present world factors are operating.

Mr. Batheja.—I want you to understand the point. The present price of your filature silk is Rs. 7 per pound.

Mr. Ramakrishna.—I propose to bring it down to Rs. 5-12-0.

Mr. Batheja.—I am talking of your filature.

Mr. Ramakrishna.—The filature silk doesn't compete with my lowest class.

Mr. Batheja.—Are you not protecting filature silk?

Mr. Ramakrishna.—That will also be automatically protected, because the filature silk will probably be about Rs. 4 and this Rs. 3-12-0 will make it Rs. 7-12-0. It will be 3 years before we get the workers trained and before we can attain the production of $1\frac{1}{2}$ lbs. per day per basin.

President.—With regard to the silk fabrics, Mr. Ramakrishna, I thought you wanted a duty corresponding to the 50 per cent. increase of the silk fabrics on account of the duty on raw silk.

Mr. Ramakrishna.—That would satisfy me. Probably a little more margin will help the Indian handloom industry. I don't want much. A little more than that will suffice.

President.—You are at present not able to give me the exact figure.

Mr. Ramakrishna.—I have worked out that.

President.—The way you have worked out is rather complicated. You took the price of raw silk as Rs. 2-8-0.

Mr. Ramakrishna.—100 per cent. will certainly protect every possible class of competition. Less than that is what will be achieved in the case of a number of articles.

President.—You not only want the duty on account of the increase in the price of raw silk, but an additional duty over and above that.

Mr. Ramakrishna.—I am not very particular about that.

President.—You would be satisfied with 50 per cent.?

Mr. Ramakrishna.—Yes.

President.—With regard to the filature of yours, I take it if the filature is established now you would not be able to produce silk at the rate of Rs. 7 per lb.

Mr. Ramakrishna.—No, because my production will be only 12,000 lbs. instead of 18,000 lbs. per annum.

President.—With regard to this question about the handlooms, the figure that is given by you in question No. 1 is an underestimate.

Mr. Ramakrishna.—Yes.

President.—193,000 is the total number of handlooms at present working in this Presidency.

Mr. Ramakrishna.—Because we appointed a special officer to survey the Cottage Industries. That was before the Census. His figure was much higher than that.

President.—The total number of persons is 486,000.

Mr. Ramakrishna.—Yes.

President.—At present the position is more or less the same.

Mr. Ramakrishna.—We have got to increase the percentage in accordance with the increased percentage of the population. These are the Census figures.

President.—Have you been able to get the latest figures?

Mr. Ramakrishna.—1931 is the latest year for which we have figures.

President.—You are not able to give us figures later than that.

Mr. Ramakrishna.—No.

President.—The prices that you have given me are prices of raw silk?

Mr. Ramakrishna.—Yes.

President.—Kollegal and Mysore handreeled silk?

Mr. Ramakrishna.—Yes.

President.—That is Rs. 5-12-0 plus 4 annas for re-reeling? What is the price additional here?

Mr. Ramakrishna.—Rs. 6 to 8 you mean?

President.—Yes.

Mr. Ramakrishna.—Part of it is to cover transport charges.

President.—It is called Kollegal and Mysore hand reeled silk?

Mr. Ramakrishna.—That is charka silk.

President.—That is Rs. 5-12-0?

Mr. Ramakrishna.—Including re-reeling.

President.—What is the cost of re-reeling per lb. of silk?

Mr. Ramakrishna.—I shall supply the information later.

President.—The bulk of the Chinese silk is Chinese filature silk which is priced Rs. 6 to 7-8-0. All these require explanation if you can give me from the beginning up to Filature reeled thrown silk. The price as regards throwing I suppose is Rs. 1-4-0 to Rs. 1-8-0. Is that correct?

Mr. Ramakrishna.—Yes. Hand-twisted is about Rs. 1-4-0. In the case of a factory in Bangalore it is Rs. 1-4-0 but there are factories at Kollegal where we find Rs. 1-12-0.

President.—What is the nature of the work done by Government with regard to weaving? Will you be able to tell us something about it? I want to know what kind of work Government is going at present with regard to weaving, throwing and development of handloom industry?

Mr. Amalsad.—A few years ago it was considered necessary to send round peripatetic parties throughout the Presidency with a view to help the handloom weavers to take to fly shuttle weaving so that they may increase the output of the loom. After about 10 years we have succeeded in introducing 1½ lakh slays throughout the Presidency. After a Committee appointed by the Madras Government had reported, it was considered that further propaganda work in this particular direction of introducing fly shuttle slays was not necessary and that more attention should be paid to the preparatory processes. If it was cotton, it was for the winding and sizing processes

President.—I would like you to be brief. The point is that Government are more or less conducting this Institute for the purpose of teaching young men who after a course of 1½ years become capable of handling their own looms, plain or jacquard and are able to assist their families in case they belong to the weaving class?

Mr. Amalsad.—That is the point.

President.—I would like to understand the types of cloths that are being manufactured. In reply to question 8, you have given me a list and the first item is saree, plain, 45" × 9 yds. The sale price is Rs. 21. Now I would like to know whether it is a sale price or a cost price?

Mr. Amalsad.—The cost price is Rs. 19-4-0.

President.—The cost prices are given in reply to question 16?

Mr. Amalsad.—Yes.

President.—As far as the first quality is concerned, it is Rs. 19-4-0 as against Rs. 21 entered in reply to question 8?

Mr. Ramakrishna.—Yes.

President.—There is no difficulty in effecting transactions?

Mr. Ramakrishna.—No.

President.—These are the kinds of goods made by the weaving class in the Madras Presidency?

Mr. Ramakrishna.—Yes.

President.—Is there no organisation of co-operative society that helps the weaver in the sale of his goods?

Mr. Amalsad.—In answer to question 17, we obtained the report from the Registrar of Co-operative Societies. The Weavers' Societies are in charge of the Registrar and there are not very many Weavers' societies. Most of them are only credit societies.

Mr. Ramakrishna.—There is one very successful society conducted at Salem under the auspices of the wife of the District Magistrate.

President.—I would like to know what is the system in vogue. I would like to know whether the weaver is kept busy throughout the month?

Mr. Ramakrishna.—So far as that society at Salem is concerned, it is kept busy.

President.—How many weavers are there? Can you classify them in that district?

Mr. Ramakrishna.—Salem town is a very big place. There are over 15,000 looms.

Mr. Batheja.—All the looms are silk?

Mr. Ramakrishna.—I am only talking of cotton.

President.—What about the linked organisations of which you speak in reply to question 19?

Mr. Ramakrishna.—That is, the weavers form into co-operative societies in a place like Salem where there is a silk twisting plant owned by the co-operative society.

President.—My point is whether the linked organisations system has worked in Madras?

Mr. Ramakrishna.—No.

President.—It is still more or less in a stage where progress is not made at all?

Mr. Ramakrishna.—That is so.

President.—But the Government are contemplating to put this into practice.

Mr. Ramakrishna.—Yes, if we get assistance from the Government of India.

President.—You mean financial assistance?

Mr. Ramakrishna.—Yes.

President.—You are complaining of the discontinuance of rail-borne trade statistics. Since when have they been abolished?

Mr. Ramakrishna.—Since 1921.

President.—Did the Government of India state the reasons?

Mr. Ramakrishna.—It was a question of economy.

President.—Your view is that they were quite useful to the industry?

Mr. Ramakrishna.—Certainly. Now we are not in a position to give any definite information at all.

President.—Has that been brought to the notice of the Government?

Mr. Ramakrishna.—I have taken it up as a subject for the Directors' Conference.

President.—As regards your reply to question 30, I think it is due to the swadeshi movement that people prefer local silk to imported silk in spite of the higher price. Is it owing to superiority or owing to swadeshi movement?

Mr. Ramakrishna.—The swadeshi movement has certainly given an impetus. Apart from that, the Kollegal silk has got intrinsic merits.

President.—You mean the charka silk?

Mr. Ramakrishna.—Also charka silk. It lasts longer. Especially for sarees which have to be washed it is preferred.

President.—I suppose there is not much of competition nowadays in the markets with the Indian silks—Bengal or Mysore. The chief competitor is the Imported silk.

Mr. Ramakrishna.—There is not much competition with the Indian silk.

President.—Though the Mysore silk is coming into the province?

Mr. Ramakrishna.—Yes.

President.—I find you have mentioned Bengal and Kashmir.

Mr. Boag.—What about Kashmir?

Mr. Ramakrishna.—Not much. Only a small quantity is coming by post.

President.—I take it that the weaving charges are paid by piece.

Mr. Ramakrishna.—These charges are fixed with reference to the length and width of the cloth—at so much per yard.

President.—In reply to question 6, you have given the production per day of 8 hours?

Mr. Ramakrishna.—Yes.

President.—He is paid according to the yardage?

Mr. Ramakrishna.—Yes.

Mr. Boag.—With reference to the estimate of the number of families in reply to question 1, you stated that you were of the opinion that the census returns were an under-estimate.

Mr. Amalsad.—Yes.

Mr. Boag.—There was a survey of cottage industries made a few years ago?

Mr. Ramakrishna.—Yes, in 1928.

Mr. Boag.—What were the results of that survey?

Mr. Ramakrishna.—259,000 looms.

Mr. Boag.—As against 193,000?

Mr. Ramakrishna.—Yes.

Mr. Boag.—Did they go into the difference between cotton and silk?

Mr. Ramakrishna.—No. The only possibility is with reference to the population engaged we may get a figure. I do not want to take the risk. That will give about 12,800 looms.

Mr. Boag.—Mr. Amalsad, in the Textile Institute, in Madras, are all these classes of goods made that you have enumerated in reply to question 6?

Mr. Amalsad.—Not all these classes for this reason that so far as weaving is concerned, as we have little money, we do not use silk material. In cotton we produce all the fabrics. There is no difficulty on the part of the weaver in substituting silk for cotton.

Mr. Boag.—All these goods are produced in cotton?

Mr. Amalsad.—Yes.

Mr. Boag.—You say you have looms on silk?

Mr. Amalsad.—Yes.

Mr. Boag.—What classes are produced on silk looms?

Mr. Amalsad.—Recently we have undertaken the manufacture of eri silk cloths.

Mr. Boag.—Those are woven from silk spun in England?

Mr. Amalsad.—Yes. We have one loom on which crepe silk is taken (samples shown).

Mr. Boag.—What silk is this woven from?

Mr. Amalsad.—Mysore Government filature silk. We have also got a silk saree with brocade effect. As I have mentioned before jacquard has no different at all between cotton and silk.

Mr. Boag.—Have you personal experience of Kollegal and Mysore silk?

Mr. Amalsad.—Yes, I have been using Mysore and Kollegal silk.

Mr. Boag.—Do you find any difference between them? How many qualities do you find amongst them?

Mr. Amalsad.—We have not been experimenting with all qualities.

Mr. Boag.—What qualities have you used?

Mr. Amalsad.—We have used filature and Kollegal reeled silk.

Mr. Boag.—Have you used any silk from the filature in Kollegal?

Mr. Amalsad.—No.

Mr. Boag.—Have you used Mysore hand reeled silk?

Mr. Amalsad.—The same as Kollegal charka silk. I have used Kollegal charka silk.

Mr. Boag.—There is no difference between Kollegal charka silk and Mysore hand reeled silk?

Mr. Amalsad.—No.

Mr. Boag.—Have you any experience of Bengal or Kashmir silk?

Mr. Amalsad.—No, but I have seen it woven in Berhampore where weavers are generally using it.

Mr. Boag.—Did you form any opinion as to its quality?

Mr. Amalsad.—The weavers say there is no difference between Bengal silk and Mysore silk. It is because of the transport facilities that they get Bengal silk in preference to Mysore or Kollegal silk.

Mr. Boag.—With regard to most of these 15 classes of goods that you have enumerated I take it that there is no competition from foreign goods with regard to most of them?

Mr. Ramakrishna.—Up to item No. 9 there is no competition, but when it comes to shirtings, suitings, blouse materials and silk brocade sarees there is.

Mr. Boag.—In respect of shirtings, suitings and blouse materials there is competition?

Mr. Ramakrishna.—Yes.

Mr. Boag.—Is the competition from pure silk goods, from mixtures or from artificial silk goods?

Mr. Amalsad.—We have prepared samples of cloths which compete with ours. Here is a sample of plain silk which competes with our shirting cloth.

Mr. Boag.—What is it woven from?

Mr. Amalsad.—From pure silk. A very large quantity of plain silk is imported from China and Japan. I have collected samples of these (handed in).

Mr. Boag.—This is all spun silk?

Mr. Amalsad.—Yes.

Mr. Boag.—Have you got a sample of your shirtings?

Mr. Amalsad.—I have not brought the sample.

Mr. Boag.—Is that a competition which is most seriously felt?

Mr. Amalsad.—Yes.

Mr. Boag.—The competition of goods woven from spun silk?

Mr. Amalsad.—Yes.

Mr. Boag.—What about artificial silk?

Mr. Ramakrishna.—I think nearly $4\frac{1}{2}$ times the quantity of cloth imported into the Madras Presidency is artificial silk mixtures. I have ascertained from the Collector of Customs and this is the mixture of pure silk (samples shown).

Mr. Boag.—These are imported from Japan?

Mr. Ramakrishna.—Yes.

Mr. Boag.—Would you say that the competition of artificial silk is serious?

Mr. Ramakrishna.—Very serious.

Mr. Boag.—Pure artificial silk goods and mixed?

Mr. Ramakrishna.—Both.

Mr. Boag.—Do they compete more with Indian silk goods or with Indian cotton goods?

Mr. Ramakrishna.—With both.

Mr. Amalsad.—With fine cotton goods and with Indian silk goods.

Mr. Boag.—Would you please refer to your answer to question 10. Spun silk of the coarse variety is generally used for suiting cloths and fine variety of spun cloth is used for shirting cloth. What is the exact difference between the coarse spun cloth and fine silk cloth? You mean that one is handspun.

Mr. Ramakrishna.—Fine spun cloth is utilised in making shirting cloth.

Mr. Boag.—Is any handspun silk used?

Mr. Ramakrishna.—I do not know of any handspun silk that is used.

Mr. Boag.—In hand spinning from silk waste.

Mr. Ramakrishna.—Only from eri cocoons.

President.—That is not in the market?

Mr. Ramakrishna.—No, but I don't think that it can be spun.

President.—Yes, they do it in Bengal. They call it Matka.

Mr. Boag.—In answer to question 13 you have mentioned this fact that a certain number of people will buy cloth woven from Indian silk even though they have to pay more for it. What do you consider the limit of the additional price that the people will be willing to pay?

Mr. Amalsad.—To-day for Dharmavaram sarees which the women wash here, they are paying 15 per cent. more price, because they don't get torn by washing so easily as the Chinese silk.

Mr. Ramakrishna.—That sort of market is strictly limited. There is more or less an exclusive market for Kollegal silk.

Mr. Boag.—Would you say that it is the only class of goods for which the people are prepared to pay more?

Mr. Ramakrishna.—Sarees and blouses which are made of Mysore silk.

Mr. Boag.—Because it is made from Mysore silk.

Mr. Ramakrishna.—They have been accustomed to use that silk which wears well and which washes well.

Mr. Boag.—They pay the higher price, because it is made of the particular kind of silk that they want.

Mr. Ramakrishna.—Yes not because it is Indian silk.

Mr. Achayya.—It lasts longer.

Mr. Boag.—You measure the amount of excess price that they are prepared to pay as 15 per cent.

Mr. Ramakrishna.—Yes even to-day they are paying.

Mr. Boag.—I take it that by comparing the weaving charges which you have given in answer to question 16 with the production per day which you have given in answer to question 6, we can arrive at the weavers' earnings per day.

Mr. Ramakrishna.—Yes.

Mr. Boag.—I find that those vary from 10 annas in the case of dhoties to Rs. 2-6-0 in the case of brocades.

Mr. Ramakrishna.—Yes.

Mr. Boag.—There is only one other point I should like to raise and that is with regard to question No. 19 whether there has been any increase or decrease in the demand for silk and silk goods. You say it is difficult to answer the question. You have said that the consumption of indigenous silk is bound to increase if sufficient protection is granted to the industry. To what extent do you consider that the consumption of silk is regulated by price considerations. What I mean is rather this: are there any kinds of silk cloth which people are bound to use either for religious or for other reasons?

Mr. Ramakrishna.—For religious purposes the Brahmin community have to use silk cloth. When they take their food, they must use silk cloth.

Mr. Boag.—There is a minimum demand?

Mr. Ramakrishna.—Yes.

Mr. Boag.—Are there any obligatory demands of that sort?

Mr. Ramakrishna.—Another thing which has grown up is at the time of marriage they generally use silk cloths.

Mr. Boag.—You say that has grown up. Within what period has it grown up?

Mr. Ramakrishna.—In the last few years.

Mr. Boag.—10 to 20 years?

Mr. Ramakrishna.—Within the last 10 years.

Mr. Boag.—That is a definite addition to the market.

Mr. Ramakrishna.—When the prices of commodities rose, people started purchasing more expensive things with the result that it has become more or less a custom to-day though we are passing through a period of crisis.

Mr. Boag.—Now the people's purchasing power is diminished. Is there any indication that they are reverting from the demand for silk goods for this purpose to cotton again?

Mr. Ramakrishna.—No. There may be a small change.

Mr. Boag.—Do you know of any indication?

Mr. Ramakrishna.—The present figures of total Indian consumption do not give any such indication.

Mr. Amalsad.—The weavers engaged in the lungi industry were formerly earning one rupee a day and owing to the depression in that trade, their wages have been reduced. They are a class of weavers who generally do not go for weaving coarse cloth. As there has been a fall in the cotton trade, people have taken to silk weaving.

Mr. Boag.—Formerly they used nothing but cotton.

Mr. Amalsad.—Because the cotton trade has slackened in Singapore, there is no other alternative but to take up silk weaving.

Mr. Boag.—Where is the additional market for silk to be found?

Mr. Amalsad.—There is a growing demand. That is partly due to the price factor.

Mr. Boag.—If you took any steps to impose any higher duty which would tend to increase the price of silk goods, I should have thought there was a risk of your curtailing the demand for silk goods.

Mr. Amalsad.—To some extent. It is also one of the factors. There will be some curtailment of production.

Mr. Boag.—You admit that possibility?

Mr. Amalsad.—Yes.

Mr. Batheja.—Arising from the question just asked by Mr. Boag, have you seen any possible tendency for cotton handlooms being converted into silk handlooms?

Mr. Amalsad.—Yes.

Mr. Batheja.—Have you got any figures for that?

Mr. Amalsad.—We have no figures. We know from our personal visits to the various places like Peddapuram and so on that the number of looms has increased.

Mr. Batheja.—Can you give me the approximate percentage of increase?

Mr. Amalsad.—No.

Mr. Batheja.—193,000, that is the figure in 1931?

Mr. Amalsad.—Yes.

Mr. Batheja.—Considering the price of silk has gone down, you think that the figure has recently exceeded. This figure must have been exceeded.

Mr. Amalsad.—It has exceeded. When the Census man comes and enquires what his occupation is, the man who pursues Agriculture with Weaving generally says 'Agriculture', because it gives him a higher status.

Mr. Batheja.—Is there also an indication that wages have fallen in the silk weaving industry during the last two or three years.

Mr. Amalsad.—It is very difficult to say.

Mr. Batheja.—Has it not come to your knowledge when you go round?

Mr. Amalsad.—They work only for sowkars and we have to ask the sowkars. There are very few independent weavers. I can tell you there are only a few independent silk weavers.

Mr. Batheja.—Is it not a fact that during the last depression the prices of silk fabrics have gone down?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—And therefore they are competing more seriously with the weavers' goods. Aren't the weavers of silk goods feeling more and more of the competition of foreign silk goods, artificial silk goods, mixtures and so on?

Mr. Ramakrishna.—They are.

Mr. Batheja.—If the competition is getting keener day by day, then the profits of the capitalists are being reduced.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—I take it that these capitalists pass off their losses to the weavers in the shape of reduction of wages.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—This is an *a priori* argument and I want to know whether you have any facts in support of this argument.

Mr. Ramakrishna.—We have only 3 centres, Dharmavaram, Conjeevaram and Kumbakonam.

Mr. Batheja.—Wages have gone down?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—By how much have they gone down?

Mr. Ramakrishna.—Percentages I have not worked out.

Mr. Boag.—The man who now gets Rs. 2-6-0 for silk brocade, how much would he have got two or three years ago?

Mr. Amalsad.—It is better to take the saree in answer to question 16. For plain saree we have given the weaving charges as Rs. 6.

Mr. Boag.—That comes to Re. 1-1-0 a day.

Mr. Amalsad.—Yes, it must have dropped between 5 and 7½ per cent.

Mr. Ramakrishna.—It must be much more. It will be anything between 25 and 50 per cent. There was a bitter cry in Kollegal when we went round.

Mr. Batheja.—Have you got any knowledge about this?

Mr. Achayya.—When we went round, we were told that he was only able to earn 12 annas. He was earning formerly Re. 1-1-0.

Mr. Batheja.—Is there any danger that these wages may go down still further if the cost of production in the weaving industry is increased by putting on a protective duty on raw silk?

Mr. Ramakrishna.—There is bound to be some effect but then these weavers are likely to change on to something else.

Mr. Boag.—If they change on to something else, the market for your raw silk disappears. If the weavers give up using raw silk, then the market will disappear?

Mr. Ramakrishna.—I suppose there would be some effect.

President.—You are guarding that effect by having an additional duty on silk fabrics?

Mr. Ramakrishna.—There will be a certain fall in consumption but it is not going to be appreciable to cause distress in the weaving industry.

Mr. Batheja.—It won't be appreciable?

Mr. Ramakrishna.—No.

Mr. Batheja.—You think that a fall of wages from Rs. 1-6-0 to 12 annas is not sufficiently distressful?

Mr. Ramakrishna.—No. We are not giving below the minimum living wage. They are getting a luxury wage in comparison with other occupations. They can afford to go down a little more. The silk weaver gets a luxury wage and the cotton weaver gets a living wage.

President.—Silk is a luxury article and so the silk weaver must get a luxury wage.

Mr. Batheja.—You have got about 35,000 weavers engaged in silk weaving while you have got 356,000 engaged in cotton?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—You have given the number of people supported by the raw silk industry.

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Are you prepared to sacrifice the interests of the weavers in order to provide the agriculturists who produce raw silk?

Mr. Ramakrishna.—There they are not getting a living wage. Here in spite of protection it won't go below 8 annas though there is bound to be a fall in the scale of wages.

Mr. Batheja.—There would be a change over from silk to cotton weaving. Are you quite sure that the cloth weavers are not hard hit in competition in their own sphere from cotton mills in Bombay?

Mr. Ramakrishna.—If protection is given and if a subsidy is given we can easily avoid that contingency. By organisation, we can provide them with employment.

Mr. Batheja.—With a view to compete with Lancashire, Bombay and Japan?

Mr. Ramakrishna.—With all those that are sending cloth into this country.

Mr. Batheja.—I think in the memorandum which you sent to the Board or somewhere, you maintain the proposition that we need not worry about the silk handloom weavers because the loss will fall primarily on the capitalists who engage silk weavers?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—The admission that you have made contradicts that.

Mr. Ramakrishna.—It does not for the simple reason that if I am given money I will organise all the weavers. It is the capitalist that will lose whatever he is making now.

Mr. Boag.—How are you going to get him out of the capitalist's clutches? Are you going to float a gigantic loan to do that? That is where all the co-operative societies have broken down hitherto.

President.—Mr. Ramakrishna has not considered the scheme because finance is not available now.

Mr. Batheja.—How do you guarantee that the profits will not go to the capitalists. Generally it happens that the stronger party gets the cream and the weaker party gets the blows.

Mr. Ramakrishna.—I am suggesting State intervention in the shape of co-operative organisation.

Mr. Batheja.—You have described some co-operative societies working. How many co-operative societies have you got?

Mr. Ramakrishna.—There is only one.

Mr. Batheja.—In the whole Presidency?

Mr. Ramakrishna.—It is doing very well.

Mr. Batheja.—How many societies exist on paper?

Mr. Ramakrishna.—Most of them are wound up; that is because the management was entrusted to weavers. Unless we are going to provide each and every society with a business manager who has had training in business principles and co-operative organisation and who is also a servant of Government whose services are lent to the society, there is little chance of making it a success. Therefore if we get a subsidy we will use it for financing these organisations.

Mr. Batheja.—There will be a co-operative or State socialism. You have given us figures in reply to question 7 showing the total imports of raw silk in the Madras Presidency. How do you get the Kollegal and Mysore figures? This is the total consumption of Madras. How have you got these figures?

Mr. Ramakrishna.—These are all approximate.

Mr. Batheja.—I should like to understand the method of calculation.

Mr. Ramakrishna.—First of all we have taken the import figure into the Madras Presidency. That is the only certain factor and all the others are guesses.

Mr. Batheja.—9.5 lakhs is certain.

Mr. Ramakrishna.—Only 7 lakhs is certain. Before the railborne statistics were abolished, about 2½ lakhs of lbs. were on an average imported into the Presidency from Bombay. Bombay is the biggest market.

Mr. Batheja.—That is by looking at the railborne statistics?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—How did you get at the present figures?

Mr. Ramakrishna.—7 lakhs of lbs. from the Seaborne trade statistics 2½ lakhs of lbs. Railborne trade statistics.

Mr. Batheja.—How did you estimate in the absence of those railborne statistics?

Mr. Ramakrishna.—We took the average. There is no other basis for me to work on.

Mr. Batheja.—I don't say that you should have selected a better basis. I want to understand the basis.

Mr. Ramakrishna.—I have taken the average of the railborne statistics and the imports into the province by sea and then for Kollegal we have taken 7½ lakhs.

Mr. Batheja.—The entire production?

Mr. Ramakrishna.—6 lakhs from Mysore.

Mr. Batheja.—How much did you get?

Mr. Ramakrishna.—7½ lakhs.

Mr. Boag.—Does not Mysore give you rail statistics of exports from Mysore to the Madras Presidency?

Mr. Ramakrishna.—No. I have not obtained those figures from them.

Mr. Boag.—I think you could obtain them if you had asked.

Mr. Batheja.—All the silk produced in Kollegal is sent to Madras?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Some of it is also finding its way into Bangalore?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—Some of it may also go to Bombay?

Mr. Ramakrishna.—Yes, but most of it is consumed in Madras.

Mr. Batheja.—These are all more conjectures?

Mr. Ramakrishna.—Yes.

Mr. Boag.—Could you give us more correct information from the weaving centres?

Mr. Ramakrishna.—Yes.

Mr. Batheja.—If you could get more reliable statistics, it would be useful.

Mr. Ramakrishna.—I could not do it in the time at my disposal.

Mr. Batheja.—I forgot to ask one question about protection when I was dealing with that section of the questionnaire. In the correspondence which was exchanged between the Madras Government and the Government of India, you wanted only six months back a duty of 60 per cent.

Mr. Ramakrishna.—That was on the basis of the duty on raw silk. At that time Soso did not come to my notice.

Mr. Batheja.—That made a change in all your plans?

Mr. Ramakrishna.—I have to provide for a thing which may come and upset my calculations.

Mr. Batheja.—It does not compete with your Kollegal silk. The two qualities are not comparable?

Mr. Ramakrishna.—Not in our market.

Mr. Batheja.—Do I understand that if Soso silk had not arrived to disturb your plan you would have stuck to your duty of 60 per cent.?

Mr. Ramakrishna.—Since then there has been a fall in price.

Mr. Batheja.—What is the fall in price from that time to this period?

Mr. Ramakrishna.—I will justify that in my note.

Mr. Batheja.—You remember that you characterised the duty of 100 per cent. as excessive?

Mr. Ramakrishna.—Yes. If to-day those were the figures I would have certainly stuck to my original proposal.

Mr. Batheja.—Please give us a considered note?

Mr. Ramakrishna.—Yes.

GOVERNMENT OF BOMBAY.

Evidence of Mr. P. B. ADVANI, Director of Industries, representing the Government of Bombay, recorded at Bombay on Monday, the 6th March, 1933.

President.—You are Director of Industries, Bombay?

Mr. Advani.—Yes.

President.—I understand from the covering letter of Government that they do not desire to express any views on the subject matter of this enquiry as such?

Mr. Advani.—That is correct.

President.—The views that you have put forward have been duly communicated to your Government?

Mr. Advani.—Yes, they are my personal views.

President.—That is what I am saying. Government however have written to us saying that if the Board desire any particular view of Government on any particular point, then they would be only too glad to furnish it.

Mr. Advani.—That is right.

President.—If, during the oral evidence, we find that there is something on which the Board would like to have the views of the Government of Bombay, I hope you will be able to communicate that to your Government?

Mr. Advani.—Yes.

President.—The first point that I would like to understand is the broad question of protection to the sericultural industry. I find from your letter that the sericultural industry as such does not exist in the Bombay Presidency including Sind?

Mr. Advani.—That is correct.

President.—Therefore your view point is that you have hardly any opinion to express with regard to the protection of the sericultural industry?

Mr. Advani.—My view point is that of a consumer.

President.—I will come to the point of view of the consumer, namely the handloom weaver. In this paragraph, you have stated that any increase in the duty will prove such a severe blow to the handloom weavers as to further reduce the sale of Indian made silk fabrics and thereby—this is more important depress the wages of the handloom weavers?

Mr. Advani.—Yes.

President.—But I think subsequently you have made a statement which modifies this view to this extent that if after investigation the Board finds that the sericultural industry deserves protection then you are of opinion that simultaneous protection should be given against the imports of manufactured articles.

Mr. Advani.—That is so. I would also like to develop it further on the same lines as I did when I appeared before you in connection with the cotton enquiry; that is, you may give protection or you may increase the duty on imported fabrics but that by itself will not alleviate the difficulty of the handloom weaver because by giving protection there is no doubt that the selling price of cloth, whether Indian or foreign, would be higher than it is at the present time and even as things are at present, due to depression specially and other causes, the actual sale of articles manufactured by handloom weavers, has gone down very considerably.

Mr. Boag.—The quantity or the price?

Mr. Advani.—The quantity sold by the handloom weaver has gone down very considerably and because of that—the natural consequence of that is—there is depression in wages. Wages have decreased, according to my

personal knowledge, in some centres as much as 60 per cent. of what they were, say, 4 years ago. Steadily the wages have been decreasing. Now if any measures are adopted which tend to raise the price of fabrics, it will mean that the quantity sold by the handloom weavers will go down and that will again in its turn mean a further decrease in wages of handloom weavers. There can be no doubt about that.

President.—I am coming to that point, because that has got a direct relation with the terms of reference which have been issued to the Tariff Board. The terms of reference, as you must have seen, consist of two parts. The first part is entirely about the sericultural industry. The second part states that the Board will consider the effect of any new duties which they may propose on the handloom weavers. The Board as situated is not in a position to go into the minute details of the position of the handloom weaver as they were when they enquired into the cotton textile industry. To-day the position is this. If they increase the duty on raw silk, they have only to find out what percentage the raw material bears to the total cost of producing a typical kind of cloth by the handloom weavers and to that extent increase the duty on the silk fabrics. I want to discuss with you this aspect of the question: having regard to the trade depression whether the protection which the Board will be able to consider would be sufficient for handloom weavers?

Mr. Advani.—By protection you mean increasing the duty on the cloth, the like of which is made by handloom weavers?

President.—I shall tell you a little in detail as to how that is worked out. You have furnished the Board, I must say, a very detailed information with regard to the costs of various kinds of fabrics which are made by handloom weavers. In this connection please see page 6. I shall discuss with you at a later stage the cost of the raw material. I am now confining myself to the terms of reference as to how far the Tariff Board can go. Taking No. (1) Paithani (Poona), you have put down the raw material as Rs. 30-8-0 and the total charges as Rs. 49-8-0. So, roughly it comes to 60 per cent.?

Mr. Advani.—Yes.

President.—Take the next item Pitambar (Yeola). Raw material is Rs. 6 and the total value Rs. 13. It is roughly 42 per cent.?

Mr. Advani.—Yes.

President.—If you take Kad (Poona), the raw material is Rs. 10-8-0 and the total is Rs. 16-8-0. It comes to about 60 per cent. here?

Mr. Advani.—Yes.

President.—If you take the 4th item Plain silk pheta (Yeola), the raw material is Rs. 4-8-0 and the total is Rs. 10-2-0. It is 40 per cent.?

Mr. Advani.—Yes.

President.—As regards item (5) Silk Khan (Poona), the raw material is Rs. 5-0-0 and the total is Rs. 14-12-0. It is 35 per cent.?

Mr. Advani.—Yes.

President.—Taking No. 6 Kinkhab, the raw material is Rs. 75 and the total Rs. 130. It is 57 per cent. Then, if you take item (7) Silk sari, raw material is Rs. 18 and the total Rs. 30-0-0. It is 60 per cent.?

Mr. Advani.—Yes.

President.—As regards item (8) Silk Khan, the raw material is Rs. 10-0-0 and the total Rs. 19. It is over 50 per cent.?

Mr. Advani.—Yes.

President.—If you take the 9th item, silk coating, the raw material is Rs. 20 and the total Rs. 30. It is 67 per cent.

Mr. Advani.—Yes.

President.—If you take (10), silk shirting, the raw material is Rs. 12-0-0 and the total Rs. 22-8-0. It is 53 per cent.?

Mr. Advani.—Yes.

President.—Taking (11) Muga sari, the raw material is Rs. 8 and the total Rs. 14. It is 56 per cent. and if you take the last item silk lungi, the raw material is Rs. 1-8-0 and the total Rs. 4-0-0. Roughly it comes to 25 per cent. More or less I would put down about 50 per cent. as the average cost of the raw material to the total cost.

Mr. Advani.—That would be a fair average.

President.—That is the point. In case the Board decides that protection is necessary, then 50 per cent. of the cost of production of an article being raw material, the duty will be enhanced to that extent.

Mr. Advani.—It is not clear to me that the duty will be enhanced to that extent on the imported manufactured cloth.

President.—First of all we will have to put on a duty on raw silk?

Mr. Advani.—Yes.

President.—That duty will benefit the sericultural industry?

Mr. Advani.—Yes.

President.—Having imposed the duty on raw silk, we will have to find out what is the average consumption by the handloom weaver of raw silk. Having ascertained that which we have found in the case of your Presidency to be 50 per cent., we will have to say that the duty on silk fabrics will have to be increased to this extent. The imported silk fabrics must bear a correlated duty which would work according to the present calculation somewhere about 80 per cent.

Mr. Advani.—That does not help the weaver except to a limited extent.

President.—That is the point I want to discuss with you.

Mr. Advani.—The duty on imported fabrics will raise the price all round.

President.—Yes.

Mr. Advani.—Now my point is that owing to depression and other causes already the actual sale, that is the quantity-sale, of handloom weavers cloth, has gone down and, I think, the wages also have gone down. The decrease in wages is largely due to the fact that the handloom weavers are unable to get rid of their production. Now if the prices are going to be raised all round, further, then it is natural that this quantity sale will be further reduced and a further reduction in sale will mean a further decrease in the wages of handloom weavers, so that I don't think that merely by raising the duty on imported cloth, the Board is going to help the handloom weavers to any great extent. *Per contra*, if you do not put the duty on imported cloth at all, you will certainly harm the handloom industry very much more than is the case at the present time. By the mere fact that you are going to put a duty on imported cloth, I do not think, you have solved the problem or met the difficulty of the handloom weaver.

President.—That is why I am making the position of the Board very clear to you. Of course the Board may consider the question of other ways by which it could save the handloom weavers who are, as you have said, hard hit by the general trade depression in the country.

Mr. Advani.—There is the depression, but to day he is able to buy the silk at say—I will give a fictitious figure—Rs. 4 per lb. of silk. Now if the duty is increased by 50 per cent., the silk will cost him Rs. 6. To that extent his cloth will be dearer. If the duty on raw silk is raised by 50 per cent., the weaver's selling price will be raised by roughly 25 per cent. This 25 per cent. increase in price will decrease the sale of his articles and to that extent he will be the sufferer because his wage will decrease. It is a question of supply and demand. If there are 100,000 weavers in this Presidency and if the total demand which is being met by Sowkars is decreased, naturally there will be a greater number of people for the smaller quantity of work. Therefore the sowkar will be able to dictate his own terms to a much greater extent than he is able at the present time and he will give less wages.

President.—I don't quite follow. Let us take the figures you have mentioned. If we increase the duty on raw silk the price that a weaver

will have to pay for his raw material will be increased by Rs. 2. He will have to pay on the whole Rs. 6 for his raw material. Having raised the price of his material to Rs. 6 we are giving him back that increase in the shape of an increased duty on imported finished materials.

Mr. Advani.—You are doing that, but the point which I wish to make is that when a cloth which was being sold for, say, Rs. 4 has now to be sold for Rs. 5 or Rs. 6, then the actual demand for that type of cloth has decreased because of the higher price.

President.—I understand now. Your point of view is that the position of the consumer to-day is so bad, that whatever the increase may be in taxation for the benefit of the sericultural industry or for the benefit of the handloom weaver, he will not be able to bear the burden of any additional taxation and that if any further taxation is imposed, he will reduce his consumption of raw silk.

Mr. Advani.—That is right.

Mr. Batheja.—In other words you are basing your argument on the well known principle of elasticity of demand.

Mr. Advani.—Yes.

Mr. Batheja.—Is the demand for silk articles which are generally prepared by handloom weavers in your Presidency so highly elastic that with a given rise the demand will fall off very quickly?

Mr. Advani.—That is my view. It has been falling. The general trade depression has by itself already affected the demand. Now if any measures are taken which tend to increase the prices still further substantially, I hold that the demand will further fall. The demand has fallen and there is no doubt about that. My weaving assistants have informed me from time to time and I myself have observed that the handloom weavers have complained everywhere that they are unable to sell their goods with the result there is less work for them all round and naturally that means less wages. Most of our weavers are employees in this sense that the sowkars or the dealers give them yarn which they weave into cloth or sari.

Mr. Batheja.—I accept that. I wish to ask you a further question to elucidate this point whether this falling off in demand is due to the substitution of other articles for silk goods or due to the utter inability to buy silk goods?

Mr. Advani.—I would say that people are just buying less.

Mr. Batheja.—Are they buying less or are they buying cheaper substitutes?

Mr. Advani.—To a certain extent, yes, they are buying artificial silk things. But I would hold that if the prices of real silk went still further up, there would be a greater demand for artificial silk things and also in the times of stress, usually people hold up buying as long as they possibly can and if necessary go in for cheaper substitutes.

Mr. Batheja.—Are not your saris used mostly for marriage gifts?

Mr. Advani.—Yes, but not necessarily.

Mr. Batheja.—Are they for daily wear?

Mr. Advani.—Daily wear too. I would say that they would buy on occasions like big Hindu festival days. Not only on marriage days but also festival days they buy them.

President.—Before I finish this point, I would like to understand the question about the raw material. I take it that the raw material as such means raw silk coming from all parts of the country and also from foreign countries like China?

Mr. Advani.—Yes.

President.—Then, it includes also spun silk, silk yarn, noils, warps and artificial silk yarn.

Mr. Advani.—These samples that we have given you are all made of silk and not of artificial silk.

Mr. Boag.—You have given the particulars of the make up of most of them in your Statement III?

Mr. Advani.—Yes.

President.—Those are the details?

Mr. Advani.—Yes, as to how the raw material is made up.

Mr. Boag.—But not for all?

Mr. Advani.—No. The first statement, that is Statement III, to which you are now referring, was prepared by me before receipt of your questionnaire. I intended to give you that. I had in a way anticipated your questionnaire. On receipt of your further letters I have linked my statements up.

President.—It does contain artificial silk yarn?

Mr. Advani.—Yes.

President.—When we are dealing with the raw material, I want to get the details of the raw material.

Mr. Advani.—This is what I have done. You will find that there are three types of cloths shown by me in Statement No. III, viz., pure silk fabrics, fabrics of silk and cotton mixed and fabrics of silk and artificial silk or gold thread. Where there is a mixing of silk and cotton or artificial silk, the weavers use cotton yarn or artificial silk yarn as weft.

President.—That is what I want to get at. You have given me 12 detailed costs of cloths.

Mr. Advani.—That is pure silk.

President.—I take it that it does not include artificial silk yarn?

Mr. Advani.—No.

Mr. Batheja.—Does the raw material include gold thread?

Mr. Advani.—It includes gold thread. In the manufacture of gold thread, silk is used. The core is silk.

Mr. Boag.—Can you give me any idea as to what percentage of cost is represented by the silk in the gold thread?

Mr. Advani.—That will be very small.

Mr. Boag.—Can you give me a rough figure?

Mr. Advani.—I think about 5 per cent. I am saying this off hand without looking into details. That consideration will apply only to sample No. 6 where the whole body of the cloth is of gold thread. As regards the rest of the samples including those which have borders, the question of gold thread will be insignificant because the bulk of the price is that of silk.

President.—I would be fairly accurate if I took the average to be 50.

Mr. Advani.—You will be quite right.

President.—Have you seen the present increase in the duties on silk and artificial silk goods?

Mr. Advani.—I have seen them.

President.—Before the Board can make any recommendations, Government have increased the duty. What do you think would be the effect of it?

Mr. Advani.—I am afraid I have not given thought to this question.

President.—The duty in the future will be 4 annas on silk goods and artificial silk goods per square yard or 50 per cent, whichever is higher.

Mr. Advani.—Yes.

Mr. Boag.—Does the specific duty apply at all in the case of silk piecegoods, that is to say, are there any silk piecegoods imported at a cost of 8 annas a yard?

Mr. Advani.—There are.

Mr. Boag.—Are there many?

Mr. Advani.—I cannot say.

President.—I don't think you have given thought to this question?

Mr. Advani.—I am afraid I have not.

President.—Let us take the 1st statement of yours in which you state that the foreign silk used is decreasing in spite of the fact that the price of imported silk has steadily declined. Is it due to swadeshi movement in the country?

Mr. Advani.—To a certain extent it may be, but I think it is largely due to depression and that the artificial silk has ousted the natural silk as far as possible in fabrics which are not used on ceremonial occasions; that is to say, poor people, where they want to use cheap fabrics, buy those fabrics which have artificial silk as weft.

President.—It requires a little amplification. It means foreign real or natural silk.

Mr. Advani.—Yes.

President.—Because it includes artificial silk.

Mr. Advani.—Yes; The consumption of artificial silk has increased.

President.—I find that the artificial silk has definitely increased.

Mr. Advani.—Yes.

President.—A large percentage of this is substituted by artificial silk and to some extent also by Indian silk?

Mr. Advani.—Yes.

President.—There is one point which I would like to ask but I do not know whether you would be in a position to reply to us. Regarding the sericultural industry I want to know whether any efforts have been made by the Agricultural Department to your knowledge to find out whether mulberry can be grown in the Bombay Presidency including Sind?

Mr. Advani.—I will not say we made any comprehensive efforts but an experiment was made in the Ahmednagar district. One Mr. Deshpande applied to Government for permission to carry out experiments and he wanted some concession. The concession was that he should be given the use of 40 acres of reserve forest land. He was given that on the specific condition that he would grow mulberry and carry out the sericultural industry which he did. The experiment was not quite successful. To what extent the failure was due to the fault of the man and to what extent the cause was beyond his control I am not able to say. But the experiment was not successful and Government had to withdraw that concession and take possession of the land after about five years.

Mr. Boag.—How long ago was this?

Mr. Advani.—I think Government took possession of the land, may be, a couple of years back.

Mr. Boag.—The experiment began about five years before that?

Mr. Advani.—Yes.

President.—Can you tell me whether it was due more or less to financial considerations?

Mr. Advani.—It was obvious that unless sericulture was carried on as a side occupation, i.e., a spare time occupation in addition to the main occupation, it would be a failure. I think in this particular case the man tried to make this as his principal occupation.

President.—The only point which is of importance as far as the Board is concerned is that there is a possibility of mulberry being grown in this Presidency?

Mr. Advani.—I am not willing to make that statement also because there is not sufficient data before me to be able to give a definite opinion.

President.—What about the castor seed? Has castor leaf been grown?

Mr. Advani.—I must correct myself. The Ahmednagar experiment was not on mulberry but castor.

Mr. Batheja.—It is eri silkworm?

Mr. Advani.—Yes.

President.—In the statement which you have given in reply to question 16, I find there are various charges such as twisting and winding charges. Are there any professional winders found in these various centres to whom the consumers hand over the silk?

Mr. Advani.—There are winders.

President.—How many qualities do they turn out if one hank is given to them. If they do the work of winding, first of all they have to grade it?

Mr. Advani.—Yes.

President.—Into how many qualities do they divide?

Mr. Advani.—Finer quality and coarser quality.

President.—Can you find out the prices?

Mr. Advani.—We have not got them.

President.—It would be interesting if we could get the kinds of qualities turned out by winders and the prices of those different qualities?

Mr. Advani.—Yes.

President.—I take it that as far as the statements are concerned, it is No. 1 quality that is used?

Mr. Advani.—Yes, the finer quality.

President.—In your answer to question 15, you have made a statement that as much as 50 per cent. of the real silk business has now been taken by the artificial silk?

Mr. Advani.—That is a rough estimate.

President.—Supposing a corresponding duty is put on artificial silk yarn, will that help the silk industry?

Mr. Advani.—No, not much. Because, the difference in the price is so very big that even if an additional duty of 100 per cent. were levied on artificial silk there would still be a substantial difference between the prices of real silk and artificial silk. So, I don't think that it would change the situation radically.

President.—Your point then I take it is that artificial silk yarn has come definitely to stay.

Mr. Advani.—For certain kinds of cloth, yes, unless its prices were brought up to bear some relation to the real silk.

Mr. Baag.—That would be bringing it up to a level which it does not deserve on its merits?

Mr. Advani.—Quite so.

President.—Now let us see your statements. In Statements I and II you have given the prices of artificial silk yarn and pure silk yarn. I want to compare the two. Take the artificial silk yarn. You have said in Bombay centre the price of 250 deniers dyed was Rs. 2 in 1928-29 and it has gone down to about 15 annas 6 pies per lb. Is that the cost of artificial silk yarn per lb. at present?

Mr. Advani.—That was when we collected the information, but to-day it may be a little higher.

President.—We examined the raw silk merchants the other day and I think the price is more or less what you have stated. Take the pure silk. What would be the quality in spun silk which would be similar to 250 deniers? Would you say 120/2?

Mr. Advani.—210/2 spun silk, the price of which is given in Statement I showing the price of pure silk yarn.

President.—The price of 210/2 is Rs. 5-14-0. 250 deniers artificial silk yarn has taken the place of 210/2 which is priced at Rs. 5-14-0 and which is spun silk?

Mr. Advani.—Yes. The comparable price of artificial silk is 15 annas 6 pies. There is a world of difference between the two.

President.—I want to know whether it is the lowest or the highest. As far as artificial silk is concerned, the price that is quoted for 250 is the

lowest whereas the price which is equivalent in spun silk yarn is the highest. That is why I want to ask you where there is such a big difference whether the qualities can be comparable?

Mr. Advani.—I do not follow your point.

President.—The point that I raise for your consideration is this. In Statement II regarding the artificial silk yarn, you will find that the deniers come down from 250 to 150/2 and the price which is given in the next column is rising from 15 annas 6 pies to Rs. 1-6-0, whereas the contrary is the case in spun silk. As the denier goes up, the price also goes up with it.

Mr. Advani.—Yes, but I am not able to give the method of calculating counts without looking up.

President.—You have given it in your replies?

Mr. Advani.—Some explanation has been given.

President.—It does not distinguish between artificial silk and silk (spun) yarn.

Mr. Advani.—I would like to send you a note on this point. I am unable at the moment to explain to you very clearly but I think the system of grading of silk and artificial silk is different. I shall look this up and send you a note.

President.—Another point that is important in connection with the artificial silk yarn is somewhat similar. Does it take the place of all kinds of yarns at present used for weaving, namely spun silk, pure silk, Indian silk yarn?

Mr. Advani.—It takes the place of silk in the cheaper fabrics where it is largely used for weft, though warp is still of cotton. It is largely used in saris used by poor people to give them gloss. That cloth has gloss and gives a feeling of satisfaction. At the same time it is very cheap because it contains artificial silk. Artificial silk is also being used in sari borders.

President.—It is not used definitely for warp purposes?

Mr. Advani.—Very rarely. The difficulty is in getting it twisted. It is not strong enough. Therefore in mixed fabrics you have cotton warp which will give you any strength that you require. Weft does not take any strain. By weft I mean the thread that is thrown across widthwise.

President.—It is generally used for sari borders?

Mr. Advani.—Yes. Also for body. Lengthwise is used the cotton yarn and breadthwise artificial silk yarn; that is to say artificial silk yarn is used for weft. The second use is for borders of saris, the body of which is made with cotton warp.

President.—Has it come to your knowledge that for warp purposes they may be using China silk and for weft artificial silk?

Mr. Advani.—No.

President.—It is not used as a mixture with silk?

Mr. Advani.—Not to any extent to my knowledge.

President.—It is only used for mixed goods generally?

Mr. Advani.—Largely.

President.—I would like to ask you a question which we asked when we enquire into the cotton textile industry: how far the department has helped in organising the handloom weavers in respect of co-operation, marketing, etc.?

Mr. Advani.—I have replied to that in one of my replies to your questionnaire. In reply to question 17, I have said "At the end of March 1931, there were 52 weavers' co-operative societies with a total membership of 2,285 and working capital of Rs. 2,67,708."

President.—I have seen that statement. It is in relation to that statement that I have asked you this question. This gives the number of established societies and I want to get an idea of the actual working of these societies and how the Department is assisting them?

Mr. Advani.—We have been able to give assistance on a comparatively large scale only in the matter of technical processes: and advice that is, we have carried out propaganda on a fairly large scale. We maintain about 25 demonstration parties which go from village to village teaching the weavers—silk and cotton weavers—the use of improved type of loom called fly shuttle loom. We also teach them the use of improved type of pirn winding machine. We also teach them sizing where cotton is concerned. We also teach them the improved methods of dyeing and printing. We have also been teaching them modern designs which they are able to reproduce both on the body of the cloth as well as on the borders. Where the question of organising them in co-operative societies comes, that work is done by the Co-operative Department and the results up to date achieved are given by me in answer to your question 17.

President.—As regards part III of your reply to question 17, I want to know whether the weavers are employed fully all the year round or they are employed only by intervals depending upon the sale of cloth made by them.

Mr. Advani.—The position is this that where the weaver works for a sowkar or for a merchant, the merchant gives him yarn and arranges definitely beforehand a fixed amount of money which is paid for weaving a piece of cloth from that yarn and he is therefore dependent on that sowkar only to the extent of that yarn or the number of pieces of cloth for which he has got the contract for weaving.

President.—It amounts to this that as soon as he finishes a particular sari or cloth, he gets back the equivalent in the shape of money to start the other work immediately.

Mr. Advani.—Only in those cases where he is an independent weaver. By 'independent' I mean not a wage-earner. He goes to the sowkar and borrows the yarn. He gets a credit of 15 to 45 days according to the standing that he has with the sowkar. In such a case he weaves and sells. When he sells he is able to get on with something else. But the majority of weavers in this Presidency are not independent weavers of this type. I do not think that they enjoy much credit with the sowkar and therefore they are only wage-earners.

Mr. Batheja.—What would be the percentage?

Mr. Advani.—75 per cent. are wage-earners and about 20 per cent. are independent or semi-independent weavers. Only about 5 per cent. of them are small employers, but the bulk as I said are really wage-earners dependent entirely on the goodwill of the local sowkar and also on the enterprise of the sowkar as to the extent to which the sowkar is able to sell cloth.

President.—There is only one point about the artificial silk yarn which I want to ask and that is this. I want to know whether the mixed goods are definitely taking the place of real silk goods on account of their cheapness?

Mr. Advani.—Yes.

President.—I want to know what percentage the cost of artificial silk yarn bears to the total cost of that cloth in the same way as we have got it for the real silk cloth. Can you give us an idea?

Mr. Boag.—In Statement III there are only three or four cases where artificial silk is used.

Mr. Advani.—Please see page 1, Statement III; last line under 1932-33. In this piece of cloth—it is a mixed cloth—the price of cotton including cost of labour is Rs. 2. The price of artificial silk including labour is 10 annas. The wages come to Rs. 1-2-0. The total cost of production is Rs. 3-12-0 and the selling price Rs. 4-12-0.

President.—10 annas worth of artificial silk is used?

Mr. Advani.—Yes. In a similar manner we have given for 3 cloths. Above that, you will find another piece of cloth. That gives you the price of artificial silk again as 10 annas. Take again the item above that, where

the cost of production comes to Rs. 3 and the cost of cotton yarn is Rs. 1-8-0.

President.—10 annas out of Rs. 3-12-0 comes to one-sixth?

Mr. Advani.—Yes.

President.—The length is 9½ yards and only 8 ounces of artificial silk is used?

Mr. Advani.—Yes, and the rest is cotton, being a mixed fabric

Mr. Batheja.—How is artificial silk used?

Mr. Advani.—For weft.

President.—You say 8 ounces are used?

Mr. Advani.—Yes. Artificial silk yarn is used for weft and cotton is used for warp. In a piece of cloth which weighs about a lb. half is cotton and half is artificial silk. 8 ounces of cotton yarn and 8 ounces of artificial silk yarn are used for a piece which weighs about a lb and which is 9½ yards in length.

Mr. Batheja.—If the weight of cotton and artificial silk is the same, does cotton cost more?

Mr. Advani.—Yes, being a fine yarn of 80 counts. 150 deniers is relatively coarse.

President.—If you look at page 3, Statement III, you will find under 1932-33 you have given an instance where the weight of the piece is 2 lbs.—one lb. imported silk and one lb. artificial silk. You have told me generally that it is not the case.

Mr. Advani.—That is generally mixed with cotton.

President.—I want to know what kind of cloth is manufactured out of that?

Mr. Advani.—Kinkhab. That is a new innovation adopted in Surat to try and compete with the French cloth. The french gold cloth is coming for the purpose of ladies shoes, childrens' caps, vests, and so on. To compete with that, this is something new that is adopted in Surat.

President.—Is it still in an experimental stage?

Mr. Advani.—It is recently started. I do not know whether it would take root or not. It is too soon to say anything. We can send you the sample later.

President.—I should like to discuss with you the question of direct competition. If you will see the covering letter, it is stated that the handloom weaver may not be exposed to unfair competition in connection with those cloths, the like of which are imported. You have given us details on page 3 in reply to question 5. It is stated in various places in the Presidency including Sind what kinds of cloth are manufactured. Now such goods are not imported. You say that in regard to the Central Division there is no foreign competition.

Mr. Advani.—Yes. Take the case of other divisions. In the Northern Division you will find it is stated that "silk suitings, shirtings, silk loongies, silk printed cloth, etc., are imported in large quantities".

President.—What I want to find out is whether there are articles of cloth manufactured in India which are more or less in a monopolistic position?

Mr. Advani.—Of course, there are. Things like Paithani, Pitambar, Duppetah, are made only in India because of the special forms and designs. But I would like the Board to remember this that many of these qualities are worn by modern people, people of fashion shall we say, with modern tastes. They are able to substitute them with French prints and French woven cloth and so on. Already imported cloths are being used with the result that weavers in Surat are making kinkhab with artificial silk largely to meet the French competition. So, if our cloths are made dearer still than what they are, it is quite likely that the people will substitute—I am not referring to orthodox people who must wear particular types of cloth for ceremonial occasions but I am referring to people who are not orthodox.

President.—What percentage of middle class?

Mr. Advani.—Quite a number of people in large cities. I would not like to commit myself to any figure.

President.—You mean people holding orthodox views as far as dress is concerned?

Mr. Advani.—An appreciable number substitute now. Take the case of ladies. Practically in every part of the Presidency, we find that they substitute the French cloth for the old bodice cloths that used to be woven in places like Belgaum. I think it is a fact within the knowledge of all of us here.

President.—I take it that though in the various centres mentioned by you there is no foreign competition, it amounts to this that there is no direct competition with cloth as such, but that there is an indirect competition with other kinds of cloth which can be substituted for cloths that are being made in India?

Mr. Advani.—That is so.

President.—In Question No. 9, you have given us the total production of silk cloths in a year as Rs. 2,29 lakhs.

Mr. Advani.—Yes, that is the total value only of silk fabrics, but not of the entire handloom production.

President.—What would that be?

Mr. Advani.—Between Rs. 4 and Rs. 6 crores, depending upon the state of the trade.

President.—Can we say that the average is Rs. 5 crores—I mean the total annual production by handloom weavers?

Mr. Advani.—I would not say Rs. 5 crores at the moment.

Mr. Boag.—Is this figure of Rs. 229 lakhs at the present moment?

Mr. Advani.—That would be the value of silk fabrics in normal times; at the moment, it would be less than that.

Mr. Batheja.—Does the figure include artificial silk and mixtures?

Mr. Advani.—You must remember that real silk fabrics, piece for piece, are very much more costly than artificial silk fabrics. A real silk sari may cost anything from Rs. 25 upwards to Rs. 100 and over. An artificial silk sari with cotton will be a matter of only four or five rupees. Therefore this includes all silk fabrics, all fabrics which contain silk and artificial silk, I would rather say, all fabrics which are not pure cotton.

President.—As your Department is conversant with such a large amount of production, it would be interesting to hear something about the quality of Indian silk. You have said in reply to question 13 that the quality of Indian silk compares well with that of imported silk and that people are preferring foreign silk because it is cheaper by one to two rupees per pound. That is the general trend of opinion with regard to Indian silk?

Mr. Advani.—That is so.

President.—Have you used the three kinds of Indian silk—Malda, Mysore and Kashmir silk? Those are the three places which have, I think, placed on the market what is known as Indian raw silk. I suppose your experience which you have stated is based on all the three qualities of Indian silk?

Mr. Advani.—In our own demonstration parties we have used all the three and we have also used Foreign silk. In Surat I have been told they are largely using both Mysore and Kashmir silk. They use Mysore silk to a larger extent than Kashmir largely because of price and I think it is more difficult to obtain Kashmir silk; that is to say, the selling arrangements are not as satisfactory as those of Mysore silk. I think I have said in reply to one of your questions that the quantity of Indian silk which will be sold will probably be larger if there are better selling arrangements.

President.—The reason why I put that question to you is this. I want to know which Indian silk lacks in strength which is the defect pointed out to us.

Mr. Advani.—I don't think I can commit myself.

President.—But you have mentioned something about this in your answer.

Mr. Advani.—That is merely based on what is reported to us from various centres. I would not like to quote that as the Department's opinion.

President.—Do I take it that as a department you have no fault to find with the Indian silk except in price?

Mr. Advani.—Quite.

Mr. Boag.—On this point there is one thing which is rather inconsistent. "The merchants say that imported silk is re-reeled and the thread is even." In the next paragraph you say "Indian silk is superior in lustre (and evenness of the diameter of the thread)".

Mr. Advani.—There is an inconsistency. That is an oversight. I would hold the first paragraph to be correct.

Mr. Boag.—There again the Kashmir silk is all filature silk and ought to be in respect of fineness equal to the imported silk?

Mr. Advani.—I would say this that part of this representation is based upon the information which has been given to us by the weavers and by merchants and I think to a certain extent there is still lack of knowledge of Indian silks because they are not pushed. There is no selling organisation to the extent there is in respect of foreign silk. The foreign silk is represented by merchants and agents who extol the foreign silk and the greatest argument in their favour is cheapness which helps it along.

President.—The point that arises out of this question is whether the imported silk also requires twisting and winding or only the Indian silk that requires those things?

Mr. Advani.—Both require it. Of course it depends upon the imported raw silk.

President.—What is the real advantage of getting re-reeled silk as against charka silk?

Mr. Advani.—There is no wastage. Re-reeled silk is ready for winding and twisting. As regards the charka silk, it has to be re-reeled before it is ready for winding, etc.

President.—Then both have to go through twisting and winding?

Mr. Advani.—Yes.

Mr. Batheja.—As regards the question of comparison of Indian silk with foreign silk, is it possible that the answer to your question which you probably addressed to the weavers may be mistaken because they have not understood your question. The Indian silk is not homogenous. There are three varieties. When you put the question to them, what did you mean by "Indian silk"?

Mr. Advani.—This question is not put to the weavers. I shall tell you the process. My weaving assistants and headmasters of various schools have been asked to give information on various points that have been raised partly from their own experience of silk which they have used themselves and partly from the experience of weavers whom they teach in our own institutions. I don't think there is much likelihood of the question being misunderstood.

Mr. Batheja.—As Indian silk stands for three different varieties, they might have meant different things by the same term.

Mr. Advani.—To a certain extent that may be possible, but I don't think in reply to one of your later questions I have said there is a certain amount of misunderstanding by the weavers themselves. The men who replied to these questions are discerning men. They don't take at their face value what the weavers tell them.

Mr. Batheja.—Does this statement apply to all kinds of Indian silk?

Mr. Advani.—That is a general statement. I don't think I can elaborate that. If necessary I shall be able to get you the information probably more definitely in reply to the President's question as to which of these three silks is preferred and individual opinion on each of these three silks.

Mr. Batheja.—Could you get that?

Mr. Advani.—Yes.

President.—On page 11, you have stated that the weaver does not incur any charges either for freight or for sending the goods. I take it that the general practice for the independent weavers is to sell the goods locally to the merchants and have nothing to do with merchants who are situated outside their own place.

Mr. Advani.—That is the general custom. As a matter of fact, as some of us know, in villages there are weavers from whom you can never get any satisfaction if you place an order with them unless you have somebody on the spot to purchase the thing and send the thing to you.

President.—As regards your reply to question 3, you have given the various charges incurred in one centre. May I take that as the average?

Mr. Advani.—Yes. I don't think there will be any material difference from centre to centre.

President.—As regards the prices that you have given on page 1 of your replies for the various kinds of silk, may I know what is the month on which the prices were taken?

Mr. Advani.—These prices were collected in December, 1932 and January, 1933.

President.—Those are the selling prices in the market?

Mr. Advani.—Those are the prices at which transactions have taken place.

President.—You have emphasised one important point with regard to the unit of weight and you have described the various weights in force in various provinces. What is your concrete suggestion?

Mr. Advani.—I think there should be standardisation. Unfortunately in this country we have no standards as in European countries.

President.—As far as I know, the railway maund is generally taken as the standard for calculation—and that has been the practice with the Board up till now—which means 80 lbs. Will that meet with your case?

Mr. Advani.—For our presidency we are introducing Weights and Measures Act which will standardise for the whole Presidency, the maund being railway maund, and as regards other weights we have standards.

President.—Has that Bill come into force?

Mr. Advani.—The Act was passed last September and we hope to put it into force sometime this year. That is part of my departmental work.

President.—Will you send us a copy of the Act to enable us to consider this question?

Mr. Advani.—I will send it with pleasure.

Mr. Batheja.—Do you suggest that legislation might be adopted for the whole of India?

Mr. Advani.—I hope it will be. It will make for standardisation all over the country. One thing that is impeding trade in this country is lack of standards.

Mr. Boag.—In answer to question 1, you have given the number of weavers and in answer to another question you have given the value of the annual output of silk goods. Could you give me any idea as to what the proportion of these total figures is represented by the various centres regarding which you have given particulars in your Statements—specially Statement III?

Mr. Advani.—Would you repeat the question?

Mr. Boag.—The centres which you have given in Statement III are Bombay, Nasik, Yeola, Poona and so on.

Mr. Advani.—Those are silk centres. We have in this Presidency a little under 1,000 hand weaving centres. Out of those 1,000 the large centres where silk weaving is carried on are those that I have mentioned in my Statement.

Mr. Boag.—What proportion of this Rs. 2,29 lakhs will be produced in these centres?

Mr. Advani.—I think we will only be able to give you a rough guess.

Mr. Boag.—That is all I want.

Mr. Advani.—I will be able to give it from my office.

Mr. Boag.—If you could, I should like to know. I only want to know how far these details may be taken as representative of the total production of the Presidency.

Mr. Advani.—The centres I have given are some of the large centres in the Presidency, so that probably they will represent the bulk, but I will give you the figures.

Mr. Boag.—If you could give me an approximate value of the annual production of silk goods at each of those centres, it would be helpful.

Mr. Advani.—Yes.

Mr. Batheja.—Could you give us the number of weavers in each of these centres under the three classes which we have mentioned in question 1?

Mr. Advani.—I have already supplied total figures to the Board.

Mr. Batheja.—I want for these centres.

Mr. Advani.—In the last enquiry I gave you a copy of the latest report on hand loom weaving showing the number of looms engaged and so on. The centres I have given you under the present enquiry are largely devoted to silk.

Mr. Boag.—The date of that was 1927.

Mr. Advani.—The survey report was actually published last year. It has been brought up to date.

Mr. Boag.—These prices that you have given in answer to question 2, what exactly do they represent because for example in Kashmir silk, Mysore silk, China silk and Japanese silk there are various grades and qualities? Do these prices represent the prices of grades which are mostly used or are they average prices?

Mr. Advani.—I think they are prices of silks which are mostly used. What we have done is this. The weaving assistants have collected the price of silk largely used in their respective centres.

Mr. Boag.—Take Kashmir. Can you tell me whether it is the first or second grade?

Mr. Advani.—I cannot say. I should have probably asked them to specify the type of silk, but I am afraid my assistants have merely given me the prices of the prevailing quality which is largely used and it will, I am afraid, take some time if you want me to collect that information.

Mr. Boag.—In your answer to question 4, you mention those kinds of silk used for warp, China—Kine Sivan and Manchuo

Mr. Advani.—These are probably trade marks.

Mr. Boag.—But I don't think the importers have mentioned that. You have got no more information than that?

Mr. Advani.—The information has been supplied to me by the various weaving assistants who use these silks.

Mr. Boag.—What is this silk waste yarn mentioned there? Is that imported or Indian?

Mr. Advani.—Imported.

Mr. Boag.—Do you mean spun silk?

Mr. Advani.—It comes from the waste silk which is spun.

Mr. Boag.—It is spun silk?

Mr. Advani.—Yes; that is twisted waste silk yarn.

Mr. Batheja.—It is foreign silk?

Mr. Advani.—Yes.

Mr. Boag.—In answer to question 5, you mention in the Central Division the existence of small power loom factories. Can you tell me what these amount to? Are they common?

Mr. Advani.—In Surat specially there is quite a number.

President.—Surat is in Northern Division.

Mr. Advani.—Yes. In the Central Division, there is Sholapur.

Mr. Boag.—What are the other towns?

Mr. Advani.—There is a small place called Tikekarwadi in the Sholapur District itself. In the Northern Division, there is Surat.

Mr. Boag.—Surat and Sholapur are the principal towns?

Mr. Advani.—Yes, we have small factories in other places also but they are few. For instance in Sind there are two or three.

Mr. Boag.—How many looms are there in those factories?

Mr. Advani.—6 to 12 except at Tikekarwadi where the number varies between 20 and 30. The bulk of them may have 6 to 12 looms.

Mr. Boag.—What is the power used?

Mr. Advani.—Local electric power.

Mr. Boag.—Always?

Mr. Advani.—In places like Tikekarwadi they use crude oil engines. Where electric power is available, especially in Surat and Sholapur, they buy local electric power. Where they have no local electric power, they have a small oil engine.

Mr. Boag.—Are these factories put up by one man?

Mr. Advani.—Yes.

Mr. Boag.—Is it a weaver or a Sowkar?

Mr. Advani.—Sowkar who engages weavers. He has knowledge of the cloth trade and then he engages local weavers.

Mr. Batheja.—What wages does he pay?

Mr. Advani.—The wages are higher than the wages earned independently. They would vary according to the piece from 10 annas to Rs. 2-4 depending upon the quality of cloth and skill of the weaver.

Mr. Batheja.—Per day?

Mr. Advani.—Yes.

Mr. Boag.—In these factories are all varieties of cloth manufactured or only certain fabrics?

Mr. Advani.—Fabrics which lend themselves to power looms such as saris, shirtings, coatings, suitings, etc.

Mr. Batheja.—Does the use of Indian silk present any difficulty in the power looms?

Mr. Advani.—No.

Mr. Batheja.—Do they use Indian or foreign silk—I am talking of power looms?

Mr. Advani.—Where pure swadeshi fabrics are demanded they use Indian silk, but I should think Indian silk is largely used.

Mr. Batheja.—Which kind of Indian silk?

Mr. Advani.—Mysore.

Mr. Batheja.—It presents no difficulty in weaving in power looms?

Mr. Advani.—No.

Mr. Boag.—I should like to refer to your Statement III. On page 3 of that Statement, under 1932-33 Surat, you have given two kinds of cloth

in which Indian silk is used. In the one case, 12 oz. cost Rs. 10 and in the second case $1\frac{1}{2}$ lbs. of silk of the same denier also costs Rs. 10. There is a similar thing in the case of Ahmedabad.

Mr. Batheja.—Does it represent different kinds of Indian silk?

Mr. Advani.—You are under the impression that the fact that we have not given any counts means that these are 20/22 or 210/2. That is wrong. Wherever we have not given any figure, it means that I have no figure of the counts available.

Mr. Boag.—That I have understood. Here we have the denier given.

Mr. Advani.—In the case of Surat it is not given.

Mr. Boag.—It is given.

Mr. Advani.—I think it is a typographical error. I shall verify that and let you know.

Mr. Batheja.—And the rates are different in two cases.

Mr. Advani.—Yes.

Mr. Boag.—There are rather similar points with regard to the last three items under Surat. This is about imported silk. The denier is 210/2 in all the cases. In the one case 2 lbs. cost Rs. 12 and in the last case 1 lb. costs Rs. 20 and in the other case $\frac{1}{2}$ lb. costs Rs. 3. There is one more point under Ahmedabad the 2nd and 5th items under imported silk yarn. In the 2nd item 1 lb. (denier 160/2) costs Rs. 20 and in the 5th item 5 lbs. of the same denier cost Rs. 25.

Mr. Advani.—Yes, I shall verify that and let you know.

Mr. Boag.—From this Statement III I take it that generally speaking weavers' wages have gone down now to about a half of what they were in 1928-29?

Mr. Advani.—Yes.

Mr. Boag.—But I notice in certain places that is not the case. In Surat and Ahmedabad for example it is true that weavers in 1928-29 were getting Rs. 2 a day and now are only getting one rupee, but those who in 1928-29 were getting one rupee a day are still getting the same.

Mr. Advani.—It is due to the curtailment of the demand for certain varieties and types of cloth. For instance the demand for kinkhab has definitely decreased and so there is less demand for such men.

Mr. Boag.—You mean the demand for the more expensive kinds of cloth?

Mr. Advani.—Yes. I ascribe the lowering of wages, in some centres more than in others, to these causes. One is where weavers have been formerly engaged in the production of elaborate costly fabrics, the demand for such fabrics having fallen, their wages have consequently decreased very largely. Then in other centre such as a city or centre of business, I find that where the industry is organised may be upon a small factory basis or through some method of financing by co-operative societies and where the weaver has got a little more staying power than others, there his wages have not decreased to the same extent as in centres where he is not organised at all. That is to say, the middleman has been able to take advantage of his lack of staying power and decrease his wages. Therefore you will find in our Presidency wages have gone down all round generally speaking, but in some centres the wages have gone down by 20 per cent.; on the other hand in some centres where there is no organisation at all, wages have gone down by as much as 50 to 60 per cent. In those centres there is no organisation at all. On the other hand where the wages have not been reduced to such great extent, there is definite organisation in the form of factories.

Mr. Boag.—Is there any organisation in Nasik?

Mr. Advani.—No. Nasik is not a large weaving centre. I think there are about 200 looms.

Mr. Boag.—I ask the question because I notice that according to your statement wages are the same in Nasik to-day as they were four years ago.

Mr. Advani.—I think that is largely due to the fact that they produce cloth from medium counts of yarn and the number of weavers is small and they are able to get rid of same round about. It is a religious centre where people go and the weavers are able to sell the cloths. The number of looms is only 200.

Mr. Batheja.—In reply to a question put by the President you said that if the price of cloth was increased by protection, there was a danger of a further decrease of wages.

Mr. Advani.—Yes.

Mr. Batheja.—You have already said that in some cases wages have declined by 60 per cent. and in some cases by 50 per cent.?

Mr. Advani.—Yes.

Mr. Batheja.—Is there any chance of the wages declining further after that very serious fall?

Mr. Advani.—They may. They have been reduced very considerably but the weaver is a very obstinate sort of person. He is in his village. Even if his wages go down to 3 or 4 annas, he still prefers to stick there rather than get out of his village and emigrate or to take to labour to which he is not used. I have visited small weaving centres where people carry on their trade. They tell me that their wages have gone down to 6 annas a day and they still carry on. If you ask them why they stick to weaving, they will say that they do not know any other way of living and that they are not going to leave their homes to seek employment elsewhere.

Mr. Batheja.—How do these new scales of wages compare with the ordinary agricultural wages? Have you any idea?

Mr. Advani.—I think the agricultural labour where it is available is paid higher. In the agricultural season some weavers desert their looms.

Mr. Batheja.—They are not wholetime weavers?

Mr. Advani.—Wholetime weavers desert their looms in agricultural season—I don't say all but quite a number take to agricultural labour because in those days it is more paying than their loom.

Mr. Batheja.—In reply to question 2, you have mentioned the places from which the weavers in the Bombay Presidency get the supply of raw silk. You have mentioned only the countries. Would you specify the actual places where the Bombay weaver gets his supply of raw silk from?

Mr. Advani.—Do you want me to tell you the towns?

Mr. Batheja.—Yes, instead of provinces.

Mr. Advani.—It will be rather difficult to do this.

Mr. Batheja.—You cannot say off hand.

Mr. Advani.—Kashmir silk, being a monopoly of the State, we can get it only through the agents of the State. Mysore silk we can get from wholesale merchants. As regards Bengal, I am unable to say offhand. As regards China and Japan, there are agents here.

Mr. Batheja.—During the course of our visit to a weaving factory, we heard of a place called Shahpur wherefrom they used to get their supply of Mysore and Bengal silk?

Mr. Advani.—That is a trading centre.

Mr. Batheja.—Where is it?

Mr. Advani.—In Belgaum district. In the Presidency there are certain centres where reeling is done—also twisting, winding and dyeing. For instance in places like Satara, Shahpur, etc., that kind of work is done.

Mr. Batheja.—I want to know the exact centres where the raw silk is bought by the weavers?

Mr. Advani.—I can tell you where the work of reeling, winding, twisting and dyeing of silk is done. It is from these places that silk is sent to handloom weavers.

Mr. Boug.—These people who reel and twist the silk—do they buy it from the importers or from the merchants in Mysore or Kashmir as the case may be? Does the reeler buy the raw silk, wind it and so on, and then sell it to the weaver?

Mr. Advani.—He does.

Mr. Batheja.—He does not do the reeling or twisting for the weaver?

Mr. Advani.—For instance take Satara. There are practically no looms there and yet there are silk establishments. From that centre they send out the silk to other centres where weaving is carried on.

Mr. Batheja.—They do not twist in anticipation of the demand?

Mr. Advani.—They do. There are silk merchants in Satara itself who order out this silk and get it prepared ready for sale to weavers. On the other hand there are these factories which are owned by silk merchants who obtain silk on their own account from dealers, prepare it and make it ready for handloom weavers not necessarily in the towns in which these operations are carried on but in other towns also.

Mr. Batheja.—They carry on the stage of production further?

Mr. Advani.—It is only a division of labour.

Mr. Batheja.—As regards the imported silk, is it bought directly from the importers in Bombay city or is it bought from agents? Our information which has been obtained from some importers is that the importing houses in Bombay have no agents but in reply to question 12 you talk of Bombay importers agents. I wonder which information is correct?

Mr. Advani.—The practice would vary from centre to centre. In some of the centres that I know of where there are large dealers they would buy direct from Bombay merchants. Although these people in that particular centre may not be the accredited agents of Bombay merchants because they have large dealings they are looked upon as agents of particular firms and they are therefore called agents.

Mr. Batheja.—You use the word “agents” in that sense?

Mr. Advani.—Yes.

Mr. Batheja.—And these agents also sell raw silk to the weavers on a retail basis?

Mr. Advani.—Yes.

Mr. Batheja.—Or do they engage another intermediary?

Mr. Advani.—They sell direct. The reeling operation or the preparatory process is being carried on in one centre. The weavers are in another centre. In that centre, the local Sowcar will probably be the intermediary. He will buy the prepared silk from that silk centre and distribute it to the weavers either on wage basis or on credit basis. In the latter case, he will sell the yarn on credit to the weaver and when the weaver sells the cloth, the supplier of yarn has got the first option.

Mr. Batheja.—I have understood the system of production. I am now talking of the system of marketing.

Mr. Advani.—Yes, when you ask the question as to whether or not there is an intermediary I am saying yes, there may be an intermediary or there may not be. Often enough there is an intermediary in the form of a Sowkar.

Mr. Batheja.—The system is not uniform.

Mr. Advani.—No.

Mr. Batheja.—Which is the prevalent system—the intermediary system or the non-intermediary system?

Mr. Advani.—The bulk of our weavers depend upon Sowkars who act as intermediaries.

Mr. Batheja.—In reply to question 9 you have given figures of the value of silk production in each division and in the Presidency as a whole. What is your agency for collecting these figures?

Mr. Advani.—As I said before, I have got my staff all over the Presidency, both demonstration parties and supervisory staff. We have a fairly accurate list of looms in each of these centres and also we naturally know the possible output of these looms. I would not say that I have taken actual census. That is impossible, but we have made an intelligent guess of what is possible.

Mr. Batheja.—Have you taken into account the fact that some of the looms are lying idle?

Mr. Advani.—Yes. We have about 100,000 hand looms. I know at the present time all are not working.

Mr. Batheja.—You have made allowance for that fact?

Mr. Advani.—Yes.

Mr. Batheja.—Again in reply to question 15, you have estimated the replacement of natural silk by artificial silk to be about 50 per cent.?

Mr. Advani.—I would say that is an intelligent guess. I would consider the basis of calculation in regard to production as more accurate because we have a census of looms.

Mr. Batheja.—This is only a guess.

Mr. Advani.—This is an intelligent guess.

Mr. Batheja.—Not being a Mahratta. I have not been able to follow the terms used in reply to question 16. What is Paithani?

Mr. Advani.—The Deccani ladies wear that for ceremonial purposes.

Mr. Batheja.—What garment?

Mr. Advani.—Silk bordered sari. The Mahratta women wear a long sari of 9 yards.

Mr. Batheja.—In this figure of Rs. 30-8 which you have given as the cost of the raw material, what is the cost of gold thread?

Mr. Advani.—In this particular case, the gold thread is used for the borders and floral decorations. The bulk of the cost is silk. I would estimate the cost of gold thread as Rs. 10 out of Rs. 30-8. You must remember that in that gold thread itself some silk is used.

Mr. Batheja.—Gold thread is paid for separately and it has a definite price.

Mr. Advani.—Yes.

Mr. Batheja.—What about Pitambar?

Mr. Advani.—It is a red silk fabric. It is used by women on ceremonial occasions. It is also used by men as a dhoti, especially by Brahmins at the time of taking meals.

Mr. Batheja.—You have given Rs. 6 as the cost of raw material. That is only silk?

Mr. Advani.—Yes.

Mr. Batheja.—What is the meaning of Kad?

Mr. Advani.—Generally it is a blue dhoti.

Mr. Batheja.—I suppose Pheta is turban?

Mr. Advani.—Yes.

Mr. Batheja.—What is khan?

Mr. Advani.—It is bodice cloth.

Mr. Batheja.—You have talked about the organisation of silk weavers into 52 co-operative weavers' societies. Have you got any information as to how these societies are getting on?

Mr. Advani.—I am afraid I can only give you a general impression. That relates to the Co-operative Department. I am not in very close touch with them but my general impression is that they are not doing well.

Mr. Batheja.—They start primarily with credit societies?

Mr. Advani.—Yes.

Mr. Batheja.—Then the societies go on adding other functions like selling functions.

Mr. Advani.—Yes. You will note that I have said in the whole Presidency there are only 52 societies whereas we have weavers in the neighbourhood of 100,000. Of these 100,000 only about 2,285 weavers are members of co-operative societies.

Mr. Batheja.—That hardly touches the fringe of the problem?

Mr. Advani.—Quite.

Mr. Batheja.—I suppose they have conservative views?

Mr. Advani.—Yes, they are extremely conservative. It is very difficult to make them organise themselves into a society.

Mr. Batheja.—Do the societies always perform marketing functions?

Mr. Advani.—Only a few of them.

Mr. Batheja.—On page 2 of your 1st statement you have talked of “kath” silk imported from China. To which class given in the Customs Tariff Schedule does this refer?

Mr. Advani.—It is imported from China. I am afraid I am not able to give offhand the classification.

Mr. Batheja.—Will you give it to me later?

Mr. Advani.—Yes.

Mr. Batheja.—What does this “kath” silk correspond to in the Customs classification and what is its trade name?

Mr. Advani.—So far as I know, the trade name is “kath” silk.

Mr. Batheja.—What is the trade name so far as importers are concerned? If there are varieties in “kath” silk, to which variety of the trade terminology does it correspond? We should like to have similar information about the other things—Siam, Steam, Laying, Manchow and Panjam, as to which class of silk do these pertain?

Mr. Advani.—I will give the information later.

Mr. Batheja.—What is the importers' name for Bhangar-ghundi?

Mr. Advani.—I shall let you have it later.

Mr. Batheja.—You have said in answer to question 47 that the imported silk is found cheaper than the Indian silk by one rupee. Is this difference in price justified by the difference in quality? Are there people willing to pay that price recognising the difference in quality between the Indian and imported silk?

Mr. Advani.—The Indian silk is now largely used because of the swadeshi spirit.

Mr. Batheja.—If there is not swadeshi spirit, people will not pay this higher price?

Mr. Advani.—No.

Mr. Batheja.—It does not represent the difference in intrinsic quality?

Mr. Advani.—No. I would not say that the Indian silk is so superior to foreign silk that a difference of Re. 1-8 or Rs. 2 is justified.

Mr. Batheja.—Our information from some other people is that they easily pay this difference in price because of the superiority of Indian silk.

Mr. Advani.—I would not accept that statement because I know that the foreign silk has taken the place of Indian silk. If the Indian silk were really worth Rs. 2 or whatever the difference was more, this situation would not have arisen. The Indian silk does not readily sell now because of the higher price.

Mr. Batheja.—In reply to question 51, you have suggested that it should be made equally obligatory for imported silk to pass the test of a conditioning house?

Mr. Advani.—Yes.

Mr. Batheja.—How do you make it obligatory—by legislation?

Mr. Advani.—Yes. You would have conditioning houses in centres of imports and any restriction or regulation that you are going to apply to the local silk must also apply to the imported silk; otherwise there will be no grading.

Mr. Batheja.—If a producer does not want his silk to pass a certain test, he will find some difficulty in marketing?

Mr. Advani.—That would be so in organised markets. It would not be so in our country. It is likely to be so in places where the bulk of the consumption of silk is by factories the staff of which can check scientifically large purchases. But in India silk is purchased largely by a hand weavers who are ignorant and illiterate cottage workers. They require the protection of the State.

Mr. Batheja.—You won't leave the matter to the trade to settle itself if a silk which is not certified is put on the market.

Mr. Advani.—Normally in organised industries, yes, but unfortunately in this country the largest number of wage-earners are cottage workers and they require more assistance from the State than organised industries do in western countries.

Mr. Batheja.—In any case your proposal requires legislation?

Mr. Advani.—Yes.

Mr. Batheja.—You have suggested some measures for improving the silk industry of India. Would you also suggest marketing organisation for each centre of production?

Mr. Advani.—Yes, I would. Your question relates to a very important problem namely the marketing of the output of handloom weavers. I would like to see assistance given to handloom weavers in the form of marketing organisation, technical assistance and so on. I am not enthusiastic about protection to Sericulture industry. For, unless assistance of the above nature is given to weavers, protection to sericulture will worsen their position.

Mr. Batheja.—You don't think that co-operative societies can supply this marketing organisation?

Mr. Advani.—They have not so far been successful in this respect because of the lack of initiative and education amongst weavers. What is required to be done is that extraneous help should be given to them for the formation of selling depôts for their finished goods and the supply of raw materials to them at wholesale rates.

Mr. Batheja.—Taking the balance of arguments as a whole, are you definitely opposed to protection?

Mr. Advani.—I have not at all said in any of my statements that I am opposed to protection.

Mr. Batheja.—I am asking you that question because you have said that you are not enthusiastic about protection.

Mr. Advani.—I am not opposed to protection. I desire to see the sericultural industry established in this country but at the same time I desire that measures should be taken to protect the very large body of weavers in this country. Hand loom weaving is the largest cottage industry in this country next to agriculture.

Mr. Batheja.—In reply to a question of the President, you said that a more compensation to the weaver for the increased price of his raw material would not suffice?

Mr. Advani.—Obviously it would not. If the raw material of the hand weaver is made dearer, for instance, by the imposition of a duty on cotton yarn last time and again possibly by the imposition of a duty on silk yarn this time, the prices of his finished production will increase and this will depress the market. If that is done, simultaneously steps must be taken to bring into being a central organisation which must help the hand weavers in the matter of organising themselves, in the matter of selling their

products, in the matter of purchasing their raw materials at cheap rates, etc., so that they might be able to successfully resist the attempt on the part of Sowkars to depress their wages. They will be able to do so if they have the necessary staying power, if they are given the necessary finance, if they have proper facilities for selling their output and for purchasing their raw materials, etc. All these factors must be taken into consideration.

Mr. Batheja.—Those are very large issues which are outside the terms of reference of the Tariff Board?

Mr. Advani.—Yes.

President.—Your own view is that you would not object to protection provided some sort of financial assistance was forthcoming from Government on somewhat similar lines to those recommended by you when you appeared before the Board at the time of the Cotton Textile enquiry.

Mr. Advani.—That is my view.

President.—As regards the conditioning house, I want to know whether you think it desirable to have such a house in India?

Mr. Advani.—Generally speaking, as I said before, I desire standardisation in all trades. Standardisation is a thing that helps trade along and this is merely part of a general scheme.

Mr. Batheja.—You would welcome such a scheme if it was forthcoming and if it was made financially stable for the needs of the raw silk industry?

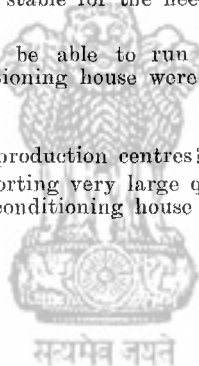
Mr. Advani.—Yes.

Mr. Batheja.—Would you be able to run this conditioning house in Bombay? Supposing a conditioning house were started, where should it be located?

Mr. Advani.—In Bombay.

Mr. Batheja.—Not in the production centres?

Mr. Advani.—We are importing very large quantities of silk in Bombay. There should therefore be a conditioning house located in that city.



THE BANGALORE SILK FILATURE AND THROWING MILL.

Evidence of Mr. F. L. SILVA, recorded at Bangalore on Saturday, the 18th March, 1933.

President.—Mr. Silva, you are the proprietor of the Bangalore Silk Filature and Throwing Mill?

Mr. Silva.—Yes.

President.—It is entirely a proprietary concern?

Mr. Silva.—Yes.

President.—The filature consists of two factories.

Mr. Silva.—Yes.

President.—One is at Bangalore and another at Kollegal.

Mr. Silva.—Yes.

President.—The filature was established in the year 1923?

Mr. Silva.—Yes towards the end of 1923. The filature at Kollegal was opened in 1929.

President.—You have in addition a throwing mill of 1,200 spindles?

Mr. Silva.—Yes.

President.—That is situated in Bangalore?

Mr. Silva.—Yes.

President.—It is not even a private limited company?

Mr. Silva.—I am the sole proprietor.

President.—Have you ever thought of converting it into a public limited liability company?

Mr. Silva.—I have every intention of doing it. I did think of doing so a couple of years ago, but the position became bad. I don't think there is much prospect of my being able to convert it into a joint stock company just now but at the first opportunity it is my intention to do so.

President.—I suppose in case protection is granted, you will take the earliest opportunity of making your concern a joint stock company?

Mr. Silva.—Yes.

Mr. Batheja.—What would be your object in converting it into a joint stock company?

Mr. Silva.—My capital is comparatively limited.

Mr. Batheja.—You would like to have more capital?

Mr. Silva.—Yes and it would not be possible for me to develop the concern unless more capital is forthcoming.

Mr. Batheja.—How much more capital would you need?

Mr. Silva.—A good deal. My working capital at present is very limited.

President.—The two filatures at present consist of 40 basins each?

Mr. Silva.—Yes.

President.—I had better take first the appendices. I understand your opinion is that 100 basin filature is an economical unit in India.

Mr. Silva.—That is my view provided of course the production of cocoons is stimulated in Mysore. If the production of cocoons is stimulated in Mysore, I think a hundred basin filature would be an economic unit.

President.—I find that all the appendices have been marked confidential. May I take it that they are no longer confidential for the purpose of discussion here?

Mr. Silva.—Quite so.

President.—And that they were treated confidential up till the time of oral evidence.

Mr. Silva.—Yes.

President.—I take the one hundred basin filature, Appendix D. The initial capital expenditure is Rs. 60,000?

Mr. Silva.—Yes.

President.—The capital expenditure consists of 100 basins and you have put down as the price Rs. 100 per basin?

Mr. Silva.—Yes.

President.—From the information the Board has received the figure appears to me to be rather low. I would like to have some more explanation.

Mr. Silva.—I have explained that on page 5 of my answers to the questionnaire.

President.—I have made enquiries with regard to the local manufacture. The figure quoted by the other representatives was a little higher.

Mr. Silva.—My own impression is that Rs. 100 should be quite enough.

Mr. Boag.—Is that impression based on estimates?

Mr. Silva.—I cannot say that I have exactly worked out the cost of each item. What happens at present is this: when we get the basins, from Europe we have got to import several heavy parts, such as solid iron tables, stands, etc., which could be dispensed with, and if we replace them by masonry and wood, I feel certain that a very large proportion of the cost would be reduced. The essential parts are just a few small parts. I have had them actually made here. The Jette bout is the most essential thing. I have had it manufactured at a cost of Rs. 4-8-0 and the other requirements are small rods and things like that. I think that Rs. 100 would be ample for the purpose.

President.—The point that I would like to know is this: out of the forty basins which you have in the Bangalore silk filature, are there any basins of local manufacture?

Mr. Silva.—None.

President.—And there is none in Kollegal?

Mr. Silva.—None.

President.—In spite of your considered opinion that the hundred basin would suit the requirements of the trade, you have not found it feasible to instal it in either of your factories.

Mr. Silva.—We have not had the opportunity of doing it.

President.—I find that your figures for maximum capacity in Appendix C has gone up, which implies that you have added the number of basins as you have gone on from 1925 to 1929-30.

Mr. Silva.—That is so.

President.—In spite of the fact that the additions were made in the shape of basins to the original factory, you have not yet thought fit to instal any basin of the size or the value which you are now giving us as the basis for calculation.

Mr. Silva.—The order for the second set of basins was placed as long ago as 1928. I started work in 1929, but the order was placed in 1928. In 1929 the question arose as to whether it was necessary for me to have more basins than 40 in Kollegal. I had hoped a little later to get very large orders from the Bombay cotton mills. You might be interested to know that the Bombay cotton mills have been using several thousand pounds of silk for mixture in sarees and dhoties. In that connection I went into the question of cost of manufacture of basins. We tried to find out as closely as possible whether it was possible to manufacture the basins in India only and not to import them and we came to the conclusion that it was quite possible to manufacture them locally.

President.—What was the price of the basin when you imported from France or Italy?

Mr. Silva.—In the beginning it was Rs. 525. There are two types of basins costing Rs. 450 and Rs. 600. That was c.i.f. shipping port in Europe. Freight and other expenses brought it to Rs. 600 or Rs. 650.

President.—You are not aware of the present price which I understand is in the neighbourhood of Rs. 350.

Mr. Silva.—That is possible.

President.—After that the working capital of that factory you have put down for cocoons as Rs. 6 per lb. of silk.

Mr. Silva.—If you are referring to that appendix, may I ask permission to hand in a statement which gives one or two more details without any substantial correction. (Handed in.)

President.—I take it that the costs that you have given here are the costs prevailing in 1931-32.

Mr. Silva.—Yes.

President.—There is one variation. I find that you have put down in 1932-33 the amount of cocoons consumed per pound of silk as 15.5 lbs., Appendix A. Whereas in your revised statement which you have just handed in you have given 16 pounds of cocoons to a pound of silk.

Mr. Silva.—I have taken 16 lbs. as the safe maximum.

President.—It works out at 6 annas per pound of cocoon.

Mr. Silva.—Yes, including the cost of transport.

President.—I want to know how much you pay for cocoons.

Mr. Silva.—5.83 in 1932-33.

President.—I find the general price that has been quoted is about 5 annas per pound of cocoon.

Mr. Silva.—There is one reason for this difference. The figures that have been given to you so far relate to cocoons which are produced in the Mysore District. In the area within the influence of the Mysore filature, it is the custom to weigh the cocoons on the second or third day. For my Bangalore factory, I draw my supplies from an area where it is customary to weigh them on the 5th day of spinning. Between the second and the fifth day there is a certain amount of loss of weight in the cocoons. Whatever cocoons I get for my Bangalore factory are fifth day cocoons and therefore the rendita in that case is better than in the case of Kollegal.

President.—You have dealt with this point in the replies to the questionnaire and I personally think it of considerable importance, because after all the price of cocoons accounts for nearly 70 to 80 per cent. of the cost of a pound of silk.

Mr. Silva.—Yes.

President.—As your filature is run by an individual as compared to Government, it is necessary for us to find out that in case under the protective scheme filatures are established in India, what should be the general trend of the prices of cocoons? You have made a distinction between the third day and the fifth day. May I take it that in your opinion the fifth day cocoons serve the purpose better than the third day cocoons?

Mr. Silva.—Undoubtedly.

President.—A proportionately higher price that you are paying is fully justified by the value you receive for the finished article.

Mr. Silva.—Yes. For instance take Appendix A and compare the amount of cocoons consumed per pound of silk in Bangalore and Kollegal. In Bangalore the rendita is 15.5 to 16.5. In Kollegal the rendita is 18.5, 17.5 and 17.6. Roughly if we deduct 10 per cent. from the Kollegal figures to cover loss of weight, the result is somewhat nearer.

President.—If you deduct 10 per cent. from 17·6, you get 15·7.

Mr. Silva.—That corresponds more or less to the Bangalore rendita.

Mr. Boug.—You attribute the difference between Kollegal and Bangalore figures entirely to the fact that Bangalore cocoons are five day cocoons.

Mr. Silva.—Quite so.

President.—The third point is about production. Do I take it that in your present factory both at Bangalore and at Kollegal the spinner turns out $1\frac{1}{2}$ pounds per day?

Mr. Silva.—That is the average.

President.—He does achieve that average.

Mr. Silva.—Yes, if the reeler is sufficiently trained.

President.—I would like to know the exact position with regard to your factory. You are able to achieve this?

Mr. Silva.—At present in Bangalore I do achieve this result. The denier taken is 28/30.

President.—I see you have written “less for wastage, dryage, cut skeins, etc.” (Appendix D). What exactly does this consist of?

Mr. Silva.—It happens occasionally that some skeins get spoiled others get cut, etc. There is also some wastage in different directions and I thought it would be best to make an allowance for that kind of accident.

President.—This doesn't make you realise anything.

Mr. Silva.—No.

President.—This 100 lbs. disappear?

Mr. Silva.—Yes.

President.—2,900 lbs. is the nett production.

Mr. Silva.—Yes.

President.—As far as the number of hands are concerned, I would like to know whether preparers are in the same position as cookers.

Mr. Silva.—Yes. Somehow we call them preparers.

President.—I find that for 100 basin filature you require only 50 cookers and not 100.

Mr. Silva.—That is on the Italian type of basin. The cooking basin is situated in the centre and the two reelers are on either side. So one cooker can serve both. It is more economical than the French type of basin which allows one cooker to one reeler.

President.—In Appendix D, page 2 there is an item under ‘Salaries’ 4 cocoons purchasers.

Mr. Silva.—Yes.

President.—I would like to know what system your filature adopts with regard to the purchase of cocoons.

Mr. Silva.—I have got paid men as well as a certain number of brokers in different parts of the State. Sometimes I send my own man and sometimes I instruct the brokers to buy for me. Generally it happens that both continuously bring a regular supply.

President.—There is no such thing as cocoon market?

Mr. Silva.—No.

President.—The purchasers that are appointed are whole time men who visit the rearing houses and purchase cocoons.

Mr. Silva.—Yes. They give me information as to the rearings that are taking place, as to when I can expect and from which part of the country.

President.—When the purchaser brings the cocoons to the factory, the additional cost that is involved is included in the six annas.

Mr. Silva.—Yes, it is.

President.—What kind of sorting is done in your filature?

Mr. Silva.—It is not possible to sort Mysore cocoons. No sorting is done. Any cocoon that is obviously defective or stained and can be easily removed, is removed, otherwise it is not possible to sort. I shall show you why it is not possible. Our cocoons (sample shown) have this peculiarity. There is a great deal of floss in them. There are some cocoons which are misshaped and defective. I would like to have them separated, but the cocoons stick to each other and it is not possible to do the sorting on an economic basis.

President.—Do I understand that the quality of the cocoons is much inferior?

Mr. Silva.—It is not so. The quality is very good, but in good reeling in Japan or in Europe they would separate misshaped cocoons like this (sample shown). This (sample shown) they would call first quality. This (sample shown) they would put in the second or third quality. This (sample shown) cocoon is really defective. That would be kept aside. Our cocoons stick so much to each other that it is not possible to separate them within a reasonable amount of time. So we have to take them all together and work them.

President.—Would you not consider it as a feasible proposition in the interests of the trade that there should be some kind of sorting?

Mr. Silva.—It is impossible to do it. I tried it in the beginning. I was advised by my Italian expert that it was an essential thing to do. I tried it. I kept a large number of people working at it and I found at the end of the day that they were not able to deal with them in any quantity.

Mr. Batheja.—If you do sort satisfactorily, the cost will be enhanced.

Mr. Silva.—Enormously. On an economic basis it is not possible.

President.—As far as labour is concerned, the reeling is done by the girls in the filature.

Mr. Silva.—Mostly. I have got some boys.

President.—One reeling girl attends to how many ends?

Mr. Silva.—I have some basins with 4 ends and some with 6 ends. As a matter of practical experience I have very few people who reel more than 4 ends. The best reelers are allowed to work more than 4 ends, but I find on an average I get just as much production on a four end basin as I can get on a six end basin.

President.—How many yards of silk can you reel per minute?

Mr. Silva.—It depends on the size of silk. When I reel a fine size, I allow about 90 revolutions. Occasionally it is 95 or 100. Sometimes it depends on the cocoons. If the cocoons are good, I allow a large number of revolutions. When the cocoons are bad, they break frequently and we go down even to 75.

President.—The number of revolutions depends on the denier and the quality of the cocoons.

Mr. Silva.—Yes.

Mr. Batheja.—You have got some mechanical arrangement to control the revolutions.

Mr. Silva.—Yes.

President.—What about interest and depreciation charges?

Mr. Silva.—I have shown these figures in greater detail in the statement just handed in.

President.—I just want you to calculate according to the calculations that are generally done by the Board. You have taken the working capital as Rs. 1,26,000. I take it that this corresponds to three months output.

Mr. Silva.—I have taken for working capital three months output.

Mr. Boag.—This is fixed capital *plus* working capital.

Mr. Silva.—Working capital—nearly Rs. 22,000 a month.

Mr. Boag.—Your production is 3,000 lbs. a month?

Mr. Silva.—Yes.

Mr. Boag.—You require only Rs. 66,000 for the working capital?

Mr. Silva.—Yes for 3 months.

Mr. Boag.—3 months output is quite enough?

Mr. Silva.—That is the minimum.

President.—As regards buildings, I think 5 per cent. is a little high. I would like to know whether 2½ per cent. would be considered a reasonable figure.

Mr. Silva.—I think it would. After what I heard during the course of the evidence, I was inclined to correct it, but I thought I might leave the figure alone.

President.—As regards basins, boiler, engine, tools and furniture, if I were to calculate 7½ per cent. on that, would that be a reasonable figure to take?

Mr. Silva.—For tools I would allow 10 per cent.

Mr. Batheja.—What do you mean exactly by tools?

Mr. Silva.—All kinds of miscellaneous tools for the factory.

Mr. Batheja.—You don't mean the tools used in reeling?

Mr. Silva.—No.

President.—On the motor vans it is 25 per cent.

Mr. Silva.—Yes.

President.—Do you think that it is a reasonable figure to be taken with regard to the transport that is likely to take place in a factory?

Mr. Silva.—Yes.

President.—You are not using coal?

Mr. Silva.—No, only firewood.

President.—What is the price you are paying?

Mr. Silva.—In Bangalore Rs. 12 a ton. In Kollegal it is Rs. 6 or Rs. 7 a ton.

President.—As regards the maximum output of your present factories, it requires a little more explanation.

Mr. Silva.—I have a statement here (handed in) where I have given the number of basins which I omitted to do in the first instance.

President.—The point I want to understand a little more clearly is that you have divided the capacity into fine deniers and coarse deniers.

Mr. Silva.—Yes.

President.—If I take the fine deniers as 13/15 and coarse deniers as 28/30, then the figures for your maximum output in 1929-30 is 9,000 and 18,000 respectively.

Mr. Silva.—Yes.

President.—I don't think it has ever been possible for you to work either the fine deniers or the coarse deniers exclusively.

Mr. Silva.—No, not exclusively.

President.—Therefore I would like to know what percentage should be taken to represent the maximum capacity of your factory? May I take it 25 per cent. for fine deniers and 75 per cent. for coarse deniers as a working basis?

Mr. Silva.—That would be more or less the case.

President.—That works out to nearly 14,000 lbs. as the capacity in 1928-29. As against that you have achieved a figure of 11,623 lbs.

Mr. Silva.—Yes.

President.—Roughly speaking I can say that in no year you have reached the maximum capacity of your plant.

Mr. Silva.—Not maximum if worked in this way. Here of course the maximum capacity means the maximum capacity of the machine taking all conditions as favourable, but in actual practice the capacity of the factory would depend on the efficiency of the workers, the number of working days, the kind of cocoons and above all the orders in hand. Although for practical purposes we can say that the factory is fully employed, it may not be possible to turn out the full quantity which we should get according to the theoretical calculations.

President.—I would like to know then what is the difference you would make between theoretical and practical calculations.

Mr. Silva.—What I mean to say is in these two years we were working throughout the year and we fully employed the basins.

Mr. Boag.—Which two years?

Mr. Silva.—1923-29 and 1929-30.

President.—Granting that your filature is working for 9 hours a day and 25 days in a month, you have not been able to reach the maximum production of your plant.

Mr. Silva.—Not the theoretical maximum.

President.—What is the practical maximum? May I take 12,000 as the maximum?

Mr. Silva.—I would not say that is the maximum.

President.—What is the maximum capacity of the plant which you are working at present?

Mr. Silva.—We may take it at 14,000 lbs.

President.—You have not worked up to the maximum capacity of your plant?

Mr. Silva.—No, looking at it from that point of view.

President.—I take it that as far as interest on capital, depreciation and remuneration is concerned—62 rupee per lb. given in Appendix B has been taken into consideration in the economical filature suggested by you.

Mr. Silva.—Yes, there I have taken the actual figures.

President.—For 1930-31 and 1931-32, the figures are not given. I take it that you didn't work in those two years.

Mr. Silva.—My Bangalore factory was not working in those years.

President.—You have not been able to supply us any figures for 1932-33 for Kollegal.

Mr. Silva.—No.

President.—Is the factory still working?

Mr. Silva.—Yes.

President.—As regards the sale price of your product in 1932-33, you have been able to realise Rs. 8-7-9 per pound of raw silk?

Mr. Silva.—Yes.

President.—In which market have you been able to realise?

Mr. Silva.—Chiefly in the Bangalore market.

President.—This price represents the sale price in the Bangalore market?

Mr. Silva.—Yes.

President.—Will you kindly tell me what class of imported raw silk comes into competition with this kind of raw silk?

Mr. Silva.—I should say the better qualities of filature silk.

President.—As far as I have been able to ascertain the quality which is coming in large quantities is the Canton steam filature for which the price in Bangalore is Rs. 4-11-0. I am told that it doesn't compete with filature silk, but with the best class of charka silk.

Mr. Silva.—In view of its low price it competes with every quality.

President.—There must be some difference between quality and quality, just as there is a comparison between the best kind of charka silk and the Canton steam filature silk. There must be some price over and above that price which would come into competition with Rs. 8-7-6.

Mr. Silva.—If the prices were anywhere near each other, it would have been possible, but otherwise if the price were as low as Rs. 4-11-0 and when it competes with the country charka silk, it necessarily competes with filature silk.

President.—I don't think I would agree with you on that point for the simple reason that in spite of that price prevailing for imported silk, you have been able to realise this price for your silk.

Mr. Silva.—That is because there are certain factories which work with my silk and which want Indian silk.

President.—Is it a fact that there is a certain monopolistic price for your silk?

Mr. Silva.—No.

Mr. Batheja.—Have you got what is called a sheltered market due to swadeshimism?

Mr. Silva.—There are one or two weaving factories which carry on work with Indian silk, Mysore filature silk. Naturally they will buy from me. Even those that are using China silk are partly using Mysore silk, for that reason they are using my silk.

Mr. Batheja.—You have a class of customers who do not at present use foreign silk.

Mr. Silva.—Yes at present.

President.—As far as your local sales are concerned, I take it that you have no difficulty in selling your product at the price you have mentioned.

Mr. Silva.—The difficulty is not with regard to the price, but with regard to the quantity they take.

President.—Take Appendix E where you have given the quantities and I find that the quantities correspond to the production of your factory.

Mr. Silva.—Yes.

President.—That means you have been able to dispose of all that you produce. Take 1928-29 and 1929-30 which are the good years in which you have got a very large production, viz., 11,623 and 12,012. If you will see the sales in those years you will find that it is practically all your production.

Mr. Silva.—Quite so.

President.—Therefore as far as your sales are concerned, you don't find any difficulty in spite of the fact that there is a large difference in price between your silk and the best imported silk that is coming into Bangalore.

Mr. Silva.—It was during those two years during which very little silk was imported. Subsequent to that period all my difficulties have arisen.

President.—Let us take the subsequent periods. They are the periods in which you have not worked for want of a demand. Take the Kollegal figure. You have worked the Kollegal factory in 1930-31 and 1931-32. Your production there is somewhere near 3,000 and I find also in the sales it is nearing 3,000 in both the cases. As a matter of fact in 1930-31 you have nearly produced 5,000. I take it that as far as your sales are concerned, in spite of a very high price compared to the Canton silk you have been able to command the necessary market.

Mr. Silva.—If I have got a demand, I produce. It is not that I go on producing whether there is a demand or not.

President.—Do I understand that you don't work your filature unless orders are booked previously?

Mr. Silva.—Not exactly. In some cases the working is limited. In other cases the factory may close down or it may work intermittently.

President.—I am taking the figures of the two years. I take it according to your own statement you have worked throughout the year.

Mr. Silva.—Yes.

President.—In those two years you have done well though I find in those two years the price of imported silk was nowhere near the price which you have obtained for your silk.

Mr. Silva.—That is true.

President.—And in spite of the fact that you received an order for 30,000 lbs. of silk, you have not been able to provide that stuff.

Mr. Silva.—That was from America.

President.—You have stated that you received a definite offer.

Mr. Silva.—Yes.

President.—I would have been more interested if you had been able to supply it.

Mr. Silva.—They stated certain things (read). "You will note from the report that your silk is classed as a very good Canton. . . . after it is introduced here the American market will consume it in almost any quantity and will pay good prices for it in order to become of real interest however the supply must be largely increased." We said that our capacity is 1,500 lbs. (read) they reply:—"The worst criticism is in the small quantity available which makes it hard to place. The users of silk yarn such as this, consume very large quantities, and 1,000—1,500 lbs. is but a drop in the bucket for them. If we could offer 20—30,000 lbs. monthly we would have a much easier task".

President.—In spite of this fact you are still inclined to press the point of view that the filature silk should have a specific duty of Rs. 4-8-0.

Mr. Silva.—Certainly.

President.—I have not been able to get those details worked out as to how such a high protection as 4-8-0 for a filature silk is justified.

Mr. Silva.—The import price of China silk at present.

President.—I am not concerned with the import price. At present as I have told you, as far as your filature is concerned, unless you tell me that a particular class of imported silk which is coming directly into competition.

Mr. Silva.—I should say all imported filature silk comes into competition with my silk.

President.—I do not know whether the Canton steam filature silk comes into competition with your silk.

Mr. Silva.—This is the one that has all along been coming into competition.

President.—It doesn't show from the figures given by you.

Mr. Silva.—If you will kindly see Appendix E, up country sales, for instance in 1928-29 they amounted to 7,431 lbs. and in 1929-30, although it was a very good working year, the sales came down to 2,441.

President.—I don't agree with you at all, because you will see in 1928-29 your local sales were 5,794 and you increased the sales by 100 per cent. in 1929-30 into 9,878. You cannot sell more than you produce. That is an ordinary maxim.

Mr. Silva.—But my up-country sales. . . . It doesn't matter whether you are able to sell up-country or in Bangalore. The duty of a business man or a factory man is to be able to sell all that he can produce and you have been able to do so all these years.

Mr. Silva.—If you will kindly take the next year, 1930-31, the up-country sales fell to 1,900 lbs.

President.—I am afraid I am not able to follow the argument.

Mr. Silva.—You will kindly remember the fact that my production is limited to my demand and not to my capacity.

President.—I do not know whether that would be a feasible proposition. If a man comes forward with capital and establishes a factory, should he wait for the orders and then start working and then stop the mill as soon as the order is over?

Mr. Silva.—Not that way.

President.—The factory owner of a cotton mill in Bombay, I can say from my experience works throughout the year and obtains orders on the products that he turns out, not that he waits for the order for running the factory.

Mr. Silva.—It is not a fact that we wait. As a matter of fact we know the trend of the market. I make it a point to visit my markets and keep in touch with them.

President.—Now that you have seen the trend of the market, you have been able to produce such of the qualities that you can dispose of.

Mr. Silva.—I visited Benares and Surat. I found that there was absolutely no demand. They all wanted Canton steam filature. What was I to do but curtail production.

President.—I will just run through the Memorandum you have sent us before I take up the questionnaire. As far as the total production of filature silk in India is concerned of which year were you taking into consideration when you say that 3 lakhs of lbs. for Kashmir and about 50,000 lbs. for the rest of India.

Mr. Silva.—I took it that the Kashmir production was 300,000. We have since heard it as 2½ lakhs.

President.—These are conjectural figures.

Mr. Silva.—Yes.

President.—You have got in addition to the factory at Kollegal a grainage preparing disease free seeds. Is that controlled by you?

Mr. Silva.—Yes.

President.—What is the system in vogue in that place?

Mr. Silva.—The same system as they follow in the Government farm. The grainage was started some time ago, but a couple of months ago the department in Madras decided to reduce the price of their disease free seed to such a low figure as 5 annas 3 pies for 100 layings that it was no longer possible for me to carry on the grainage. Since I have submitted this note, I have decided to stop it.

President.—I take it the object of a grainage was principally to supply disease free seeds to the rearers in order that your factories may be able to get the best quality of cocoons.

Mr. Silva.—Quite so.

President.—The object was not to supply it for general use.

Mr. Silva.—Nobody would buy it from me unless I supplied it at 5 annas 3 pies.

President.—There may be two objects. Why I want to put this question is this: you have emphasised and I think correctly that raw silk is not in any way an article which is not of manufacturing condition and that the raw material for raw silk is cocoons and therefore just like other factories you want to be in a position to supply your own raw material to your factories.

Mr. Silva.—I should have helped the supply.

President.—When was it started?

Mr. Silva.—Nearly a year we have been working.

President.—You worked only for a year?

Mr. Silva.—Yes.

President.—Were you able to sell the disease free seeds?

Mr. Silva.—Quite easily.

President.—What was the price you got?

Mr. Silva.—The same as Government price, 12 annas for 100 layings.

President.—You have said that there is no such thing as cottage reeling of silk.

Mr. Silva.—Yes.

President.—I would like to know what you would call domestic basin silk. Is that on a cottage system?

Mr. Silva.—I think it is a capitalistic system.

President.—There is very little capital involved in it.

Mr. Silva.—In any case it has to be done by professional men—professional reelers, not members of the cottage, not members of the family.

President.—It is worked on a cottage basis. It consists of 5 basins and the factory that we visited is practically a replacement of country charka.

Mr. Silva.—Perhaps you would be justified in calling it a cottage industry.

President.—As regards your up-country markets, I would like to know your system of packing.

Mr. Silva.—We pack the silk in 5 lbs. bundles.

President.—A bale consists of 70 lbs.?

Mr. Silva.—It depends upon the order, sometimes 70 lbs. and sometimes less.

President.—The purchaser pays the freight.

Mr. Silva.—Generally. In some cases I undertake delivery at destination.

President.—On page 7 of your memorandum you have given me the output for 1931-32 as 3,67,440.

Mr. Silva.—Mysore export.

President.—This is not Mysore. You have stated Mysore and Kollegal silk, whereas the figure that we got was only for Mysore.

Mr. Silva.—It is really silk exported from Mysore.

President.—Does it include the Kollegal silk?

Mr. Silva.—Yes. A certain quantity comes from Kollegal and it is also included.

President.—What is the percentage of silk that comes from Kollegal?

Mr. Silva.—I have taken figures only for two years from Government records.

President.—What would be the percentage?

Mr. Silva.—But that again is for 1926-27. Kollegal figures have been given by the Madras Industries Department.

President.—We discussed with you when you appeared before the Board as a representative of the Mysore Chamber of Commerce questions regarding the exchange, tariff valuation and protection. Therefore I do not like to go over the same ground again.

Mr. Silva.—Not so far as the classification is concerned.

President.—We discussed the classification and you wanted the classification to be based on handreeled and filature reeled. We did discuss that question in all its details. Is there any fresh point that you wish to make?

I did discuss and asked you in your capacity as the Mysore Chamber of Commerce representative to submit a considered note on the subject.

Mr. Silva.—Yes.

President.—The only point that arises out of that is a bounty for the waste. You have asked that owing to the prices for silk waste having fallen in foreign markets there should be a bounty of 2 annas per lb. for export of charka waste, and 4 annas for filature waste until such time as the price of waste rises to such a reasonable level or until the silk waste plant is installed in India. I do not quite understand in what way you propose to give the bounty and how the bounty system could be worked.

Mr. Silva.—I have not given a thought to the procedure involved.

President.—You mean Government should visit every charka centre.

Mr. Silva.—No. It should be done either at the railhead or at the port. The waste is exported only by rail. Taking Mysore, for instance, it is all exported by rail.

President.—But the point that you made out in your capacity as Mysore Chamber's representative was that artificial silk has taken the place of spun silk and for that reason the price of waste has gone down.

Mr. Silva.—Quite so.

President.—If the foreign markets are not able to use the waste, where does the question of bounty come in? At present I am told a large amount of waste is being kept in the godown. Should they ship it on the guarantee of 2 annas without a corresponding buyer on the other side?

Mr. Silva.—There will be a buyer if we make it sufficiently favourable. The price is very low. A few months ago I was asked to sell at 8 annas a lb. Supposing I was compelled to sell it at 8 annas a lb. I should do so only if I got some kind of compensation for it in the shape of a bounty.

President.—There is no question of compulsion at all. You can store it up.

Mr. Silva.—The force of circumstances may compel me to sell the waste.

President.—With regard to the financing of the silk industry, I understand that a large amount of capital is necessary within a short time as far as this industry is concerned, because you have got to store up cocoons to a very large extent. Is that the practice followed in your filature?

Mr. Silva.—So far as I am concerned, normally I aim at having a fortnight's stock of cocoons in hand. I am continually buying. Sometimes it is necessary to have two months supply, but in other seasons a fortnight's supply is sufficient.

President.—The point that you have made out in that connection is that India is in a better position than foreign countries, because you get crops throughout the year.

Mr. Silva.—Yes.

President.—I do not know whether that statement could be substantiated, because I was given to understand that in Japan there are three crops in a year.

Mr. Silva.—Yes.

President.—Out of an average of 5 crops in India, generally all are not successful and 3 is taken as the average in India. If all the crops are successful, then you get 5 crops in a year producing 375 lbs. of cocoons whereas the average is 3 crops a year with 260 to 280 lbs. of cocoons. Therefore you are not at an advantage when compared to Japan which has got 3 crops a year.

Mr. Silva.—The crops are not harvested only 3 times a year. What happens is that 3 crops are successful on an average, but these crops are purchased from day to day, from week to week in different villages or in different parts of the country. We are always in a position to get a continual supply of cocoons.

President.—In that six annas figure, have you included the cost of stifling or is the cost of stifling different?

Mr. Silva.—I really incur no separate expenditure for stifling. We steam our cocoons.

President.—Or conditioned as you call it?

Mr. Silva.—The expenditure involved on account of steaming is included in the general expenditure of the boiler.

President.—It is included under fuel?

Mr. Silva.—Yes. There is no separate expenditure.

President.—In Appendix E you have put down Rs. 300 for power and fuel. How much of that is for power and how much is for fuel?

Mr. Silva.—I would take Rs. 50 for power and Rs. 250 for fuel.

President.—Out of Rs. 250, how much would you take for stifling charge?

Mr. Silva.—The proportion is altogether nominal. The steam is there the whole day and we just steam a few cocoons in a Chamber.

President.—Steam is included though you are not able to tell me the exact figure.

Mr. Silva.—Because it has been very very small.

President.—It has not worried you so far.

Mr. Silva.—No.

President.—As far as the filament of a cocoon is concerned, I am told that a cocoon filament is not uniform in size throughout—fine at one end, coarse at the middle and fine at the other end. Therefore naturally any raw silk that is reeled from several cocoons varies in size according to the skill of the reelers.

Mr. Silva.—Yes.

President.—Therefore the main operation as far as the filature is concerned is that of a reeler.

Mr. Silva.—Quite so.

President.—I would like to know what is the period generally taken for a person to get himself thoroughly acquainted with the reeling. The period that you have given is 4 to 6 months, and I would like to understand whether he is paid any wages or whether he works as an apprentice.

Mr. Silva.—He is paid throughout.

President.—Wages must differ.

Mr. Silva.—They would get a little lower wage in the beginning, but as they acquire more experience, we raise the wage.

President.—I would like to understand the wage of an apprentice and skilled worker. If a man starts work, I consider him to be an apprentice.

Mr. Silva.—I regulate my wages more by the age of the person in the beginning than any other consideration.

President.—Irrespective of his knowledge?

Mr. Silva.—Yes, if they show fair progress. If one attains a sufficient degree of efficiency, naturally we raise the wage.

President.—As far as the quality of the silk is concerned, I take it that the best raw silks are produced by the steam filatures.

Mr. Silva.—Yes.

President.—And a skein is generally of 450 meters in length in foreign countries?

Mr. Silva.—No.

President.—What is then the size of a skein?

Mr. Silva.—Sometimes we remove skeins very quickly—3 times a day.

President.—How many meters a skein is generally in length in India?

Mr. Silva.—An ounce or so in weight. A skein would generally be about one ounce in the case of a fine denier.

President.—The finer the silk the smaller is the count. And the finer standard size silk is 13/15 denier.

Mr. Silva.—Yes.

President.—Have you been able to find out the size of a single cocoon filament? What is generally the size of a single cocoon filament? Is it $1\frac{1}{2}$ to 2 deniers?

Mr. Silva.—1·8 for practical working.

President.—Can we take $1\frac{1}{2}$ to 2 deniers?

Mr. Silva.—Yes.

President.—You have calculated for the working capital of an economical filature 8 per cent. interest, whereas you have put down here that you don't get money for the working capital below 9 per cent.

Mr. Silva.—A month or two ago it was reduced to 7 per cent. It was 9 per cent. till two months ago.

Mr. Batheja.—What is the rate charged by the Mysore Government to its customers against first class security?

Mr. Silva.—I don't know.

President.—As far as the question of insurance is concerned, I take it that that is included in the price you sell to upcountry markets. As regards the question of freight you said that these rates do not include insurance. Insurance will be out of the railway rates which are charged.

Mr. Silva.—Sometimes it is paid by the customer.

President.—It is included in the selling price?

Mr. Silva.—Yes.

President.—One point you have mentioned here is with regard to the kaddar silk. What is the kind of quality that is coming into India?

Mr. Silva.—It is like handspun silk.

President.—What is the price it is fetching at present?

Mr. Silva.—I do not know.

President.—Do you know the amount?

Mr. Silva.—It is not separately specified. I have seen some of it.

President.—It passes as spun silk?

Mr. Silva.—They really refer to it as kaddar silk.

President.—In the market it is referred as kaddar silk, but the proportion that is coming at present is very small.

Mr. Silva.—I believe it is very small. I saw it in Benares a couple of years ago.

President.—It doesn't come very much to Bangalore?

Mr. Silva.—No.

President.—Another point is with regard to the amount of money spent by Government for the development of this industry. You have stated here that the amount spent on its development is not even equal to one per cent. of its value and bears no comparison whatever to what is done to foster it in the competing countries. I would like to know to which Government you are referring. Are you referring to the Mysore Government or to the Indian Government?

Mr. Silva.—Even in the case of the Mysore State it would be nearly true.

President.—This statement would be more or less true with regard to the Mysore State?

Mr. Silva.—Yes. The traditional value of Mysore silk is held to be one crore of rupees. It is usual here to refer to the industry as producing that much. The budget provision in the current year for the Mysore Sericultural Department is about one lakh of rupees.

President.—The Mysore Government is spending one lakh of rupees on the Sericultural Department.

Mr. Silva.—Yes.

President.—As a matter of fact I saw their memorandum and I find the present figure is Rs. 1,25,000. On cross-examining Mr. Rama Rao, the Director of Industries, the other day, I was given to understand that about 2 lakhs of rupees are being spent by the department.

Mr. Silva.—He should know better, but looking into the budget the nett provision is Rs. 1,02,000. Including certain receipts it is about Rs. 1,15,000. My remark would apply with greater force to Madras or to Bengal.

President.—Have you got any definite proposals to make in this connection with regard to the amount that should be spent? What is the reasonable amount you consider that Government should spent and in what directions?

Mr. Silva.—The directions are specified here in answer to the last question.

President.—The last question relates to the amount of reduction in the cost of Filature under a protective scheme.

Mr. Silva.—The cultivation of better varieties of mulberry and provision of facilities—all these matters would be matters for Government on which to spend a sufficient amount of money.

President.—The object of our question 60 is to find out by how much the industry can reduce the cost of production in order to enable it to stand on its own legs. Now I want you to tell me that if protection is granted, what are the schemes which the Government should undertake for the betterment of the industry in the state? Would you give me a note on the subject and the amount you think reasonable the state should spend for that?

Mr. Silva.—I could not undertake to specify the amount, but the directions in which expenditure would be incurred would be these.

President.—I think you have been in the industry for a sufficiently long time to enable you to give the Board an idea as to how much money is likely to be required on the details which you are going to furnish. You are not only an industrialist; you are also representing the commerce because you have appeared before the Board as a Member of the Chamber of Commerce. You have come now as a manufacturer; you have also had the grainage experience, because you owned a grainage. Apart from that you have a throwing mill with which I shall deal presently. Therefore I think you are in a better position to give the Board an idea than any other witness who may come up afterwards, because yours is the only filature run by a private individual in the whole of India.

Mr. Silva.—Any kind of suggestion that I could make would carry very little value.

President.—It is for the Board to decide what value it should attach to the memorandum that you may send.

Mr. Silva.—It would depend on so many considerations.

President.—I would like you to tell me what you think a reasonable amount should be spent by the Government under the protective scheme. I am not saying that it should be spent now. I am only saying that if protection is granted what in your opinion would be a reasonable figure to assume that the Department of Sericulture in Mysore should spend for the furtherance of this industry?

Mr. Silva.—If you think that it would have any value at all, I shall make an attempt.

President.—If we are not going to attach any value, I would not trouble you.

Mr. Silva.—I shall submit a note.

President.—You are asking for two kinds of specific duties and for a period of 10 years. I take it you consider that a period of 10 years is sufficient for the development of the industry.

Mr. Silva.—For certain reasons I have suggested a period of 10 rather than 15 or 20 years.

President.—I am not concerned with 15 or 20 years. I am concerned with the point of view you are putting forward before the Board. In your considered opinion you think that a period of 10 years is sufficient for the industry to bring it into a prosperous state.

Mr. Silva.—If you will permit me, I shall give you my reasons. In suggesting a period of 10 years, I have had two or three things in view. In the first place what I feel is this: if the industry is able to show that it has made a sufficient response during the period of 10 years, I take it that it will not be very difficult for us to get the period of protection extended after the lapse of ten years.

President.—You want after 10 years another Tariff Board enquiry?

Mr. Silva.—I do not know whether it would be necessary for the Tariff Board to enquire, but in any case I feel that if the industry makes a sufficient response, those that are responsible will probably not demur to extend the period of protection.

President.—The reason why the Board asks this question is to know that after the end of the period, there would be no protection and that the industry would be able to stand on its own legs after the protective period is over. That is why the Board always puts this question as to what period the industry thinks it sufficient for itself in order that after the period is over, it will be able to stand on its own legs.

Mr. Silva.—I have another reason in view. At the end of 10 years, I feel there is little doubt that there will be considerable change in the present economic conditions. After 10 years it may be quite possible that the amount of protection may have to be revised.

President.—It amounts to this that you want that after the end of 10 years there should be another Tariff Board enquiry.

Mr. Silva.—The position would have to be reconsidered in any case.

President.—That means another Tariff Board's enquiry.

Mr. Silva.—Yes, if necessary.

President.—As far as the reductions are concerned, you have given us an economical unit as 100 basins. If protection is to be granted for 10 years, I would like you to prepare a similar statement as you have done so with regard to Appendix D as to the kind of savings under various heads that are likely to take place as enumerated in our question 60.

Mr. Silva.—I have only estimated the reduction at 10 per cent.

President.—I take it the figures that you have given me in Appendix D are the present cost of production of a lb. of raw silk. It works out as Rs. 7-6-11.

Mr. Silva.—Yes.

President.—I would like to know after the end of 10 years what you think would be the reductions that will take place owing to the development of the industry and how far it would be possible to bring down the cost of production.

Mr. Silva.—Under present conditions I have estimated the reduction at only 10 per cent.

President.—10 per cent. for cocoons.

Mr. Silva.—10 per cent. also for working expenses.

President.—20 per cent. of the total reduction.

Mr. Silva.—10 per cent. I am sure at all events there will be a reduction of 10 per cent.

President.—You think that at the end of 10 years the industry will be able to stand on its own legs with 10 per cent. reduction in the cost of the present day. You are not contemplating any perpetual protection?

Mr. Silva.—No.

President.—I personally think—after 10 years if you are able to show only 10 per cent. reduction in the cost of production, the scheme of protection may fail.

Mr. Silva.—My present position is this that the present circumstances are so altogether abnormal that one cannot venture to predict anything with regard to the price of cocoons or the general level of prices or the general cost of production. So I have taken

President.—Whilst realising your difficulty, I do not know whether you realise the difficulty of the Board. The Board has got to say that the case for protection is established and that it can only do so if the industry satisfies all the three conditions laid down by the Fiscal Commission. We have pointedly drawn your attention to the conditions laid down by the Fiscal Commission in our questionnaire. The last condition is that after the definite period of protection is over, the industry should be able to stand on its own legs.

Mr. Silva.—I believe it will.

President.—I realize that it is at present difficult to make a conjecture. But I am afraid you are not able to show that the third condition of the Fiscal Commission is satisfied.

Mr. Silva.—In that case in view of what I heard during the evidence given here I would put the total reduction at 25 per cent. We had a very definite and promising estimate of the future position.

President.—So far as that evidence goes, I may tell you, Mr. Silva, that you heard that evidence as one of those representing the public, but as far as the Board is concerned it cannot rest satisfied with an opinion which was tendered to the Board and which could not possibly be substantiated.

Mr. Silva.—He is a very authoritative witness.

President.—We want to know your opinion. We have his opinion already on record. As you have worked the flature yourself, I think you would be in a better position to offer opinion on this point.

Mr. Silva.—You may take it like that.

Mr. Batheja.—Do you endorse the estimate placed before the Board by the Mysore Government?

Mr. Silva.—It is a little optimistic in my view.

Mr. Batheja.—Do you endorse the estimate to the extent of 25 per cent.?

Mr. Silva.—Yes, after listening to the very definite manner in which the evidence was tendered.

Mr. Batheja.—Were you impressed by the definite manner in which the Director of Industries, Mysore, gave evidence?

Mr. Silva.—Yes.

Mr. Boag.—I should like to refer you to one remark in your first memorandum. That is in paragraph 5. You say that the varieties of Indian silk other than mulberry silk are commercially negligible.

Mr. Silva.—Yes.

Mr. Boag.—I should like to know exactly what the implications of that statement are.

Mr. Silva.—The quantity is very small.

Mr. Boag.—Do you mean that the statement is applicable to the whole of India?

Mr. Silva.—I was really thinking of the other parts of India.

Mr. Boag.—You are really thinking of the country as a whole.

Mr. Silva.—My information was that the quantity produced of these kinds of silk was very small.

Mr. Boag.—You base this opinion on the quantity produced.

Mr. Silva.—Quite so.

Mr. Boag.—Have you seen any figures of production for eri, tassar silk and so on?

Mr. Silva.—Nothing very definite. These are some old figures here, I think they were taken from Maxwell Lefroy's Book.

Mr. Boag.—You have got nothing more up to date than that?

Mr. Silva.—No.

Mr. Boag.—I will pass on to your answers to the questionnaire. You have given us a certain amount of information about the purchase of cocoons. Do you restrict your purchases to any particular localities or do you buy from all parts of the country side?

Mr. Silva.—I buy from all parts.

Mr. Boag.—In spite of the fact that the cocoons purchased in different localities have definitely different values.

Mr. Silva.—So far as Bangalore is concerned, I don't find it necessary to go to any area where the cocoons are not weighed on the 5th day. I get them from Bangalore and Kolar Districts, a distance of about 40 miles from my factory where the custom is to weigh them on the 5th day.

Mr. Boag.—You have mentioned the different qualities in the Chamber of Commerce weekly statement. I suppose different values for different silks depend partly on the quality of the cocoons and partly on the quality of reeling.

Mr. Silva.—Yes.

Mr. Boag.—If you include Kollegal, you have got 8 qualities mentioned here. Do you buy all these?

Mr. Silva.—No. 2 Siddlaghatta, No. 4 Chikballapur and No. 6 Nandi. These three places are situated within the area from which I draw my supplies.

Mr. Boag.—Your supplies come from three of these?

Mr. Silva.—Yes.

Mr. Boag.—You indicate in one of your answers that you consider the present capacity of your filature sufficient for the present production of the Mysore State.

Mr. Silva.—What I mean to say is a filature of 40 basin is a convenient unit for the present production of cocoons.

Mr. Boag.—I don't quite follow what you mean, because I find the maximum capacity of both your filatures could deal only with 5 per cent. of the production of Mysore and Kollegal.

Mr. Silva.—Yes.

Mr. Boag.—Why limit yourself?

Mr. Silva.—That production is carried out over such a large part of the country that it would not be possible to deal with the whole area.

Mr. Boag.—A large part of the production is within your reach.

Mr. Silva.—Yes.

Mr. Boag.—Have you any idea of the total production of the localities within your reach?

Mr. Silva.—I could only arrive at it by taking the acreage and assuming a certain figure. That is all. There is no other way.

Mr. Boag.—What is the acreage of mulberry within your reach?

Mr. Silva.—I have got the acreage figures here.

Mr. Boag.—All the figures of production are based on the acreage of mulberry. Yours is just as reliable as any others.

Mr. Silva.—My figures of acreage are taken from the Revenue Department Season and Crop Reports.

Mr. Boag.—Those I take it are the origin of the other figures we have got.

Mr. Silva.—The Sericultural Department has got its own figures. These figures are much less. Bangalore 7,210 acres and Kolar 4,486 acres. These are the two Districts from which I draw my supplies.

Mr. Boag.—What about Kollegal?

Mr. Silva.—There the present acreage is said to be 6,000 acres. At one time it was very much larger.

Mr. Boag.—I have got a figure of production of 12½ lakhs of lbs.

Mr. Silva.—Yes.

Mr. Boag.—Are all the Kollegal silk growing villages within reach of your filatures?

Mr. Silva.—Yes within a radius of ten miles.

Mr. Boag.—So that you are in a position to use the whole of the production?

Mr. Silva.—I can only hope to get a proportion of that, because there are a great number of charka reellers too in that area.

Mr. Boag.—In your answer to question 2, you complain of the lack of organisation for the marketing of cocoons.

Mr. Silva.—Yes.

Mr. Boag.—Have you any views as to the possibility of improving matters or is there any method by which the conditions can be improved?

Mr. Silva.—So far as the marketing of cocoons is concerned.

Mr. Boag.—Is there any possibility of establishing a cocoon market?

Mr. Silva.—I don't think it would be possible. I see very little necessity for it either.

Mr. Boag.—You are satisfied with the present lack of organisation?

Mr. Silva.—What happens really is this when cocoons are available in a certain village at a certain time, every one knows when the crop is to be harvested. If I go to a village a few days before that crop has to be harvested, I can either arrange to buy those cocoons or I know on what day I can get the crop I want. I don't see any real necessity for a marketing organisation as distinct from that.

Mr. Boag.—You can under the present system get the full supply that you require.

Mr. Silva.—Yes.

Mr. Boag.—Do you bargain for the price every time?

Mr. Silva.—Yes.

Mr. Boag.—You don't think that the establishment of a market would really be any advantage to you.

Mr. Silva.—If the market has to be within the village itself, there is no necessity. If it has to be anywhere else, then the question of transport will arise.

Mr. Boag.—Unless it is between you and the village.

President.—What was exactly in your mind when you said that the industry was totally unorganised and weighed down by the prevailing situation and unable to adopt any measures in its defence.

Mr. Silva.—We were not able to prevent foreign silk from coming to Bangalore.

President.—What kind of organisation do you mean when you say that marketing organisation is an essential requirement?

Mr. Silva.—No sort of combination here which has tried to fight it.

Mr. Boag.—Any organisation or combination would be likely to put up prices against you.

Mr. Silva.—It would probably prevent local people from going in for China silk.

Mr. Boag.—I pass on to another point and that is the average price of cocoons which you have given in your answer to question 19, page 2. I notice that these prices are higher than the prices which were given to us by the Mysore Government and I take it that the reason for the higher prices which you have given is that yours include the cost of transport.

Mr. Silva.—Yes and they represent 5th day cocoons.

Mr. Boag.—Even your Kollegal prices are higher than the Mysore prices.

Mr. Silva.—Yes.

Mr. Boag.—I take it that the main difference is the inclusion of the cost of transport.

Mr. Silva.—Yes.

Mr. Boag.—Have you any idea by how much the cost of transport raises the price?

Mr. Silva.—I do not know their cost of transport. So far as I am concerned, I find in Kollegal on an average the cost of transport is about 2 pias a lb.

Mr. Boag.—And in Bangalore?

Mr. Silva.—It comes to 1·1 pie a lb. in the current year.

Mr. Boag.—If you deduct that, your prices are still very considerably higher than the Mysore Government prices.

Mr. Silva.—If the figures given by the Mysore Government are those relating to the filature, then I suppose it is due to the fact that they are more favourably placed than I am and they have got a larger range of supplies. Possibly they have less competition also. I think there are comparatively few charka reeler in the area within their influence than there are in the Kollegal area or in the Bangalore area.

Mr. Boag.—You mentioned just now that the plant in your filatures is Italian?

Mr. Silva.—Yes.

Mr. Boag.—You mention that the advantage of the Italian type filature over the French lies in the fact that you have one cooking for two reelers.

Mr. Silva.—Yes.

Mr. Boag.—Are there any other points similar to that in which you consider the Italian machinery superior to the French?

Mr. Silva.—The Italian basin being generally smaller than the French basin, the consumption of steam and water is a little less, otherwise there is no difference between the two.

Mr. Boag.—In other respects is the machinery much the same?

Mr. Silva.—It is much the same. The French one is more massive than the Italian. That is all.

Mr. Boag.—In your statement of costs in Appendix B, I take it that you have taken no credit for the value of waste?

Mr. Silva.—No.

Mr. Boag.—You have given the quantity of waste in Appendix C and the sale price in Appendix A.

Mr. Silva.—Yes.

Mr. Boag.—So that by deducting the value of the waste produced at that price, one can arrive at your nett cost of silk.

Mr. Silva.—Yes provided it is remembered that it is 70 per cent.

Mr. Boag.—You have given the exact quantities. Taking the quantities at the prices given, we can arrive at your nett cost of your silk.

Mr. Silva.—Yes.

Mr. Boag.—Taking your Bangalore costs in 1932-33 in which you separated the costs of the throwing mill from the filature and comparing them with the previous years, I find that under supervision and management there is a very large drop. What is that due to?

Mr. Silva.—In previous years I had an Italian expert on Rs. 300. These are only 4 months figures.

Mr. Boag.—I am aware of that. Even so if you multiply it by three, the cost of supervision is less than half.

Mr. Silva.—It is mainly due to that.

Mr. Boag.—Would it be possible for you to give any idea of the saving on these costs which might have been realised if your filature had been working on a full capacity?

Mr. Silva.—If you are referring to the proportion of costs, it will remain the same.

Mr. Boag.—How do you mean?

Mr. Silva.—1.49. That proportion will remain much the same. If you will kindly see 1929-30, after all it is only 1.55. It is a little more than 1.49 in 1932-33.

Mr. Boag.—In 1929-30 you approached much nearer to capacity than in 1932-33.

Mr. Silva.—Yes.

Mr. Boag.—I should have thought there again that your charges under supervision and possibly under power would have been proportionately less, as your output increased.

Mr. Silva.—Unfortunately there is one thing, in that year the charges on account of the throwing mill have been combined with the others. I have not been able to separate them.

Mr. Boag.—In any case you don't think the difference would be very considerable?

Mr. Silva.—Not at all.

Mr. Boag.—I find in Kollegal your supervision charges are much higher than in Bangalore.

Mr. Silva.—Yes. The reason for that is the whole of the paid staff had to be employed whether we worked fully or not.

Mr. Boag.—That is definitely due to the low production.

Mr. Silva.—Yes.

Mr. Boag.—That implies of course that an increase of production would reduce your charges?

Mr. Silva.—Yes.

Mr. Boag.—Is there any reason why the Kollegal charges should be higher than in Bangalore?

Mr. Silva.—Rather they should be lower.

Mr. Boag.—I worked out your figures per pound of silk and I noticed in Kollegal with the exception of supervision they are generally lower.

Mr. Silva.—Yes.

Mr. Boag.—I find that your labour charge for example in Bangalore in 1929-30 was just over one rupee a pound and in Kollegal it was only .66.

Mr. Silva.—That is why I say that the cost of production should rather be lower in Kollegal than in Bangalore. At that time the Kollegal labour was untrained.

Mr. Boag.—What do you think that they ought to come down to?

Mr. Silva.—I should say the same figure as Bangalore.

Mr. Boag.—Kollegal costs would be lower than those in Bangalore?

Mr. Silva.—That is also true.

Mr. Boag.—To what level do you think you would be able to bring them down?

Mr. Silva.—1.35 as compared with 1.49.

Mr. Boag.—You have given in answer to question 29 the quantity of labour you employ for an output limited to two-thirds of your capacity.

Mr. Silva.—The figures should be 82 instead of 102 and 40 instead of 50.

Mr. Boag.—Do I understand from that for a full output these figures should be increased by 50 per cent.?

Mr. Silva.—Not in all respects. There are certain classes of employees who are not increased in the same proportion.

Mr. Boag.—What roughly would be the increase under labour?

Mr. Silva.—The figures that I have given in Appendix D will give you a more reliable indication of the extent of labour.

Mr. Boag.—259 as against 152, more than double?

Mr. Silva.—As against 82.

Mr. Boag.—Three times for 100 basins?

Mr. Silva.—Yes, I have provided on a liberal basis to replace absentees and to keep an absolutely full complement. Then we have got watchmen and peons whom we do not employ at present.

Mr. Boag.—In answer to question 31 in which you give the block value of the filature, what are these other assets?

Mr. Silva.—Motor vans, furniture.

Mr. Batheja.—How old is your motor van?

Mr. Silva.—4 years.

Mr. Boag.—Then at 25 you have written it down to nothing.

Mr. Batheja.—It must be valueless now.

Mr. Silva.—I have not been able to write off throughout at 25 per cent.

Mr. Boag.—You claim that a depreciation of 25 per cent. should be provided for?

Mr. Silva.—That is for a model filature.

Mr. Boag.—Why is your land and buildings at Kollegal valued so very much higher than those in Bangalore?

Mr. Silva.—In Bangalore the land at which my factory is situated is leased. Only the buildings are my own. In Kollegal the land is my own. It includes a large area of 6 acres. There are several buildings.

Mr. Boag.—Can you give the value of land and buildings separately in Kollegal?

Mr. Silva.—The land is valued at Rs. 2,000. We have got a residential bungalow, quarters, large godowns and that sort of thing. Then we have got water supply—a well costing Rs. 2,000 to Rs. 3,000.

Mr. Boag.—In Bangalore you have got nothing but the factory.

Mr. Silva.—Quite so.

Mr. Boag.—This Bangalore valuation is for the filature alone. It doesn't include the throwing mill?

Mr. Silva.—No.

Mr. Batheja.—Arising from the question just asked by my colleague, *Mr. Boag*, the value of land and buildings in Kollegal are Rs. 21,000. Are all those buildings necessary for a filature of that size?

Mr. Silva.—The bungalow of course would be superfluous in a place like Bangalore. In an out of the way place a bungalow would be necessary for the Manager, and quarters are also necessary.

Mr. Batheja.—Do you require 6 acres of land for a filature of that size?

Mr. Silva.—I don't think 6 acres would be necessary. When I bought the property, the land came with it.

Mr. Batheja.—If a new filature of that type was started on an economic basis, it would not be necessary to have land and buildings of that value.

Mr. Silva.—Not quite to that extent, but of course everything depends upon how the whole thing is planned. If quarters are required, they may require a larger area of land for that purpose.

Mr. Bouy.—You bought this property?

Mr. Silva.—I bought the property and built the factory. There were certain other buildings.

Mr. Bouy.—Was it run as a filature?

Mr. Silva.—Many years ago it was worked as a filature.

Mr. Batheja.—So I take it as a general proposition that some of the buildings and land are superfluous to your requirements.

Mr. Silva.—If you were to consider it strictly, it might be held that some are superfluous. For instance if I were to start a filature, I would not have some of these buildings.

Mr. Batheja.—Please refer to your reply to question 19 where you have given the number of cocoons per lb. Can this price which prevailed in 1932-33 by any improvements in the cost of cultivation or improvements in the silk worm rearing be reduced still further?

Mr. Silva.—Yes.

Mr. Batheja.—By how much?

Mr. Silva.—I could not say. It depends on the extent of improvement effected.

Mr. Batheja.—Taking reasonable improvements and reasonable skill.

Mr. Silva.—That is why I have taken 10 per cent. as a safe estimate.

Mr. Batheja.—What would be the decrease in the price of cocoons during the next three years?

Mr. Silva.—Assuming that all conditions are as at present.

Mr. Batheja.—Yes and the Mysore Government maintains its improvement policy on a normal scale?

Mr. Silva.—If it is going to be on a normal scale, other conditions remaining the same as they are, I think there is no likelihood of the price coming down.

Mr. Batheja.—Have you studied the costs of raising a pound of cocoon as supplied by the Mysore Government on page 9 of their memorandum?

Mr. Silva.—I cannot say that I have studied the figures, but I have seen them.

Mr. Batheja.—Will you do me the favour of glancing through these costs and let me know if these costs under any head are capable of further reduction?

Mr. Silva.—The cost of cultivation, I could not say.

Mr. Batheja.—Under Item 2?

Mr. Silva.—I don't think I can speak with any authority. The main item there is the mulberry cultivation.

Mr. Batheja.—You as a large buyer of cocoons must be interested in the price of cocoons.

Mr. Silva.—Very much so.

Mr. Batheja.—You have got no idea whether these costs can be reduced by any possible means in the near future.

Mr. Silva.—Yes by a larger issue of disease free seed and saving two out of 5 crops that are now lost, certainly it should be possible to reduce the price of cocoons.

Mr. Batheja.—That is one possible source of economy.

Mr. Silva.—That is one source of economy which can be brought into effect at once. That is what I mean. It doesn't take very long after all.

Mr. Batheja.—The biggest item in the cost of producing a pound of cocoon is the cost of mulberry leaf.

Mr. Silva.—True.

Mr. Batheja.—Could that cost be reduced?

Mr. Silva.—It would be reduced in this way because the leaves would be sufficient for 5 crops instead of 3. At present those leaves are used up for 3 crops. If those leaves could be used for five crops, considerable saving would arise.

Mr. Batheja.—Apart from that factor I want to ask you whether you think from your experience that the cost of cultivation can be brought down.

Mr. Silva.—I could not say.

Mr. Batheja.—Nor can you say how the cost of mulberry cultivation compares with the cost of cultivation of other crops.

Mr. Silva.—I could not say with any authority.

Mr. Batheja.—If you cannot speak with any authority, I shall drop that point. You have an idea of the general fall in agricultural prices?

Mr. Silva.—Yes.

Mr. Batheja.—Looking at the figures given in reply to question 19, from 1925-26 to 1932-33, the price of cocoons has fallen by about 50 per cent. Take your Kollegal figure.

Mr. Silva.—We have not got earlier figures. We have got figures for 1928-29.

Mr. Batheja.—Would it be a correct statement to say that the price of cocoons has fallen by 50 per cent.

Mr. Silva.—From Rs. 10-8-0 to Rs. 6-1-0 in the case of Bangalore. I do not know what the price was for Kollegal in 1925.

Mr. Batheja.—I am making a rough statement. Would it be correct to make a statement like this?

Mr. Silva.—40 to 50 per cent. would be a correct statement.

Mr. Batheja.—To what extent have the prices of agricultural commodities in Mysore fallen? Have you any idea?

Mr. Silva.—No.

Mr. Batheja.—In answer to question 20, page 3 of your replies, you have said that after reeling, your product is subject to a detailed examination at the hands of an expert staff and this process corresponds to re-reeling in China. Does it exactly correspond?

Mr. Silva.—Not exactly.

Mr. Batheja.—If it doesn't exactly correspond, what are the differences? What is re-reeling? Could you describe it from your technical experience?

Mr. Silva.—I have no personal experience. In China they reel the silk on to a small reel and from there it is transferred to another place where it is rewound.

Mr. Batheja.—Hand reels or power reels?

Mr. Silva.—To a large extent it is power reeling, to a lesser extent hand reeling. In modern filatures they have re-reeling as part of their plant. Almost immediately it is transferred from one section to another.

Mr. Batheja.—You say you do some sort of work with the help of your expert staff. Does it come to the standard of re-reeling in China?

Mr. Silva.—No.

Mr. Batheja.—What would be the differences between your examination as you call it and re-reeling? To what extent would your defects be removed by re-reeling?

Mr. Silva.—Our examination is far more effective than the so-called re-reeling in China.

Mr. Batheja.—Would you by this expert examination bring up the quality of your product to the level of the re-reeled silk of China and Japan?

Mr. Silva.—I have no doubt about it.

Mr. Batheja.—Your quality does come up to that standard?

Mr. Silva.—Yes.

Mr. Batheja.—There is a very essential difference between your product after it has undergone examination and the charka product.

Mr. Silva.—Even otherwise.

Mr. Batheja.—So that there is a very great difference in quality.

Mr. Silva.—There is.

Mr. Batheja.—Which ought to express a difference in price?

Mr. Silva.—Yes.

Mr. Batheja.—Your silk ought to fetch a very high price?

Mr. Silva.—Yes.

Mr. Batheja.—How does your silk compare with the Canton steam filature?

Mr. Silva.—In point of what?

Mr. Batheja.—Taking it as a whole. I am hinting at the price factor again.

Mr. Silva.—I think there is very little doubt. The quality compares very favourably with Canton silk.

Mr. Batheja.—If you were a weaver or a man who was a buyer of silk, what price would you pay for the difference in quality between the Canton Steam filature and your own product?

Mr. Silva.—I shall read this extract from an American report. "This silk could be used in fabrics where the qualities of superior Canton silks are desired, the better durability and cohesion indicating better weaving qualities."

Mr. Batheja.—How would you express it? You are a weaver; suppose you are on the look out to buy raw silk for purposes of manufacture; you have specimens of the Silva filature silk and Canton steam filature silk and you know there are differences. How would you express that difference in price? I am not talking what the difference actually is because you might argue that people are so blind that they do not appreciate the merits of Silva's silk.

Mr. Silva.—The difference ought to be not less than Rs. 2 per pound. I have said somewhere in my note that 8 to 12 annas goes back to the weaver in the shape of reduced cost. Even though he may pay more, he gets an advantage which can be measured in terms of money at 8 to 12 annas per pound in the savings effected during the course of weaving operations.

Mr. Batheja.—With what class of silk are you comparing?

Mr. Silva.—I was referring to charka silk.

Mr. Batheja.—I will deal with the charka later. I want you to compare the quality between your product and the Canton steam filature product and tell me what is the extent of the difference and how is that difference expressed in terms of price before an impartial observer?

Mr. Silva.—I can hardly be expected to be an impartial observer where my own produce is concerned.

Mr. Batheja.—Leaving aside the question of price difference, you say your silk would be superior to Canton steam filature. Of that you have no doubt.

Mr. Silva.—No.

Mr. Batheja.—How does it compare with the Canton steam filature in this degumming qualities?

Mr. Silva.—I have no accurate or reliable data with regard to degumming.

Mr. Batheja.—Have you not made any study of the qualities of your rival silk?

Mr. Silva.—The real test should come from a factory which works continuously with my silk. There is one such factory in Bangalore.

Mr. Batheja.—When you market your silk and go and see your customers, don't you try and compare your commodity with the foreign commodity and demonstrate the difference between the two as a justification for the difference in price which you propose to charge.

Mr. Silva.—What I want to bring to your notice is that the so-called boil off test is not constant throughout the 12 months. Sometimes I reel from fresh cocoons. Reeling is easier with these cocoons than with the drier cocoons. The result is that those cocoons do not remain in the basin very long. They are quickly reeled off and more gum goes into the thread than on other occasions when the cocoons are dry. It depends also on the season. For this reason if one wants to know the boiling off test, one must take figures continuously for 12 months and then take the average. From the information which I got from a factory in Bangalore, I understand the general average boil off is about 22 per cent.

Mr. Batheja.—Have you any idea of the boil off of Canton steam filature?

Mr. Silva.—I have no personal knowledge. The figures have been given by Government.

Mr. Batheja.—Would you say if these figures are reliable so far as the boil off test is concerned, your silk is as good as the Canton steam filature or the Canton steam filature is slightly superior. Shall we say they are equal in boil off test?

Mr. Silva.—Yes more or less.

Mr. Batheja.—What are the other differences between your silk and the steam filature silk?

Mr. Silva.—In regard to intrinsic qualities, lustre, elasticity and so on, we consider that our silk is superior to their silk. Normally it is said that the winding qualities of charka silk are bad. That reproach doesn't apply to filature silk. The winding quality is just as good as those of Canton steam filature silk.

Mr. Batheja.—Are they better or worse?

Mr. Silva.—They are at least equal.

Mr. Batheja.—They are not better.

Mr. Silva.—I cannot say as we are getting the maximum efficiency we want.

Mr. Batheja.—You are complaining here about the Canton steam filature. I thought you must have compared closely your own silk with Canton silk. If you make a demand for protection, you must study your rival.

Mr. Silva.—So far as winding quality is concerned, I have often compared the two and that is why I say we get the maximum efficiency. There is no further occasion to compare the efficiency of one with the other.

Mr. Boag.—You get the maximum efficiency in each case?

Mr. Silva.—Yes.

Mr. Batheja.—For your purpose the two silks are equal.

Mr. Silva.—For working purposes they are equal in winding quality.

Mr. Batheja.—You have discussed about charka silk. From your experience as a silk reeler, what do you think of the future of charkas in Mysore State? Is it likely to survive?

Mr. Silva.—In my opinion the charka has no future.

Mr. Batheja.—From the point of view of technical efficiency?

Mr. Silva.—Yes.

Mr. Batheja.—From the point of view of price, it is able to produce silk at a cheaper rate than the filature.

Mr. Silva.—If the filatures were to multiply, the charka would have no future.

Mr. Batheja.—As they have not multiplied, they hold their own.

Mr. Silva.—Yes. Capitalists have not come into the industry during the last few years.

Mr. Batheja.—You say the capitalists do not come into the industry as there is no profit.

Mr. Silva.—In the last few years the position has been such that there is no inducement for anybody to invest his money.

Mr. Batheja.—The inferiority of charka silk from the technical point of view is more than compensated by the fact that it is cheaper in price. I want an answer to that question. Is the technical defect of the charka silk more than compensated by the lower price at which it is sold. You yourself have said that the price makes a good appeal to the poor weaver.

Mr. Silva.—I don't think it is more than compensated.

Mr. Batheja.—You think that quality is still bad and that the low price is not much of a compensation?

Mr. Silva.—Yes.

Mr. Batheja.—You think that the moment sufficient filatures are set up and the product of these filatures is sold at the price which you suggest in your memorandum, if the scheme of protection is given effect to, the charka silk will disappear.

Mr. Silva.—Yes.

Mr. Batheja.—And people will be willing to pay a higher price.

Mr. Silva.—I think so.

Mr. Batheja.—There will be no use even for poor grade silk goods.

Mr. Silva.—There will always be some who would consume poor grade silk goods.

Mr. Batheja.—The demand for low grade silk is much greater than the demand for high grade silk.

Mr. Silva.—I suppose so.

Mr. Batheja.—Do you also agree that most of the imported silk which do come from outside India are also low grade silks?

Mr. Silva.—Yes.

Mr. Batheja.—What do you think of the prospects of the Mysore Domestic basin as a competitor to filatures?

Mr. Silva.—My view is that the Mysore domestic basin cannot be and is not likely to be a serious competitor to filatures. What I mean to say is that it is the filatures that will have to be encouraged and not the domestic basin.

Mr. Batheja.—I am not talking of encouraging the one or the other. I am talking of existing facts.

Mr. Silva.—I don't think that the Mysore domestic basin is suitable, even for Mysore conditions, except perhaps in outlying parts. As against filatures I don't think it is in a position of advantage. The output is comparatively limited and the domestic basin man is not therefore in a position to enter into direct relations with the upcountry markets. The upcountry orders are all wholesale orders.

Mr. Batheja.—That is an advantage as regards marketing. Let us confine ourselves about the technical efficiency of the Mysore domestic basin?

Mr. Silva.—Technical efficiency may be as good as that of filatures. Of course I have no personal knowledge of a domestic basin.

Mr. Batheja.—You have never studied the Mysore domestic basin.

Mr. Silva.—I have not worked it myself, but I am quite familiar with it.

Mr. Batheja.—I cannot ask anybody else this question. Have you not studied it?

Mr. Silva.—I will admit for the purpose of our argument that as regards technical efficiency it is equal to a filature.

Mr. Batheja.—What about the operating costs?

Mr. Silva.—As regards the operating costs it is at a disadvantage because of its very limited production as compared with that of a filature.

Mr. Batheja.—How does it compare with the charka silk in operating costs?

Mr. Silva.—Its cost is much higher.

Mr. Batheja.—Will it be able to compete with charka silk in respect of its technical superiority?

Mr. Silva.—No, because of the proportionately higher costs. At present it is neither the one nor the other. The price is higher than that of charka silk and not much lower than of filature silk.

Mr. Batheja.—In your view the Mysore domestic basin has no future?

Mr. Silva.—Yes, that is my view. If you will allow me I would like to draw your attention to the fact that the cost of transport which is a material item is higher in the case of a domestic basin though it is situated in the village itself. The filature draws its supplies in bulk. As I told you before, my present cost is 1-1 pie. Although the domestic basin obtains his supplies from an area quite close to it, he has to get them by headload and therefore the cost is more. Here the cost of transport of cocoons has been given as 2-1 pies.

Mr. Batheja.—I shall compare the Mysore domestic basin with charka.

Mr. Silva.—There it has no advantage.

Mr. Batheja.—What is the difference in cost between the Mysore domestic basin and the charka due to especially when we remember the operating costs are the same?

Mr. Silva.—On the domestic basin we turn out a much higher standard of silk.

Mr. Batheja.—Is it due to greater amount of waste?

Mr. Silva.—Largely.

Mr. Batheja.—And the lower output in raw silk as compared with charka?

Mr. Silva.—Yes.

Mr. Batheja.—Is that the main difference?

Mr. Silva.—The other one is quality. We are aiming at a good quality.

Mr. Batheja.—I am not talking of quality. I am talking of costs. I want to understand the exact reason why there is so much difference in cost. There is one difference in cost due to the fact that the charka costs about Rs. 15, whereas the Mysore domestic basin costs a very much larger sum.

Mr. Silva.—That is the initial cost.

Mr. Batheja.—Why is the working cost so much higher?

Mr. Silva.—The charka man puts a greater quantity of waste into his silk than the domestic basin man does. That is one item. Another point to be noted is that the charka man is always keen on getting the maximum production. The number of turns which can be given to the charka is limited only by the capacity of the man who turns it. Sometimes they attain a far higher speed than the domestic basin. In that way the domestic basin production is much lower. The domestic basin owner aims at uniformity whereas the charka man is not at all particular. Therefore the work is done slower. There is yet another important point. Work on the domestic basin like that in the filature is not allowed to go on in the way in which a charka man would allow it because if there is a break, we immediately stop the reel and tie the broken ends. The charka man doesn't do that.

Mr. Batheja.—In reply to the same question on page 4, you have stated that filature is preferable from the point of view of employment. Suppose all the charkas were replaced by a filature of your size, what would be the increase in the employment?

Mr. Silva.—I would have to make a calculation.

Mr. Batheja.—What would be percentage in the increase of employment?

Mr. Silva.—There is one other thing to be mentioned with regard to the charka. Although there are supposed to be 4,000 charkas, they are not all working throughout the year or even for a greater portion of the year, they only work by fits and starts. They don't give regular employment to anybody at all.

Mr. Batheja.—The same remarks apply to the filature also?

Mr. Silva.—The filature has to invest a large amount of capital and to employ a salaried staff. If it closed down, it would close down as I did last year; otherwise it is bound to carry on.

Mr. Batheja.—How many effective charkas are working just now—I mean full employment?

Mr. Silva.—I can only judge it by the production.

Mr. Batheja.—What is the effective figure?

Mr. Silva.—1½ lbs. per day per charka, taking 25 working days.

Mr. Batheja.—I shall work that out myself and I don't want to trouble you. In reply to question 24, you say that Indian filatures except for the quality of the cocoons have no other disadvantages compared to foreign filatures.

Mr. Silva.—Yes.

Mr. Batheja.—Is the price of cocoons very much lower outside?

Mr. Silva.—I do not know the price outside.

Mr. Batheja.—I am talking of question 24 where you have compared the Indian filature with a foreign filature. There is probably a difference as regards the cost of cocoons.

Mr. Silva.—Very likely there is.

Mr. Batheja.—Probably you don't know?

Mr. Silva.—No.

Mr. Batheja.—How do you compare your filature with foreign filature in regard to wages?

Mr. Silva.—I do not know the actual figures outside. I believe in Japan they calculate the working costs of fine denier silk at 3 yen.

Mr. Batheja.—Have you any idea of the cost of labour in China which is competing with you?

Mr. Silva.—No.

Mr. Batheja.—You have no information about the other items mentioned in question 23?

Mr. Silva.—I don't have firsthand information.

Mr. Batheja.—Can you give me some general information?

Mr. Silva.—Some years ago a comparison was made by the American Silk Association. I gathered at that time that the working cost of a pound of good silk came to Rs. 2-8-0.

Mr. Batheja.—As against your figure of?

Mr. Silva.—Rs. 2-2-0 after adding 10 annas for depreciation and interest on capital.

Mr. Batheja.—In the last three years it has decreased?

Mr. Silva.—Yes.

Mr. Batheja.—I am referring to Appendix B. It has come down to 1-49.

Mr. Silva.—Yes.

Mr. Batheja.—That is a general statement. You have said that if protection is granted, there will be a ten per cent. reduction in expenditure during the next 10 years.

Mr. Silva.—I have agreed to put it at 25 per cent.

Mr. Batheja.—You have given this figure for the entire costs?

Mr. Silva.—Yes.

Mr. Batheja.—What would be the reduction in the reeling charges?

Mr. Silva.—That information is given in Appendix D. I think the cost of manufacture is Rs. 1-11-9 without deducting the return from waste or Rs. 1-6-11 nett that includes depreciation and interest.

Mr. Batheja.—Even now you can have this reduction?

Mr. Silva.—Yes.

Mr. Batheja.—Given a little longer period, can you work the reduction further?

Mr. Silva.—10 per cent.

Mr. Batheja.—On this?

Mr. Silva.—Yes.

Mr. Batheja.—Besides that we might expect a reduction in the price of cocoons.

Mr. Silva.—We are not really expecting a reduction in the price of cocoons, because we expect a general rise in the level of prices.

Mr. Batheja.—In Appendix D you have given us an idea of the cost of 100 basins and your figure works out at Rs. 100 per basin, because you can manufacture these things locally. Have you seen the Mysore Government cost per basin? They have mentioned a figure of Rs. 150. A statement was made that a filature could be set up by manufacturing basins at the State Workshops and these basins could be supplied at a cost of Rs. 175 per basin. Is there any difference between the basin as you will make it and the basin the Mysore Government will make?

Mr. Silva.—I believe there is. The bulky parts can be constructed in masonry and wood on the spot and only the essential parts in metal. No attempt has been made to construct the whole thing in this way.

Mr. Batheja.—The Mysore Government costs go up, because they use certain materials for certain parts which you think are not necessary.

Mr. Silva.—Quite so.

Mr. Batheja.—Have you seen the Mysore Government basin?

Mr. Silva.—Yes.

Mr. Batheja.—How is the construction of the Mysore Domestic basin in comparison with yours?

Mr. Silva.—The cost is bound to be less if they don't use iron.

Mr. Batheja.—Can you get the basins from Japan?

Mr. Silva.—I understand the Director of Industries, Madras had some estimates for basins from Japan.

Mr. Batheja.—What is the price of Japanese basin?

Mr. Silva.—Rs. 100 to Rs. 150.

Mr. Batheja.—The parts being the same as those of French or Italian?

Mr. Silva.—I haven't got the details.

Mr. Batheja.—In reply to a question by Mr. Boag you said that the staff suggested by you for 100 basin filatures in Appendix D is paid more or less on a liberal rate.

Mr. Silva.—A liberal number of people, I said. I said full complement.

Mr. Batheja.—Do you mean by the statement that there are some people who are not quite necessary for the purpose of working in a filature?

Mr. Silva.—If a private man were to work?

Mr. Batheja.—He would make some economies under this head.

Mr. Silva.—Yes.

Mr. Batheja.—Could you give us a revised statement how he would economise?

Mr. Silva.—It would be possible to economise. For instance I have allowed for 10 supervisors.

Mr. Batheja.—It would be possible to economise consistent with efficiency?

Mr. Silva.—My practical experience is that for the kind of work we do, it is necessary to have ample supervision. It is likely that others may not agree with me on that point.

Mr. Boug.—You consider this staff necessary for efficient working?

Mr. Silva.—Yes.

Mr. Batheja.—What do you mean by saying that it is liberal? Do you accept the implication that your filature is not conducted efficiently?

Mr. Silva.—My filature is conducted efficiently. I have an eye on it constantly, so has my son. The filature contemplated in Appendix D will not be looked after by the proprietor, but by a Manager.

Mr. Batheja.—Let me pass on to your answer to question 38. In what part of India is your silk sold? You said that your silk is sold to the mills in Bombay for borders?

Mr. Silva.—Yes.

Mr. Batheja.—Is it sold anywhere else?

Mr. Silva.—Yes, Benares, Surat, Punjab and Calcutta.

Mr. Batheja.—What is the proportion of sale in these parts?

Mr. Silva.—I have given the figures in Appendix E.

Mr. Batheja.—This is local and upcountry sale. How far are these markets important from your point of view?

Mr. Silva.—In 1927-28 the Benares market was an important market for me. There I was doing fairly well up to 1928-29. Since that time I have nearly lost the market owing to the competition of Canton steam filature. In 1928-29 and 1929-30 the Surat market was very active.

Mr. Batheja.—Do you still retain that market?

Mr. Silva.—I have not lost that market entirely. The sales are comparatively small. In 1929-30 China silk began to drive me out of Surat. In 1930-31 and 1931-32 a large proportion of the sales was to Bombay, cotton mills.

Mr. Batheja.—Your biggest market is really Bombay after leaving the local sales.

Mr. Silva.—Yes.

Mr. Batheja.—Your Benares market is lost. Have you got any market in Punjab and Bengal?

Mr. Silva.—Occasionally.

Mr. Batheja.—It is very negligible?

Mr. Silva.—Yes. There is a big market in Calcutta. We are not able to supply at their rates.

Mr. Batheja.—Now your important market is Bombay.

Mr. Silva.—Yes, at present.

Mr. Batheja.—Have you at any time had any market in Calcutta?

Mr. Silva.—We have supplied one of the biggest mills. They want even now. We can't come to any agreement with regard to the price.

Mr. Batheja.—You mean cotton mills?

Mr. Silva.—Bengal silk mills. They are enquiring if we can supply at their price and we find that it is not possible.

Mr. Batheja.—In reply to question 42, you say that they have no grading or sorting of Mysore silk.

Mr. Silva.—No.

Mr. Batheja.—This statement is true of Kollegal silk.

Mr. Silva.—Yes.

Mr. Batheja.—Can charka silk be graded?

Mr. Silva.—I don't think that any grading is possible except in the matter of size which I would not call grading.

Mr. Batheja.—There are some well known qualities of Chinese Native reeled silk. Can similar classifications be adopted in Mysore?

Mr. Silva.—I do not know whether these well known qualities are based on any difference in quality. It seems to me that they differentiate their silk in the same way as we do.

Mr. Boag.—On the ground of the place of origin?

Mr. Silva.—Yes.

Mr. Batheja.—Among the imports of silk that come into India, there are different qualities. Can you mention any imported silk to which your silk corresponds in quality?

Mr. Silva.—I consider the best quality of the imported silk would approach our filature silk.

Mr. Batheja.—Can you specify any name or brand? You know the varieties which are coming into India.

Mr. Silva.—Canton steam filature. That is the general name given to the quality which competes with ours.

Mr. Batheja.—I thought it was inferior to yours. I want the name of the quality which can be compared to yours as being equal.

Mr. Silva.—There is some really good Chinese silk which does come into India.

Mr. Batheja.—I want to know of a particular brand which comes into competition with your silk. I am not talking of price just now.

Mr. Silva.—I do not know of any particular chop or description.

Mr. Batheja.—Have you any experience of Minchow filature, first grade or first quality? Have you not made any attempt to make a comparison?

Mr. Silva.—I have not tested.

Mr. Batheja.—You must have handled it.

Mr. Silva.—Mere handling will not help much.

Mr. Batheja.—In reply to the same question 42, you have referred to the silk conditioning house. Where would you locate the silk conditioning house?

Mr. Silva.—As far as I am concerned, I would be satisfied with one silk conditioning house in Bangalore—a silk conditioning house to deal with the Indian production and not with imported silk.

Mr. Batheja.—Will this silk conditioning house have sufficient business? You say that the charka silk may not be scientifically tested and graded. At present you have got two filatures in Mysore—Mysore Government filature and your filature. Will there be sufficient business?

Mr. Silva.—If the charkas improve their quality, there will be enough business.

Mr. Batheja.—There will be some silk conditioning charge?

Mr. Silva.—Yes, perhaps half an anna per lb.

Mr. Batheja.—You would prefer this thing to be located in Bangalore if one is started at all?

Mr. Silva.—Yes, because we produce the largest quantity.

Mr. Batheja.—The outside consumers may not attach much importance to the local test.

Mr. Silva.—I don't think so. If it is established on a proper footing . . .

Mr. Batheja.—What do you mean by 'established on a proper footing'?

Mr. Silva.—Either it should be a Government concern or it should be one holding a charter from Government who should have adequate control.

Mr. Batheja.—Would you be satisfied if it is run by the Mysore Chamber of Commerce?

Mr. Silva.—I don't think it would be satisfactory. There should be a special authority holding a charter from Government to run the concern.

Mr. Batheja.—Will it not be argued also that if it is set up by the Mysore Government, Mysore Government have a large interest?

Mr. Silva.—It should be done by the Government of India.

Mr. Batheja.—Would your difficulty be met if a conditioning house is located outside Mysore, say in Bombay?

Mr. Silva.—I don't think so. If a great part of the produce is here, there is no object in locating the conditioning house in Bombay. There a conditioning house could deal only with imported silk. In my view it is unnecessary to have the imported silk conditioned. It is only meant for the purpose of Indian silk and not for foreign silk.

Mr. Batheja.—You have supplied us with two appendices and tried to prove that Chinese give assistance. The source of your information is contained in the first page. The lower half of the page is that Japanese correspondence to the Mysore Government. There is no other source?

Mr. Silva.—No.

Mr. Batheja.—What is the source of the extract at the top of the page?

Mr. Silva.—I have submitted two. One is an extract from a Market Report issued by Messrs. J. C. Chinai and Company, Shanghai who ship raw silk largely to India. As regards the other, a certain silk merchant who deals in China silk has received that direct from China.

Mr. Batheja.—Have you got the original?

Mr. Silva.—I can show you the original in Kollegal when we go there.

Mr. Batheja.—In reply to question 48, you have assumed for purposes of argument that the exchange rate was Rs. 1-13 or 1-14. In what year was it?

Mr. Silva.—Just about 3 years ago. Before that it was even higher.

Mr. Batheja.—That is not supported by the documents supplied by the Mysore Government. I don't find an equivalent price of Rs. 1-14 at any stage after 1929.

Mr. Silva.—I said that the first serious drop occurred in 1930.

Mr. Batheja.—I want to know how you got the normally equivalent?

Mr. Silva.—What I meant by normally equivalent is what we were accustomed to for a certain period immediately preceding that.

Mr. Batheja.—How did you get the value of Rs. 1-13 and Rs. 1-14?

Mr. Silva.—In 1927 the exchange was 175.

Mr. Batheja.—You regard this figure as normal up to 1930. My point is that it is not supported by actual figures.

Mr. Silva.—We have got figures for 1925, 1926 and 1927.

Mr. Batheja.—What reasons have you to think that those are normal years?

Mr. Silva.—That was the exchange for a certain period to which we were accustomed in the silk market.

Mr. Batheja.—In reply to question 51 you have stated that one of the causes of the decline in the industry is the serious fall in the price of silk waste owing to the use of artificial silk in place of spun silk.

Mr. Silva.—Yes.

Mr. Batheja.—The present price is 8 annas.

Mr. Silva.—It is unsaleable at 8 annas.

Mr. Batheja.—What was the price 5 years back?

Mr. Silva.—Rs. 3-8-0 a pound. I have given the price in Appendix A. In 1927 it came down.

Mr. Batheja.—Have you any idea of the prices which used to prevail say even beyond this period?

Mr. Silva.—The filature waste began to be available only in 1925. Before that there was no filature waste. Government also started their filature about the same time.

Mr. Batheja.—I shall be obliged if you can give me figures as far back as 1922.

Mr. Silva.—Not before 1924. My first figure was 4s. 8d. Then it came down to 4 shillings.

Mr. Batheja.—Does artificial silk make a suitable substitute for spun silk?

Mr. Silva.—From the point of view of India, it may not, but for the European market or American market, it does to a very large extent. In India what we want is a lasting fabric. On the other hand in Europe or America the fabric is just meant for a season and artificial silk serves the purpose very well and it is also cheaper than spun silk.

Mr. Batheja.—It is to this cause that you attribute the decline in the demand of waste silk from Europe and America.

Mr. Silva.—Yes.

Mr. Batheja.—If artificial silk could be manufactured here, would it be able to sell in India in competition? If spun silk waste is made into yarn, would it be possible to compete successfully with artificial silk?

Mr. Silva.—I doubt whether spun silk would ever compete with artificial silk, because it is more costly than artificial silk. In India spun silk should be preferred or is likely to be preferred to artificial silk, because of the durability.

Mr. Batheja.—If the foreign market is lost and one is not sure of the domestic market, then may I take it that the market for spun silk waste is permanently gone?

Mr. Silva.—That is why I am asking for a bounty. Otherwise I shall have to burn my waste.

Mr. Batheja.—To this extent the decline of the industry is permanent?

Mr. Silva.—The market has not all gone yet. There is a market. There are sales.

Mr. Batheja.—In the hope that the price will rise.

Mr. Silva.—Still a large amount of spun silk is actually consumed. May I refer here to one of the points raised, during the evidence? It was said that a duty should be levied on the imports of spun silk. I want to develop that point.

President.—You can do it later after Mr. Batheja has finished.

Mr. Batheja.—In reply to question 54 you say that China waste is competing with your waste.

Mr. Silva.—Yes.

Mr. Batheja.—Is Chinese waste coming to India?

Mr. Silva.—Outside India. My own market lies in England.

Mr. Batheja.—That has been killed by the Chinese waste sent there.

Mr. Silva.—Yes. With regard to the proposal for an increase of duty on spun silk.

President.—There is no such proposal.

Mr. Silva.—What I was wanting to say is this: it has been suggested to the Board that the duty on spun silk should also be increased as a protective measure against raw silk and the point that I wish to mention is this: if protection is going to be only against China and Japan, of course I am heartily in accord with that view. But if that protection is also to operate against the Continent of Europe and the United Kingdom from where we get spun silk, then it would operate very hardly on those who have to sell silk waste, because those markets will not buy our waste and we will have to burn it.

President.—Your proposal is that there should be a difference of duty.

Mr. Silva.—Yes, if it is at all possible.

President.—I am afraid it is not possible.

Mr. Silva.—For that reason I am hesitating to say that.

President.—As far as your memorandum is concerned, there is no reference to the proposal of yours. With regard to the point that have arisen, I take it that you have not given a considered thought as to the detailed working of a silk conditioning house?

Mr. Silva.—I am thinking of a conditioning house which will carry out only certain functions. As I have said before, it will not be a regular conditioning house.

President.—You have made some statements here which I thought would require amplification and that is why I wanted to know whether you have given any considered thought, where it should be located, what should be the fees, who should be responsible and so on.

Mr. Silva.—I can't say that I have considered it in such detail as to be able to answer these points.

President.—As regards the Mysore domestic basin, I take it that you have no personal experience of the working of it?

Mr. Silva.—No.

President.—I shall take up the question of throwing silk. You started the throwing mill along with your filature?

Mr. Silva.—In 1925-26.

President.—You started with 1,200 spindles?

Mr. Silva.—No, 600 spindles.

President.—You gradually came up to the figure of 1,200 in 1931-32?

Mr. Silva.—Yes, in 1931.

President.—As far as your silk is concerned, I want to know whether you are selling raw silk or thrown silk in the market.

Mr. Silva.—I am selling both.

President.—As regards the thrown silk, you are selling it on a commission basis.

Mr. Silva.—I am having my own silk thrown. Since September last I have taken up commission work also.

President.—Throwing is a technical term used in converting raw silk into yarn in organizine, trams and singles—all these silks according to the method of manufacture.

President.—Usually organizine is 16 to 18 turns per inch.

Mr. Silva.—14/16 is the standard in the American market.

President.—What is the practice here?

Mr. Silva.—18/20.

President.—Tram is 5 turns per inch. How many turns are necessary for crepe chiffon?

Mr. Silva.—40 to 80.

President.—Organizine yarn is used for warp?

Mr. Silva.—Yes.

President.—And trams for weft?

Mr. Silva.—Yes.

President.—What is the total quantity of demand? You turn out certain thrown silk of your own?

Mr. Silva.—Yes.

President.—I would like to know what is the usual demand? Are you able to dispose of all that you produce?

Mr. Silva.—I produce just as much I am able to dispose of.

President.—You make it on orders.

Mr. Silva.—Naturally. I keep also some stock.

President.—Otherwise you allow the machine to lie idle. What is the condition existing at present in your thrown mill?

Mr. Silva.—If you are talking of the machines they are fully employed, but chiefly on commission.

President.—That is the whole point. As far as the figures are given, you have not been able to separate it according to the requirements of the Board.

Mr. Silva.—No.

President.—You have taken the general figure. I take it that the share of the throwing mill is only 6,541, and you employ about 20 men.

Mr. Silva.—40 men at present. In that year the number was less. Just now I am working to full capacity.

President.—What are the wages of these men?

Mr. Silva.—More or less on the same scale as in the filature from Rs. 6 to Rs. 9 and Rs. 10.

President.—Working for 9 hours for 25 days in a month?

Mr. Silva.—Yes.

President.—You have mentioned that the thrown silk is not shown separately.

Mr. Silva.—Yes, in the customs tariff.

President.—Have you any serious objection to it?

Mr. Silva.—It is a commodity which is entirely different in nature and value from spun silk.

President.—The head at present is silk yarn, noils and warps.

Mr. Silva.—It includes spun silk and is mainly made up of spun silk.

President.—Not necessarily. We have got separate figures for spun silk. We can say the bulk of it, not all of it. As far as the figures for thrown silk are concerned, I think it is practically negligible compared to spun silk.

Mr. Silva.—Yes.

President.—You want them both to be specified?

Mr. Silva.—Yes.

President.—I quite appreciate the point that as far as spun silk is concerned, it comes in very large quantities and it is more or less one of the rival yarns for the manufacture of cloth.

Mr. Silva.—Thrown silk is even a greater rival.

President.—It is but of quite different kind.

Mr. Silva.—It is raw silk prepared for the weaver. Japan sends thrown silk rather than raw silk.

President.—The difference in price is Rs. 1-4-0 to Rs. 2-8-0.

Mr. Silva.—Yes.

MYSORE SILK ASSOCIATION.

Evidence of Rajasabhabhushana Mr. K. R. SRINIVASA IENGAR, M.A., Honorary President, and Mr. K. SHAMSUDDIN KHAN, B.A., Honorary Secretary, representing the Mysore Silk Association, recorded on Wednesday, the 22nd March, 1933.

President.—Mr. Srinivasa Iengar, you are the President of the Mysore Silk Association?

Mr. Iengar.—Yes.

President.—Mr. Shamsuddin Khan, you are the Secretary of the Mysore Silk Association?

Mr. Khan.—Yes.

Mr. Iengar.—There are two Secretaries. One is Mr. Shamsuddin Khan. We have also a non-official Secretary. Unfortunately, for the past four or five months on account of certain reasons he is not able to attend to his duties. So, it is practically myself and Mr. Shamsuddin Khan that carry on the work. Ordinarily with Mr. Shamsuddin Khan, the non-official Secretary shares part of the work. Because Mr. Shamsuddin Khan is stationed at Channapatna and as the Association's office is in Bangalore, the non-official Secretary helps me in the performance of my duties but now for the past four or five months on account of certain reasons he is not attending to his duties. We have not appointed another officer in his place. We hope that we will be able to do so shortly.

President.—Do I understand that the main work of the Association is carried on by the non-official Secretary?

Mr. Iengar.—The main work of the Association is carried on by the President with the help of both the Secretaries.

President.—Mr. Shamsuddin Khan holds the post of Joint Secretaryship.

Mr. Iengar.—No. Secretaryship.

President.—Your Association was started in 1927 with the late Mushir-ul-mulk Mir Hamza Hussain as President?

Mr. Iengar.—Yes. He was a retired Senior Member of Council. After his retirement the Association was formed for the safeguarding of the sericultural industry and it was considered very desirable that a person of sufficiently high status must be asked to occupy the position of President. So, he was requested to take up the position which he did. Unfortunately he fell very seriously ill and died a year after the formation of the Association and I was asked to take up the post of President. Since 1928, I have been the President.

President.—The Association at present has got 160 members on its roll?

Mr. Iengar.—Yes.

President.—The Committee of management consists of 16 members?

Mr. Iengar.—Yes.

President.—The Committee consists also of some officials?

Mr. Iengar.—Yes.

President.—So that as far as the work of the Association is concerned, it is more or less conducted with the close co-operation of Government?

Mr. Iengar.—Yes, with the close co-operation of Government because without that it is not possible for the Association to do much work. It has been considered necessary that we must have the co-operation and help of all the departments which have anything to do with the sericultural industry. That is why we have as members of the committee the Director of Agricul-

ture, the Registrar of Co-operative Societies, the Superintendent of Sericulture and the Director of Industries and Commerce.

President.—Having regard to the fact that there are officials on your Committee, is it open to the Association to send in protests with regard to the policy of Government and to draw the attention of Government to the various things that your Association would desire to be done in the interests of sericulture?

Mr. Iengar.—That is exactly what we have been doing.

President.—I understand that your Association has been working for the last 5 years?

Mr. Iengar.—Yes.

President.—It would be desirable for the Board to know what work has actually been done and how far you have been able to fulfil the objects for which the Association was started?

Mr. Iengar.—I have prepared a note which gives an idea of the things done by the Association during the last 5 years. In support of every one of the statements I have made in the note, I have the proceedings book with me.

President.—One of the objects of the Association I find is the grant of subsidies and donations?

Mr. Iengar.—Yes.

President.—Have you done anything in that direction?

Mr. Iengar.—So far we have not been able to grant any subsidy. The only case in which we wanted to grant a subsidy from the Association was for a co-operative society which we wanted to start for financing domestic basin owners in furtherance of our fourth object. With this idea we had been working for the last three years and this Society would have come into existence and probably have been doing work for some time but for the depression. In fact, we could not get people to join and put in any money. The idea was to give a subvention or a grant between Rs. 500 and Rs. 1,000 to meet the losses of the Society during its first year of working. That is what we wanted to do. We have also been spending some money on propaganda work. You won't call that a subvention.

President.—As regards subsidies and donations for the objects specified in (a), (b), (c) and (d), the Association owing to the financial stringency has not been able to do anything in the matter.

Mr. Iengar.—That is true.

President.—As regards the ascertainment of qualities of silk most in demand and issuing periodical bulletins I take it that that is being done by the Association?

Mr. Iengar.—Yes, the object of the market report is that to some extent.

President.—As regards organising agencies in all important silk producing centres for stimulating and directing the production of the grades of silk for which there is ascertained demand, have you been able to do anything?

Mr. Iengar.—One of the ways in which we could do that is by increasing the number of domestic basins and it is with a view to having the number increased and the domestic basins made more popular among the people we are moving the Government to grant certain concessions but unfortunately again on account of depression much progress is not made with the domestic basin.

President.—Do I understand that owing to depression which started a year after the formation of the Association, it has not been able to carry out most of its objects in view?

Mr. Iengar.—Yes. We have got a branch of the Association at Sidlaghata.

President.—Yes. You have stated that there are branch associations on page 14 of your memorandum.

Mr. Iengar.—Yes.

President.—How many branches have you of this Association at present?

Mr. Iengar.—Till now we have only one. More branches would have been formed but for the depression. As it is, we have only one branch and that at Sidlaghata.

President.—When did you start that branch?

Mr. Iengar.—About 1½ years ago.

President.—You started that branch about 2 years ago?

Mr. Iengar.—Yes.

President.—I would like to understand what you have done with regard to organising the cocoon market?

Mr. Iengar.—We have passed a resolution saying that a cocoon market will have to be started and have asked the Government to take steps also in that direction. I understand that Government have already taken action to start a cocoon market at Channapatna. The District Board has promised to make a grant of Rs. 500 and the local Municipality has made a grant. The Department has also taken action to have a cocoon market started at Channapatna.

President.—When do you think it is likely to be established at Channapatna?

Mr. Iengar.—Probably within two or three months. We had an idea of holding a Sericultural Conference. Because the sericulturists are not well off, we have to put off the Conference. We expected that when the Conference was to be held, this market would be established. We hope that within the next few months we will have the market started.

President.—The Conference had to be stopped owing to financial stringency?

Mr. Iengar.—Because the sericulturists have not got so much heart in their business.

President.—I thought that the object of the Conference was to put heart into them.

Mr. Iengar.—That of course is just the reason. We have to put heart into them. At the same time it must be said that they are beginning to lose their heart.

President.—As regards the question of increasing the number of sericultural inspectors, have Government taken any action in the matter?

Mr. Iengar.—Again on account of financial stringency Government have not done. We wanted more propaganda work to be done, more educative work to be done. On account of financial stringency, I think that the Government have not been able to do that.

President.—Then I take it that whatever work the Association has done is by passing resolutions, and bringing them to the notice of Government, but owing to financial stringency the objects of the Association have not been fulfilled.

Mr. Iengar.—A good portion of the work of the Association consists of sending proposals to Government in order to develop the industry. The Association by itself cannot do much except to bring to the notice of Government work of the kind that I have mentioned.

President.—That is my point. I have made two distinctions. You have not followed me. As far as the objects of the Association go, the Association has not been able to do much owing to financial stringency.

Mr. Iengar.—Yes.

President.—As far as the work to be done by Government is concerned the Association has passed resolutions, drawn the attention of Government, but the Government have not been able to do anything owing to financial stringency.

Mr. Iengar.—In many matters Government have complied with our request. If you will go through the list, you will find it. As regards the

question of reducing the cost of domestic basin, we sent up our recommendation to Government to reduce the price of the domestic basin and Government readily sanctioned that.

President.—What was the amount formerly charged by Government?

Mr. Iengar.—Government orders sanctioned the sale of 5 domestic basin units at Rs. 600 and single domestic basin at Rs. 130.

President.—The previous price for 5 domestic basin units was Rs. 800?

Mr. Iengar.—Yes.

President.—Do I understand that Government were selling at Rs. 800 to the agriculturists before your resolution was carried?

Mr. Iengar.—Yes. They were selling at a higher price and this is the resolution passed on 3rd September 1928 with a view to popularising the use of domestic basins:—This was the recommendation that we sent up in September 1928 and Government passed orders in November 1928 sanctioning the sale of 5 domestic basin units and single domestic basin at a reduced price. We recommended a rate of Rs. 500 and Government sanctioned the rate at Rs. 600.

Mr. Boag.—What was the price of a single basin?

Mr. Iengar.—Rs. 200.

President.—As regards your object (vii), how far have you progressed with the question of the establishment of a conditioning house?

Mr. Iengar.—This is one of the subjects which we considered soon after the formation of the Association and we had a note prepared by the Honorary Secretary of the Association showing the necessity for a conditioning house and also the estimated cost. This note was placed before the Executive Committee and the Committee resolved—

President.—Will you please tell me what was the cost?

Mr. Iengar.—The cost according to the note prepared was as follows:—

Initial cost Rs. 25,000.

Recurring cost about Rs. 6,000 per annum.

President.—Rs. 25,000 including land and buildings?

Mr. Iengar.—The cost of machinery and the cost of transport. It does not include land and buildings.

President.—What will that be?

Mr. Iengar.—The accommodation considered necessary was one hall and 4 rooms. A bungalow having such accommodation can be had on a monthly rental of Rs. 70. It was not thought necessary to raise capital to have a separate building for the conditioning house.

President.—A building sufficient to accommodate the machinery and the other apparatus can be had for a monthly rent of Rs. 70?

Mr. Iengar.—The idea was to have it in a central place like Bangalore. A suitable bungalow with one hall and four rooms of the required dimensions and one or two rooms more for officers and staff it was thought could be had on a rental of Rs. 70 per mensem.

President.—What was the fee proposed?

Mr. Iengar.—The idea was to charge a small fee for testing, but in order to popularise it they wanted this work should be done free of cost for a short period for, say, six months, so that the riayats might make use of it. Afterwards it was proposed a small fee should be charged.

President.—Did this memorandum go to the Committee stage?

Mr. Iengar.—It went before a committee.

President.—The Committee carefully considered it.

Mr. Iengar.—Yes, and it also went up to Government.

President.—The Committee fully considered the scheme and the scheme that you have now got is the considered scheme of Government?

Mr. Iengar.—Yes.

President.—It was also held up owing to financial stringency?

Mr. Iengar.—This is the position. We sent it up to the Director of Industries asking that the Government be moved to take early action towards the establishment of a silk conditioning house on the lines mentioned in this note and the Government said that the matter should lie over until we produced a sufficient quantity of high grade silk. This is the reply which we received from Government. It is dated July 1930. What the Government wanted was that the Mysore domestic basin silk must be produced in sufficiently large quantities before the conditioning house was started. The conditioning house was intended chiefly to deal with the high grade silk. As they thought there was not sufficient production of this high grade silk, they considered that it should be deferred. In the meantime unfortunately there was a set back in the production of domestic basin silk because many of the basins practically ceased to produce silk on account of depression. So, the whole question has been hung up and the Silk Association has been informed to that effect.

President.—So the reason why the proposal was held up was not financial stringency but want of adequate quantity of high grade silk.

Mr. Iengar.—Yes. That itself was due to the fact that on account of depression in the industry we could not introduce sufficient Mysore domestic basins in order to produce a large quantity of high grade silk. At any rate Government did not say that it was due to financial stringency. They simply said that until there was a larger production of superior silk, the scheme should lie over.

President.—What steps did you take with regard to the collection of accurate statistics relating to all branches of the industry?

Mr. Iengar.—All I can say is that we have not got a proper system of collection of statistics. It is one of the matters which are engaging our attention. We wanted to appoint a committee to go into the question of agency, cost of collection, etc., but we have not made much progress in that direction. That is one of the items in our programme. The fact is that the statistics which are prepared at present are not satisfactory and not accurate. So far back as 1929, at one of the Conference held at that time, I referred to it in these terms:—
(Handed in a pamphlet).

President.—I think that it would be much better if you were to confine yourself to the questions that I put before you. This may be a question that is likely to come up later on. My point is this. The pamphlet that is given to me by you indicates the work which has already been done by the Association?

Mr. Iengar.—We have appointed a committee for the consideration of measures for the collection of statistics.

President.—That committee is at present sitting?

Mr. Iengar.—That committee has not made any definite proposals yet.

President.—It is considering the question.

Mr. Iengar.—Yes.

President.—Therefore as far as the Mysore Silk Association is concerned, they have appointed a committee to investigate the matter?

Mr. Iengar.—Yes.

President.—The point which your Association has succeeded in carrying is in regard to the price of Mysore layings supplied by Government to the agriculturists?

Mr. Iengar.—Yes.

President.—What was the price which was charged for 100 layings by Government before the resolution of protest was passed by your Association?

Mr. Iengar.—They wanted to raise from Re. 1 to Rs. 1-2-0. If I remember right, they wanted to raise it by 2 annas and we said that the raiyat could not bear that.

President.—May I take it that the present price of 12 annas for 100 layings is due to the efforts of the Association?

Mr. Iengar.—At any rate the Association sent up proposals which the Government approved. We may claim some credit for that.

President.—But the Association did not lay down the figure?

Mr. Iengar.—We did lay down a figure.

President.—That is what I wanted to see. It would be better if you were to send me the detailed resolution of the Association later on?

Mr. Iengar.—Yes.

President.—I come now to the next point—what efforts have your Association made with regard to the introduction of standard units of weight in the silk industry?

Mr. Iengar.—We have made a reference to the Director of Industries and Commerce who has taken action in the matter.

President.—Have they fixed any uniform unit of weight?

Mr. Iengar.—He has given us a reply that with regard to standardising certain units have been adopted. I don't quite remember exactly the reply but we have got a satisfactory reply from Government.

President.—I think it is necessary for us also to be satisfied with the steps taken

Mr. Iengar.—I shall send you a copy of the reply from the Director. He has said that at some centres the standard has been fixed and with regard to other centres action is being taken.

President.—With regard to the officials on your committee, you say that they are *ex-officio* members of the Committee.

Mr. Iengar.—Yes.

President.—I suppose it is due to the office that they hold that they are on your Committee?

Mr. Iengar.—Yes. We requested Government that officers holding these posts should be members of our committee and Government sanctioned it.

President.—You are publishing fortnightly market reports of current prices of silk?

Mr. Iengar.—Yes.

President.—Both local and foreign?

Mr. Iengar.—Yes. I believe the Board has already seen these reports.

President.—The Board has not seen the latest report. They have seen some of the reports?

Mr. Iengar.—Here is a copy of the latest report (handed in).

President.—Does the Association employ any separate staff for this purpose?

Mr. Iengar.—One of the subordinate officials of the Department has been placed at our disposal by the Department to help us in getting these statistics. He goes to the markets, interviews the merchants and ascertains prices. On the information furnished by him, this report is based.

President.—Is it done in collaboration with the Mysore Chamber of Commerce?

Mr. Iengar.—I cannot say. This is based on the information collected by our own staff.

President.—I find that the Mysore Chamber of Commerce is also publishing weekly bulletins?

Mr. Iengar.—I do not know whether they take it from us. Probably there cannot be much difference.

President.—I am not asking you about the difference.

Mr. Iengar.—I cannot say how they are getting it. So far as we are concerned, I can say that this information is collected independently.

President.—Your Association is also a member of the Mysore Chamber of Commerce?

Mr. Iengar.—I got myself enrolled as a member only in connection with this enquiry.

President.—I am not asking about you as an individual; I am asking about the Association.

Mr. Iengar.—I got the Association enrolled as a member recently.

President.—In your memorandum there is a reference to the menace from Japan.

Mr. Iengar.—Yes.

President.—In that memorandum you have said that Japan occupies the first position among the silk producing countries of the world and has certain advantages in the manufacture of low grade silk. I should like to know what advantage Japan enjoys.

Mr. Iengar.—That is the information I had.

President.—Your Secretary had recently been to Japan?

Mr. Iengar.—He will be able to give you information on that point.

President.—Will you be able to enlighten the Board on that point?

Mr. Khan.—The races of worms that are reared in Japan are univoltines and bi-voltines. These have got one racial characteristic. They produce a very large quantity of double cocoons and these double cocoons, being a by product, are capable of being put into the market at very small prices. The silk that is made out of them is gradually being improved and standardised. This silk can safely compete at reduced prices with the inferior grades of Mysore silk.

President.—So far as Japan is concerned, the advantage lies in these double cocoons which are not found in the Mysore State.

Mr. Khan.—Quite so.

President.—With regard to the prices that you have put down in paragraph 5, I would like to have a complete list if you have no objection. The Board would be grateful if you could give the prices of the various qualities of imported silk which now come into India. It is perfectly true that as far as Mysore silk is concerned, it is confining its attention to the Canton steam filature?

Mr. Iengar.—Yes.

President.—It is at present the imported silk which is now coming into competition with your raw silk?

Mr. Iengar.—Yes.

President.—The Mysore Government's representation contained a large amount of varieties of imported silk with the names of brands. What I would like your Association which is actively engaged in this kind of work to do is to supply me with the prices of imported silk of all these varieties either the prices at Bangalore or at Bombay *ex-duty*?

Mr. Iengar.—We will try and find out.

President.—The only point that is important in this paragraph and which I wanted to distinguish is the competition between the filature silk and the charka silk. You have specified that there is a difference of about a rupee?

Mr. Iengar.—Yes.

President.—Between the imported prices which come into competition?

Mr. Iengar.—Yes.

President.—I take it that is also the present position.

Mr. Iengar.—Yes, the difference in price.

President.—Between the imported silks that come into competition with charka and the filature?

Mr. Iengar.—There is a difference of a rupee between the charka silks themselves.

President.—I am not talking of that. I am saying there are two kinds of silk produced in Mysore?

Mr. Iengar.—One is charka and the other filature silk.

President.—I want to know the prices of imported silks that come into competition with those which are made in India.

Mr. Iengar.—I understand that the kind of silk that enters chiefly into competition with Mysore silk is the South China Canton filature silk.

President.—Mysore silk as you yourself point out is composed of filature and charka silk?

Mr. Iengar.—Yes.

President.—The filature silk is certainly superior to charka silk and fetches a higher price of about a rupee? Is that the position?

Mr. Iengar.—Yes.

President.—In Statement B attached to your memorandum, you have given the price of Mysore silk in 1931-32 as Rs. 5-10-0 per lb. Was this the price of charka silk?

Mr. Iengar.—Yes, that is the rate of the charka silk.

President.—The Canton filature silk was Rs. 5-2-0 in 1932.

Mr. Iengar.—Yes, according to this statement.

President.—Therefore the difference was only 8 annas in 1931-32 between these two classes of silk?

Mr. Iengar.—That is what I find in the Statement.

President.—In 1932-33 (till the end of December 1932) the price is given as Rs. 5-4-0 to Rs. 5-10-0. That is also for charka silk?

Mr. Khan.—Yes.

President.—What is the equivalent price of the Canton filature silk?

Mr. Khan.—Rs. 4-13-0 to Rs. 5-2-0.

President.—Now I would like to ask a few questions with regard to your replies to the questionnaire. The first question I want to raise is about hybrids. To what extent have the Mysore Government distributed this kind of seed to rearers? What is the proportion to the pure Mysore laying?

Mr. Khan.—It is about 5 lakhs of layings per annum. The total requirements are somewhere near Rs. 3 lakhs of ounces. 1 oz. is equal to 140 layings. It comes to about 3,500 ounces.

President.—Since how long have the Government been distributing hybrid seeds?

Mr. Khan.—For the last six or seven years.

President.—Are they in a position to distribute more and more from year to year?

Mr. Khan.—Yes.

President.—Can I say safely that the experiments conducted by the Mysore Government with regard to hybrids have proved successful?

Mr. Khan.—Absolutely successful.

President.—They are in a position to distribute it to the rearers who do not find any difficulty in rearing the seeds?

Mr. Khan.—Quite so.

Mr. Iengar.—It has been appreciated by the members of the Association. It is one of the recommendations sent up by us to Government to increase the supply of hybrid seeds. That is the opinion not merely of Government but every non-official member of the Association who wanted representation to be sent up to Government for increasing the supply.

President.—As regards your reply to question 10, it is stated that the manures most commonly used are farmyard manure and silkworm litter. What is the proportion of silkworm litter to the other?

Mr. Khan.—It is difficult to give an accurate figure, but probably it would be about 25 per cent. of the farm yard manure.

President.—The Mysore domestic basin was designed by Mr. N. Rama Rao as Superintendent of Sericulture which position he held at that time and patented by the Sericultural Department?

Mr. Iengar.—Yes.

President.—Which was the year when this was put into the market?

Mr. Khan.—1925-26.

President.—Has it undergone any substantial change since that year?

Mr. Khan.—No, not much.

President.—The domestic basin which is now used by the people is the same as that patented.

Mr. Khan.—Practically the same except that it is more substantially made now.

President.—That means the cost has gone up.

Mr. Khan.—Very little.

President.—Without any addition to the cost, it has been made more durable?

Mr. Khan.—Yes.

President.—With regard to filatures I would like to know whether there is any power used? Have you any knowledge whether any power is used in the Government filature?

Mr. Khan.—Electric power is used for turning the shaft.

President.—What is the rate at which you are able to get the power?

Mr. Khan.—1½ annas per unit.

President.—How many units are being consumed by the filature?

Mr. Khan.—We shall give it to you later.

President.—As regards the question of protection, it is stated here in reply to question 57 "If the protection asked for is to be effective it should be such as to raise the price of China silk in the Mysore market to the level of at least the actual cost price of the re-reeled Mysore silk or Mysore domestic basin silk" which means Rs. 7-14-0 per lb.?

Mr. Khan.—Yes.

President.—Do I understand that this is also the cost of the re-reeled Mysore silk?

Mr. Iengar.—It comes to very nearly the same.

President.—I suppose re-reeled Mysore silk means that the silk which is made on the charka is re-reeled?

Mr. Iengar.—Yes.

President.—The charka silk costs about Rs. 6 per lb.?

Mr. Iengar.—Yes.

President.—What is the re-reeling charge?

Mr. Iengar.—About a rupee to Rs. 1-4-0.

President.—It will come to Rs. 7-4-0 per lb.?

Mr. Iengar.—Yes.

President.—What is the proportion of re-reeled silk available in the market at present?

Mr. Khan.—The silk is generally not sold as re-reeled in the market. It is sold as raw silk, and then the weavers arrange to re-reel it.

President.—There is no re-reeling done here as such?

Mr. Khan.—No, not independently.

President.—It is the weavers who do it before they use it on the loom?

Mr. Khan.—Yes.

Mr. Boag.—In this statement which you have just given showing the work done by the Association,—I have not had time to study it as you have just given it to me—I don't see any mention of any action taken to carry out the fourth object which is stated in the memorandum of the Association—that is the creation of market facilities for Mysore silk in the principal markets. Have you been able to take any action in furtherance of that object?

Mr. Iengar.—Nothing has been done. The memorandum is of course all-comprehensive.

Mr. Boag.—I ask the question because it seems to me that from what I have been able to learn of the condition of the industry in the State, while the Government of the State have done a very considerable amount of work for the improvement of production of the material, if I may say so, practically nothing has been done to improve the marketing facilities? It seems to me rather an important omission.

Mr. Iengar.—All I can say is that the Association has got that in view but no action has been taken. At one of our meetings we also referred to the subject, but no definite action has been taken.

Mr. Boag.—In the answers to the questionnare, there are one or two comparatively small points which I should like to invite your attention to. In the very beginning in answer to question 1, you give an estimate of the population which is entirely or partly dependent upon the sericultural industry?

Mr. Iengar.—Yes.

Mr. Boag.—Have you any idea of what proportion these figures represent either to the total population of the State or to the population of the particular area where the sericultural industry is carried on?

Mr. Iengar.—The total population of the State is about 6½ millions.

Mr. Boag.—This is about 1/12th?

Mr. Iengar.—Yes.

Mr. Boag.—But then there is a considerable portion of the State which the sericultural industry does not affect at all?

Mr. Iengar.—The total number of villages in the State is about 20,000 of which 2,500 are sericultural villages. Even in these villages everybody is not a sericulturist.

Mr. Boag.—That is what I was trying to get at. What proportion of the population of those areas where the industry is carried on is interested in the industry?

Mr. Iengar.—In some villages almost everybody will have a small area; in other villages it may not be so. You may take it on the whole as 50 per cent.

Mr. Boag.—Of that area?

Mr. Iengar.—Yes. I have already referred to the fact that we have no proper agencies for the collection of accurate statistics.

Mr. Boag.—Now I pass on to your answer to question 6. The first point on which I should just like to be enlightened is this. Do you use the terms equipment of the rearing house and appliances in the same sense?

Mr. Iengar.—I believe so.

Mr. Boag.—As I read your answer, they are identical?

Mr. Iengar.—Yes.

Mr. Boag.—You give the cost of equipment for a rearing house capable of rearing two ounces of seed at a time. Is it the regular practice of the man who rears silkworms to rear 2 ounces of seed at a time?

Mr. Khan.—That is the average.

Mr. Boag.—I rather thought that it was on the high side.

Mr. Khan.—He has to equip himself for rearing at least 300 layings.

Mr. Boag.—It is not worth his while to go in for rearing unless he takes 300 layings?

Mr. Khan.—I would put the general average for instance at about three fourths of an acre.

Mr. Boag.—In answer to question 16, you give us the yield which may be expected from the disease free layings both for the Mysore race of worms and cross breeds.

Mr. Khan.—Yes.

Mr. Boag.—Could you tell me what the man who does not use disease free layings may expect to get?

Mr. Khan.—That refers only to the question of Mysore race?

Mr. Boag.—Yes.

Mr. Khan.—He will get about 35 to 40 lbs.

Mr. Iengar.—That is about 75 per cent. of that.

Mr. Boag.—That is from one ounce of seed?

Mr. Khan.—Yes.

Mr. Boag.—In answer to one of the President's questions you mentioned the menace to the Mysore industry of competition of Japanese dupion silk?

Mr. Khan.—Yes.

Mr. Boag.—You also explained that dupion silk was a by-product.

Mr. Khan.—Yes.

Mr. Boag.—Does that imply that dupion silk is definitely of inferior quality to the Mysore silk with which it competes?

Mr. Khan.—For instance, Kempanahalli silk and Siddlaghata silk are far superior to dupion silk.

Mr. Boag.—In what particulars?

Mr. Khan.—In fineness, uniformity, elasticity and tensile strength. This dupion silk can easily compete with Malavalli silk and inferior grades of Channapatna silk.

Mr. Boag.—Are you referring to inferior qualities?

Mr. Khan.—3rd or 4th quality.

Mr. Boag.—How is the Japanese dupion silk prepared? Is it spun or reeled?

Mr. Khan.—It is reeled.

Mr. Boag.—By hand or in power filatures?

Mr. Khan.—There are power filatures nowadays. It is mostly hand reeled.

President.—That quality that is coming into India is hand reeled?

Mr. Khan.—There are small quantities of power reeled silk. I do not know the exact quantity.

Mr. Boag.—It competes with your 3rd or 4th quality silk?

Mr. Khan.—Yes.

Mr. Boag.—Which of the silks in the Association's list would you say is most severely affected by competition?

Mr. Khan.—Agrahar.

Mr. Boag.—Rs. 3-12-0 to Rs. 4-2-0 a lb.?

Mr. Khan.—Yes.

Mr. Boag.—What is the present price of the Japanese dupion silk?

Mr. Khan.—I am not aware of it.

Mr. Boag.—Is there any appreciable difference between the Chinese dupion and Japanese dupion?

Mr. Khan.—I do not know definitely.

Mr. Boag.—There is one other point which I would like to raise. Does your Association concern itself solely and entirely with the improvement of local sericultural industry?

Mr. Iengar.—Yes, in all its branches.

Mr. Boag.—You don't go further and do anything for the weaving industry?

Mr. Iengar.—I cannot say that we do. We have weavers amongst us but I think that we as an Association are concerned with the improvement of the sericultural industry.

President.—I would like to have the question about dupion cleared up a little. If your Association could give the proportion of the Japanese dupion coming into the market and the prices of the Japanese dupion as compared with the Chinese dupion in Bangalore, the Board would be able to understand the position of the Japanese competition in a much better way.

Mr. Iengar.—We will collect the information and send it on to you.

Mr. Batheja.—Going through the objects of your Association as given in this pamphlet, I find that one of them is to encourage and stimulate the industry by the grant of subsidies, donations, etc. That presumes an income for the Association?

Mr. Iengar.—Yes.

Mr. Batheja.—Have you got any balance sheets of your Association or can you give me an idea of the approximate annual income of your Association?

Mr. Iengar.—The income consists of the Government grant, subscription from members and also donations from public bodies and also subscriptions from the publication of market reports. I should say that so far, the Government grant has formed the major portion of our income. We have not been able to collect much by way of subscriptions.

Mr. Batheja.—May I know the average annual income of your Association during the last four years?

Mr. Iengar.—Rs. 150 per year. The total amount collected in the shape of donations is Rs. 600. In the first two years no amount has been collected. The balance is Government grant that we have been getting.

Mr. Boag.—What is the amount of the Government grant?

Mr. Iengar.—Rs. 1,000 per year. One year they gave us Rs. 2,000 and in the other years they have given us only Rs. 1,000.

Grants from Government.

	Rs.
1928-29	1,000
1929-30	2,000
1930-31	1,000
1931-32	1,000

We have received a grant of Rs. 100 from the District Board and subscription from members Rs. 400. In fact, the market report we wanted to publish free of cost.

Mr. Batheja.—How much do you get by way of subscription from members?

Mr. Iengar.—Rs. 400—one rupee per year.

Mr. Batheja.—How do you spend that sum?

Mr. Iengar.—Organising conference, exhibitions, etc., and issuing pamphlets, bulletins and market reports.

Mr. Batheja.—All your officers are honorary?

Mr. Iengar.—The two Secretaries are honorary. We have a clerk who is paid a small sum.

Mr. Batheja.—There is no scope for granting subsidies?

Mr. Iengar.—No.

Mr. Batheja.—Your Association looks after the interests of all sections of the industry?

Mr. Iengar.—Yes.

Mr. Batheja.—And it is open to all people in the State practising any section of the industry at any stage?

Mr. Iengar.—Yes, and to all those who sympathise with it.

Mr. Batheja.—How are the interests of charka reelers and cultivating silkworm rearers safeguarded by the Association?

Mr. Iengar.—A good number of our members are also charka reelers and silkworm rearers.

Mr. Batheja.—How many are silkworm rearers?

Mr. Iengar.—Over 100 represents both. I cannot give you the exact figure just now. I shall have to calculate.

Mr. Batheja.—That means a microscopic minority of the total cottage workers who rear silkworms and who reel raw silk is covered by your Association?

Mr. Iengar.—We have also got representatives of Government.

Mr. Batheja.—I am stating a fact that only a very small section of the cottage workers as distinct from merchants is represented in your Association?

Mr. Iengar.—Officials and merchants are very few because the larger number consists of either reelers or silkworm rearers.

Mr. Batheja.—Give me figures?

Mr. Iengar.—I shall furnish the information later.

Mr. Batheja.—I want to know how far the Mysore Silk Association is representative?

Mr. Iengar.—I shall classify it and give you.

Mr. Batheja.—In object (iv) which you have given in your Memorandum of Association, you want to create market facilities for Mysore silk in the principal markets?

Mr. Iengar.—The question has not been taken up.

Mr. Batheja.—For instance, the Benares market, the Surat market, etc.

Mr. Iengar.—The Association has not taken it up.

Mr. Batheja.—As far as I can gather from your market reports, most of the quotations are given for the Bangalore market.

Mr. Iengar.—Yes.

Mr. Batheja.—I understand from the latest copies of your report which you have supplied to us that there are some headings like Silk waste and pierced cocoons market, Japan markets, etc. Have you ever collected reports on these markets before?

Mr. Khan.—Only this time we have not given because we have as yet not received reports from those respective places.

Mr. Batheja.—What are your means of collecting reports of Lyon's market, Canton market, Japan market, etc.? What are your means of collecting information about these markets?

Mr. Khan.—As regards the Japan market, we receive reports from the Yokohama Exchange, reports from the Silk Exporters' Association and also Kobe Silk Exchange reports. These are the three most important reports so far as Japan is concerned. From Canton we receive the Raw Silk and Waste Exporters' Association reports and from Shanghai we receive reports published by the Bureau of Sericulture of the Chinese Government. As regards Lyon's market, we receive reports from Messrs. Chabrier and Morel.

Mr. Batheja.—Do you mean to say that there is no report during the period covered by the last two reports dated the 15th March.

Mr. Khan.—Sometimes there is delay in transit. When it is not received, on the due date, we say "No report is received". For 28th February we have given.

Mr. Batheja.—You have got no independent agency to send you reports?

Mr. Khan.—No. We simply make extracts of the reports I have already mentioned.

Mr. Batheja.—From certain well-known centres?

Mr. Khan.—Yes. They are the most authoritative reports of those markets.

Mr. Batheja.—You don't collect statistics of the production independently even in Mysore?

Mr. Iengar.—No.

Mr. Batheja.—You rely entirely on the statistics maintained by the Mysore Government?

Mr. Iengar.—The question of agency for collecting statistics is under consideration.

Mr. Batheja.—Your 7th object is the establishment of a conditioning house and organisation of other measures for standardising the quality of silk sent out from the Mysore State. Have you taken any steps for standardising the quality of silk?

Mr. Iengar.—That will be done. That is one of the objects of having a conditioning house.

Mr. Batheja.—Until the conditioning is started to deal with the high grade silk, do you propose to take no steps for standardising the quality of the charka silk?

Mr. Iengar.—That is being done by the filatures. As far as the Association is concerned, we want to establish a conditioning house. Beyond that we have not taken any further action.

Mr. Batheja.—Do you think it impossible to standardise the quality of charka silk?

Mr. Iengar.—How can we have standards without a conditioning house?

Mr. Batheja.—Say by a rough and ready method which is known to the silk importers or to silk merchants, can you improve upon your methods?

Mr. Iengar.—I cannot tell you. I have not given any thought to it. I do not know whether it is possible to do so.

Mr. Batheja.—Another object is to direct production of the grades of silk for which there is a certain demand.

Mr. Iengar.—That is the domestic basin silk. That is the kind of silk which we want to encourage.

Mr. Batheja.—Is the Association pledged to encourage only one grade of silk, that is the Mysore domestic basin silk?

Mr. Iengar.—Our object is to encourage Mysore domestic basin silk. That is not one grade. Even in that there may be various grades of superior quality.

Mr. Batheja.—After all it is well known that 94 per cent. of the total production is charka silk?

Mr. Iengar.—Our object is gradually to improve the quality so that it may come up to the quality of the Mysore domestic basin silk. Either some improvement will have to be made in the charka production or the charka silk will have to go.

Mr. Batheja.—It appears that the only step you have taken is to encourage the Mysore domestic basin?

Mr. Iengar.—That is because we think that it is the best way of improving the quality of silk.

Mr. Iengar.—I don't quite follow. We have not got any agency to teach people.

Mr. Batheja.—In reply to question 10, you have given us figures of the cost of cultivating an acre of mulberry and in reply to question 11 you have compared these costs with the costs of cultivating other crops. You have said 5 years ago the expenditure on dry land was Rs. 92-12-0 and the present expenditure Rs. 63-4-0. Is that expenditure which is incurred now capable of a further reduction under any head?

Mr. Iengar.—Regarding expenditure for an acre of dry land, it is very difficult to say. It all depends upon conditions.

Mr. Batheja.—When you gave these figures under two heads *viz.*, expenditure 5 years or so ago and expenditure now, under what item was the greatest decrease noticed?

Mr. Iengar.—Chiefly labour charges have gone down.

Mr. Batheja.—By how much have they gone down?

Mr. Iengar.—Labour charges have gone down by nearly 20 per cent. I shall give you the details from which you will find under what heads the decrease has occurred.

Mr. Batheja.—You have given us figures for the present year and you have given us figures in vogue five years ago. Can you give us figures for the last five years?

Mr. Iengar.—After all, these figures are very rough.

Mr. Batheja.—Still they may be sufficient for the purpose of showing the trend of prices and the various factors of production?

Mr. Iengar.—That is true. You know how difficult it is to get figures like that. If you take the figures which were in vogue say five years ago and now, the variation may be perceptible, but from year to year the figures may not show much of a difference. Further it is very difficult to calculate the costs because our people do not maintain any correct or accurate account. It is only approximations that we can give.

Mr. Batheja.—I shall be satisfied with approximations.

Mr. Iengar.—From year to year it will be mostly guesswork.

Mr. Batheja.—Do I understand that the figures of five years ago are guesswork?

Mr. Iengar.—Mostly. They are very rough.

Mr. Batheja.—You have given us the average?

Mr. Iengar.—After an interval of five years we can say whether there has been an increase or decrease, but from year to year, whether the difference is 10 per cent. or 5 per cent., it is very difficult to say.

Mr. Batheja.—There are alternative crops.

Mr. Iengar.—Yes. If you want, we will give you figures. You may attach any value you like.

Mr. Batheja.—It is for us to attach the value. If you can assist the Board with figures, it is well and good.

Mr. Iengar.—You will have to go and ask the raiyat—what is the cost now, what did it cost him last year and what did it cost him five years ago.

Mr. Batheja.—I shall explain to you my personal difficulty. I want to put before you my personal difficulty and it is this that the cost of production of the finished product depends ultimately on the cost of cultivation of mulberry and I want to understand how far this cost has gone down in the last five years, whether the cost is capable of a further reduction and whether the cost is proportionate to the general fall of prices. This is the base on which the whole case of protection has to be built and if I am not satisfied with the base and if the base is shaky how is the superstructure to be erected?

Mr. Boag.—I should just like to ask how you got these figures of cultivation?

Mr. Iengar.—From actual enquiry.

Mr. Boag.—Did you make an independent enquiry or did you get them from the Government of the State?

Mr. Iengar.—We got it from enquiries made by a special officer deputed for this purpose by Government. The Association did not make an independent enquiry.

Mr. Boag.—Because I notice that your figures were exactly those given by Government in reply to the questionnaire, I rather gathered from that that they must have come from a common source.

Mr. Iengar.—As I said, our Secretary is also an officer employed by Government to collect this information and so since he is a common officer, we have to adopt those statistics.

Mr. Batheja.—It is quite possible that they may have come from a common source. We cannot go into the question how ultimately collects these figures. But I think that the Association accepts these figures?

Mr. Iengar.—Yes.

Mr. Batheja.—It also accepts full responsibility for these figures?

Mr. Iengar.—Yes.

Mr. Batheja.—It bases its case on these figures. Therefore I want to know from the Association giving us these figures whether these costs can be reduced still further?

Mr. Iengar.—I cannot say that.

President.—You are not in a position to make a statement at present without consulting the agency from which you got this information.

Mr. Iengar.—Quite so.

Mr. Batheja.—Will you consult the agency and give me the information?

Mr. Iengar.—The same question could have been put to Government. So far as I am concerned, I can only refer it to Government and let you know what they say. As I said, our Secretary was also a responsible officer of Government who was deputed by Government to collect the statistics. I had to use this information given to us in his capacity as a Government officer.

Mr. Batheja.—It was noticed by me that when we went through your replies to the questionnaire, they were more or less the same as those given by Government.

Mr. Iengar.—If I had been asked to collect statistics, I would have asked my Secretary to do it.

Mr. Batheja.—To enable us to have an idea of the functions of the Association, what means has the Association of rendering service?

Mr. Iengar.—In regard to question 11, I did not quite follow the trend of that question. What is the object of that statement. Of course I had to give an answer and so I prepared it.

Mr. Batheja.—I shall explain the object. If the price of cocoons goes down on account of a falling market, then ultimately a point may be reached when it will not be worth the while of the cultivator to have mulberry cultivation and he may give up mulberry cultivation. Still the land will be there and it can be used for other crops. If he reaches the point when he has to make a choice, he will have to decide to what use the land is to be put. So there are alternative uses for the land when mulberry cultivation is given up. I want to find out by asking this question how far should the price of cocoons fall in order that the cultivator is reduced to the choice of giving up mulberry and how far will his choice be governed by the yield of other crops?

Mr. Iengar.—Looking at it purely from the standpoint of agriculture, if mulberry goes out, I am sure, its place may be taken by any other crop. In fact, the garden land may be used for raising any product of agriculture. If mulberry goes, its place may be taken by ragi or sugarcane or potatoes

according to the nature of the soil. In the case of dry land it is possible to grow ragi, jowar, etc. But the point is whether it is purely from the standpoint of agriculture we have to look at it. So far as mulberry grower is concerned, it may be that if mulberry cultivation goes out, he may probably raise some other crop in that land and probably be equally well off. But unfortunately the root of the industry—the sericultural industry—will be cut out. I am only looking at it from another standpoint.

Mr. Batheja.—I am not considering whether it is desirable to have the root of the industry cut out. I want information about facts. How far can the price of cocoons go down till a stage is reached when it is not worth the while of the cultivator to grow mulberry?

Mr. Iengar.—To what extent can alternative crops be substituted, to what extent can the price of cocoons or the price of leaves go down—ultimately it comes down to leaves so that he may go on cultivating mulberry with profit or at what stage he will have to give up mulberry cultivation; that is a question of arithmetic.

Mr. Batheja.—The object of questions 10 and 11 is that.

Mr. Iengar.—You want to know what is the minimum income that the owner of a mulberry land must be able to get in order to keep on to mulberry cultivation? If it goes below that, he will have to give it up.

Mr. Batheja.—Yes.

Mr. Iengar.—That will have to be worked out.

Mr. Batheja.—I don't want to discuss the point. I have explained to you the object of our questions.

Mr. Iengar.—You want to know the point below which if the price of cocoons goes down, the mulberry cultivation will be given up.

Mr. Batheja.—Yes.

Mr. Iengar.—I have stated in another place that mulberry is not an annual crop. It is a crop which lasts 8 to 10 years so that if he gives up mulberry he will have to lose all the capital spent upon it.

Mr. Batheja.—You have given us figures which show the acreage under mulberry cultivation has gone down from 54,000 to 37,000 acres.

Mr. Iengar.—Yes, sometimes it goes down.

Mr. Batheja.—I take it that the land is not lying idle. It will have to be used.

Mr. Iengar.—If there is a boom in the industry, the acreage will go up again. As I have admitted, you want the lowest price of cocoons below which it will not be possible for the mulberry garden owner to maintain the cultivation.

Mr. Batheja.—I want to test that by getting actual facts: viz., the cost of cultivating an acre of mulberry and the cost of cultivation of say bajri. I don't want merely your opinion. Your opinion must be supported by facts.

Mr. Iengar.—With regard to these figures of expenditure, one thing must say. One person may spend half of what another spends.

Mr. Batheja.—I am concerned with average figures.

President.—There is a point which has arisen and which I should like to clear up. Do I understand that the man who cultivates mulberry and the man who cultivates some other crop when mulberry goes out, will probably get the same income?

Mr. Iengar.—Sometimes.

President.—I want to know whether the income derived by the mulberry cultivator would be practically the same if he takes to an alternative crop?

Mr. Iengar.—It depends upon the crop.

President.—The crops are mentioned in your reply to question 11.

Mr. Iengar.—For instance, sugarcane may be a paying crop. Potatoes may pay very much more than mulberry. Does that alone show that if mulberry goes out, it can be substituted by those crops?

President.—I think you have missed the point of my colleague. It is an important point that he has raised. Suppose the Tariff Board arrives at a conclusion that protection to the sericultural industry is not necessary, the Board in that case would like to know what the position of the mulberry cultivator is. Therefore it is necessary for us to know that if protection is not granted, your Association is definitely of opinion that mulberry cultivation will go out?

Mr. Iengar.—Yes.

President.—If that is the position which your Association holds, the Board would like to know what would happen to the cultivator who is now cultivating mulberry?

Mr. Batheja.—At what point it will go out?

Mr. Iengar.—In that case the mulberry cultivator will lose the capital which he has spent upon it in the first year and even in subsequent years it is just possible that if he raises some other crop, it may pay him almost the same amount or a little less. It is very difficult to say what exactly is the crop that he is going to substitute for mulberry, whether the income from that will be more or less the same and if so to what extent it will be more or less. We know from experience that the land may be used for superior or inferior kinds of crop and it all depends upon the means of the man.

President.—Do I understand that suppose there is a wide field for the development of the sugar industry in the State, the mulberry cultivator may ultimately take to sugarcane? Is there a possibility of his taking to sugarcane as an alternative crop?

Mr. Iengar.—If it is an irrigated land with good facilities for irrigation, if the soil is favourable and if the cultivator has capital, he will take to sugarcane.

President.—Therefore as far as mulberry cultivator is concerned, if protection is not granted to the sericultural industry he will not be affected?

Mr. Iengar.—It is not the mulberry cultivator alone that will be affected. In this connection what I would beg to urge is not the interests of the mulberry cultivator alone that we have to consider. So far as the mulberry cultivator is concerned, if his interests alone were to be considered, I would say perhaps protection may not affect him to such an extent that he will be ruined. It is the industry that will be ruined.

President.—I have already dealt with that point.

Mr. Iengar.—So far as the mulberry cultivator is theoretically concerned he will not be affected.

President.—He will not be affected.

Mr. Iengar.—It is just possible that he will take to some other crop.

President.—If you will allow me to put the question, it would be better. The point that is now being discussed is not the question of the silk industry as such. The question that is discussed is the position of the cultivator at a time when protection is not granted to the sericultural industry. I take it that your conclusion is that the mulberry cultivator will not in any way be affected by the refusal of the Board to grant protection to the industry.

Mr. Iengar.—The mulberry cultivator is not merely a cultivator; he is also a rearer. He finds occupation for all his people in the industry in other ways than mulberry cultivation.

President.—The point we have been trying to get at is the income which the family derives. You say that 135,000 families are involved in the trade. If all these people who are mostly rearers and cultivators get an additional income.

Mr. Iengar.—It is not merely an income from the land. The cultivator is also a rearer.

President.—He will also get some income as a rearer.

Mr. Iengar.—His income will suffer.

President.—Will his income be affected if he takes to any other alternative crop?

Mr. Iengar.—The income will be materially affected. In addition to the income from the leaf, he also gets other incomes from rearing and from reeling.

President.—Therefore in your opinion, if protection is not granted to the sericultural industry, the cultivator would be hit hard?

Mr. Iengar.—Yes. I may be permitted to say that when your colleague put me the question, I was thinking of the direct income. The direct and indirect income is so much that if protection is not granted it will cause great misery.

President.—How can he think of the indirect income when you are talking of families and individual cultivators?

Mr. Iengar.—I was only thinking of the land. His whole income will be materially affected.

President.—My colleague wants to get figures in order to ascertain the point where the cultivator, if his income both from mulberry cultivation and rearing of silkworms went below that level, would feel that an alternative crop is better than the cultivation of mulberry.

Mr. Iengar.—We will try and collect statistics and send them to you.

Mr. Batheja.—I don't want to argue with you but it is possible to confine yourself only to mulberry cultivation, because in a family which is cultivating mulberry and reeling silkworms, the price of mulberry leaves which you enter as the cost of rearing silkworms is a price paid by him to himself for the cost of mulberry leaves, so that it is possible to entirely separate the cost.

Mr. Iengar.—It is very difficult to separate one from the other.

Mr. Batheja.—In reply to question, 17, you have given the cost of cultivation in various areas—T. Narsipur, Channapatna, Chickballapur and Kunigal. I should like to invite your attention to the cost of leaves in Channapatna. Five years ago, it was Rs. 11-1-4 and now it is Rs. 12. Can you explain the cause of the variation?

Mr. Iengar.—It is only with regard to Channapatna there is a little increase in almost all these items.

Mr. Batheja.—In the Chickballapur area, the cost of leaves has gone down from Rs. 15-6-10 to Rs. 11-10-0. In one case it has increased; in the other, it has decreased.

Mr. Iengar.—It is only in the case of Channapatna there is an increase. I made an enquiry in regard to these figures. The explanation given to me was that on account of floods in recent years they had to spend more on labour and it was on that account that the expenses had increased.

Mr. Batheja.—That is the cause of the discrepancy?

Mr. Iengar.—That is the cause of the increase in Channapatna.

Mr. Batheja.—Comparing these two sets of figures, I notice that the chief discrepancies are in the cost of labour and in the cost of leaves?

Mr. Iengar.—Yes.

Mr. Batheja.—The cost of leaves also ultimately comes to labour?

Mr. Iengar.—Very nearly.

Mr. Batheja.—The chief cause of variation in the cost of cultivation at the two different periods is the cost of labour?

Mr. Iengar.—Yes, chiefly.

Mr. Batheja.—Have you any idea of the course of agricultural wages within the last five years? How far have they increased or decreased? Could you give us the average agricultural wages for the last five years?

Mr. Iengar.—Government have published returns and I shall find them out for you.

Mr. Batheja.—Can you give us figures for the last 10 years? As a matter of fact the Board has always wanted figures for ten years wherever possible. If you can give for 10 years I shall be much obliged.

Mr. Iengar.—I shall give you the variations in agricultural wages in the silk rearing areas.

Mr. Batheja.—You have been asked to give figures of reeling costs (question 23) for the last five years certainly, and if possible for the last 10 years, but you have only given the present costs. Could you not give us figures for the five preceding years or for the ten preceding years?

Mr. Iengar.—I can only repeat the same figures.

Mr. Batheja.—You may use the same agency. I quite realise that you have no separate agency. But you don't repudiate your responsibility?

Mr. Iengar.—I don't repudiate my responsibility. I fully take the responsibility for these figures.

Mr. Batheja.—It does not matter to me what agency you use. It is enough if you give me figures of agricultural and industrial wages for that period. These are industrial wages I think. The object of my question is this. Chiefly the variations are in the cost of cocoons and in the cost of labour in reeling. These are the chief costs. The cost of cocoons will depend upon the mulberry cultivation. I would like to know how far the industrial wages in Mysore have changed?

Mr. Iengar.—I know the Revenue Department is publishing some returns giving wages. I shall see whether I can lay my hand on them.

Mr. Batheja.—In reply to question 23 you say "As regards the cost of production in previous years, except the variations in the price of the cocoons, there has been no material alteration in the other items". I take it from this statement that there is no material alteration in wages?

Mr. Iengar.—No material alteration in wages.

Mr. Batheja.—Do you stand by this statement?

Mr. Iengar.—I do.

Mr. Batheja.—In reply to question 42, you say that the charka silk admits of improvement and that it can be graded when reeling is improved. Can you amplify this statement as to how it can be graded when reeling is improved? What do you mean by improvement in reeling?

Mr. Iengar.—As I said there are improved methods with regard to charka. Whether it is possible or not I cannot say.

Mr. Batheja.—What improvements of methods have you in view?

Mr. Iengar.—I cannot say. Whether it is possible to do is a point which has got to be investigated.

Mr. Batheja.—I find that it is a statement which has been made by nobody else?

Mr. Iengar.—As to whether there is a midway course between charka and Mysore domestic basin is a point which I should like the Mysore Silk Association to consider and also Government to consider.

Mr. Batheja.—How far can it be graded?

Mr. Iengar.—If and when it is improved, the point as to how it is to be graded will have to be considered. It depends upon the improvement effected.

Mr. Batheja.—You yourself have no definite idea?

Mr. Iengar.—No. At present it is impossible to say.

Mr. Batheja.—Referring to the price list published by you, to what classes of silk in each locality do these prices refer? I take it that each

locality produces different kinds of silk which are classified by merchants as 1st, 2nd and 3rd qualities. To which class do these prices refer?

Mr. Khan.—This is the average. It means that the variation in the prices of the different qualities of Kempanahalli silk is Rs. 3-8-0 to Rs. 3-12-0.

Mr. Batheja.—Does it mean that the 1st quality will fetch a price of Rs. 3-12-0 and the lowest quality Rs. 3-8-0?

Mr. Khan.—Rs. 3-8-0 to Rs. 3-12-0 is the average.

Mr. Batheja.—Are they the maximum and minimum? You have mentioned Rs. 3-8-0 to Rs. 3-12-0. Does it mean that Rs. 3-12-0 is the maximum?

Mr. Khan.—The variation is for a particular period and for the average quality of Kempanahalli silk the price has varied from Rs. 3-8-0 to Rs. 3-12-0 during that fortnight.

Mr. Batheja.—You took the average quality?

Mr. Khan.—Yes.

Mr. Batheja.—How did you arrive at the average quality?

Mr. Khan.—We made enquiries.

Mr. Batheja.—Shall we take some example. Let us take Kempanahalli. Into what classes can Kempanahalli silk be divided by the silk merchants?

Mr. Khan.—There is no regular division. It is merely an approximation. They say for instance they have got three qualities.

Mr. Batheja.—Whatever be the nature of the divisions, they are divisions well known to the trade. Into how many classes has the Kempanahalli silk been divided? Are merchants members of your Association?

Mr. Khan.—Two or three classes.

Mr. Batheja.—You cannot say two or three.

Mr. Khan.—There is no exactitude.

Mr. Batheja.—Are you supported by merchants of the Association? There are two or three.

Mr. Khan.—Yes.

Mr. Batheja.—That means the Association's representatives do not know whether it is divided into two or three classes. Do I understand that that is your position?

Mr. Khan.—My position is this. In some seasons there are two qualities; in some other seasons there are three qualities. It is very difficult to make a definite statement if conditions are like that.

Mr. Batheja.—Take the report of 15th March. You represent the Association and you do not know how many qualities there are.

Mr. Khan.—I cannot tell you off hand.

Mr. Batheja.—The Secretary of the Association cannot supply the information?

Mr. Khan.—Yes, about that specific point from memory.

Mr. Batheja.—Will you refer to your records and let me know later on.

Mr. Khan.—I will try.

Mr. Batheja.—The same remarks apply to Closepet silk?

Mr. Khan.—Yes.

Mr. Batheja.—Into how many classes is that silk divided? Can you say from memory?

Mr. Khan.—Generally speaking in all these, there are two or three grades. For instance in Channapatna there is what is called Makan quality. Makan reelers produce a certain quality.

Mr. Batheja.—Presuming there are three grades in Closepet silk in publishing the report, you took the middle grade?

Mr. Khan.—We make an average.

Mr. Batheja.—I want to understand the exact process of averaging. There are three qualities and the three qualities have got three different prices. How do you arrive at the average?

Mr. Khan.—Suppose there are three prices Rs. 3-8-0, Rs. 3-10-0 and Rs. 3-12-0, we say Rs. 3-10-10.

Mr. Batheja.—That is the middle one?

Mr. Khan.—Yes, it is arrived at in that way.

Mr. Batheja.—In that there is variation?

Mr. Khan.—Yes.

Mr. Batheja.—The variation is recorded here like this—Rs. 3-8-0 to Rs. 3-12-0?

Mr. Khan.—Yes.

Mr. Batheja.—The middle figure which you generally assume in giving the price of Kempanahalli silk or Channapatna silk or any other quality, does that represent the largest number of transactions?

Mr. Khan.—The question of transactions is a difficult thing. The merchants will not be able to give us the quantity of transactions. It is only the quotations, the prices at which they are sold, that we have given.

Mr. Batheja.—In order that the average may be true, the average must as far as possible correspond to that quality in which there is the largest number of transactions. Now I want to understand whether the middle quality of yours necessarily represents the largest number of transactions or do you assume without further enquiry that this is the price of that brand?

Mr. Khan.—If we produced, it would be sold at that price. That is what we mean. It has no particular reference to the actual transactions taking place.

Mr. Batheja.—Suppose in a particular week it happens, of the three qualities, 90 per cent. of the transactions are in the 1st quality, 5 per cent. in the 2nd quality and 5 per cent. in the 3rd quality, you will take the price of the middle quality no matter what the transactions are.

Mr. Khan.—If there is such an abnormal fluctuation we would generally note it.

Mr. Batheja.—Do you take this fact into consideration that the transactions of certain grades do generally vary?

Mr. Khan.—They may vary, but when the variation is abnormal, we do make a reference.

Mr. Batheja.—What allowance do you make?

Mr. Khan.—It would depend upon the particular conditions. It is difficult to say.

Mr. Batheja.—Who is the officer of the Association who will make this verification?

Mr. Khan.—The figures are collected and passed on to me. They are scrutinised by percentage tests by me.

Mr. Batheja.—What record have you got of the transactions?

Mr. Khan.—The figures are collected by one of our officers appointed to do that work and these figures are scrutinised by me. Then a certain percentage test is made by interviewing a few silk merchants and finding out the truth of these statements. Then the figures are passed as correct.

Mr. Batheja.—Take another example. There are three grades. The 1st grade transactions are 60 per cent., 2nd grade 20 per cent. and 3rd grade 20 per cent. Normally your procedure is to select the middle grade price and put that down?

Mr. Khan.—Yes.

Mr. Batheja.—In this case supposing the first grade is 60 per cent. how will you make allowance for that fact and how will you ascertain that the transactions are 60 per cent.?

Mr. Khan.—We cannot do that. We do not ascertain the percentage of the transactions.

Mr. Batheja.—In the Statement which you have given in reply to question 44 showing the prices of Mysore silk and other foreign silk, do the Canton figures refer to Canton steam filature silk?

Mr. Khan.—Yes.

Mr. Batheja.—When you have given figures for pure Mysore, first quality and second quality, to which of the classes in your published list do these things correspond?

Mr. Khan.—The first quality generally refers to Kempanahalli and Sidlaghata.

Mr. Batheja.—The average quality of Kempanahalli and Sidlaghata?

Mr. Khan.—Yes. The second quality would be Channapatna.

Mr. Batheja.—Any other silk in second quality?

Mr. Khan.—There is for instance Nandi, which is second quality. It is a little superior to second quality but not as high class as Kempanahalli. Some of the Kollegal silk might form second quality, if not all.

Mr. Batheja.—You don't give quotations for Kollegal silk?

Mr. Khan.—Yes, we give.

Mr. Batheja.—Channapatna is your second quality.

Mr. Khan.—That is the best second quality. A little higher than that would be Nandi.

Mr. Batheja.—Into how many qualities would you classify these which you have in your Bangalore report?

Mr. Khan.—It would form a fairly large number of qualities.

Mr. Batheja.—Which is your lowest quality in this list?

Mr. Khan.—Agrahar.

Mr. Batheja.—What is the next lowest?

Mr. Khan.—We might say Muduwadi.

Mr. Batheja.—Is that the second lowest?

Mr. Khan.—Yes. As I have already stated, there are seasonal variations in these conditions.

Mr. Batheja.—I don't want an answer based on these figures. I want an answer based on your own experience. Taking average conditions, would it be correct to say that Agrahar is generally your lowest quality?

Mr. Khan.—Yes.

Mr. Batheja.—And this Muduwadi is generally your second lowest quality?

Mr. Khan.—Not generally, but at present.

Mr. Batheja.—Can you put two or three varieties into one group?

Mr. Khan.—There is another silk which we have not given here. It comes from Malavali. That would go one mark higher than Agrahar.

Mr. Batheja.—That is generally the second lowest?

Mr. Khan.—Yes.

Mr. Batheja.—What is the price of that silk?

Mr. Khan.—I haven't got it here.

Mr. Batheja.—Can you send the price of that silk?

Mr. Khan.—Yes.

Mr. Batheja.—You have mentioned your case for protection of the raw silk. Suppose protection is granted for raw silk, will it be necessary to have

a protective duty against the import of cocoons? At present there is no import duty. Will it be necessary to do that?

Mr. Batheja.—In reply to question 46, you say that you have worked out the price of Chinese cocoons backward.

Mr. Iengar.—Yes.

Mr. Batheja.—Suppose protection is granted and as a stimulus for protection filatures are established here, then instead of going in for your raw material, they may send the cocoons themselves.

Mr. Iengar.—If such a contingency were to happen, it would have to be safeguarded.

Mr. Batheja.—A similar contingency has occurred in the Cotton industry. Formerly we didn't import cotton from outside. Now we are importing cotton. If this is the price of cocoons in China, then it will be possible to land cocoons in India at a price very much lower than the Mysore cocoons.

Mr. Iengar.—You will have to impose a protective duty on cocoons.

Mr. Batheja.—At what rate?

Mr. Iengar.—At a rate at which you will have to work out the cost. It will work out as 100 per cent.

Mr. Batheja.—You not only want the reeling industry to be protected but the cocoon industry protected. Dividing the industry into two parts, you not only want the reeling section of the industry, but also the cocoon producing industry protected.

Mr. Iengar.—Yes. That is the most important part of the industry.

Mr. Batheja.—As a result of the grant of protection, you contemplate a possible diminution in the number of looms devoted to silk production.

Mr. Iengar.—It is merely a surmise, because we find when the price goes up, naturally the demand for silk fabrics may go down to some extent.

Mr. Batheja.—You contemplate a possibility of a diminution of the number of handloom weavers manufacturing silk goods from 8,000 to 6,000. You have made that statement here.

Mr. Iengar.—As I said it may not be the exact figure. I stick to the statement that as a result of the increase in the price of silk fabrics, it is bound to go down.

Mr. Batheja.—You go on further to say that the resulting hardship will not necessarily be very great, because these men can go back again to cotton weaving.

Mr. Iengar.—Yes.

Mr. Batheja.—Is there an assured market for cotton weaving?

Mr. Iengar.—That is a temporary phase. That has happened. They go back to the original condition.

Mr. Batheja.—Assuming that the Cotton Weaving industry is in a flourishing condition.

Mr. Iengar.—Yes.

Mr. Batheja.—Is the handloom cotton weaving industry in a flourishing condition just now in your State?

Mr. Iengar.—I am not prepared to say anything definitely about that.

Mr. Batheja.—If the hardship resulting from the handloom weavers being compelled under the operation of the law of prices to give up silk weaving and go in for cotton weaving is not very great, will there be very great hardship if the cultivators were to change from mulberry cultivation to ragi cultivation?

Mr. Iengar.—If you take it only as a change of cultivation, it is all right.

Mr. Batheja.—The hardship may not be so great, because those people who are not taking to handloom silk weaving may go to cotton weaving.

Similarly those people who take to mulberry cultivation may go to ragi cultivation.

Mr. Iengar.—They go back to original conditions.

Mr. Batheja.—So any increase in acreage is only a temporary phase.

President.—Mr. Shamsuddin Khan, you were placed on special duty by Government when you visited Japan?

Mr. Khan.—I was on deputation.

President.—What was the period that you were away from India?

Mr. Khan.—About 2 years and 4 months.

President.—I understand that you have submitted a report to Government on the Sericultural industry and its organisation in Japan.

Mr. Khan.—Yes.

President.—During the time you were there, I find that you have not only studied the question of Sericulture, but you have also studied the question about side industries like silk waste and artificial silk?

Mr. Khan.—Yes.

President.—I would like to discuss this question of silk waste, because that is one of the industries which may be developed in future under the scheme of protection if granted.

Mr. Khan.—Yes.

President.—As far as the first point is concerned, I understand that only 33 per cent. of the total quantity of silk is waste. That means for one pound of silk, there will be 33 per cent. waste.

Mr. Khan.—That is with reference to Japan.

President.—It is 70 per cent. for filature and 30 per cent. for charka in India. There are seven kinds of silk waste. The first is pierced cocoons. The second is unreelable cocoons in the reeling basin.

Mr. Khan.—Yes.

President.—The third is long waste, and other wastes got in reeling and brush waste also.

Mr. Khan.—Yes.

President.—The fourth is the thin layer of silk over pupa.

Mr. Khan.—Yes.

President.—The fifth is cocoons cut in filatures, etc., tested during quality examination.

Mr. Khan.—Yes.

President.—And the sixth is floss converted into noils and the seventh is waste silk got in re-reeling.

Mr. Khan.—Yes.

President.—As far as prices are concerned, I think the highest priced thing is waste silk got in reeling. It is only one per cent. of the raw silk.

Mr. Khan.—Yes.

President.—With regard to the noils, is it made out of floss?

Mr. Khan.—Yes, this is also waste.

President.—I take it that the high grade waste and the low grade waste are separately spun as a rule?

Mr. Khan.—Yes.

President.—Unless they want it for the mixing of ordinary materials?

Mr. Khan.—Yes.

President.—With regard to the silk waste plant, I understand 200 lbs. of Japanese long waste after discharging and drying reduces itself to about 140 lbs. After "conditioning" it becomes 165 lbs. Subsequent to conditioning in 'opening', 'filling' and 'dressing', it reduces to 100 lbs.

Again it loses about 2 lbs. in picking, gill spreading, setting, drawing, roving and spinning. After doubling, twisting, and gassing, it reduces to 90 lbs.

Mr. Khan.—Yes.

President.—The next processes are reeling and finishing.

Mr. Khan.—Yes.

President.—I suppose there is no reduction in those processes.

Mr. Khan.—Yes.

President.—You get 90 pounds of finished materials?

Mr. Khan.—Yes.

President.—In reply to question 50, you say a project in Mysore was contemplated, but was dropped owing to high cost.

Mr. Khan.—Yes.

President.—I would like to know whether you know the details as regards the proposal and the reasons for dropping it. Was it true that the plant was considered uneconomical?

Mr. Khan.—That was not so. A Committee was appointed in 1930. That Committee went into the question. Just then the depression had started and Government were also feeling the difficulty and so they said that we would have to wait for some time. Revised estimates were also obtained and they were discussed.

President.—The unit, I take it, in Japan is 200 lbs. production of yarn per day for a factory to work on commercial lines. What should be the unit for India? Have you studied the question when you considered that Mysore should consider the scheme sympathetically. I wonder whether you have devoted any attention to local conditions in Mysore with regard to a similar plant.

Mr. Khan.—That is why we got out estimates from Japan.

President.—The estimate that you have put forward on behalf of the Mysore Government was for the total quantity of waste produced in India?

Mr. Iengar.—I believe so. I am not quite definite about it. I will look into it.

President.—That was a statement made on behalf of the Mysore Government.

Mr. Iengar.—We have got estimates both for the quantity that can be handled in the Mysore State and the quantity that can be handled in India.

President.—With regard to artificial silk, were you able to get admission to factories?

Mr. Khan.—I saw one factory, but I worked in Uyeda College where they have an artificial silk plant.

President.—Is it for demonstration or teaching?

Mr. Khan.—For teaching.

President.—The information contained in this book with regard to artificial silk is from those sources.

Mr. Khan.—Yes.

President.—Because I find that you have made a difference as to the processes which are employed in Japan and in various other countries in the world.

Mr. Khan.—Yes.

President.—You state that the process employed by Japan generally is viscos process, but it doesn't produce artificial silk as good as can be expected.

Mr. Khan.—That was the position in 1930.

President.—What is the position to-day? Have you got any latest information?

Mr. Khan.—I understand the Imperial Artificial Silk Manufacturing Company have taken the assistance of German Scientists and have effected changes.

President.—German process is Cupra-ammonium.

Mr. Khan.—Various modifications have taken place in the manufacture of artificial silk and I understand from some of the communications from Japan that this artificial silk Manufacturing Company have taken the assistance of the best possible experts from foreign countries.

President.—And the stuff they are sending at present to India is out of the new processes that are employed in Japan.

Mr. Khan.—I couldn't tell you.



सत्यमेव जयते

RAW SILK MERCHANTS ASSOCIATION, MYSORE.

Evidence of Messrs. S. N. MUNI RAO, Director of Raw Silk Merchants Association, and B. VISWANATH GUPTA, Secretary, recorded at Bangalore on Tuesday, the 14th March, 1933.

President.—Mr. Gupta, you are the Secretary of the Raw Silk Merchants Association?

Mr. Gupta.—Yes.

President.—Mr. Muni Rao, you are one of the Directors of the Association?

Mr. Rao.—Yes.

President.—What exactly do you mean by the Director of the Association?

Mr. Rao.—I mean member of the Committee of Management.

President.—There are 22 merchants on the Managing Committee.

Mr. Rao.—Yes.

President.—And you are one of the Managing Committee Members?

Mr. Rao.—Yes.

President.—What is the number of Members of your Association?

Mr. Rao.—36.

President.—There are 36 koties. Out of 36 Members of the Association, 22 Members belong to the Committee.

Mr. Rao.—Yes.

President.—One of the objects of the Association I find is to encourage the production of raw silk in the State. I would like you to explain properly as to what exactly you mean by the encouragement of the production of raw silk and what steps the Association has taken in this matter.

Mr. Gupta.—Reelers bring in their silk and these silks are sold to the weavers. The weavers' requirements are ascertained and such ascertainment are communicated to the reelers and any differences that might arise in the proper reeling and other things are rectified. We want to bring such things to the notice of the Government also for helping in that direction.

President.—It amounts to this that if there are any defects in the Mysore raw silk which the weavers use, those defects are brought to the notice of the silk reelers who sell their silk to you and you try and see that the qualities of Mysore raw silk improve.

Mr. Gupta.—Yes.

President.—I suppose 36 koties do business both in imported silk and Mysore silk?

Mr. Gupta.—Of these 36 koties, almost all of them do business in Mysore silk, and about 10 to 12 koties in imported silk.

President.—The basis is that you don't do business on your own account. Your business as far as I am able to gather from your replies is on commission basis.

Mr. Gupta.—Yes.

President.—The commission basis mean that you take the raw silk from the reelers and advance 70 to 80 per cent. of the value prevailing in the market and give them the money only after the actual sale has taken place.

Mr. Gupta.—Yes.

President.—This practice is only of a recent growth?

Mr. Gupta.—Yes.

President.—And the present practice also I understand is to charge about 12 per cent. interest on the money advanced?

Mr. Gupta.—Yes.

President.—The original practice was not to charge any interest at all on the money advanced?

Mr. Gupta.—Yes.

President.—Because the trade was brisk and there was greater demand for silk and in order to induce the reelers to bring silk to you, this concession was given to them.

Mr. Gupta.—Yes, there was a good turnover at that time.

President.—Does any one of you deal directly with the imported silk?

Mr. Gupta.—Yes.

President.—I would like to ask you some questions regarding the imported silk. In answer to question 46, you have stated as to how the price of cocoons in South China has been arrived at. You have worked it from the price of the imported silk which is in Bangalore at present. For Canton filature silk it is Rs. 4-11-0 per lb. and you have by working it back arrived at Rs. 2-7-0 per lb. for the cocoons and then you go on to say that that price is unremunerative.

Mr. Gupta.—Yes.

President.—Have you got any detailed analysis to prove that it is uneconomical or it is only by simply comparing the price in Mysore that you think it is uneconomical?

Mr. Gupta.—We know the reelers' charges from the exporting place to the marketing place and by means of that we calculate the figures.

President.—The great point about the reduction in the cost of cocoons is the length of filament and the yield per acre of land. I want to know whether you have any recent figures of South China than those published in the book in 1925 to enable you to make that statement at present.

Mr. Gupta.—We are not in a position to do so.

President.—The qualities of imported silk that are coming into Mysore or Bangalore at present are, generally speaking, three.

Mr. Gupta.—Yes.

President.—They are Dupion, Tsatlee and Canton steam filature.

Mr. Rao.—Yes.

President.—From the figures you have given me I find that the largest amount of foreign silk which is coming into Bangalore is Canton Steam filature which is about 44,264 lbs. up to the end of December, 1932.

Mr. Rao.—Yes.

President.—In answer to question 44, you will find that you have given me the approximate quality of Mysore silk which is coming into competition with the Canton steam filature and they are Kempanahalli, Closepet, Timmasandra, Mamballi. These are, I understand, first quality country charka silk whereas the Canton steam filature is a filature silk.

Mr. Gupta.—It is not pure filature silk, but it is reeled silk.

President.—Is it a filature consisting of a number of charkas?

Mr. Gupta.—We do not know the details.

President.—If you are comparing it with a filature silk, then it doesn't stand any comparison. That is why I was asking you whether this filature consists of a number of charkas for the purpose of comparison.

Mr. Gupta.—So far as I know, it is charka silk and not filature silk, but it is reeled silk.

President.—Kempanahalli silk I understand is one of the best silks of Mysore?

Mr. Rao.—And also Sidlaghatta.

Mr. Gupta.—We have brought these samples. (Handed in.)

President.—The quality of the Chinese imported silk has gone down.

Mr. Rao.—Yes.

Mr. Batheja.—Are these comparable?

Mr. Rao.—They are comparable so far as grading goes.

Mr. Boag.—Has there not been any change in the price corresponding to the change in the quality?

Mr. Rao.—No, the same price.

Mr. Batheja.—There has been no fall in the price of Canton silk in spite of the fall in the quality?

Mr. Rao.—No.

President.—In answer to question 45, you have given us various kinds of brands under these 3 broad headings. I suppose these are the only brands coming here at present.

Mr. Gupta.—Yes.

President.—Are there any merchants who do not belong to your Association.

Mr. Rao.—One or two petty merchants.

President.—Then I take it that most of the imported silk which is about 46,806 of Canton steam filature out of the total of 1,14,388 during the five years is all dealt with by you.

Mr. Gupta.—Yes, up till now.

Mr. Boag.—What proportion of the total imports do these figures represent? Will it be 50 per cent.?

Mr. Rao.—Yes.

President.—Are you also importing Indian silk from Kashmir or Bengal?

Mr. Rao.—They are being imported.

President.—To what extent they are imported.

Mr. Rao.—They are very negligible.

President.—The main competition is from imported silk?

Mr. Rao.—Yes.

President.—In answer to question 42, you have told us that you have adopted your own method of grading by the feel of the hand.

Mr. Gupta.—Certainly.

President.—You are able to grade it after you get it from the reelers?

Mr. Gupta.—Yes.

President.—How many qualities do you make after you get the hanks?

Mr. Gupta.—5 or 6 qualities.

President.—What are the various prices of those qualities?

Mr. Gupta.—The first quality will be of double twist, smooth quality and the second quality is single twist and the third quality is loose thread. That is for warp and the fourth quality is rough coarse silk.

President.—Do you get any waste out of these?

Mr. Gupta.—We get a small quantity of waste.

President.—2 or 3 per cent.?

Mr. Gupta.—Yes.

President.—What are the general differences between the prices of these qualities?

Mr. Gupta.—There will be a difference of 8 annas per lb. per quality.

President.—When you advance 70 to 80 per cent., what do you take into consideration. You have not at that time grouped them into various qualities.

Mr. Gupta.—We examine the silk and we can fairly judge what it can fetch. We fix the market rate and pay the advances.

Mr. Batheja.—Is each variety of local silk divided into 4 qualities?

Mr. Gupta.—Yes.

Mr. Batheja.—That means, in addition to a classification of a locality, you seem to have a classification of qualities.

Mr. Gupta.—Yes.

President.—The main point which you have made out with regard to the Indian silk not being sold in the market is due solely to cheapness.

Mr. Gupta.—Whatever is cheap they buy. They don't see to the natural quality very much.

President.—The point I was going to emphasise is that if this statement is correct, it follows that the foreign manufacturers having regard to the trade depression are now sending in a quality which is easily saleable in India whereas the Indian manufacturers have not adopted those methods.

Mr. Gupta.—Yes.

President.—Has the attention of the reelers been brought to this aspect of the question by these merchants?

Mr. Gupta.—We have intimated the reelers, but they are unable to conform to these.

President.—You gave me these samples and you pointed out that some time back they were able to get this quality, Canton Steal Filature No. (1) A 20/22 denier which has now been substituted owing to cheapness by No. (1) B. Do I understand that No. (1) A has ceased to come to Bangalore.

Mr. Gupta.—For the present it is not coming.

President.—This quality in spite of its being inferior has taken the place of quality No. (1).

Mr. Gupta.—Yes.

President.—And the weavers have not objected to using it simply because it is cheaper.

Mr. Gupta.—Quite so.

President.—The question then arises as you have pointed out, if they are using inferior quality, it has a disastrous effect on weaving and I would wonder how the weavers could go on indefinitely using the inferior quality of silk.

Mr. Rao.—They are producing cheap silk goods, because they have to carry on their profession and they must earn their wages.

President.—Knowing that the stuff they turn out is not even of ordinary good quality?

Mr. Rao.—Yes.

President.—They are simply turning out, because the consumers want it and they are able to dispose of their goods more easily than otherwise.

Mr. Rao.—The purchasers want cheap articles and so they are turning them out.

President.—The prices that are given by the Mysore Chamber of Commerce in their weekly reports are the correct market prices?

Mr. Gupta.—Yes, they are correct.

President.—And the prices given by them include one anna commission per seer of 26½ tolas.

Mr. Gupta.—Yes.

President.—You have stated here that Mysore silk is not exported outside India.

Mr. Gupta.—Yes.

President.—But about 70 per cent. of the Mysore silk goes outside Bangalore and Mysore and out of that how much passes through the Members of your Association?

Mr. Rao.—50 per cent. passes through our Association.

President.—30 per cent. of the total production in Mysore passes through the hands of your merchants outside your State?

Mr. Rao.—It is merely an estimate.

President.—You are now finding difficulty in exporting silk waste.

Mr. Rao.—Yes.

President.—What do you do with it at present?

Mr. Rao.—Silk waste is lying idle and it is not exported outside as there is no brisk market.

Mr. Rao.—At present it fetches only a price of Rs. 2 to Rs. 2-8-0 per maund.

President.—You sell it locally?

Mr. Rao.—Yes.

President.—What use is made of that?

Mr. Gupta.—It is stocked here. Moneylenders are purchasing it on their own account and stocking it for further fluctuations.

President.—I would like to understand this point more clearly. You purchase raw silk from the reelers?

Mr. Gupta.—We won't purchase. Raw silk, we are getting on commission.

President.—You are purchasing raw silk from the silk reelers?

Mr. Gupta.—Yes.

President.—When the reelers reel, they turn out a certain amount of waste.

Mr. Rao.—Yes.

President.—You are not in a position to express any definite views on the subject.

Mr. Gupta.—Only generally we can say. They have complained to us that they have got full stock with them.

President.—Who are they?

Mr. Gupta.—The reelers.

President.—Are there different merchants dealing with silk waste?

Mr. Rao.—Yes.

President.—They are not members of your Association?

Mr. Gupta.—No.

President.—What do they say?

Mr. Gupta.—They complained to us that they have no market for silk waste and so much stock is lying idle to-day.

President.—The position, as I understand, is this: the reeler is able to realise about Rs. 2 to Rs. 2-8-0 per maund for the silk waste. The merchant who looks to the future and who has got a capital with him is at present storing the silk waste in his godown, but is not able to export any quantity of it at the present moment.

Mr. Gupta.—Quite so.

Mr. Batheja.—Does he still go on buying?

Mr. Gupta.—He has stopped buying. All the silk waste that is being purchased now is not being purchased by the silk waste merchants. Much of it is being stocked by the reelers themselves. For instance in Kempanahalli there is a stock of 1,000 maunds of silk waste.

President.—May I take it that if it is sold to-day the average price realised would be about Rs. 2 or Rs. 2-8-0 per maund.

Mr. Gupta.—It is possible.

President.—The reason why the reeler is not able to sell the waste may be same as that for the merchants storing the waste.

Mr. Gupta.—The silk waste merchants have purchased to the maximum limit they can. That is why the reeler is not able to clear his stocks.

President.—He is not storing it, because the price is unremunerative. That is the point.

Mr. Gupta.—He has no market at present. That is why he is not selling.

Mr. Batheja.—He cannot sell at any price.

Mr. Rao.—No.

Mr. Batheja.—There is no price for silk waste at all?

Mr. Rao.—There is. He can sell it at Rs. 2 or Rs. 2-8-0.

Mr. Batheja.—Why does he not sell?

Mr. Rao.—Because he incurs heavy losses. He would incur heavy losses. That is why he is not selling.

Mr. Batheja.—He is expecting that the price will rise beyond Rs. 2-8-0.

Mr. Rao.—Yes.

President.—Some years ago were the silk merchants exclusively dealing with Mysore silk?

Mr. Rao.—Yes.

President.—And they were able to command fairly good prices.

Mr. Gupta.—Quite so.

President.—From what time did you find difficulty in disposing of the silk?

Mr. Gupta.—For the last 2 to 2½ years.

President.—In Mysore and Bangalore?

Mr. Rao.—Yes, and the position became acute since September, 1931.

Mr. Boag.—In your answer to question 2 (c) dealing with the sale of raw silk, you say that purchasers come to Bangalore and buy from you. You don't have any system of going to other places to meet the purchasers. You wait for the purchasers to come to you.

Mr. Gupta.—Generally we don't go. We may go sometimes.

Mr. Boag.—Would it not be likely to increase the sale of silk if you went to the purchasers instead of waiting for the purchasers to come to you?

Mr. Gupta.—If we go of our own accord, we would have to offer silk at prices lower than those obtaining locally. If there were prospects of earning more money, we would go.

President.—The point that is of importance in this connection is this that the importers have got their agents and are carrying on propaganda work to introduce the brands in different places which has to a great extent diminished the sales of Indian silk in those places. If a similar kind of propaganda were to be carried on by you in those places, would you not be able to command a better market in those places than what you are doing at present?

Mr. Gupta.—Even if we went there, they would say, "We get Canton steam filature silk cheaper and we want your silk at cheaper prices also".

Mr. Boag.—I think there seems to be lack of enterprise.

Mr. Gupta.—It is not possible nowadays.

Mr. Boag.—In question 41 we asked for a comparison of the price at which Mysore silk is sold in Bangalore and the price at which it is sold outside. You say that it is impossible to make such a comparison, because the silk which is sent to other places is first twisted. Now what is the arrangement for this re-reeling and twisting? Do you arrange for it before you send the silk away.

Mr. Rao.—We don't do it here. The purchaser there does it.

Mr. Boag.—In other words all your silk is sold here. You have got no concern with the export of silk to other places.

Mr. Gupta.—It is only raw silk that we sell.

Mr. Boag.—You said just now in answer to the President that you sold 35 per cent. of the silk to other places.

Mr. Rao.—Yes.

Mr. Boag.—Is that twisted first?

Mr. Rao.—Untwisted.

Mr. Boag.—Why is it not possible to compare the price at which this silk is sold in other places and the price at which silk is sold to the local people.

Mr. Gupta.—That is because we don't sell it as twisted silk to outsiders. We sell raw silk.

Mr. Boag.—If I understood you rightly you said just now that 35 per cent. of the raw silk which passes through your hands is sold as raw silk to other parts of India, is that correct?

Mr. Gupta.—What I say is this: the silk is sold here. It is exported by the man who is outside the Mysore State. That is why it is not possible to say anything. By export, I mean in the sense that it is taken away by the purchaser outside the state.

Mr. Boag.—The position is that all your transactions are completed in Bangalore.

Mr. Rao.—Yes.

Mr. Boag.—You have no concern in sending the silk to other parts of India.

Mr. Rao.—We receive the orders and send it.

Mr. Boag.—In that case how do the prices compare with the prices you get for silk which you sold to local people if you receive an order from outside?

Mr. Gupta.—By adding the railway freight. We get one or two annas per lb. more for the silk that we sell outside.

Mr. Boag.—One or two annas represents what?

Mr. Gupta.—Profit.

Mr. Boag.—You get one or two annas more for silk which you sell outside than for silk which you sell locally.

Mr. Gupta.—The purchaser gets it.

President.—I understand the practice is this: if a person from outside Bangalore places an order with you, he places it on condition that the price at which you sell him will include a commission of one or two annas.

Mr. Gupta.—That is not the practice. He will ask us "please send such and such a quality" and we sell according to the market.

President.—For example to-day the price for Kempanahalli is Rs. 3-10-0 for 26½ tolas or one seer. A man places an order for about 25 seers, what will be the price at which you will be able to sell to him.

Mr. Gupta.—At the rate of Rs. 3-10-0 plus one anna commission.

President.—Therefore the selling price in Bangalore is Rs. 3-11-0.

Mr. Gupta.—Yes.

President.—To whom does that one anna go?

Mr. Rao.—I shall send you a copy of the account sale. We take that.

Mr. Batheja.—You have very kindly supplied us a list of prices of Mysore silk sold in Bangalore for the year 1931-32. What qualities of silk do these prices represent? You say there are four qualities of each silk?

Mr. Gupta.—First quality.

Mr. Batheja.—In all these cases which you have given, first quality is meant.

Mr. Gupta.—Yes.

Mr. Batheja.—For the fourth quality you have given 4 qualities for each kind of silk.

Mr. Gupta.—Yes.

Mr. Batheja.—For each quality there are 4 qualities according to your system of grading.

Mr. Gupta.—Yes.

Mr. Batheja.—And for each difference of quality there is a drop of 8 annas?

Mr. Gupta.—Per lb. 8 annas difference.

Mr. Batheja.—For each drop in quality?

Mr. Gupta.—Yes.

Mr. Batheja.—That is to say the price of the lowest quality will be less by Rs. 2.

Mr. Gupta.—No.

Mr. Batheja.—In all these cases I think first quality is represented. I want to know the price of the 4th quality.

Mr. Gupta.—In Kempanahalli there are only two grades and not 4.

Mr. Batheja.—You said 4 grades in reply to the question.

Mr. Gupta.—That is the average statement I made.

Mr. Batheja.—Will it be possible for your Association to give us prices for the lowest qualities of each kind of silk?

Mr. Gupta.—Yes.

Mr. Batheja.—Canton steam filature silk competes with different varieties of silk. You have very kindly given us a statement. Does the Canton steam filature silk compete with all kinds of each of these varieties?

Mr. Gupta.—Canton steam filature silk competes against these 4. Kempanahalli first grade and Canton 20/22 denier compete.

Mr. Batheja.—There is no competition between Kempanahalli second grade and Canton filature.

Mr. Gupta.—28/32.

Mr. Batheja.—Can you give us an example of any local silk in which there are 4 grades.

Mr. Gupta.—In Closepet there are 4 grades.

Mr. Batheja.—With what kind of Closepet grade does the Canton steam filature silk compete?

Mr. Gupta.—First grade of Closepet competes with 28/32 denier.

Mr. Batheja.—Does the Canton steam filature silk compete with the 4th grade?

Mr. Gupta.—32/36 denier competes, but we have not brought samples here.

Mr. Batheja.—Do I take it that Closepet 4th grade silk has no competitor at all?

Mr. Gupta.—4th grade Closepet silk competes with Canton 32/36 denier, but we have not that in stock. That is why we have not made mention of it.

Mr. Batheja.—What is the price of 4th grade Closepet silk in the local market?

Mr. Gupta.—Rs. 5-4-0 per lb.

Mr. Batheja.—First grade Closepet silk?

Mr. Gupta.—Rs. 5-11-6 per lb.

Mr. Batheja.—You said that between each grade there is roughly a difference of 8 annas in price. Now there are three grades. The difference between the first and 4th quality, Closepet, as far as prices go is As. 7-6. How do you explain that statement?

Mr. Gupta.—Usually the fourth grade is coarse. To make it compete against Canton silk, a subsidiary operation is carried on to make it cleaner to remove all the coarseness. That is why the difference is not as much as it ought to have been according to the first statement.

Mr. Batheja.—I want the price of silk as they are produced by the reelers. I don't want the price of any silk which has to undergo further operation.

Mr. Gupta.—If that thing is not done, this 4th Closepet silk won't compete with Canton.

Mr. Batheja.—What will be the price without the operation?

Mr. Gupta.—Rs. 4-6-0 per lb.

Mr. Boag.—Will it compete with any other quality of imported silk?

Mr. Gupta.—Bat Wheel and Dance.

Mr. Batheja.—If price is a consideration, then that silk 4th grade Closepet silk ought to sell, because the price of Canton silk is Rs. 4-11-0.

Mr. Gupta.—In the long run Bat Wheel will be cheaper, because in some respects it will be better than the 4th grade silk. That is why the 4th grade silk is not sold. In bleaching Bat Wheel loses 6 tolas per lb. whereas the 4th grade Closepet which is referred to loses about 10 tolas.

Mr. Batheja.—That means the quality of the Canton silk is different. We are not comparing like with like. What I want to do is to compare like with like so as to find out the exact difference. Is there any other local silk which is divided into 4 grades?

Mr. Gupta.—In the samples there won't be 4 grades.

Mr. Batheja.—Grading is done here.

Mr. Gupta.—In a special case like Closepet.

President.—It would be much better if you were to clear up this point. You have got about half dozen qualities of raw silk which are turned out by charka. You gave the Board to understand that whenever you got the raw silk from the reelers, you would not sell it in the state in which you receive it, but that you grade it according to your own method into 2 or 3 or 4 qualities according to the quality of silk produced on the charka. You have given us a statement that, generally speaking, about 4 qualities of silk are turned out by you. Those 4 qualities have got different prices. The first quality price is given in the replies to the questionnaire. The other prices differ by about 8 annas. That is the average you have given us. My colleague wants you to give him the exact idea as to grade for grade and the various qualities that come into play in order to enable the Board to judge this question in its proper light. Will you send us a detailed note giving the views of your Association on that point?

Mr. Gupta.—Yes.

Mr. Batheja.—Showing for each local silk the different grade into which you classify them, the different prices and the percentages of sales of each variety.

Mr. Gupta.—Yes.

Mr. Batheja.—In reply to a question by the President, you said the position became acute in September, 1931. What do you mean by the statement "fall in prices"?

Mr. Gupta.—We refer to the larger imports of foreign silk.

Mr. Batheja.—Since then the imports have increased.

Mr. Rao.—Yes.

Mr. Batheja.—And prices have fallen since then?

Mr. Rao.—Yes.

Mr. Batheja.—If you will refer to your annexure to question 43, you will find that prices of Kempnaballi silk have risen after September, 1931.

Mr. Gupta.—Imports increased and they had no reference to prices.

President.—If I may be permitted to point out that the prices cannot rise until the actual sale has taken place. That is the first question which I asked you whether the prices reported by the Chamber of Commerce are the actual selling prices at which transactions have taken place. If that is correct, then the annexures represent the different prices for different months in different areas and the prices can't have risen, because the Chamber have thought it fit to mention it in a printed form that the transactions have taken place at that price.

Mr. Batheja.—You can't explain this discrepancy and I shall drop this question. In reply to the President you said your impression is that the so-called Canton Steam Filature silk is really handreeled silk. How did you get that impression?

Mr. Gupta.—Just by touching we can say. By twisting, our weavers report that it is not pure filature, but reeled charka.

Mr. Batheja.—Your expert says that Canton steam filature is so rough that it can never be pure steam filature. It must be handreeled. Are those weavers experts? Is their judgment reliable?

Mr. Gupta.—There is no scientific method, but they come to the conclusion that it is handreeled by using it.

Mr. Batheja.—Is this opinion shared by most of the silk experts in Bangalore whoever they may be?

Mr. Gupta.—Yes.

Mr. Batheja.—By experts do you mean the weavers who use that silk?

Mr. Gupta.—Yes.

Mr. Batheja.—You have no independent information about the state of conditions in China?

Mr. Gupta.—No.

Mr. Batheja.—In reply to a question by the President, you said when you asked the reellers to produce cheaper qualities of silk in order to compete with the cheaper qualities of Canton steam filature, they didn't carry out the instructions. Do they not want to sell their goods?

Mr. Gupta.—Already the rates are so cheap that it doesn't pay them and if they have to produce further cheaper qualities, they could not get cocoons at that price.

Mr. Batheja.—Can they not lower the costs by adopting inferior methods of productions so as to cheapen the price?

Mr. Gupta.—It is not possible to go further down.

Mr. Batheja.—In answer to question 7 you have described the qualities of Chinese silk as compared with Mysore silk. Are the defects of Mysore silk inherent in the cocoons used or can they be remedied by improved methods of production so as to make them equal to Chinese silk?

Mr. Gupta.—It is possible to remedy the defects.

Mr. Batheja.—They are not inherent in the race of the silk worms of Mysore?

Mr. Gupta.—We can't say anything definite.

Mr. Batheja.—In reply to question 10 you have said that the present prices are abnormal. Do you mean abnormal in the sense that they will not last long and that they will rise?

Mr. Gupta.—We don't believe that the prices would remain at this level.

Mr. Batheja.—You expect that prices would rise?

Mr. Gupta.—Prices had never fallen to such a low level and so naturally we expect that it will go up.

Mr. Batheja.—It is a belief of yours. It is not based on a scientific study of facts and market tendencies.

Mr. Gupta.—Just a belief.

Mr. Batheja.—In reply to question 15, you said that the quality of Chinese imported silk has gone down. Has there been any diminution in the quality of Mysore silk in the same period?

Mr. Gupta.—No.

Mr. Batheja.—In reply to question 18, you say “High grade Dharmavaram and Arlepet Sarrees are being ousted by foreign creps and Georgettes and Conjeevaram and other cheap sarrees are made with cheap silks”. Is this statement true about the market in South India or the market in Northern India?

Mr. Gupta.—Mostly South India and some parts of Northern India.

Mr. Batheja.—Is this change due to fashion?

Mr. Gupta.—No.

President.—I think it is entirely due to the consumers' purchasing power.

Mr. Batheja.—The change is due to the cheapness of stuff?

Mr. Gupta.—Yes and not to fashion.

Mr. Batheja.—In reply to question 17, you say that the products of Indian looms are appreciably inferior. Are they getting still more inferior? Is this tendency being continued?

Mr. Gupta.—The tendency is increasing.

Mr. Batheja.—There are some local silks from each locality in Mysore. Does the quality of silk in general vary from year to year or remain uniform? For instance take Kempanahalli silk or Siddaghatta silk. Does the approximate quality remain uniform from year to year or does it vary?

Mr. Rao.—Generally it remains uniform, but if more money is paid, a better quality can be got.

Mr. Batheja.—Do you refer to the reelers.

Mr. Rao.—Yes.

Mr. Batheja.—You don't reduce the quality if the weavers pay less money.

Mr. Rao.—That is just possible.

Mr. Batheja.—If one process is possible, why not the other process?

Mr. Gupta.—In that case the quality won't be uniform.

Mr. Boag.—There is one point on which I should like to put a question following my colleague's question on the grading of Mysore silk. I should like to know whether the prices you have given for imported silk under Canton filature represent the prices of the best quality of Canton filature silk.

Mr. Rao.—We have given the prices of silk which we get here.

Mr. Boag.—I understand from your answers to my colleague that there are various grades of Canton filature silk imported. There may be distinctions according to denier and there may be other distinctions. I would like to know how many qualities of Canton steam filature silk are ordinarily imported?

Mr. Rao.—3.

Mr. Boag.—What are they?

Mr. Rao.—20/22, 28/32 and 32/36.

Mr. Boag.—What is the difference in price?

Mr. Rao.—Sometimes the difference is 2 annas; sometimes 4 annas and sometimes no difference.

Mr. Boag.—What is the price to-day?

Mr. Rao.—It is Rs. 9-2-0 for all deniers.

Mr. Boag.—Is this difference in deniers the only difference in the Canton silks?

Mr. Rao.—It is only the denier difference.

President.—I understand your Association is in favour of protection. That means that your Association would like to go back to the state of affairs which prevailed before the imported silk was introduced in Bangalore?

Mr. Gupta.—Yes.

President.—It would be interesting for the Board to know who introduced the imported silks into Bangalore first.

Mr. Rao.—The Bombay merchants.

President.—The Bombay merchants, I understand, have no agents here.

Mr. Gupta.—They will come here occasionally and take orders.

President.—It is they who introduced the foreign brands and made you interested in the same brands, so that the competition of the imported silk started with Indian silk.

Mr. Rao.—Yes.

President.—The competition started first with the quality and then with the price.

Mr. Gupta.—Quality and then the price.

President.—If protection were granted, your Association would be satisfied if we took into consideration to-day's selling price of Canton steam filature. You think that by considering this question, it would afford an effective protection to the Sericultural industry in Mysore?

Mr. Gupta.—Yes.

President.—You are mostly dealing with Charka silk?

Mr. Gupta.—Yes.

President.—You have very little knowledge of the filature silk in Mysore?

Mr. Gupta.—Quite so.

President.—Your selling price at present for Canton steam filature is, I understand, the lowest price that one could think of. It works out as Rs. 4-11-0 per lb.

Mr. Gupta.—Yes.

President.—I understand the cost of production of charka silk is Rs. 6 per lb.

Mr. Gupta.—Yes for that grade.

President.—The grade just competing with the Canton steam filature?

Mr. Gupta.—Yes.

President.—That means you require a protection of Rs. 2-4-0 per lb.

Mr. Gupta.—Not only to that extent, we require something more.

President.—I want you to understand that Rs. 4-11-0 which is the price is inclusive of the present 25 per cent. duty. According to your statement 25 per cent. present duty *plus* Rs. 1-5-0 the difference would be an effective protection for the Sericultural Industry in Mysore. This works out as I said before to Rs. 2-4-0 per lb. for the 1st quality charkha silk.

Mr. Gupta.—Our statement is we want an *ad valorem* duty of 100 per cent. on the correct invoice value.

President.—I want to know whether the swadeshi movement in Bangalore has helped to sell the Indian raw silk.

Mr. Gupta.—Yes to a certain extent.

Mr. Batheja.—In reply to question 57 you say that the cost of production of similar silks in Mysore amounts to about Rs. 7-14-0 per lb. How did you arrive at this figure?

Mr. Gupta.—The cost of the domestic filature that is sold at present.

Mr. Batheja.—When you mention the cost of Mysore silk produced on charkas, what is the minimum cost of the lowest quality?

Mr. Gupta.—Rs. 5-8-0.

Mr. Batheja.—How do you explain the discrepancy between Rs. 5-8-0 and the prices recently published by the Chamber of Commerce in Mysore? The prices are distinctly lower there.

Mr. Gupta.—There are some grades.

Mr. Batheja.—I want the minimum cost.

Mr. Gupta.—I do not know. We can get it calculated and send it to you later.

Mr. Batheja.—You want protection for 20 years? How did you arrive at this figure?

Mr. Gupta.—Government established the department 20 years ago and they have effected improvements and on the basis of the experience of these improvements, we consider that 20 years would be necessary.

Mr. Batheja.—Why not 15, 25, 30?

Mr. Gupta.—According to our knowledge a period of 20 years would be sufficient.

Mr. Batheja.—You refer to Bombay brokers. Do you mean Bombay merchants.

Mr. Gupta.—Yes. There are brokers also in Bombay.

Mr. Batheja.—In reply to question 46, you say the price is Rs. 4-11-0 per lb. "We import this silk from Bombay brokers." Who are these brokers? Are they main importers of China silk?

Mr. Gupta.—They are not the importers. Importers are quite different from the brokers.

Mr. Batheja.—Are they wholesale brokers?

Mr. Gupta.—Yes.

Mr. Batheja.—Do they charge a commission?

Mr. Gupta.—Yes.

Mr. Batheja.—From whom? Do they charge importers?

Mr. Gupta.—They charge $\frac{1}{2}$ per cent.

Mr. Batheja.—Do they get the commission from the importers?

Mr. Gupta.—We do not know.

Mr. Batheja.—You sell your silk through dealers or direct to weavers?

Mr. Gupta.—Weavers themselves come and purchase. They come in person.

Mr. Batheja.—Sometimes you send it to dealers in villages.

Mr. Gupta.—They will all come over to Bangalore and purchase it from us, as far as the Mysore State is concerned.

Mr. Batheja.—Are there retail shopkeepers here?

Mr. Gupta.—Yes.

Mr. Batheja.—The retail shopkeepers will buy it from you?

Mr. Gupta.—They twist it and sell it.

THE BENGAL CO-OPERATIVE SILK UNION, LIMITED.

Evidence of Mr. J. N. TALUKDAR, Chairman, Bengal Co-operative Silk Union, Limited, and Rai Sahib S. N. BOSE, recorded at Maldah on Wednesday, the 22nd February, 1933.

President.—Mr. Talukdar, you are the Collector of Malda?

Mr. Talukdar.—Yes.

President.—You are also the Chairman of the Bengal Co-operative Silk Union Limited?

Mr. Talukdar.—Yes.

President.—I suppose you are the Chairman in your capacity as the Collector of Malda?

Mr. Talukdar.—Yes.

President.—May I know the nature of the work which is done by the Bengal Co-operative Silk Union?

Mr. Talukdar.—As originally designed by the late Mr. Peddie, it was to have embraced all the operations of the sericultural industry.

President.—From the cultivation of mulberry to the finished product of raw silk?

Mr. Talukdar.—Yes.

President.—Including the weaving industry?

Mr. Talukdar.—Not so much at first but we have to take it up later on.

President.—It was started in 1927?

Mr. Talukdar.—Yes.

President.—It is nearly five years since the institution has been started?

Mr. Talukdar.—Yes.

President.—Will you give us some concrete instances of the nature of the work in the shape of financing the rearers or the reelers?

Mr. Talukdar.—Of course first of all we confined ourselves to starting rural societies on a co-operative basis among the rearers and practically we used up the whole of our resources and then later on we took up the selling of yarn or marketing of yarn produced in Malda and then after a time we took up the marketing of silk fabrics produced in Bengal.

President.—Is this a regular Union consisting of members?

Mr. Talukdar.—Yes.

President.—With rules and regulations?

Mr. Talukdar.—Yes.

President.—What is the number of membership?

Mr. Talukdar.—34 rural societies.

Rai Sahib.—34 rural societies and a number of shareholders—preferential 45 and ordinary about 34. I shall give you the exact figure later on from our last annual report.

President.—Is there a monthly subscription?

Mr. Talukdar.—It is on the share basis.

Rai Sahib.—The exact amount I shall supply you later.

Mr. Boag.—What is the capital?

Mr. Talukdar.—The nominal capital is I think Rs. one lakh.

Rai Sahib.—The share capital is about Rs. 21,682; Government loan Rs. 50,000, of which Rs. 10,000 has been repaid already; and loan from the

provincial Bank about Rs. 15,000. That is the present financial position of the Union.

President.—That is Rs. 81,000 altogether?

Mr. Talukdar.—Yes.

President.—You said that you borrowed money from the Government?

Mr. Talukdar.—Yes.

Rai Sahib.—Yes, free of interest for 1½ years and then at the rate of 6 per cent. interest.

Mr. Boag.—Of that how much has been paid back?

Mr. Talukdar.—Rs. 10,000.

President.—I find that you have sent us a memorandum dealing with the questionnaire which the Board sent you.

Mr. Talukdar.—Yes.

President.—You know Maxwell Lefroy's report?

Mr. Talukdar.—Yes.

President.—I find in Volume I that in 1915 the area under mulberry in Malda was 13,459 acres?

Mr. Talukdar.—Yes.

President.—And the annual cultivated land for mulberry was about 311 acres?

Mr. Talukdar.—That is given in his book.

President.—It makes a total of 13,770 acres. Then the total area under mulberry in the whole of Bengal is given as 18,547 acres.

Mr. Talukdar.—Yes, according to Lefroy's book.

President.—In your statement you say that at present about 15,000 acres of land are under mulberry?

Mr. Talukdar.—Yes.

President.—It does not give us an idea of how much of mulberry lands was abandoned?

Mr. Talukdar.—No, it does not.

President.—Can you give us an idea? You say that all over the district one comes across abandoned mulberry lands.

Mr. Talukdar.—I gave you some idea from another statement of Mr. Lambourne which I got from the District Gazetteer published in 1918. One can see with one's own eyes if one goes about the countryside. In 1918 a census was probably taken by Mr. Lambourne who was then Collector. In that he puts down the area of mulberry land as 23,000 acres.

President.—Since 1918 to 1933, in 15 years you have lost about 8,000 acres of land?

Mr. Talukdar.—I think so, according to the figures I have been able to gather.

President.—The estimate which was made by the then Collector was more or less reliable, I take it?

Mr. Talukdar.—Yes. I learnt from office that there was a regular census taken by a special officer.

President.—The only conclusion at which one can arrive from that is that during that time you have lost about 8,000 acres?

Mr. Talukdar.—Yes. I should request you to go through this note in the annual report of the Department of Agriculture, Bengal, for the year 1919-20 (handed in).

President.—We have been supplied copies of these reports only for the last five years which we asked for.

Mr. Talukdar.—There you will find that as the price of raw silk increased the acreage under mulberry went up.

President.—Do you refer to the paragraph headed “Improvement in the industry”?

Mr. Talukdar.—That is for the whole of Bengal.

President.—I suppose you are more or less confined to the activities of Malda?

Mr. Talukdar.—Practically.

President.—So we had better deal with that exclusively.

Mr. Talukdar.—There has not been a steady decline. In some years specially during this period there was some increase and then there was a decline.

President.—Will you tell me what happened to 8,000 acres of land? Is it practically lying idle or is it used for other crops?

Mr. Talukdar.—Most of them have been taken under mango.

President.—What is the cost of cultivation of a mango garden per acre of land?

Mr. Talukdar.—The first thing they have to do is to buy grafts and put them into the land. Practically the whole thing does not require any care.

President.—Except that it takes some years.

Mr. Talukdar.—For the first few years these plants have to be protected from the cattle by putting a fence round and that sort of thing. Generally it does not require any further looking after.

President.—Where do they purchase grafts?

Mr. Talukdar.—They purchase them locally. This district is famous for its mangoes.

President.—The point of importance, as far as the Board's investigation is concerned is if the replacement by another crop has taken place, whether the yield out of that crop is remunerative or not.

Mr. Talukdar.—That point I also enquired. One of the gentlemen whom you are going to meet at the Union Hall will be able to give you statistics on that point. My own impression is that people now consider that mango is not a paying crop.

President.—It is not a paying crop?

Mr. Talukdar.—Many mango gardens have been destroyed.

President.—It is not a paying crop in the sense that it is a risky crop?

Mr. Talukdar.—Not exactly risky. It is not very remunerative. It does not bring in much profit.

President.—If the market for mango was good and if the market for cocoons was good, you think that in your opinion, taking into consideration the comparative prices and the yields of both, people would prefer the cocoon production to that of mango?

Mr. Talukdar.—That is my impression.

President.—If the prices were the same and the trade was thriving then the man who cultivates mulberry would be at a great advantage over the man who cultivates mango?

Mr. Talukdar.—Quite.

President.—Is there any other rival crop which is likely to take its place in case the sericultural industry goes down still further?

Mr. Talukdar.—So far as this district is concerned, I don't find any other crop.

President.—What percentage of this 8,000 acres of land is at present under mango?

Mr. Talukdar.—I should think 80 to 90 per cent. Practically the whole area is under mango.

President.—Suppose the Tariff Board recommends protection for a definite number of years, do you think that there is any likelihood of this 80 to 90 per cent. of the land coming back to mulberry?

Mr. Talukdar.—There are two things to be considered here. The first thing is people have a sort of affection for mango trees. They have a particular liking for a particular kind of mango and every tree is associated with them in some way. They will try to preserve the trees but my impression is—and this is what I am able to gather from my enquiries—that part of the mango gardens would come back under mulberry and that new areas would be taken up.

President.—Is there any other land available in your district for new cultivation?

Mr. Talukdar.—Yes. In the new lands they will grow mulberry in preference to other crops.

President.—I find in one of the statement that the annual recurring expenditure on an acre of land is about Rs. 20.

Mr. Talukdar.—For mulberry?

President.—Yes.

Mr. Talukdar.—I think it is more than that. It must be more. The figure which you gave may be for a bigha. At least it should be Rs. 80.

President.—Is it Rs. 80 per acre?

Mr. Talukdar.—Yes.

President.—When was this leaflet (No. 6) published which you sent to us along with your replies to the questionnaire?

Rai Sahib.—1928-29.

President.—I understand that there is a farm in this district— a nursery farm at Piasbari?

Mr. Talukdar.—Two farms.

President.—Two farms in your district?

Mr. Talukdar.—Yes.

President.—Are they under your supervision?

Mr. Talukdar.—They are run by the Sericultural Department. Of course, as one who takes interest in everything that concerns the welfare of the district, I am always in touch with their activities but it is the Sericultural Department which runs the whole thing.

President.—The reason why I asked you this question is what part these nurseries play with regard to your Union which has been started by your predecessor and which I understand consists even of rearers as members?

Mr. Talukdar.—Of course I can give you some idea but the best person is the Rai Sahib who will be able to tell you all about the nurseries. Generally the nursery supplies disease free seeds. That is the first requirement for a good cocoon crop.

President.—How many of the rearers who are members of your Union are able to get disease free seeds?

Rai Sahib.—Mostly all.

President.—I find from the statement given here that out of 100,000 cocoons about 35,000 cocoons are disease free seeds?

Mr. Talukdar.—They are grown in the nurseries and therefore Government can certify that they are disease free seeds but generally people take their supply of seeds from other sources as well. There are selected rearers. These people are under the control of the Sericultural Department. They are supervised by the Sericultural Department and generally they produce disease free seeds. There are others—village rearers—who are practically independent.

President.—I want to get an idea of the percentage of cocoons which can be called disease free seeds?

Rai Sahib.—Government nurseries supply the requirement of the province to the extent of about 20 per cent. and the selected rearers who undertake the work of rearing under the control and supervision of the Sericultural Department provide another 25 per cent. In this way 45 per cent. is supplied through the Sericultural Department and for the rest the cultivators have to depend on village seeds which are mostly diseased or to get their supplies from outside.

President.—There is a difficulty regarding this. Do I understand that there are people who are rearers who get all their requirements as disease free seeds or who mix up disease free seeds with their own seeds?

Rai Sahib.—They sometimes do that. As regards the Government nursery there is a difficulty that they must secure the cash price before delivery and the price is also generally always higher. A rearer requiring 5 seers will require at least Rs. 10 for his seed purposes. He must secure that amount from the village mahajan or some other source. So he may purchase half the quantity from the nursery and the balance at a cheaper cost on credit. Sometimes village seeds are available on credit on condition that the price will be paid when the crop is harvested.

President.—I think that that is a question of finance. A Union like the Bengal Silk Co-operative Union would prove to be very useful.

Mr. Talukdar.—We are really helping the rearers by advancing money.

President.—Do I understand that it is difficult to find a single rearer with 100 per cent. disease free seed?

Mr. Talukdar.—There are many rearers who have disease free seeds.

President.—That is not the point. The point is that an individual rearer has got a certain requirement of his own. I want to know whether he as a rearer can get 100 per cent. disease free seeds for his own use?

Mr. Talukdar.—Government can certify 45 per cent. as disease free.

President.—45 per cent. is the amount which Government supply out of their own farms or nurseries and from selected rearers supervised by Government?

Mr. Talukdar.—Yes.

President.—*Rai Sahib* S. N. Bose is not able to tell me what I want. I think generally speaking it is practically all mixed up.

Mr. Talukdar.—Yes. I have got a statement showing where people got their seed from and what was the outturn. I think that for one or two villages at least the question of disease is not a real and an important one.

Rai Sahib.—Even in the case of village seeds there are some which are disease free, and that also in the 3rd or 4th generation. I shall explain to you what I mean. Suppose a rearer A purchases Government nursery seed with 2 per cent. diseased. He rears in his own house seeds without any disinfection or under no hygienic conditions. The seed then becomes only 7 to 12 per cent. diseased. Another man B comes to rearer A and purchases seed from A as village seed but it is practically the outturn of the nursery seed, and not wholly diseased. So he gets a partially good crop from the outturn of the rearer although it is village seed.

President.—That does not solve the difficulty. The point is this. Are Government not in a position with the help of the two nurseries that they have got to supply all the requirements of the rearers?

Rai Sahib.—No.

President.—In spite of the fact that you are able to sell your seed at remunerative prices?

Rai Sahib.—We cannot do it. It requires scientific operations and we have to incur additional expenditure which can't make it remunerative.

President.—As far as the nursery is concerned all the expenditure you incur goes into a lump sum and that makes up the total expenditure on the nursery?

Rai Sahib.—Yes.

President.—When you are selling seed cocoons to the rearers you take the capital or recurring expenditure into consideration before you fix the price of seeds?

Rai Sahib.—No. We go by the bazar rate.

President.—How is the price of bazar seed determined?

Rai Sahib.—It depends on the production at the time. If there is plenty of production in the villages and if the cocoons are sold for commercial purposes at 8 annas per seer and people can get seed from villages at 10 annas per seer, and if the nursery has got seed at the time they will not hesitate to pay Rs. 1-8-0 for nursery seed, but not more. Most of the cultivators like to have nursery seed.

President.—So that the price of nursery seed does not depend on the cost but on the market price of cocoons for reeling?

Rai Sahib.—Our price is always about double the price of the village seed.

President.—Are there any agricultural or sericultural schools in your district?

Rai Sahib.—There is one at Piasbari.

President.—Who patronises these schools, sons of cultivators?

Rai Sahib.—These are supposed to be meant for the sons of actual rearers but generally there are outsiders also.

President.—How many students are there altogether?

Rai Sahib.—In Piasbari there are 12 students. 12 stipendiary students are taken and these are recruited from the actual silk worm rearers who have got little knowledge of this. Then they are given training in silk worm rearing, then silk cocoon rearing and some technical operations connected with the industry as well as thread making.

President.—For what period generally they have got to study in the school?

Rai Sahib.—One year. At the end of the year a competitive examination is held and students who can secure marks up to a certain standard are given a reward of Rs. 400 by Government on the execution of a registered agreement to the effect that he should continue silk worm rearing under departmental control and supervision on the lines in which he has been trained in the heart of the village he lives in, which would act as demonstration as well help in the production of disease free seed cocoons. If any student fails to work according to the terms of the agreement and if even after warning he does not improve that reward money is realised from him under the Public Demand Recovery Act with interest. He must do this work for at least seven years, but there are cases where they have continued to work even after seven years.

President.—A student after passing out of the school has to undertake to put up a rearing house?

Rai Sahib.—Yes.

President.—And go on supplying disease free seed from experience gathered for a period of seven years?

Rai Sahib.—That is according to the terms of the agreement.

President.—Is he at liberty to sell the seed at any price he thinks fit?

Rai Sahib.—Yes. Only he must continue to work and observe scientific principles of disinfection, microscopic selection and so on.

President.—I suppose the nursery is fitted with the latest technical equipments? How do you teach reeling in the nurseries?

Rai Sahib.—We have got the country process and a little of the improved process of reeling from Mysore.

President.—The Mysore Domestic Basin is in use at present?

Mr. Talukdar.—Yes, but we are still not sure whether that will prove economical for Beugal.

Mr. Boag.—There is only one here?

Mr. Talukdar.—One here and one at Berhampore. We are still carrying on experiments.

Mr. Batheja.—Is the Mysore Domestic Basin in use by any private person?

Mr. Talukdar.—No.

Mr. Batheja.—Neither here nor in Murshidabad?

Mr. Talukdar.—No. Two have been bought by Government and these are being demonstrated and we are not yet satisfied whether the Mysore Domestic Basin will be an economic success. The yarn produced has been found to be up to the standard by different mills but the question of cost comes in.

President.—Does your Union concentrate with regard to weaving?

Mr. Talukdar.—It has lately taken up weaving.

President.—In what direction have its activities been confined with regard to silk fabrics.

Mr. Talukdar.—Practically we are producing what is in demand in the market.

President.—Do you make enquiries as to what the actual demands in the market are?

Mr. Talukdar.—Yes; we send out officers to visit different markets in India.

President.—What percentage of the fabrics produced in Malda is sold locally?

Mr. Talukdar.—I should think very little. Most of it is taken to Calcutta.

President.—As far as the production of raw silk is concerned what is the percentage consumed in Malda?

Mr. Talukdar.—We have given that in our answer to question 39—30,000 lbs. out of a total production 608,850 lbs.

President.—What kind of reports do you get when you send deputations outside Bengal about the quality of your silk?

Mr. Talukdar.—Last year our purpose was to see whether the yarn which is produced at present has got any market outside Bengal and we took some samples to Meerut, Ahmedabad and Surat. The millowners were very sympathetic and said if we could produce silk up to their standard they could consume any quantity because of the swadeshi movement they could not introduce foreign silk into the cotton fabrics. Then we sent our yarns to them and they said that this yarn would not stand the weaving mills: at Surat we had the same difficulty. They said there was big field for the yarn for the gold thread industry and they asked us to supply yarn to certain specification. We took out the samples and then we took them to the best reellers here and they produced the yarn according to specification. Then these were sent to Surat but they sent them back and said they did not suit them.

President.—Did they not tell you in what quality the silk was lacking: was it tenacity or elasticity?

Mr. Talukdar.—They did not tell us in so many words but I understand it was uneven. Tension was not the same throughout the length.

President.—What efforts have you made since the deputation returned to get this remedied?

Mr. Talukdar.—That is the reason why we brought this domestic basin: we wrote to Government and Government granted the money and now we have been producing silk practically of uniform tension but we have not

calculated the question of cost. In fact two or three firms to which this silk was sent was of the opinion that the yarn was quite good and if we could supply this yarn at the price of Canton silk they would be glad to take it.

President.—Is it the intention of your Co-operative Union that in case you find that the domestic basin is successful you would replace most of the charkhas which are working at present?

Mr. Talukdar.—No. Our object is to simply create a market for the local silk and if it can be done by charkha well and good otherwise we must try other means. If we find that we have got a good market for charkha silk we will concentrate on it and at the same time try to improve the yarn.

President.—From your experience is it not your opinion that charkha silk is practically unsaleable because of unevenness and cost of production?

Mr. Talukdar.—My impression was that charkha silk has got a market of its own in India. In the case of handlooms where the weavers do not mind very much about the superiority of Canton silk this is extensively used and in one respect Bengal silk is superior to everything else in lustre and its feel and the whole thing makes a very good fabric which is liked by the people.

President.—Which are the fabrics for which you think Bengal silk commands a monopoly?

Mr. Talukdar.—These merchants will be able to tell you that. What I gathered from them was that in different weaving centres outside Bengal there are certain fabrics for which Bengal silk had quite a good market. The weavers preferred Bengal silk and the people also preferred Bengal silk.

President.—Then there is no difficulty in marketing the raw silk of Malda?

Mr. Talukdar.—The difficulty now is that we can't compete with Canton silk in price. We want a certain price in order to make it remunerative to the rearers but the reelers now-a-days on account of economic hardship cut down the price by Rs. 2 or 3, so that in spite of certain advantages in lustre and the general feel and other things it is cheapness of the foreign article which is telling against us.

President.—The difference in price between foreign silk and the Bengal silk is about Rs. 2 per seer?

Mr. Talukdar.—That is what I calculated then.

President.—What is it at present?

Mr. Talukdar.—I will get it for you.

Mr. Boag.—There is one point I should like to raise and that is this. I find from the reports of the Agricultural Department that Government have been doing a certain amount in the direction of introducing the cultivation of mulberry as a tree instead of bush. Is that done here?

Rai Sahib.—We are now realising that the cost of production must be reduced to stand competition and we find that this can be done if the cost of the food of silkworms can be reduced. That can be done only by growing trees which if grown properly after four or five years will cost nothing and as a measure towards this direction we have been trying in our Government sericultural firms some varieties of trees and being satisfied with the variety we are introducing this amongst the cultivators too.

Mr. Boag.—How long has this work been going on?

Mr. Talukdar.—In the Government farm it is being done for the last 4 or 5 years.

Mr. Boag.—How many varieties of mulberry have you found suitable?

Rai Sahib.—Only one was suitable.

Mr. Boag.—Was that known in this part of the country before?

Rai Sahib.—Yes.

Mr. Boag.—It was grown as a bush?

Rai Sahib.—Yes the same variety.

Mr. Boag.—The same variety is grown as a tree?

Rai Sahib.—Yes.

Mr. Boag.—To what extent are the rearers adopting the cultivation of mulberry as a tree?

Rai Sahib.—That is being taken up as an experimental measure on the borders of land. We are insisting to have the trees planted on other agricultural lands. There is a custom in all the silk districts that the cultivators have to pay high rent for mulberry cultivation.

Mr. Boag.—What is the rent?

Rai Sahib.—Sometimes it was Rs. 10 per bigha.

Mr. Boag.—At that time what was the rent charged for the land which was used for the cultivation of other crops?

Rai Sahib.—One rupee.

Mr. Boag.—What is the rent to-day?

Rai Sahib.—Re. 1 to Rs. 1-8-0.

Mr. Talukdar.—Practically the same. I have satisfied myself about that.

Mr. Boag.—The rent in one case is Re. 1.

Mr. Talukdar.—That used to be in the boom years.

Mr. Boag.—How long has the mulberry to be left before the cultivator can get any return?

Rai Sahib.—5 years.

Mr. Boag.—He gets nothing until the 5th year.

Rai Sahib.—Very small quantity. We are supplying them one year old plant about 4 to 5 ft. high. They have to protect those trees from cattle grazing. From the 4th or 5th year they can get about 1 maund per tree. That is our calculation. That is the actual figure we have got in our province. So we are making propaganda amongst the cultivators that if they can get at least 40 trees on the boundaries of their cultivated lands, they can get 50 maunds of leaves within a year on other agricultural lands. So they won't have to spend much, but in return will get 75 lbs. of cocoons from 50 maunds of leaves.

Mr. Boag.—Are these trees allowed to grow to their natural size? To what extent are they stunted by pruning?

Rai Sahib.—They are pruned after 4 years. Up to the 4th year naturally they are allowed to grow.

Mr. Boag.—Then they are pruned.

Rai Sahib.—Yes the branches are allowed to grow only up to that height when cattle cannot damage the trees.

Mr. Boag.—Above the reach of cattle.

Rai Sahib.—Yes.

Mr. Boag.—What form does the pruning take? Are all the branches cut?

Rai Sahib.—Yes.

Mr. Boag.—That is the one measure that has been adopted to reduce the cost of producing cocoons.

Rai Sahib.—Yes.

Mr. Boag.—Another measure is, as you were saying in answer to the President, the supply of disease free seeds. There are one or two questions I should like to put on that point. I understand from one of the replies I have read that in Bengal seed is bought and sold in the form of cocoons and not as eggs.

Rai Sahib.—Yes.

Mr. Boag.—You sell the cocoons from your Government nursery. I want to know how far is it possible for you to guarantee that the seed is disease free. I thought that that could only be done after the moth had emerged from the cocoons, had laid its eggs and had been examined by microscopic test.

Rai Sahib.—We ascertain it from the mother stock and as soon as we issue the stock to the cultivators, we keep some samples in our office to have a check. As soon as we find that if any particular stock has got some disease, we allow up to 5 per cent. of disease and the crop cannot be damaged. So if we find that any particular stock has more than 5 per cent. disease, we at once warn the cultivators not to continue planting the seed. Fortunately there has not been a single case. Our nursery stock is always within 2 per cent.

Mr. Boag.—It has never exceeded 2 per cent.?

Rai Sahib.—No. 2 to 4 per cent. in some cases. On an average it comes to 2 per cent.

President.—I understand your system is that you don't supply disease free seeds or eggs as is done in other countries. After the moth lays down about 300 to 400 eggs the female moth is examined and if it is found that the female moth is suffering from pebrine which is the worst of the diseases, then all the eggs which are gathered together out of that female moth are simply thrown away.

Rai Sahib.—Yes.

President.—What you do is that you examine the disease free moth and then you issue in the shape of seed-cocoons.

Rai Sahib.—We sell the progeny of a healthy mother to rearers.

President.—Have you got any information as to whether this system is adopted in any other country?

Rai Sahib.—No. I had been to Mysore and there I found that they sell eggs.

President.—That is what I find.

Mr. Talukdar.—In other countries they always sell eggs and not moths.

Rai Sahib.—Here the demand is so great that it has to be met within such a short time. Suppose Malda requires so many number of eggs, it requires a very big staff to examine each moth before issuing within 6 or 7 days. That is why we have adopted this plan.

President.—I thought that when you have up-to-date appliances and the nursery managed by Government, you must adopt that plan which is universally recognised with regard to the disease free seed. I am only asking you whether you have any experience before you adopted this method of supplying seed.

Mr. Talukdar.—This is our ancient method. We have simply perfected the method which was in vogue.

President.—You had no nurseries in the past.

Mr. Talukdar.—No. These people are very shrewd. They can judge whether a race will be healthy or not. They have got their own standards. Sometimes they are better judges than our Superintendents.

Mr. Boag.—You say that your loss from disease in your nursery has never exceeded 2 per cent.

Rai Sahib.—That is not a loss.

Mr. Boag.—It comes to the same thing.

Rai Sahib.—About the time of selection in our nurseries we are very particular and even we reject 40 per cent. of cocoons.

Mr. Boag.—You say you reject 40 per cent. of cocoons. Is that a normal figure?

Rai Sahib.—No. That is exceptional.

Mr. Boag.—What would you put as an average?

Rai Sahib.—When the days are too hot, the mother moths are retained. On the second or third day or say even on the 6th or 7th day after the laying of the eggs when we examine them, from mere outward signs we reject the layings, because we take the mothers to be weak. There may not be any disease, but because the mother is weak, we then and there reject them. We adopt all sorts of rigid principles in selection.

Mr. Boag.—Taking your operations over the year as a whole, all the different seasons and the different varieties of silk worm that you deal in, what would be approximately normal percentage of rejections?

Rai Sahib.—25 per cent.

Mr. Boag.—Have you any information as to the frequency of disease in the seed with which you have anything to do? What is your information on that subject?

Rai Sahib.—Rearers lose their crop on account of pebrine and fliepest.

Mr. Boag.—What percentage of the crop do they lose from outside seed?

Rai Sahib.—3 out of 5 crops.

Mr. Boag.—That is to say about 60 per cent.

Rai Sahib.—Yes.

Mr. Boag.—Every year

Rai Sahib.—Yes.

Mr. Boag.—That represents more than half the production of the District?

Rai Sahib.—Yes.

Mr. Talukdar.—Chhotopolu is the crop for November. No expert has been able to predict with any degree of certainty that the crop will be a success.

Mr. Boag.—What is the object then of going on with that crop when you have other crops which offer more reliable results?

Mr. Talukdar.—Attempt is being made to substitute other varieties. As far as I am able to gather from the department they hope to make disease free seed in a few years.

Mr. Boag.—Of the 40 per cent. of seed that does hatch out and produce worms, how many of those worms survive? Is that loss included in your 60 per cent.?

Rai Sahib.—It depends on the nature of rearing. Do you want the cultivator's figure?

Mr. Boag.—Yes.

Rai Sahib.—For 1,280 cocoons he requires 8 layings.

Mr. Boag.—In the course of rearing they lose about 50 per cent. of the worms.

Rai Sahib.—Yes.

Mr. Boag.—50 per cent. of the worms that come out of the eggs are lost before they reach their maturity.

Rai Sahib.—Yes. Their method of cleaning is not up-to-date.

President.—In different stages they lose.

Rai Sahib.—Yes.

President.—What is the percentage of loss in the nursery?

Rai Sahib.—In the nursery we require 5 layings. The loss is about 15 per cent. and we intentionally do it, because we consider the eggs which will hatch out on the last day to be weaker and we don't take them for rearing.

President.—You destroy them straightaway?

Rai Sahib.—Yes. We keep the healthy ones.

President.—Including that loss, your total loss is 15 per cent.?

Rai Sahib.—Yes.

Mr. Batheja.—Is this loss due to the dying of worms distinct from the loss which you mentioned when you said that 3 out of 5 crops failed or does it include that loss? You made that statement that 3 out of 5 crops failed and subsequently you have given this figure that after the worms have been hatched, 50 per cent. die.

Rai Sahib.—That is for the seeds obtained from the nursery.

Mr. Batheja.—I am not talking of the nursery.

Rai Sahib.—As regards the former statement I say that out of 5 crops, he loses altogether 3 crops owing to bad seed.

Mr. Batheja.—After the seeds have been hatched over and above that on account of defective rearing, 50 per cent. of the worms die out.

Rai Sahib.—Yes even if the crop is successful.

Mr. Boag.—You have given at the bottom of page 1 in answer to question 1 the total number of persons who directly make a living from sericulture as 187,000.

Mr. Talukdar.—Yes, that includes all the members of the family.

Mr. Boag.—Women and children are included?

Mr. Talukdar.—Yes. As regards the actual number of families engaged in rearing I have given it in another answer to the questionnaire. That is in reply to the Registrar of Co-operative Societies.

Mr. Boag.—You state the maximum production of cocoons of which the district is capable at 170,000 maunds.

Mr. Talukdar.—Yes.

Mr. Boag.—What is the present production?

Mr. Talukdar.—The present production would be 99,320 lbs.

Mr. Boag.—That is the actual production of any particular year.

Mr. Talukdar.—Acting on our experience.

Mr. Boag.—Where do these figures come from?

Mr. Talukdar.—We depend on the acreage.

Mr. Boag.—You calculate these figures from the acreage of mulberry?

Mr. Talukdar.—Yes. For average we take 200 maunds of leaves for each acre of mulberry land. That is practically taking it at the worst.

Mr. Boag.—That would be all right if the market and everything else were stable.

Mr. Talukdar.—Under normal conditions this should reach to 175,000.

Mr. Boag.—At a time like this when the market is falling and the land is going out of mulberry cultivation, isn't there a danger that a certain amount of land may not actually have gone out of cultivation. But the owner of the land or the man who would normally buy the leaf from that land is not rearing cocoons, because he is not making profit out of that.

Mr. Talukdar.—Still he has nothing else to do.

Rai Sahib.—They are still utilising because they do not take into consideration the labour of their household members. They are satisfied if they can cover the price of seed and the outside labour they may engage.

Mr. Talukdar.—They have no other occupation.

Mr. Boag.—You think it is an absolute certainty that where there is a plot of land under mulberry there cocoons are being produced.

Rai Sahib.—Yes. They are sticking to silkworm rearing. The mentality is that even if the male members would hesitate to continue silkworm rearing the female members would still stick to it because even if they cannot get sufficient return in the shape of sale of cocoons the rejected cocoons and other things they will utilise for making spun silk. That keeps them engaged throughout the year.

Mr. Boag.—This term 'spun silk' is new to me.

Rai Sahib.—It is called *Matka*.

Mr. Boag.—What sort of fabric is that?

Mr. Talukdar.—They will show you when you visit the Union a little later.

Mr. Batheja.—As regards the estimate of production that you just gave to my colleague Mr. Boag, do you include the loss due to bad seed and bad rearing?

Mr. Talukdar.—Everything.

Mr. Batheja.—This is the net product?

Mr. Talukdar.—Yes, because we take it at 60 maunds per bigha which is very low. I have got figures to show in many cases they got 100 seers of cocoons for one seer of seed. We generally take it at 60 maunds which is very low. In the nursery we take it as 100 to 1.

Mr. Batheja.—It is in this way that you arrive at this figure of 9,950,320 lbs. of cocoons?

Mr. Talukdar.—Yes.

Mr. Batheja.—What is the resulting raw silk?

Mr. Talukdar.—That should be 608,850 lbs. which is very low.

Mr. Batheja.—At what rate have you calculated the value of this raw silk?

Mr. Talukdar.—4 annas per seer or Rs. 20 per maund.

Mr. Batheja.—The total value comes to Rs. 22,37,000?

Mr. Talukdar.—Yes.

Mr. Batheja.—But my impression is that in your note to the Registrar which I read very hurriedly you mention a figure of Rs. 1 crore.

Rai Sahib.—It is in the bulletin.

Mr. Batheja.—In reply to Question 3 you have said in your memorandum that on account of the mulberry lands going out of cultivation some silkworm rearers have forgotten their hereditary occupation and have taken to other trades. What are the other trades which they have joined?

Mr. Talukdar.—I had in my mind some families. This silkworm rearing is confined to two or three castes of Hindus and some Muhammadans. Either they have migrated to other parts of the district and become cultivators and broken new lands under plough.

Mr. Batheja.—Is new land available?

Mr. Talukdar.—Yes. There used to be extensive areas covered with jungle.

Mr. Batheja.—That means cultivation. They have not taken to other trades.

Mr. Talukdar.—Quite.

Mr. Batheja.—Does ordinary cultivation pay better than mulberry cultivation under present circumstances?

Mr. Talukdar.—They have to take it up. Of course the whole system was defective because he probably had to borrow money from the mahajans which he could not repay and so he had no other go but to migrate.

Mr. Batheja.—In making that statement you had no other trades in view?

Mr. Talukdar.—No.

Mr. Batheja.—Which are the castes?

Mr. Talukdar.—Mostly *pundaris* who have been following this business for a long time.

Mr. Batheja.—Is there any aversion on the part of the other castes to follow this line?

Mr. Talukdar.—Generally there is an aversion on the part of the high castes to take it up. It is the low caste Hindus like *pundaris* and *gangotes* that are engaged in this industry.

Mr. Batheja.—Is there any religious prejudice?

Mr. Talukdar.—‘Pundaris’ have been classed as a depressed class and there was agitation in the country.

Rai Sahib.—Even Brahmins and Kayasthas have mulberry lands but they sell them to pundaris.

Mr. Talukdar.—If a man takes the seed from one and rears the crop by taking the leaf of the cultivator, the latter gets the benefit of half the crop.

Mr. Batheja.—In claiming protection you seem to have said somewhere that the industry is capable of expansion if protection is granted.

Mr. Talukdar.—Yes.

Mr. Batheja.—Will there be any difficulty in regard to expansion on account of this religious prejudice?

Mr. Talukdar.—Gangottes, pundaris and Muhammadans are fairly numerous.

Mr. Batheja.—There will be no difficulty in securing a supply of labour?

Mr. Talukdar.—Not at all.

Rai Sahib.—On the other hand the female members of families who do not hesitate to do the work of silkworm rearing in another family are now coming to the town to work as maid-servants. These are standing in the way of religious feelings. They would not hesitate to do the work of silkworm rearing in a neighbour's house. Now-a-days they do not get sufficient work of silkworm rearing in neighbouring houses and they have to come away to towns to work as maid-servants.

Mr. Batheja.—You think that they would prefer working in the silk-rearing industry to working as a maid-servant?

Rai Sahib.—Yes.

Mr. Batheja.—From that you draw an inference about unemployment.

Rai Sahib.—Yes. It is to be seen in the Bengal districts that they have actually turned out to be dacoits and criminal tribes for which the Government have to employ special police. I can show you from the administration report.

President.—That is referred to in Lefroy's book?

Mr. Talukdar.—Yes.

Mr. Batheja.—In reply to Question 4 you say that some filatures in Malda had to close down. What was the size of those filatures and how were they worked?

Mr. Talukdar.—That was long before my time. There is one gentleman Rai Sahib J. Chaudhuri. He had some filature and would be able to give you some idea.

Mr. Batheja.—You do not know whether that was worked by steam power or not?

Rai Sahib.—That was worked by steam power.

Mr. Batheja.—How long ago were they working?

Rai Sahib.—About 20 years back.

Mr. Batheja.—I understand that you have reared certain races for a limited number of crops though they can give 6 to 7 crops. What is the reason?

Mr. Talukdar.—It is due to shortage of leaves. We cannot get more than four or five pluckings from the same bush.

Mr. Batheja.—The variation in custom is due to the difficulty of getting adequate leaf supply?

Mr. Talukdar.—The whole thing has been adopted so as to get the maximum leaf from the bush.

Mr. Batheja.—There is no other reason for limiting the periods of production?

Mr. Talukdar.—No.

Mr. Batheja.—In reply to Question 19 you have mentioned the average prices of cocoons as obtained by rearers from dealers and you have mentioned the maximum and minimum—Rs. 35 to Rs. 25.

Mr. Talukdar.—The prices have ranged between these two figures.

Mr. Batheja.—What is the cause of the variation in prices? Is the silk of different qualities?

Mr. Talukdar.—The silk of the rainy season does not fetch a good price. There are two crops in the rainy season.

Mr. Batheja.—Is there any difference in the intrinsic quality between the silk produced in the rainy months and that produced in the cold months?

Mr. Talukdar.—There is a difference in quality.

Mr. Batheja.—What is the exact difference?

Mr. Talukdar.—There is one crop in November that is reared with a different worm. There is an intrinsic difference in the quality of silk and the crop reared is chhotopolu. The silk has got much lustre. It is really one of the best silk produced in India.

Mr. Batheja.—The differences are due to lustre?

Mr. Talukdar.—And tensile strength. The difference is also in the yield. I think that in the rainy season the yield of silk is much less.

Mr. Batheja.—The actual difference is expressed in price?

Mr. Talukdar.—Yes.

Mr. Batheja.—Which you have noted here?

Mr. Talukdar.—Yes. All things depend on the quality.

Mr. Batheja.—What is the proportion of rearers helped by the Union?

Mr. Talukdar.—We have only touched the fringe of the problem.

Mr. Batheja.—It is very small?

Mr. Talukdar.—Yes.

Mr. Batheja.—You advance them money also?

Mr. Talukdar.—Yes.

Mr. Batheja.—At what rate of interest?

Mr. Talukdar.—15 per cent.

Rai Sahib.—We have to borrow money at 6 to 8 per cent. We invest the money in the Co-operative Bank at Rs. 9-6 to Rs. 10-15 per cent. They invest it at Rs. 12-8 to Rs. 14-1 per cent.

Mr. Batheja.—Are these rearers able to pay such a high rate of interest?

Mr. Talukdar.—The rates of mahajans would be 37½ per cent.

Rai Sahib.—Sometimes we give agricultural loans which are at 6½ per cent.

Mr. Talukdar.—Even then only a beginning has been made.

Mr. Batheja.—The normal rate of interest is 37½ per cent.

Mr. Talukdar.—That is supposed to be a fair rate and not extortionate.

Mr. Batheja.—What are the other advantages enjoyed by mahajans?

Mr. Talukdar.—What we did was to advance them money at what was supposed to be a low rate of interest at the time of their crops. But our main activities are now concentrated upon finding a market for Bengal silk. We are experimenting. We are sending out different samples to different parts. The merchants do not want to incur the initial expenditure.

Mr. Batheja.—Are the majority of silk rearers indebted to mahajans?

Mr. Talukdar.—I should say all of them.

Rai Sahib.—There is another aspect of this rural society. They take money from us at 9 per cent. or 10 per cent. They invest it at 12 or 15 per cent. After a few years they get their reserve fund and then they can invest their money at a very low rate of interest.

Mr. Batheja.—At what time did you notice this serious fall in the price of cocoons and raw silk?

Rai Sahib.—It began to fall from 1923-24.

Mr. Batheja.—What has been the fall in the case of other crops?

Rai Sahib.—If you give me time I shall be able to give you complete answers.

Mr. Batheja.—Has there been a simultaneous fall in the price of mango crop corresponding to the fall in agricultural products?

Rai Sahib.—Yes.

Mr. Batheja.—When you prepare the note will you compare the fall in the price of mango crop with the fall in the price of the mulberry crop?

Rai Sahib.—Yes.

Mr. Batheja.—Are there any cash crops grown in the district besides mulberry and mango?

Rai Sahib.—They have been trying to raise paddy.

Mr. Batheja.—You say you are trying to replace bush mulberry by tree mulberry; what variety of tree mulberry is this? How big will it grow if it is left to itself?

Rai Sahib.—About 20 to 25 feet.

Mr. Batheja.—Is this tree mulberry of the same kind as the Kashmir mulberry?

Rai Sahib.—This is different.

Mr. Batheja.—What is the present price of nursery seed?

Rai Sahib.—Two rupees for a seer of cocoons.

Mr. Batheja.—What is the price of village seed, about half?

Rai Sahib.—Yes.

Mr. Batheja.—You say some of the villagers want to rear silk worms partly from Government seed cocoons and partly village seed cocoons. Do they rear these separately or mix up the two?

Rai Sahib.—Sometimes they mix the two up.

Mr. Batheja.—Then what is the value of taking Government seeds at all?

Rai Sahib.—This is one of the points on which they are being given training. They are now gradually realising this but we have not got sufficient staff to impress upon them the evil of these things.

Mr. Batheja.—What is the amount of your administrative staff?

Rai Sahib.—We have now got in the Malda district only 9 demonstrators and one inspector, who have not yet been able to tackle the whole area.

Mr. Batheja.—You have a staff of selected seed rearers; from which class are these men recruited?

Rai Sahib.—They are professional rearers.

Mr. Batheja.—Are they recruited from the same caste?

Rai Sahib.—Pundaris and Muhammadans mostly; some educated bradralogs have also taken to this.

Mr. Batheja.—What facilities do you give to the selected seed rearers on behalf of Government and what control have you got over them to ensure that their operations are conducted on scientific lines?

Rai Sahib.—They are given Rs. 400 as a reward to build model rearing houses and we give them the use of microscopes to select their seeds. Then we have got inspectors to supervise their work; these inspectors visit their nurseries just as we do for Government nurseries.

Mr. Batheja.—Is your inspecting staff sufficient for the purpose? How many selected rearers have you got in your district?

Rai Sahib.—43.

Mr. Batheja.—How many do you require in order to secure the supply of disease free seed for the whole area and replace the village seed altogether?

Rai Sahib.—We are able to supply only 40 to 45 per cent.

President.—At present there are some selected rearers who have got their own rearing houses and they sell their seed cocoons after they are supervised by Government officers. What is the proportion per rearer at present?

Rai Sahib.—In the whole province we require one lakh seers of seed cocoons; out of that we already supply 25,000 kahans through selected rearers and 20,000 kahans through Government nurseries and another 55,000 we have to raise. One selected rearer can produce 1,000 lbs. a year; that is about 55,000.

Mr. Boag.—That is for the whole province?

Rai Sahib.—Yes.

Mr. Batheja.—Do you promote the construction of improved rearing houses by the rearers themselves as distinct from people who produce seed cocoons?

Rai Sahib.—Yes. We give wire nettings and other things at cost price.

Mr. Batheja.—You don't encourage the setting up of separate rearing houses as apart from dwellings?

Rai Sahib.—No; they cannot afford that.

President.—You gave a figure of 1,000 lbs. just now as the capacity per selected rearer?

Rai Sahib.—Yes.

President.—You say at present there are 43 selected rearers?

Rai Sahib.—I am speaking of this district alone.

Mr. Batheja.—Does the department realise that if the Government seeds are mixed up with any amount of village seeds, however small the amount may be, the danger of infection is there?

Rai Sahib.—Certainly we realise that. It depends upon the nature of infection. If the infection takes place at a later stage and if the spinning takes place during that period, supposing a silk worm is attacked with pebrine on the third or fourth day after hatching and if there are other unfavourable conditions the worms may survive till about 30 days; if the silk is spun within 20 days, the quality is not very much affected and the rearer may not suffer. Of course to some extent they may suffer loss.

Mr. Batheja.—Has any proposal been put before Government that seed should be supplied in the shape of eggs and not in the shape of cocoons?

Rai Sahib.—No.

Mr. Batheja.—You say that Bengal silk is in demand on account of certain intrinsic qualities: is Bengal silk superior or Mysore silk in these qualities?

Mr. Talukdar.—I should think so.

Mr. Batheja.—There are certain passages in Lefroy's book which suggest that the industry is labouring under a very serious handicap on account of the high rents charged for mulberry lands?

Rai Sahib.—That was in 1916.

Mr. Batheja.—That complaint is no longer made?

Rai Sahib.—No.

Mr. Batheja.—What was the maximum rate charged?

Rai Sahib.—The usual rate for agricultural lands. I have seen rates from 12 annas to Rs. 1-8. The average is generally one rupee.

Mr. Batheja.—Was it formerly as high as Rs. 10?

Rai Sahib.—That is what I have heard when the price of a bigha of mulberry land used to be Rs. 1,200; it is now not more than Rs. 50 to 60.

Mr. Talukdar.—One correction I want to make. On page 8 of my replies to the questionnaire I said that Canton silk has an initial advantage of 8

annas per lb. on account of its superior reeling qualities. I had certain figures before me at the time but I have now obtained the latest information as regards the cost of twisting and it should be 9 annas to Rs. 1-12 per lb. to the advantage of foreign yarn. For fabric of untwisted yarn the advantage would be 9 annas for twisted it would be Rs. 1-12 per lb. If you think there is a good case for protection I suggest that a part of the proceeds should be allocated for the improvement of the industry otherwise the whole object will be frustrated.

Mr. Boag.—Have you got any definite proposals as to the manner in which that recommendation should be carried out?

Mr. Talukdar.—If you make a suggestion that the first essential thing is that the industry should be put on a scientific basis and leave a hint that a part of the money should be utilised

President.—I can say this much that the Board will give a serious consideration to your suggestion if it reaches the conclusion that the industry deserves protection. That the question of technical education and scientific knowledge should receive attention to promote the industry.



सत्यमेव जयते

SILK MERCHANTS OF MALDA.

**Evidence of Messrs. NARAYANDAS BEHANI and JOSHI
PARSURAM, Silk Merchants, Malda, recorded at
Malda on Wednesday, the 22nd February, 1933.**

President.—You are Mr. Narayandas Behani?

Mr. Behani.—Yes.

President.—You are Mr. Joshi Parsuram.

Mr. Parsuram.—Yes.

President.—You are both silk merchants of Malda?

Mr. Behani.—Yes.

President.—You have sent us a representation signed by persons other than yourselves. Are they also silk merchants?

Mr. Behani.—Yes.

President.—Is this group formed for the sake of sending a representation or is there a recognized Association of Silk Merchants in Malda?

Mr. Behani.—There is no Association.

President.—Your replies to the questionnaire have been taken from those who are connected with you.

Mr. Behani.—Yes.

President.—In the shape of rearing and in the shape of mulberry cultivation?

Mr. Behani.—Yes some from sericultural staff and some from cultivators who are connected with us.

President.—These average costs you have given are taken from a general class of people.

Mr. Behani.—Yes from a number of people. These costs are collected from 5 persons.

President.—Let me understand your position. Are all these people residents of Malda?

Mr. Behani.—Yes.

President.—Are you dealing with Indian silk or Indian and foreign silk?

Mr. Behani.—We are dealing only in Indian silk.

President.—And that also Bengal Indian silk?

Mr. Behani.—Yes.

President.—Are your activities confined to the whole province or you simply take the products of the Malda District?

Mr. Behani.—We only take the products of the Malda District.

President.—You, gentlemen, are silk merchants dealing only with that silk which is produced in Malda?

Mr. Behani.—Yes.

President.—You send it to different provinces?

Mr. Behani.—Yes to different districts in different provinces and sometimes we take silk from Murshidabad District also.

President.—Then you are not confined to Malda District?

Mr. Behani.—No.

President.—What is the opinion generally held by the purchasers with regard to the quality of Bengal silk?

Mr. Behani.—The quality of Bengal silk is better.

President.—Good in brilliancy?

Mr. Behani.—Yes when coloured. It takes dark colour easily and the fabric is stronger.

President.—The woven fabric out of the Bengal silk has got the necessary tensile strength?

Mr. Behani.—Yes it is strong.

President.—Which are your principal markets to which your products go?

Mr. Behani.—In Bengal—Bankura District, Khagra, Cox's Bazar, Vishnupur, Murshidabad and Rampurhat. Madras Province—Berhampore (Ganjam), Conjeevaram, Kumbakonam, Ayyampet and Trichinopoly. Central Provinces—Nagpur, Pauni. Surat. Bagalkote.

President.—Which is the place which takes up most of your products?

Mr. Behani.—Nowadays most of our products are consumed in the Bengal Presidency.

President.—In the Presidency of Bengal?

Mr. Behani.—Yes and in Conjeevaram.

President.—What is the proportion of silk that goes to Conjeevaram?

Mr. Behani.—25 per cent.

President.—Which is the market at present where you send your silk most?

Mr. Behani.—Nowadays Conjeevaram and Nagpur. And Surat was the market some years ago.

President.—2 or 3 years ago?

Mr. Behani.—5 years ago.

President.—What is the system adopted by you to purchase silk at Malda? Do you go to the reelers direct?

Mr. Behani.—Reelers come to us with silk and we buy it taking into consideration the price of foreign silk.

President.—How do you determine the price of foreign silk?

Mr. Behani.—From the market reports that we receive from Bombay merchants and from the weaving centres where our silk is despatched.

President.—Do you get reports from the weaving centres as to the price ruling there? It would be interesting if you could supply those figures.

Mr. Behani.—Yes.

President.—Take Conjeevaram where 25 per cent. of your goods are sold. What is the system you adopt to get the market price of that place?

Mr. Behani.—There is our agent who informs us the current prices.

President.—He will give you exactly the selling price of foreign silk?

Mr. Behani.—Selling price as well as the price at port.

President.—He will give you the price at port exclusive of duty?

Mr. Behani.—Including the duty.

President.—Conjeevaram is 49 miles from Madras port?

Mr. Behani.—Yes.

President.—Therefore the price includes the freight, the duty, plus the commission and the agent's profit.

Mr. Behani.—Most of the foreign silk comes from Bombay.

President.—What is the latest price at Conjeevaram *ex duty*?

Mr. Behani.—Canton silk is sold at Rs. 8-6-0 per seer of 72 tolas.

President.—This price is inclusive of duty.

Mr. Behani.—Yes.

President.—What is the freight from Madras to Conjeevaram?

Mr. Behani.—One bale will cost 6 to 8 annas in motor lorry.

President.—What is the commission usually charged by the Agents there?

Mr. Behani.—Mr. Nagindas Foolchand Chinai has got his own office at Conjeevaram and he imports direct from Madras and the selling price is Rs. 8-6-0.

President.—You are not able to tell us what exactly is the commission charged by the silk merchants?

Mr. Behani.—I don't know.

President.—If the selling price is Rs. 8-6-0 at Conjeevaram, what is the price you pay to the reeler here?

Mr. Behani.—If Canton silk is sold at Conjeevaram at Rs. 8-6-0 per seer of 72 tolas, we can purchase here at Rs. 9 per seer of 82 tolas out of which one tola is lost on account of drying.

President.—You are paying Rs. 9 to the reeler for one seer of 81 tolas?

Mr. Behani.—Yes.

President.—What other extra expenses you have got to incur?

Mr. Parsuram.—1 per cent. commission, 2 annas per Rs. 100 charity and other incidental expenses.

President.—How much is that?

Mr. Parsuram.—Rs. 4 for $1\frac{1}{2}$ maunds.

President.—What about packing?

Mr. Parsuram.—All expenses up to taking it to the station. Freight from Malda to Conjeevaram is Rs. 11-4-0, per maund.

President.—You told me that you can afford to pay a higher price because Malda silk has a special quality and is saleable in Conjeevaram. Up to what price can you sell Malda silk in Conjeevaram?

Mr. Behani.—If Canton silk is sold at Rs. 8-6-0, we can sell Malda silk at Rs. 8-14-0.

Mr. Batheja.—Your customer at Conjeevaram will be able to pay you Rs. 8-14-0 if the Canton silk price is Rs. 8-6-0 per seer of 72 tolas?

Mr. Behani.—Yes.

Mr. Batheja.—Not more than 8 annas?

Mr. Behani.—No. Canton silk is sold at Rs. 9-6-9 per seer of 81 tolas.

President.—You can sell at Conjeevaram at Rs. 8-14-0 per seer of 72 tolas?

Mr. Behani.—Yes.

President.—When you buy silk from the reelers, have you got to put it through any process before marketing?

Mr. Behani.—We have to sort.

President.—You have to grade it?

Mr. Behani.—Yes.

President.—Who does that?

Mr. Behani.—We ourselves. Sometimes our brokers do that.

President.—What does that approximately cost if you get it done by an outside agency?

Mr. Behani.—We have got brokers. Brokerage is collected from the reelers. So actually we have not to spend anything.

President.—Do you purchase the whole produce of Malda?

Mr. Behani.—No.

President.—How much do you purchase in a year?

Mr. Behani.—More than three-fourths.

President.—When you find that the price of Canton silk at Conjeevaram is Rs. 8-6-0, you purchase here at Rs. 9 per seer of 81 tolas. If you are not able to make contracts at Conjeevaram and sell the silk, you don't purchase here.

Mr. Behani.—We continue to purchase even though we don't get any contract because we are sure that at that price it will be sold.

President.—If you purchase at that price, do you pay the money in full to the reelers or is there any understanding with them that unless these goods are sold, they will not get payment?

Mr. Behani.—We pay cash and sometimes also advance.

Mr. Batheja.—Do you make advances to the reelers?

Mr. Behani.—Now we give advance to the extent of Rs. 400 or Rs. 500 per reeler on the understanding that whatever quantity of silk he produces must be given to us at market price.

Mr. Batheja.—Not at concession rates?

Mr. Behani.—No.

President.—Supposing you are not able to offer him the market rate, what is the contract between him and you? Is your judgment final?

Mr. Behani.—He will show his silk to other merchants.

President.—And he will pay off your money.

Mr. Behani.—Yes.

President.—He is not bound to sell the goods to you.

Mr. Behani.—No.

President.—What is the object of giving money without rate of interest?

Mr. Behani.—If I can purchase at the market rate, he is bound to give it to me

President.—Preference is given to you if the prices of two merchants are equal.

Mr. Behani.—Yes.

Mr. Batheja.—What is the actual practice?

Mr. Behani.—He comes generally first to the merchant who has advanced the money. If the rates are agreeable, he will deliver it there, and if it is not agreeable, he is at liberty to show it to other merchants.

Mr. Batheja.—That means you will have the first refusal?

Mr. Behani.—Yes.

President.—Have you gone into the question of costs of the reelers?

Mr. Behani.—In the beginning of the crop, reelers come to us and we come to an understanding as to what can be the approximate price during the year and on that understanding they go to the market and purchase cocoons. In the meantime if the market falls at Conjeevaram or at other consuming centres, both the reelers and we have to suffer a loss, because the reelers has to stock his cocoons for one or two months work. Cocoons have to be stocked within a certain period of time. The reeler has already stocked cocoons at the rate he expects from us. We take the yarn and stock it on the quotation we have received. In the meantime if we receive the report that the market has fallen, both we and the reelers suffer.

President.—What is the extent to which each one suffers?

Mr. Behani.—In this December crop they are going to suffer a loss of about 12 annas per seer.

President.—If 100 is the loss, 75 is borne by the reeler and 25 is borne by the merchant. As far as I understand the system, the reeler purchases the cocoons on the distinct understanding that he has got a ready buyer for his raw silk. What is the position of the reeler then?

Mr. Behani.—The position is like this. During the last crop (December—January crop) the Canton silk was selling at Rs. 9-2-0 and we offered the dealers on that basis.

President.—That means you offered to the reelers 8 annas more per seer.

Mr. Behani.—Yes. The reelers purchased and stocked cocoons at that price. In the meantime we got news that Canton silk had fallen down to Rs. 8-6-0. So the reeler who had stocked cocoons and the merchants who had already purchased yarn would lose 12 annas per seer.

President.—What exactly is your grievance regarding railway freight? At present your yarn is booked as railway parcel?

Mr. Behani.—Yes.

President.—It is booked because you want that it should reach its destination without delay.

Mr. Behani.—Yes.

President.—Are the railway parcel rates higher than the goods rates and if so, to what extent?

Mr. Behani.—4 times more.

President.—What is the rate from Malda to Conjeevaram by goods?

Mr. Behani.—Goods rate Rs. 2-9-0 per maund and Rs. 11-4-0 by parcel. Parcel reaches in 4 days and goods take more than a month. There is no knowing when the goods will reach.

President.—What is the object of your sending it by railway parcel? Apart from quick despatch, does the silk deteriorate?

Mr. Behani.—The silk is likely to deteriorate if it is kept packed for a long time. There is risk of theft also.

President.—Have you represented to the Railway authorities?

Mr. Behani.—No.

President.—You have asked for protection for a period of 10 years.

Mr. Behani.—Yes. In our next memorandum we have asked for 20 years.

President.—Between the two it makes a difference of 10 years. What is your definite proposal now?

Mr. Behani.—We want protection for 20 years.

President.—You are not in a position to tell us why, in such a temporary decline, such a long period of protection is necessary?

Mr. Behani.—To stand side by side with foreign silk.

President.—The greatest grievance or complaint against the Indian silk, as I have noticed, is that the winding quality is not good enough?

Mr. Behani.—In 20 years better quality may be produced.

President.—Malda has been supplying silk for centuries. In the past Bengal was a large exporting centre. Therefore the decline has taken place because the quality probably has deteriorated.

Mr. Behani.—Formerly there was no competition with Bengal silk. Any silk produced had a market. Now that Chinese silk of good quality is being imported, we have to find out means of improving our silk in order to compete with Chinese silk.

President.—You have got your own agents in Conjeevaram?

Mr. Behani.—Yes.

President.—Do you keep in touch with the qualities of foreign silk that come there?

Mr. Behani.—Our agents write to us and we also visit Conjeevaram.

President.—What qualities are used and for what fabrics generally speaking?

Mr. Behani.—Here are some samples (shewn and explained).

President.—Is Malda silk always of yellow colour?

Mr. Behani.—Yes.

Mr. Batheja.—What is the difference between the two qualities—Malda silk and Chinese silk?

Mr. Behani.—The cloth produced out of Malda silk will be better looking. If the fabric is printed, the printing will look better.

Mr. Batheja.—Will the printing last longer?

Mr. Behani.—Yes. Malda silk folds better. The Chinese silk is on the other hand more uniform than Malda silk. As regards winding quality Chinese silk is better but as regards doubling the quality is almost equal.

President.—Will you be able to answer questions regarding costs of production? I am asking this question because I understand that these costs have been given to you by some people who are not present here?

Mr. Behani.—We won't be able to say anything about the cost of rearing but we will be able to say something about the reeling.

President.—You say that the cost of cocoons is 8 annas per seer.

Mr. Behani.—That is green cocoons.

President.—Rendita is 16 lbs. of cocoons to a lb. of raw silk. Why is the price as high as 8 annas? Is it possible that the loss which they have to incur in rearing is greater?

Mr. Behani.—8 annas per seer is not very high.

President.—Where have you got these figures which you have given in reply to Question 20?

Mr. Behani.—These are taken from the Sericultural Department of the Government of Bengal.

Mr. Boag.—Are these figures for the district of Malda only?

Mr. Behani.—Yes.

Mr. Boag.—There are only one or two points on which I should like to put some further questions. One is with regard to your answer to question 3 regarding the outturn of raw silk. You give the yield per maund of green Nistari cocoons. Why do you select that particular class of cocoons? Does that represent the bulk of your production here?

Mr. Behani.—There are four crops raised in a year. Of these, three are Nistari crops. So, we have put down the Nistari figure.

Mr. Boag.—Rearers get four crops a year?

Mr. Behani.—Yes, of which three are Nistari, and one chotopolu.

Mr. Boag.—Does that mean then that the silk from Nistari cocoons represents 75 per cent. of production?

Mr. Behani.—Yes.

Mr. Boag.—In answer to one of the President's questions you said that you sorted the silk before you sold it?

Mr. Behani.—Yes.

Mr. Boag.—Into how many grades do you divide it?

Mr. Behani.—Two grades—No. I and No. II.

Mr. Boag.—What is the difference in price between the two grades?

Mr. Behani.—8 annas per seer.

President.—What is the percentage of waste?

Mr. Behani.—The wastage comes to 1 seer per maund in rare cases.

Mr. Boag.—What is the proportion of silk that passes through your hands in each of these two grades?

Mr. Behani.—No. I 75 per cent. and No. II 25 per cent.

Mr. Boag.—There is only one more point on which I should like to ask you a question. Does Malda silk come into competition with any other Indian silk or does it only come into competition with Chinese silk?

Mr. Behani.—Sometimes in Conjeevaram there is competition between Malda silk and Bangalore silk but it is not very serious.

Mr. Boag.—Do you consider that your silk is better?

Mr. Behani.—We consider that our silk is better.

Mr. Batheja.—When you get quotations of the prices of Canton silk in Conjeevaram, do you at the same time get quotations for Mysore silk also?

Mr. Behani.—There is not much competition between Mysore silk and ours.

Mr. Batheja.—Do you not get quotation for Mysore silk? Do you know at what price Mysore silk sells in Conjeevaram?

Mr. Behani.—Sometimes we do get prices of Mysore silk but there is no necessity. The Mysore silk that is in demand in Conjeevaram is Kempanahalli silk.

Mr. Batheja.—What is the price of that silk?

Mr. Behani.—Rs. 4 per 26½ tolas or Rs. 12 per 81 tolas.

Mr. Boag.—Is that the price to-day?

Mr. Behani.—That was the price eight days ago.

Mr. Batheja.—Certain grades of silk are mentioned and their prices are given on page 6 (a). Can you explain what is meant by 2400 Tana? These are the kinds of silk?

Mr. Behani.—Yes.

Mr. Batheja.—Is Malda silk divided into these grades or are there other grades besides these?

Mr. Behani.—These are the nomenclatures under which the Bengal silk is sold.

Mr. Batheja.—This nomenclature is used only in Conjeevaram or in other places as well?

Mr. Behani.—Some are confined to certain places. Generally these are the names by which Bengal silk is known in other parts of the country.

Mr. Batheja.—What qualities are represented by these names? Are they simply arbitrary names or have they got any meaning?

Mr. Behani.—There is meaning. 2400 tana is very good quality silk. This will fit in the reeds which the weavers have.

Mr. Batheja.—What is meant by English tana?

Mr. Behani.—In Berhampore (Ganjam) at a particular consuming centre for the silk reeled in the town area that name is given. It means that this is produced by the reelers of this particular area.

Mr. Batheja.—There is no definite quality indicated?

Mr. Behani.—Yes.

Mr. Batheja.—It only indicates the place of manufacture?

Mr. Behani.—Quality depends upon the expertness of the reelers of that particular area.

Mr. Batheja.—When you buy your silk from different reelers, do you mix up the lots or do you keep them separately?

Mr. Behani.—You mean at the time of sorting?

Mr. Batheja.—You don't sort them according to the place of manufacture but only according to quality?

Mr. Behani.—We sort according to particular places. We confine the sorting work to the production of that particular area.

Mr. Batheja.—According to locality?

Mr. Behani.—We don't mix everything.

Mr. Batheja.—You have a double classification then, according to locality and according to fineness?

Mr. Behani.—Yes.

Mr. Batheja.—What is the differentiating mark between No. I quality and No. II quality? What qualities do you find in No. I which you don't find in No. II?

Mr. Behani.—When we find that yarns are more uniform and there are no flaws, we call that No. I quality.

Mr. Batheja.—You don't grade them with the help of any scientific instrument?

Mr. Behani.—No. Sometimes we re-reel yarns of superior quality and sell them.

Mr. Batheja.—You don't subject them to any well known tests which are done in conditioning houses?

Mr. Behani.—No.

Mr. Batheja.—In fixing the price which is to be paid by you to the local reeler, what percentage do you charge as profit for yourself?

Mr. Behani.—In some cases we dispose of the goods on a commission basis.

Mr. Batheja.—Through commission agents at the place of importation?

Mr. Behani.—On the actual cost we charge one per cent. commission. When our agents find customers we send goods to them only on 1 per cent. commission.

Mr. Batheja.—If you are selling at your own risk, what rate of profit do you charge?

Mr. Behani.—We have our customers. We send the goods to our customers.

Mr. Batheja.—In that sort of business there is no possibility of loss.

Mr. Behani.—If there is no customer and if the goods are to be kept in stock and if the market falls in the meantime, then we will have to suffer.

Mr. Batheja.—But in fixing the price to be paid to the reeler, you must have an idea of the profit which you will obtain. That price must cover your profit. What allowance do you make for your profit?

Mr. Behani.—We purchase at a particular rate and then our customer dictates the price.

Mr. Batheja.—When you talk of a customer, then you are doing business only to order?

Mr. Behani.—Yes.

Mr. Batheja.—There can be no loss in that case; there can be only profit.

Mr. Behani.—The loss takes place in this way. Supposing there is an order for 100 seers and the producer has got 200 seers, we have to purchase the whole lot. After sending 100 seers to our customer we keep the balance of 100 seers with us in stock. If the price rises, then we make a profit but if the price falls, then the loss will be great.

Mr. Batheja.—But most of the business is done to order?

Mr. Behani.—Yes.

Mr. Batheja.—What percentage of business is done to order and what percentage without order?

Mr. Behani.—75 per cent. of the business is done to order and 25 per cent. in anticipation.

Mr. Batheja.—When you get prices of Canton silk in Conjeevaram, do you get prices of other Chinese silk in Conjeevaram? Do you get prices of Shanghai silk for instance?

Mr. Behani.—Yes.

Mr. Batheja.—Do the prices of Shanghai silk correspond to those of Canton silk or are they different?

Mr. Behani.—The difference in price is not much but the Chinese silk is sent in skeins of unwieldy size which the consumers in Conjeevaram do not like.

Mr. Batheja.—That is because the consumers' orders are small?

Mr. Behani.—Yes.

Mr. Batheja.—In your memorandum you refer to certain filatures which have closed down and the Co-operative Union mentioned certain filatures which used to exist in Malda. Are there any filatures in Murshidabad or Malda now?

Mr. Behani.—There is none in Malda. There are a few in Murshidabad but they are not working at present.

Mr. Batheja.—What do you mean by a filature? Does it simply mean a number of charkhas operated by hand power?

Mr. Behani.—Filatures worked by steam.

Mr. Batheja.—How many basins were there in those filatures?

Mr. Behani.—120 basins. There is a filature at Sumergunj with 150 basins in Jaungipur Subdivision; another at Gunethia with 125 basins, at Bhadarpur 125, at Belghat 200 and at Mahmedpur 100 basins.

Mr. Batheja.—Are they still working?

Mr. Behani.—No.

Mr. Batheja.—When were they closed?

Mr. Behani.—Bhadarpur filature worked for some time in this season.

Mr. Batheja.—This year?

Mr. Behani.—Yes, for a short while in August and September.

Mr. Batheja.—Who owns these filatures—some European firms?

Mr. Behani.—Bengalees.

Mr. Batheja.—In reply to Question 55 on page 7 you complain of certain landlord fees pressing on industries. What are these landlord fees?

Mr. Behani.—23 per cent. of the value has to be deposited in the Registration Office. Supposing A is a landlord and B is the owner of a few bighas of land under A and if B intends to sell it to C

Mr. Batheja.—Are you talking of salami?

Mr. Behani.—23 per cent. of the total value has to be deposited in the Registration Office.

Mr. Batheja.—How does it affect the question? The price which is mentioned about mulberry land, is it the price of tenant right or of landlord right? There are two sets of prices?

Mr. Behani.—This is the raiyat price.

Mr. Batheja.—That price has gone down to Rs. 50 to Rs. 100.

Mr. Behani.—Yes.

Mr. Batheja.—Is that due to depression or is that due to the passing of the Bengal Tenancy Act?

Mr. Behani.—Partly to one and partly to the other.

Mr. Boag.—In your answer to Question 41, you give the average price of raw silk in rupees for various years. Those figures I take it are per seer?

Mr. Behani.—Yes.

Mr. Boag.—What seer?

Mr. Behani.—Per seer of 81 tolas.

President.—Do you deal in silk waste?

Mr. Behani.—No.

President.—What is the price of Canton steam filature silk at Surat at present? Can you give me an idea?

Mr. Behani.—We are not in touch with the Surat market. In Bombay it is Rs. 8-6-0.

President.—Is it the same in Bombay as in Conjeevaram?

Mr. Behani.—Yes.

Mr. Batheja.—You don't sell any silk in Benares?

Mr. Behani.—Not much now owing to the competition of Canton silk. We used to sell a lot in Benares before.

Mr. Batheja.—Now you are not able to sell anything in Benares?

Mr. Behani.—No.

Mr. Batheja.—Since how many years?

Mr. Behani.—For the last three years.

Mr. Batheja.—What happened at Surat happened also at Benares?

Mr. Behani.—There used to be three houses here sending silk to Benares but now all of them have closed down.

Mr. Joshi.—May I add one word. If you want that the industry should live, then I would request you to recommend the imposition of a protective duty of 100 per cent. on all foreign silk that comes into the country.

JAPAN AND SHANGHAI SILK MERCHANTS' ASSOCIATION.

Evidence of Mr. B. N. KARANJIA of Messrs. GOBHAI KARANJIA, Limited, Mr. J. C. CHINAI of Messrs. NAGINDAS FOOLCHAND CHINAI and Mr. MOORAJMUL of Messrs. POHOOMULL BROTHERS, recorded at Bombay on Wednesday, the 1st March, 1933.

President.—Mr. Karanjia, you are President of the Japan and Shanghai Silk Merchants' Association?

Mr. Karanjia.—Yes.

President.—You also appear before the Board as one of the raw silk merchants?

Mr. Karanjia.—Yes.

President.—Mr. Chinai, you represent the firm of Messrs. Nagindas Foolchand Chinai?

Mr. Chinai.—Yes.

President.—Both of you gentlemen have also been authorized to represent the other signatories who have sent the memorandum to us as raw silk merchants?

Mr. Karanjia.—Yes. Mr. Moorajmul also represents the Japan and Shanghai Silk Merchants' Association.

President.—I had better deal with your letter first. The first point which you have raised is regarding the Government reference of this enquiry to the Tariff Board. I do not know whether you wish to press that point. If you do, then I must point out that there are two issues arising out of that statement as I understand it. The first is whether the Government are justified in referring this matter to the Tariff Board for enquiry?

Mr. Karanjia.—I only enquired for the purpose of information.

President.—I don't think that you would wish to say that the procedure adopted by Government was not right?

Mr. Karanjia.—To a certain extent, we do.

President.—Then I would ask you to refer to the Fiscal Commission's report?

Mr. Karanjia.—I have referred to it.

President.—If you turn to page 135 of the Fiscal Commission's report, you will find that Indian States and their subjects have been placed on the same footing as British Indian subjects with regard to the question of Tariff Inquiry.

Mr. Karanjia.—I don't understand the rules of the Indian Customs circle.

President.—I am coming to the next point regarding Customs revenue afterwards.

Mr. Karanjia.—All the Customs revenues taken by the Indian States do not come to the Government of India's revenues.

President.—As I told you, that question will have to be debated in connection with another point. The first question which you have raised is whether the Government of India could refer the matter to the Tariff Board?

Mr. Karanjia.—According to you, they could.

President.—I think they are fully justified according to the Fiscal Commission's report.

Mr. Karanjia.—All right I agree.

President.—Now the second point which is raised is as regards the terms of reference of the Board. The Board has been asked to examine how far

their proposals will effect the revenues of the Government of India. They are therefore fully alive to this point of view and they will give due consideration in framing their proposals. You have stated that there will be no decrease of revenue to Government if protection is granted to the Sericultural Industry.

Mr. Karanjia.—That is as regards raw silk only.

President.—That is quite satisfactory because we are only confined to raw silk in this inquiry.

Mr. Karanjia.—Yes.

President.—Another point which is raised by you is, I am afraid, not a point for the Tariff Board but for the Indian Legislature namely, where the benefits derived by protection go mainly to the coffers of the Indian States whether the Indian Legislature is justified in penalising the consumer. It is a matter which is outside our terms of reference?

Mr. Karanjia.—Quite, but I hope that these representations will go to the Government of India.

President.—I need hardly tell you that everything that is sent to the Board goes to the Government of India. I will now deal with your replies to the questionnaire. I do not quite understand why you say in reply to the question No. 1 that there is no competition from foreign countries?

Mr. Karanjia.—What is the question?

President.—What you meant to convey probably by this is that you are confining your attention to raw silk and that you consider China as one of the Eastern countries.

Mr. Karanjia.—We only import from China.

President.—If raw silk is taken as one item and not the silk industry, then there might be some justification for putting it that way. But you will agree with me that there is keen competition in foreign countries with regard to other silks like spun silk.

Mr. Karanjia.—By foreign countries we mean those outside India—in Europe and in America.

Mr. Boag.—China is outside India.

Mr. Karanjia.—Quite so. China is an exporting country. China exports silk to this country and particularly to America.

President.—I don't think, Mr. Karanjia, that the words are happily chosen. In fact what you want to convey is something different from what is stated here. The sentence as written does not correctly represent your viewpoint. With regard to your reply to question 2 you say that there are various kinds of qualities in raw silk and that each type is of a different variety. It is therefore very difficult to say that the particular Indian quality competes with particular imported silk. But we want to find out for ourselves whether we can get some sort of comparison and we would like to seek your assistance similar to the one offered by you to the Director General of Commercial Intelligence when he arrives at the fixed tariff values. In spite of these various classes and different types, the Director General of Commercial Intelligence has been successful in fixing tariff values by grouping them together. Our object is to find out whether that grouping is correct and if not what should be the correct grouping so that it might prove acceptable to all parties interested in the trade.

Mr. Karanjia.—It is only with that object in view that we have taken out these statistics. Here we have grouped qualities ranging in price from Rs. 2-3-0 per lb. to Rs. 5-8-0 per lb. They have been grouped together according to the proportion of imports and we have given a price of Rs. 4 per lb.

President.—Rs. 4 is the average price?

Mr. Karanjia.—Yes, that has been fixed by Dr. Meek.

President.—Can you tell me under what class do these qualities or the wide range contained in these two qualities come in the Tariff Schedule?

Mr. Karanjia.—They are classified as yellow Shanghai.

President.—How many types approximately are covered by these two?

Mr. Karanjia.—12.

President.—Have you got a classification for others?

Mr. Karanjia.—Yes. The other item is what they call white Shanghai in which three varieties are grouped together. The lowest is priced Rs. 3-10-0 per lb. and the highest Rs. 4-11-0 and we have fixed Rs. 4-4-0. Then comes the quality known as Duppon. There are only two varieties. The lowest is Rs. 2-6-0 and the highest Rs. 3-8-0. It is the market price I am giving you.

President.—Are they most recent prices?

Mr. Karanjia.—Yes.

President.—Will you tell me the date?

Mr. Karanjia.—Middle of September last and the tariff comes into force on the 1st of January.

President.—It came into force on the 16th of January?

Mr. Karanjia.—This is an exceptional year. Generally it comes into effect on the 1st of January. This time Mr. Banerji was here—it was fixed on or about the 15th September. In the third group, there are two varieties one at Rs. 2-6-0 and the other at Rs. 3-8-0. The average we have fixed at Rs. 2-12-0. Then, Canton Fil. silk is sold at Rs. 4-12-0 and the next quality (No. 19) is sold at Rs. 3-6-0. We have put the average down as Rs. 3-4-0.

Mr. Boag.—May I interrupt you for a minute. In the Tariff Schedule there is no classification as Canton?

Mr. Karanjia.—It is called 'White other kinds'. Then we have Japanese Duppon and Italian Duppon which bear *ad valorem* duties.

President.—You have grouped them all in three classes?

Mr. Karanjia.—4 classes.

President.—What about the group of 'yellow other kinds'? You have not given me the details of that?

Mr. Karanjia.—'Yellow other kinds' we don't touch because there is no import for that. We do not import from Siam and other places.

President.—As regards these prices can you tell me approximately the quantity and the percentage?

Mr. Karanjia.—Here is a statement which will interest you (handed in).

President.—This is not quite explanatory. Can you tell me to which of these groups the different qualities enumerated in the statement belong?

Mr. Karanjia.—The first 12 items (*viz.*, Minchow Fil. Ex., Minchow Fil. Ord., Kubin R.R., Minchow R.R., Minyang R.R., Inferior R.R., Minchow Native Long Reel, Kubin Native Long Reel, Shantung Native Long Reel, Tsingchow Native Long Reel, Laiminyang Native Long Reel and Hoyung Native Long Reel) come under the heading 'Yellow Shanghai'.

Mr. Boag.—What the President wishes to know is to which class do these various items belong?

Mr. Chinai.—Up to item No. 6 in the statement of samples submitted to the Tariff Board, it is all Yellow Shanghai. Items Nos. 7, 8, 9, 10 and 11 come under White Shanghai.

Mr. Batheja.—Including Duppon?

Mr. Chinai.—It comes under Yellow Shanghai.

Mr. Karanjia.—Canton is White Shanghai.

President.—These are market prices?

Mr. Karanjia.—Yes.

President.—What do they comprise of?

Mr. Karanjia.—I don't follow.

President.—These market prices are inclusive of three or four things. What are the details? They include the duty?

Mr. Karanjia.—Yes.

President.—And discount and brokerage?

Mr. Karanjia.—Yes.

President.—And also profit, if any?

Mr. Karanjia.—Yes.

President.—Can you give me these items separately?

Mr. Karanjia.—This list shows the f.o.b. prices (handed in).

President.—It only gives the market price: 480 Taels for Minchow Fil. Ex. silk which is Rs. 10-6-0. I want to know the details of this Rs. 10-6-0. How have you arrived at Rs. 10-6-0?

Mr. Karanjia.—I can give you. According to tariff valuation, duty is 25 per cent.

President.—This is yellow Shanghai?

Mr. Karanjia.—Yes.

President.—These are prices relating to last fixed values?

Mr. Boag.—These are September prices?

Mr. Karanjia.—Yes.

President.—The present fixed tariff values which are operative at present are based on these?

Mr. Karanjia.—Yes.

President.—These prices first of all include the duty.

Mr. Karanjia.—Yes, 25 per cent. duty. About profit we cannot say.

President.—Let us take discount.

Mr. Karanjia.— $1\frac{1}{2}$ per cent. That is to say $1\frac{1}{2}$ per cent. discount and $\frac{1}{4}$ per cent. brokerage.

President.—Yellow Shanghai's tariff value is Rs. 4.

Mr. Karanjia.—Yes.

President.—25 per cent. duty comes to one rupee.

Mr. Karanjia.—Yes.

President.—How about this discount of $1\frac{1}{2}$ per cent. and brokerage of $\frac{1}{4}$ per cent.

Mr. Karanjia.—When we sell these goods, supposing we sell at Rs. 5-8-0, we give discount and brokerage on Rs. 5-8-0.

President.—I follow. In your answer to question 4, you have discussed the question about Kashmir. You say that the whole production is commanded by the Kashmir State.

Mr. Karanjia.—Yes.

President.—What is it that you want to convey?

Mr. Karanjia.—Individual merchants do not export these goods. The whole thing is controlled by the State. The sericultural industry is controlled by the State.

President.—That means the State appoints its own agents.

Mr. Karanjia.—Everything is done by the State.

President.—The whole thing is a State monopoly?

Mr. Karanjia.—Yes, just as we have under the Soviet Government.

President.—As we are on the fixed tariff values question, I shall take up your reply to question 11 in which you say that the tariff valuations are just and fair. I would like to know whether you would have any objection if the fixed tariff value system is done away with?

Mr. Karanjia.—No objection.

Mr. Batheja.—Are there any other bodies consulted in fixing tariff values besides the Indian Merchants' Chamber?

Mr. Karanjia.—The Indian Merchants' Chamber is not consulted. The silk trade is consulted.

Mr. Batheja.—You are consulted independently?

Mr. Karanjia.—Yes.

Mr. Batheja.—Manufacturers are not consulted?

Mr. Karanjia.—No; only importers of raw silk are consulted.

Mr. Batheja.—Are you aware that for some time the manufacturers have been complaining that the tariff values have been fixed at too low a level and that there is under taxation?

Mr. Karanjia.—I have heard people say that as a result of grouping the superior kind instead of paying 25 per cent. pays only 18 per cent. but we are paying 35 or 40 per cent. on the inferior qualities. The complaint has been made because the silk produced in the States of Mysore and Kashmir, being superior, competes with the superior quality that is imported, and therefore it is said that the superior silk that is imported is not paying 25 per cent. but only 18 per cent. duty, but to facilitate Customs work Government have fixed tariff values.

Mr. Batheja.—Did you come across any specific complaints from the manufacturers' side?

Mr. Karanjia.—No. We have not heard of any specific complaint from manufacturers.

Mr. Batheja.—Or you have heard only a general complaint of that character?

Mr. Karanjia.—Yes.

President.—*Mr. Chinai*, you are also a dealer in Indian silk?

Mr. Chinai.—Yes.

President.—To what extent are you dealing at present?

Mr. Chinai.—To a certain extent.

President.—What is the percentage of your sale?

Mr. Chinai.—Last year we have done practically nothing. We had three branches, one in Rajshahi, one in Malda and another in Jangipur. Now only the last named branch is working. There too we are only collecting dues from our customers.

President.—That means you chiefly dealt in Bengal silk?

Mr. Chinai.—Bengal and Chinese silk, both.

President.—I am talking of Indian silk?

Mr. Chinai.—Yes.

President.—What was the reason which made you curtail your business?

Mr. Chinai.—Because we lost a large amount of money. We advanced money to the silk men and they lost heavily in the transaction. So they were unable to repay the loan which we had advanced and consequently we had to close the business.

President.—I wanted to know whether the deterioration of the quality or the consumers not taking up the goods on account of price which made you to discontinue your trade. But I am glad to learn that it is the financial trouble that has prevented you from doing business.

Mr. Chinai.—Yes.

President.—How do you compare the Bengal silk with the imported silk?

Mr. Chinai.—Each has got its special merits.

President.—Still there might be some respects where it could be compared with Indian silk. For instance there are three or four standards

by which the qualities of silk are tested as you yourself mention at the conditioning houses, namely lustre, tensile strength, elasticity, etc. Have you tried any of these standard tests with both the qualities to enable you to give an opinion on the subject?

Mr. Chinai.—The Indian silk, particularly the Bengal silk, has got lustre but not tensile strength which the imported silk has.

President.—Is it the price factor which weighs with the consumer at present?

Mr. Chinai.—Price and quality both.

President.—To what extent the quality?

Mr. Karanjia.—Price, quality and boiling off—all these considerations weigh with the consumer.

President.—As there is no conditioning house in India, I want to know by what test do the consumers or the dealers judge the quality at present? I take it that whatever you import is not all consumed in Bombay Presidency?

Mr. Karanjia.—No.

President.—It goes to all important markets in India?

Mr. Chinai.—Yes.

President.—As you are one of the largest importers it would help us if you could tell us as to how does the Indian silk compare with the imported silk and what is the inherent defect in quality which is keeping back its sale?

Mr. Chinai.—In point of lustre, the Indian silk is good.

President.—That is probably the Bengal silk?

Mr. Chinai.—Yes. We are not acquainted with Mysore silk.

President.—Nor have you any experience of Kashmir silk?

Mr. Chinai.—Very little.

Mr. Batheja.—None of you Gentlemen have any dealing in Mysore silk?

Mr. Chinai.—No.

Mr. Karanjia.—We understand from merchants and from handloom weavers who generally come to us and buy Shanghai silk from us that the thread breaks when the Bengal silk is used.

President.—Mr. Chinai has been dealing both in Bengal and Chinese silk?

Mr. Karanjia.—Yes.

President.—You have no experience of Mysore silk?

Mr. Karanjia.—I have not dealt in Mysore silk. I can only tell you from hearsay that the Indian silk breaks.

Mr. Chinai.—The quality of Bengal cocoons is very poor. It is deteriorating day by day. It does not last long.

Mr. Karanjia.—My information is that in China and Japan these cocoons are tested by certain apparatuses. They throw out bad cocoons and only use the best cocoons. Here in India, that is not the case.

President.—Have you visited any rearing centre in India?

Mr. Karanjia.—I have seen only one.

President.—Which was that?

Mr. Karanjia.—In Madura. There were two or three rearing houses.

President.—So your knowledge is only hearsay.

Mr. Karanjia.—I have told you so from the very beginning.

President.—In such circumstances to make a general statement about the way in which silk worms are reared and cocoons are produced is not quite correct?

Mr. Karanjia.—Mr. Chinai has seen those things in Malda and other places.

President.—What is your experience Mr. Chinai?

Mr. Chinai.—Most of the time I was in Rajshahi.

President.—Have you seen the filatures at work there?

Mr. Chinai.—In Jangipur I have seen.

President.—The reason why I am asking you this question is this. You have said in reply to question 17 that “it goes without saying that cheaper goods sell well and are more in demand”. As you are so definite, I have asked you the question about quality. Is it true that the consumer does not mind what silk he gets provided he can get it cheap?

Mr. Chinai.—Cheapness is the first consideration.

Mr. Karanjia.—Both price and quality are taken into consideration.

President.—It is practically the most important thing?

Mr. Chinai.—Yes.

Mr. Karanjia.—They use it for mixing purposes in order to make the fabric cheap.

President.—I would like to ask you about the artificial silk goods on which you have laid such a great emphasis?

Mr. Karanjia.—May I point out to you that half the enquiry into the artificial silk is finished because yesterday the Finance Member has announced in his budget speech that the import duty on artificial silk will be raised from 50 to 133 per cent.?

President.—You are now referring I take it to the budget which has just been introduced in which a specific duty has been proposed on artificial silk piecegoods and artificial silk mixtures?

Mr. Karanjia.—Yes.

President.—It is 35 per cent. on mixtures?

Mr. Karanjia.—35 per cent. or 2 annas 3 pies per square yard which ever is higher for mixtures.

President.—The other is 4 annas per square yard or 50 per cent. which ever is higher?

Mr. Karanjia.—It works out about 75 to 133 per cent.

President.—That may be according to present prices, but I don't think that it has solved all the difficulties. The main competitor of raw silk is artificial silk yarn and not goods. What is the price of the artificial silk yarn ruling at present in the market?

Mr. Karanjia.—Japan cut silk yarn is sold in Bombay at 15 annas a lb. and imported from foreign countries such as Italy is sold at Rs. 1-1-0 a lb.

President.—I take it that as far as artificial silk yarn is concerned, the largest exporter at present is Italy?

Mr. Karanjia.—Yes.

President.—And next in importance is Japan?

Mr. Karanjia.—Quite right. The Italian artificial silk yarn is better.

President.—Some quantities are also coming from Switzerland?

Mr. Karanjia.—Yes, from Switzerland and from France.

Mr. Boag.—What is the European price?

Mr. Karanjia.—Rs. 1-1-0 per lb. present market price.

Mr. Batheja.—The price ranges between 15 annas and 17 annas?

Mr. Karanjia.—The price of 15 annas is for Japanese yarn.

President.—This is the selling price?

Mr. Karanjia.—Yes.

President.—It includes brokerage and discount?

Mr. Karanjia.—Yes.

President.—Coming to your reply to question 6, you have said that China and Japan do not incur any loss when they sell their produce in India. Can you tell me on what is your conclusion based?

Mr. Karanjia.—It is based on information obtained from our agents there. We find generally the prices at which they sell their goods are supposed to be remunerative because they have been selling these goods for a long time past.

President.—The only data on which the Board can place reliance, if that is possible for you to get for the Board from your agents, is the cost of production?

Mr. Karanjia.—From China we can never get it.

President.—I thought that Japan was the only country which did not disclose its costs?

Mr. Karanjia.—Japan won't disclose its costs deliberately, whereas we cannot get it from China out of its ignorance.

President.—I have a book which is called "Survey of Silk Industry of South China" where both the reeling and rearing costs are given?

Mr. Karanjia.—That is Canton.

President.—Yes, it is a book published in 1925 which gives fully all the costs of production?

Mr. Karanjia.—Yes, but times have so changed.

President.—That is why I am asking you whether you are in possession of the latest costs of production.

Mr. Karanjia.—No.

President.—You have been telling us that there is no authentic publication which would give any correct idea. We have got this book which is considered fairly reliable.

Mr. Karanjia.—Written by whom?

President.—Written by two Europeans—C. W. Howard and K. P. Buswell.

Mr. Batheja.—And assisted by Chinese.

Mr. Karanjia.—I shall enquire and let you know.

President.—A mere statement of this character will not help us unless we are convinced that there is some ground to go upon. Do you know of any assistance which the Chinese Government give to the manufacturers?

Mr. Karanjia.—Nothing, because their Government is not organised and their trade is not organised. We can definitely say that the Chinese Government give nothing.

President.—You have no information on the subject?

Mr. Karanjia.—Why we have no information: My manager was there. He was there for five or six years. I have my office in Shanghai and Japan. We get some information. The information I have given you is absolutely correct, viz., there is no subsidy given by the Chinese Government to their manufacturers. But as regards Japan I cannot say.

Mr. Batheja.—Are you aware that there was an export duty on raw silk?

Mr. Chinai.—I think there was a duty on spun silk.

Mr. Batheja.—On raw silk?

Mr. Karanjia.—That was so.

Mr. Batheja.—This book mentions that.

Mr. Karanjia.—That was a very small thing. I know it was only one per cent, or 2 per cent. That was only what they call Likin duty. As

these provinces are fighting amongst themselves they levy a certain duty as in Kathiawar. On the border line, they levy a small duty but when the silk is exported, the duty is refunded.

Mr. Batheja.—You do not know anything about the incidence of the export duty?

Mr. Karanjia.—There is no export duty.

Mr. Batheja.—Are you surprised to learn that there was a duty?

Mr. Karanjia.—There was a duty called *likin* of one per cent. and not 5 or 10 per cent.

Mr. Batheja.—By export duty I mean a duty which is levied on silk when it leaves China?

Mr. Karanjia.—And it is not refunded?

Mr. Batheja.—Yes.

Mr. Karanjia.—I do not know of any such duty.

President.—We have received information?

Mr. Karanjia.—That may be applicable to Canton only.

President.—You yourself have mentioned in your reply to question 14 that Japan has got the direct control of this industry and that China is following in its footsteps.

Mr. Karanjia.—Yes.

President.—You do not know the present conditions in China?

Mr. Karanjia.—No.

President.—The question may be left at that.

Mr. Karanjia.—Quite.

Mr. Batheja.—You are not aware of any bounty being paid on the export of silk from China?

Mr. Karanjia.—No.

President.—What about spun silk? Do any of the merchants import?

Mr. Karanjia.—We do import, but only a very small quantity. My friend imports a very good quantity.

President.—Where does it generally go?

Mr. Chinai.—Throughout India up to Kashmir.

President.—I take it that the largest exporter of spun silk is Japan?

Mr. Chinai.—At present during the last six months, but when the American demand is better, they do not export to India. They turn their attention to America.

President.—I have heard a good deal about the American market. I take it that they send qualities of silk to America which are far superior to those imported into India. Therefore I would like to understand how the American demand affects the imports into India?

Mr. Chinai.—When the demand for these qualities in America is dull. . .

President.—They don't produce low quality goods?

Mr. Chinai.—They produce middle qualities and sell at lower rates. They have to run their factories anyhow.

President.—What are the prices at present prevailing in the market for spun silk?

Mr. Karanjia.—Rs. 3-12-0 per lb.

President.—This includes brokerage?

Mr. Karanjia.—Yes.

President.—It does not include discount?

Mr. Karanjia.—No.

President.—Have you got any experience of the conditioning house Mr. Chinai?

Mr. Chinai.—No.

President.—Suppose such a house or houses were to be established in India, would they be successful?

Mr. Chinai.—I think they will be successful, if Government were to assist it. If the people were trained to follow the latest developments in grading, it would work.

President.—I thought that the whole question depended upon the consumers?

Mr. Chinai.—Consumers and the producers also.

President.—If the consumers refuse to buy silk unless they are properly tested in a conditioning house, the manufacturers will be forced to leave his silk graded. In India however a large majority of the people hardly know what they buy owing to illiteracy.

Mr. Chinai.—These filature and re-reeled silk were imported into India after 1912.

President.—The imported qualities that come into India have, I take it, gone through the conditioning house. Do you purchase them as they come out of the filatures or you have them tested at the port of embarkation?

Mr. Karanjia.—Only recently for the last two years all the long reels and the filatures are inspected before exporting but they are not conditioned. They have not got the large ovens in China. That is the difficulty. Only filatures and re-reels are inspected.

President.—As far as protection is concerned, you have informed the Board that if after investigation the Board finds that the raw silk industry requires protection, you would certainly not oppose it if it takes the shape of a duty on artificial silk yarn because you think that it constitutes a greater danger to the real silk?

Mr. Karanjia.—That is quite true.

President.—Having regard to the fact that a large quantity of artificial silk is being imported into India at such low prices, you are of opinion that it hinders the development of raw silk industry in India?

Mr. Karanjia.—Yes.

President.—I also understand from your memorandum that you are not against giving protection to the raw silk industry?

Mr. Karanjia.—Of course not.

President.—Provided, as you have put it, that the Government assist the industry and run it as other national Governments run this industry. By that you mean that out of the enhanced duty, a certain amount of money should be set aside by Government to carry on research work. Can you tell me whether this money should be entrusted to the provincial Governments according to the importance of the sericultural industry in that place or a separate body like the sericultural committee should be constituted by the Government of India?

Mr. Karanjia.—A separate body would be more advisable.

President.—If this committee worked under the agricultural research Council, would it not serve the same purpose?

Mr. Karanjia.—It would serve the same purpose but I think some specialist should be appointed on this Committee. Otherwise these people when they are appointed may know nothing of it as it happens in the case of the cotton mill industry.

President.—You had better leave the directors of cotton mills out of account for the present?

Mr. Karanjia.—In the same way if a research institute is constituted and if people put on the Committee of that institute do not know anything of the sericultural industry, then it would be of no use.

President.—Another point which you have raised is this. You find on enquiry that Government are not able to supply sufficient quantities of disease free seeds. Do you think this work ought to be undertaken by Government?

Mr. Chinai.—They are not bound, but since they are going to take up the question of the improvement of the Sericulture, it is better.

President.—It is absolutely advisable.

Mr. Chinai.—Yes to supply disease free eggs. At present there is no microscopic examination.

President.—I have seen myself in Bengal to which your reference in particular applies that there is no such thing as disease free eggs. They supply only seed cocoons which is one degree remote from eggs. They are also handicapped owing to financial difficulties. I quite agree with you that the most important point in the Sericultural industry is the supply of disease free eggs.

Mr. Chinai.—Yes. They must educate the people about the latest conditions in the other markets about the reeling requirements of the people. They are following now the old charka system.

President.—In answer to question 14, you say that Chinese and Japanese pay a great deal of attention to the change of tastes and to the requirements of the consumers. I want to know whether this point has at all been brought to the notice of the Indian silk manufacturers.

Mr. Chinai.—We have supplied them with samples of Chinese reeling and filatures from time to time. When the business was paying, they used to follow our advice, but afterwards when the market was low, they immediately took to the old system.

President.—That means they didn't carry out the instructions properly.

Mr. Karanjia.—As long as it pays them to reel good quality, they do. When it is a losing concern, they don't follow our advice.

Mr. Chinai.—During the war when the market price of silk was high, they used to supply good qualities similar to the re-reeled to Benares.

President.—What is the quantity of coarse deniers as against the fine deniers which are imported into India?

Mr. Karanjia.—In Canton the silk is classified and sold on the basis of deniers, but in Shanghai the filatures produce 14/16 and 16/20.

President.—I want to know the percentage to the total imports. Do they comprise mostly of coarse and uneven kinds?

Mr. Karanjia.—80 per cent. is coarse.

President.—That means the prices ranging of these coarse qualities would be in the neighbourhood of Rs. 2-12 to Rs. 4.

Mr. Karanjia.—From Rs. 2-3-0 to Rs. 4.

President.—The above prices will comprise 80 per cent. of the imports?

Mr. Karanjia.—Quite right.

Mr. Boag.—I should like to go back for a minute if I may to this question of tariff valuation. I should like to have your opinion on the suggestion which have been made to us that the present system of classifying the raw silk for the purpose of tariff valuation should be changed and that instead of the present White and Yellow Shanghai and so on, the classification should be filature and re-reeled silk and hand reeled silk and Dupion.

Mr. Karanjia.—We don't mean that.

Mr. Boag.—I am not saying that that is your suggestion. It is a suggestion which has come to us and I should like to know what you think of it.

Mr. Karanjia.—Instead of that if you have the market value of each and every item, we would prefer that.

Mr. Boag.—Would you prefer that?

Mr. Karanjia.—That gives an equitable adjustment.

Mr. Boag.—You would prefer to give up the tariff valuation altogether and to assess the duty on raw silk on the *ad valorem* basis.

Mr. Karanjia.—Yes. The complaint was from Mysore and other places that the *ad valorem* duty doesn't work satisfactorily with the fixed tariff valuation.

Mr. Boag.—In your letter you say that the raw silk that is now produced in Bengal is infinitely small.

Mr. Karanjia.—Yes.

Mr. Boag.—Have you any information as to the actual quantity produced in Bengal? When we were over there the other day we were informed that the production was still very large.

Mr. Karanjia.—That is what we read in the papers.

Mr. Boag.—I wonder whether you have any information as to the actual quantities produced.

Mr. Chinai.—There are no real statistics available. What is the quantity they gave out?

Mr. Boag.—To put it in another way, you consider that there has been a decrease in the production of Bengal silk.

Mr. Chinai.—Yes.

Mr. Boag.—Within what period?

Mr. Chinai.—Within the last two years. Gradually the production is going down. During the last two years it has considerably gone down.

Mr. Boag.—How long has it been going down?

Mr. Chinai.—For the last 20 years.

Mr. Boag.—It has been decreasing and it has gone down very much quicker during the last two years.

Mr. Chinai.—Yes.

Mr. Boag.—On what evidence do you base that opinion?

Mr. Chinai.—We have got our branch there. Practically we have done no business in Jangipur last year.

Mr. Boag.—Because there was not the silk to buy?

Mr. Chinai.—The prices didn't pay them.

Mr. Boag.—So they didn't produce?

Mr. Chinai.—We didn't advance them, because we lost heavily in our former advances. So we had to stop making advances and they could not buy cocoons and reel the silk.

Mr. Batheja.—There was silk, but they were not able to sell the silk at your price?

Mr. Chinai.—At the world's market price.

Mr. Boag.—As you didn't make advances, they didn't rear the worms.

Mr. Chinai.—When the business was not paying, what is the use of advancing money and losing. They are Muhammadan merchants. As soon as we take a decree to execute, there is a criminal case against our man.

Mr. Boag.—Can you give us some approximate idea of the percentage by which the production of Bengal has decreased during the last 2 years? Is it half of what it was or has it gone down by 25 per cent.?

Mr. Chinai.—By half.

Mr. Boag.—Production to-day is half of what it was two years ago.

Mr. Chinai.—Yes. One leading Benares merchant who had a branch at Malda has also closed down. He was consuming 40 per cent. of Malda production.

Mr. Boag.—You mentioned just now that you know the Bengal filatures.

Mr. Chinai.—Yes.

Mr. Boag.—What are they exactly? Are they worked by power?

Mr. Chinai.—By steam engine.

Mr. Boag.—What does the steam engine do? Does it drive the wheels?

Mr. Chinai.—They give steam only. They supply hot water.

Mr. Batheja.—But the moving work is done by hand.

Mr. Chinai.—Yes.

Mr. Boag.—Is the actual system of reeling the same as the ordinary charka?

Mr. Chinai.—The same as the country charka.

Mr. Boag.—But the process is more or less the same?

Mr. Chinai.—They take a little more care to improve the silk. The system is the same.

Mr. Boag.—In answer to question 7, you say that the Indian silk produced is of different grades and as such cannot really be compared with the imported silk from China and Japan, but you said just now that the Benares market which used to absorb a lot of Bengal silk has ceased to do so.

Mr. Chinai.—Yes.

Mr. Boag.—What kind of imported silk has replaced the Bengal silk in that market?

Mr. Chinai.—Filatures, Minyang and Minchow.

Mr. Boag.—Are they mainly better qualities of imported silk?

Mr. Chinai.—Yes.

Mr. Batheja.—Or the cheaper qualities?

Mr. Chinai.—Formerly they used to import cheaper qualities. But since the last 15 years they have turned their attention to superior quality.

Mr. Boag.—Where does most of the superior imported silk go?

Mr. Chinai.—Benares, Surat, Bangalore and Rayadrug.

Mr. Boag.—All over the country?

Mr. Chinai.—Yes. Secunderabad, Warrangal. These are places where the Chinese silk is used.

Mr. Boag.—I wonder if you can differentiate between the imported filature silk and the inferior qualities.

Mr. Chinai.—Deccan, Hubli, Satara, Bagalkot, Gadag and Nagpur are using filature silk.

Mr. Boag.—Where does the inferior silk go?

Mr. Chinai.—It goes to Amritsar, Multan, Ludhiana, Conjeevaram, Madras, Kumbakonam and Trichinopoly.

Mr. Boag.—South of Madras and extreme north?

Mr. Chinai.—Yes. Bombay was the market for all the silk. Madras is now importing *via* Tuticorin from 1912. 30 per cent. of the imports come into the country *via* Tuticorin.

Mr. Karanjia.—If my information is correct, by land frontier some inferior silks are smuggled from Tibet, Siam, Bangkok and other places.

Mr. Batheja.—What about Yarkhan silk?

Mr. Karanjia.—By the land frontier it has been smuggled.

President.—You have not got any definite statement to support this. It is only a rumour.

Mr. Karanjia.—I had a definite statement when I made a representation to Sir Basil Blackett in respect of silk piecegoods. Amritsar people

used to write to me that my prices are very much higher to those selling there. The goods are brought on donkeys and other things by land frontier. Whether it is absolutely correct, I do not know, but that is my information.

Mr. Batheja.—*Mr. Karanjia*, as my colleagues have exhausted most of the questions, there are only one or two points left. What system of marketing do you follow?

Mr. Karanjia.—We import these goods. We store them in godowns and brokers of merchants come down and buy at the ruling rate in the market.

Mr. Batheja.—Merchants come from upcountry stations.

Mr. Karanjia.—They come from Madras. Also they come from Ahmedabad, from Surat, from Benares and various places.

Mr. Batheja.—You don't go outside to sell them?

Mr. Karanjia.—No.

Mr. Batheja.—You have got agencies of your own in the consuming centres.

Mr. Karanjia.—Particularly for this Chinese stuff we have no agents.

Mr. Batheja.—Merchants go to Bombay and through brokers negotiate the purchase?

Mr. Karanjia.—Yes.

Mr. Chinai.—We have got a branch in Conjeevaram lately started. As soon as the steamer arrives, we send a circular to all the leading merchants that the different varieties of goods have arrived by the particular steamer and approximate opening rates. If they think it fit, they come personally when they have large purchases to make; otherwise they send orders by letters and telegrams. With some we have got direct connections. With the rest we have connection through agents.

Mr. Batheja.—Are there any other place where you have agencies besides Conjeevaram?

Mr. Chinai.—We have got one in Murshidabad.

Mr. Batheja.—That is kept more or less for the sake of observation?

Mr. Chinai.—Yes.

Mr. Batheja.—You don't do any actual business?

Mr. Chinai.—No. We are collecting the outstandings.

Mr. Batheja.—When these merchants go and buy goods from you, do they buy at sight, that means according to grades or do they actually inspect them?

Mr. Karanjia.—They inspect the goods in the sense with the naked eye. If they think that the fabrics woven out of this will come out good, then they buy. We actually open out one bundle and show them.

Mr. Batheja.—You don't get the silk in a graded form so that an order will be given to you without opening the bundles and without seeing the samples.

Mr. Karanjia.—They won't buy it without opening the bundle. There are some chops on which some reliance can be placed.

Mr. Batheja.—Do they come under Yellow Shanghai or White Shanghai?

Mr. Karanjia.—They are sold as producers' chops.

Mr. Batheja.—They are sold sometimes without inspection.

Mr. Karanjia.—Yes. If we have 10 bundles in one consignment, the qualities differ.

Mr. Batheja.—The quality doesn't remain uniform?

Mr. Karanjia.—No.

Mr. Batheja.—When the transaction is closed, is it a cash transaction?

Mr. Karanjia.—Cash.

Mr. Batheja.—As soon as delivery is made, you take cash and the whole thing is finished.

Mr. Karanjia.—After 2 or 3 days they pay.

Mr. Batheja.—Are these merchants wholesale merchants or are they weavers?

Mr. Karanjia.—Some are weavers and some are wholesale merchants.

Mr. Batheja.—These merchants in their turn go back and sell to weavers or retail merchants?

Mr. Karanjia.—If they are weavers they use it themselves. If they are merchants they sell it to others.

Mr. Batheja.—Are there retail merchants besides these people?

Mr. Karanjia.—There are.

Mr. Batheja.—What is the percentage of profit these intermediaries put on?

Mr. Karanjia.—They make hardly 1 or 2 per cent. It is an open market.

Mr. Batheja.—I suppose in these profits that these people make, they include their own expenses of coming up to Bombay and so on.

Mr. Karanjia.—We here in Bombay sell wholesale. One full bale contains 133 lbs.

Mr. Batheja.—What is their unit of transaction? What must be the minimum size of a bale before you sell.

Mr. Karanjia.—About 133 lbs.

Mr. Batheja.—You don't have a transaction for less than that?

Mr. Karanjia.—No.

Mr. Batheja.—Did you ever compare Bengal silk with Chinese silk?

Mr. Karanjia.—The purchasers when they come here compare these qualities—Chinese, Bengal and Mysore. They consider at that time the question of boiling off test and whichever is cheaper they will buy.

Mr. Batheja.—Loss in boiling in the case of Bengal silk is greater.

Mr. Karanjia.—You mean as between Bengal and Mysore.

Mr. Batheja.—I am comparing Bengal silk with Chinese silk.

Mr. Karanjia.—I have no personal knowledge.

Mr. Batheja.—In reply to my colleague Mr. Boag, you said that you were in favour of the abolition of tariff values and that you would much rather pay your duties on strict *ad valorem* basis. Have you realised the administrative difficulties which may arise on account of the abolition of tariff valuation?

Mr. Karanjia.—No, it would work well. We are importing only a few kinds. Whereas in piecegoods we are importing 200 to 300 kinds, where the market value does prevail. There is no administrative difficulty.

Mr. Batheja.—In fixing the tariff values, are you also consulted?

Mr. Karanjia.—Yes.

Mr. Batheja.—By the appraiser.

Mr. Karanjia.—The principal appraiser and 3 or 4 merchants assemble to discuss prices at a conference in Bombay. Then a conference is held at Calcutta of all the senior appraisers to consider this question with the Director General of Commercial Intelligence. When the latter comes here, he informs us and enquires whether we have any objection. Then again he goes to the Chamber and there we discuss the question afresh.

Mr. Batheja.—You have no objection to the present procedure?

Mr. Karanjia.—We have no objection, nor will there be any objection on our part to tariff values.

Mr. Batheja.—You said just now that 30 per cent. of raw silk is coming into India through Tuticorin. What area does that port cover?

Mr. Karanjia.—The whole of the Madras Presidency.

Mr. Batheja.—You also said that you send some goods to Conjeevaram.

Mr. Karanjia.—If there is any shortage of a particular kind, they buy it from Bombay.

President.—You have sent us these samples in which you have given the prices of silks imported into India. Do they include all qualities?

Mr. Karanjia.—Pure silk as well as artificial silk.

President.—Also silk mixtures?

Mr. Karanjia.—Yes.

President.—The price that you have given here as 8 annas per yard, is the present ruling price.

Mr. Karanjia.—To-day's market ruling price.

President.—You have given us import figures from 1850 for raw silk. I want to know whether your attention has been drawn to the falling off in the value of imports.

Mr. Karanjia.—Yes.

President.—To what cause do you attribute the sudden drop?

Mr. Karanjia.—What we used to sell in previous years at Rs. 16 a seer, we now sell at about Rs. 9 or Rs. 10.

Mr. Batheja.—What do you think is the cause of the sudden increase of imports in 1932-33?

Mr. Karanjia.—The whole Chinese market is controlled by Americans. When they don't buy, the prices are reduced to an extent which is uneconomic and in that case India is tempted to buy. That was the reason why we imported more.

President.—It amounts to this that when the market in America is not able to purchase the Chinese silk, it is sent to India and sold at an uneconomic price. It amounts to more or less dumping which has caused a grave menace to the Indian Industry.

Mr. Karanjia.—Yes only at times and not always. Suppose in January or February America doesn't buy, they reduce the price. In April, May, June and July when America goes on buying, then at a stroke they put up the price by 100 per cent. and it has been done. We used to get Canton filature at about Rs. 24 during the war, and when America wanted to buy, the price went up by 50 per cent.

President.—To-day's prices are anything but uneconomic.

Mr. Karanjia.—That I can't say.

President.—According to the figures you have given here, if you take the 8 months figures (1932-33), the quantity comes to 25,22,000 and the value is Rs. 94,40,000, which works out as 3·7. Taking your own figures the price of to-day has reached the level of 1904-05.

Mr. Karanjia.—These include Panjam which is Rs. 2.

President.—At present according to the Customs Authorities there is hardly any quantity coming from Siam and Persia and only a negligible quantity known as Mathom and Panjam.

Mr. Chinai.—Panjam comes from Canton.

President.—What is the percentage?

Mr. Karanjia.—10 per cent.

President.—We got figures from Customs which show that the bulk of imports comprise of Yellow Shanghai, White Shanghai and White other kinds.

Mr. Karanjia.—Yes.

President.—There is one point which you have raised which I consider important, viz., climatic condition in India.

Mr. Karanjia.—Absolutely.

President.—As far as my information goes, the climatic conditions in India are most favourable to the development of Sericultural industry.

Mr. Karanjia.—Only in certain parts.

President.—Mr. Maxwell Lefroy in his report in 1916 states that “Mysore State climatically is the most suitable area for multivoltine silk in India (which is mulberry silk) and there is scope for a large expansion of this profitable industry”.

Mr. Karanjia.—Only in Mysore.

President.—Why Mysore? If you will see the Industrial Commission's Report, you will find that Bengal was exporting silk in 1916 to the tune of 600,000 lbs. which was used in foreign countries for velvet and things of that kind. Therefore if it is quite evident that climate in Bengal is also suitable for the Sericultural industry.

Mr. Karanjia.—Bengal, Mysore and Kashmir. You won't find any suitable place in the Bombay Presidency.

President.—If there are places where the mulberry can be grown successfully and if those places are in a position to supply all the requirements of the country, then as far as the industry is concerned, it can safely be said to fulfil the 1st condition of the Fiscal Commission namely that there is enough raw material available in India.

Mr. Karanjia.—After 20 years.

President.—To-day. The figure of acreage that I have seen is sufficient to indicate that India can be made self-supporting, within a short period if necessary assistance were given at the present moment. To-day she is already supplying 50 per cent. of the total consumption of raw silk in India.

Mr. Karanjia.—That is true.

Mr. Batheja.—I forgot to ask you about the marketing organisation at the foreign end. What is your system of buying from China and foreign countries?

Mr. Karanjia.—These Chinese merchants along with the brokers come to our office.

Mr. Batheja.—You have no agents in Shanghai and Canton?

Mr. Karanjia.—Our own people are there. We have got our own office.

Mr. Batheja.—In what parts of China you have got an office.

Mr. Karanjia.—Shanghai and from Canton we buy through agents.

Mr. Batheja.—What is the system?

Mr. Karanjia.—They submit a price f.o.b. or c.i.f. and we buy accordingly. Brokers come to our office and tender samples and quote prices. If the Manager thinks it advisable, he will buy on the spot or he will refer to us by telegram.

Mr. Batheja.—Your system is the same?

Mr. Chinai.—Yes. Prices have gone up of the lower qualities.

Mr. Batheja.—Please let me have that information.

Mr. Karanjia.—The new duties apply to pure artificial silk and pure silk piecegoods—4 annas per square yard.

Mr. Batheja.—This duty is also applicable to silk piecegoods.

Mr. Karanjia.—It also applies to silk. I find lower counts are also covered by the proposals in the new budget.

President.—You will agree with me that as far as my information is concerned, there is mention of silk piecegoods.

Mr. Karanjia.—That is not correct.

President.—My information is that silk goods as well as artificial silk goods are both assessed at 4 annas per square yard or 50 per cent. whichever is higher.

Mr. Karanjia.—The duty on artificial silk is 4 annas per square yard. As regards silk goods, only lower counts will be affected and the higher counts will remain much the same. In this connection there is one thing which I want to point out to you and that is that mention has been made that the Chinese exchange has depreciated. If you see from 1931, 1932 and 1933, it has gone up by 50 per cent.

President.—What do you consider to be the normal exchange?

Mr. Karanjia.—You mean normal exchange prewar. In China the exchange is ruled absolutely by the rate of silver. They give silver and take silver. It is not a manipulated currency.

President.—The fluctuations in Exchange depend upon the price of Silver.

Mr. Karanjia.—That comes about according to the economic conditions of the trade in general. When the prices of commodities go down, the silver price is bound to go down. This is not a manipulated exchange, but it is according to the world factor.

President.—Why it can't be a manipulated exchange? When the exchange goes down, it is understood that the quantity that are exported to other countries must sell cheaper.

Mr. Karanjia.—That is a wrong impression. In China my friend will bear me out that it is not the case. When the exchange goes down, the prices go up.

President.—I am talking of India. How far the exchange has affected the prices in India?

Mr. Karanjia.—The Indian currency is not a pure real currency. It is more or less a manipulated currency. You cannot depend upon Indian currency nor upon English currency. In China the currency at present is the best currency in the world, I should say, because you give and take actual silver. If you have in dollars, you tender silver in bars and the rate of that particular day would be counted as currency.

President.—The silver rate?

Mr. Karanjia.—Yes and you buy according to that. Therefore you can't say that as the exchange is low, the imported articles would be cheaper.

President.—Not in India.

Mr. Karanjia.—It would not. I cannot say the same thing about Japan.

Mr. Batheja.—You refer to the Chinese exchange.

Mr. Karanjia.—Yes.

Mr. Batheja.—What exchange have you in mind, Shanghai tael or the Hongkong dollar or the Canton?

Mr. Karanjia.—Both are the same. It is only difference in name. In Hongkong there is the dollar.

Mr. Batheja.—Exchange depends upon other factors.

Mr. Karanjia.—In China it doesn't.

Mr. Batheja.—You make a statement that the Chinese exchange has risen by 50 per cent. during the last two or three years.

Mr. Karanjia.—In 1931 the Shanghai exchange for taels was Rs. 82. They used to get 100 taels. To-day it is 112.

Mr. Batheja.—What is the exchange in 1932?

Mr. Karanjia.—In 1932 about the same. In 1931 it was 82, then 86, 85, 90, 100, 105, 106 and then it went up to 133½ during the last trouble with Japan.

Mr. Batheja.—When was that?

Mr. Karanjia.—December, 1931. Since then it has come down and to-day it is 112. It depends on the silver market.

President.—Yes and the decline of silver is bound to tell on the rates.

Mr. Karanjia.—In that case the commodity prices go up.

Mr. Batheja.—Do you draw from this the inference that the depreciation of exchange has nothing to do with the fall in the price?

Mr. Karanjia.—Absolutely.

President.—You don't explain how the price has fallen.

Mr. Karanjia.—It depends on the world's demand. I will give you one instance. During the war in the year 1919 the price of raw silk in Japan per picul of 133 lbs. went up to 4,400 yen. To-day it is 700 yen and last year it was 450.

Mr. Batheja.—The currencies of other countries have also gone through this revolution. Is there a tendency on the part of Japanese silk coming into this country?

Mr. Karanjia.—Very very small quantity—2 per cent. of the total imports.

Mr. Batheja.—Is there any increasing tendency?

Mr. Karanjia.—There may be.

Mr. Batheja.—Who imports the Japanese raw silk?

Mr. Karanjia.—My friend, Mr. Chinai.

Mr. Batheja.—Do you find it cheaper to import Japanese raw silk?

Mr. Chinai.—It does not compete with Shanghai.

President.—Why have you omitted 1931-32?

Mr. Chinai.—Because only a negligible quantity came from Japan.

Mr. Batheja.—What is the reason for Japan neglecting the Indian market for the export of silk?

Mr. Karanjia.—They export piecegoods.

Mr. Batheja.—They prefer to send piecegoods.

Mr. Boag.—And thrown silk.

Mr. Karanjia.—Yes.

Mr. Batheja.—Has your business been affected in any way owing to the larger imports of Japanese silk piecegoods?

Mr. Karanjia.—We are the largest importers.

Mr. Batheja.—Mr. Chinai, you don't import silk piecegoods?

Mr. Chinai.—No.

Mr. Batheja.—You import only raw silk?

Mr. Chinai.—Yes.

Mr. Batheja.—Is there a tendency on the part of the business to suffer on account of the fact that more and more silk goods are coming into India and that the weaver is being hard hit?

Mr. Karanjia.—Yes. Those who are fond of swadeshi buy swadeshi. They are not suffering.

President.—Is there any other point which you wish to make?

Mr. Karanjia.—No.

MYSORE CHAMBER OF COMMERCE.

**Evidence of Mr. R. SUNDARAM IYER, Mr. NARAYANRAO NAIK,
Mr. F. L. SILVA, Mr. C. D. RAMACHANDRAN and Mr. F. M. .
ABDUL QUDDUS, representing the Mysore Chamber of
Commerce, recorded at Bangalore on Monday,
the 13th March, 1933.**

President.—Mr. Iyer, you are the Vice President of the Mysore Chamber of Commerce?

Mr. Iyer.—Yes.

President.—And the other gentlemen who are with you are members of the Chamber?

Mr. Iyer.—Yes.

President.—All of you represent the Mysore Chamber of Commerce before the Board?

Mr. Iyer.—Yes.

President.—When did this Chamber start working here?

Mr. Iyer.—15 to 16 years ago.

President.—How many members are there in the Association?

Mr. Iyer.—About 100 members.

President.—All of them representing different commercial interests?

Mr. Iyer.—Yes.

President.—What exactly is the constitution of the Chamber? How is it working?

Mr. Iyer.—Just working like any other Chamber in the whole of India. All classes are represented in it. Industrials are represented in it.

President.—Is Government represented on your Chamber?

Mr. Iyer.—We have Government officials also. The Director of Industries and Commerce, in Mysore, is a member. The Government Soap Factory is also a member. The Bhadravati Iron Works are also there.

President.—There is thus a little distinction between the Chambers in other places and this one?

Mr. Iyer.—Government is represented only as a merchant there, and has no other voice. The Government Soap Factory is working on commercial lines and the Superintendent of the Soap Factory is a member of Chamber. So is the Director of Industries and Commerce in Mysore a member of our Chamber. He represents so many trades and industries of the State. He wants to have an idea of what is being done in the Chamber—just to give Government support or advice.

President.—I would like to understand the position a little more clearly if I may. The Director of Industries and Commerce in Mysore is a member of your Chamber in his capacity as Director apart from representing either the Soap Factory or the Bhadravati Iron Works.

Mr. Iyer.—Yes.

President.—Then to that extent, your Chamber is certainly distinguished from other commercial organisations in India?

Mr. Iyer.—Yes.

President.—The second point is: is your Chamber at liberty to criticise the financial or commercial policy of Mysore Government?

Mr. Iyer.—We have been doing it.

President.—I take it that if the sericultural industry requires Government assistance, it is open to the Chamber's Committee to find fault with the Mysore Government when such financial assistance is not forthcoming?

Mr. Iyer.—Yes, we have been doing it.

President.—You sent a representation to the Government of India on the 26th August, 1932, asking for protection to the sericultural industry. Exactly when did you feel the need for protection to this industry?

Mr. Iyer.—We have been feeling it for the past four years and things have come to a climax and so we have approached the Government of India.

President.—Your opinion is that the need for protection was felt before 1932 or after 1932?

Mr. Iyer.—Even before 1932.

President.—But you did not make any representation to the Government of India?

Mr. Iyer.—The Chamber did not make any direct representation.

President.—Are you aware of the representation which the Mysore Government made to the Government of India in 1929?

Mr. Iyer.—We came to know of it latterly.

President.—At that time you were not aware that a representation was made by Government?

Mr. Iyer.—I could not say personally because I was not in touch then.

Mr. Silva.—That representation followed a representation made by the Chamber in 1926 to the Mysore Government.

President.—Did the Mysore Chamber of Commerce make a representation to the Mysore Government in 1926?

Mr. Silva.—Yes. Since then the question has been agitated constantly.

President.—It was more or less your representation that led the Mysore Government in its turn to represent to the Government of India?

Mr. Silva.—Partly that.

President.—I shall deal first of all with your replies to the questionnaire. You have divided, I find, the sericultural industry, into three parts—the rearing of silkworms, the reeling of cocoons and the marketing of silk.

Mr. Iyer.—Yes.

President.—What do you mean by throwing factories?

Mr. Naik.—Reeling factories.

President.—You mean filatures?

Mr. Naik.—Yes.

President.—When you talk of marketing silk yarn, you mean the Indian silk which is marketed?

Mr. Naik.—Yes.

President.—You have not dealt with throwing factories?

Mr. Naik.—Yes, to some extent with the imports of thrown silk and the existing throwing mills in Mysore State.

President.—You have told us that the total number of charkas in the State is about 4,000.

Mr. Naik.—Yes.

President.—You have stated that if they work for only 15 days in a month, they would produce 10 lakhs of lbs.

Mr. Naik.—12 lakhs of lbs. of raw silk in a year.

President.—Hence there is much competition amongst them for cocoons?

Mr. Naik.—Yes.

President.—Are there sufficient quantities of cocoons found in the State?

Mr. Naik.—There are. At times the cocoon crops fail and then there is very keen competition amongst reelers.

President.—The cocoons are in great demand owing to the reeling of so many pounds of silk.

Mr. Naik.—It depends upon the market of silk also. At times when the silk market goes up or when the demand for silk increases, the reelers run up to the rearers for the purchase of cocoons.

President.—The point that I wish to make is this. I take it that the 15 days working represents the depression period?

Mr. Naik.—It is usually stated that if 4,000 charkas work for 15 days, this will be the output.

President.—What is the position to-day then?

Mr. Naik.—To-day all the 4,000 charkas are not working for want of market. Some of the areas have now given up rearing worms owing to this depression which has set in for the last three or four years.

President.—I would like to know what the present position is. Can you tell me how many charkas are working?

Mr. Silva.—Reeling at present is at a minimum.

President.—I have seen the figures. You have pointed out that in 1931-32 you were only able to produce 367,440 lbs. of raw silk.

Mr. Silva.—That was the quantity exported.

President.—I want to know how you arrived at the conclusion that nearly 50 per cent. of the total production in India belongs to Mysore. You have stated here that out of the total production in India 50 per cent. of Indian raw silk is produced in your State.

Mr. Silva.—Normally we produce about 1 million lbs. of silk.

President.—That is 10 lakhs of pounds?

Mr. Silva.—Yes.

President.—I want to know what is the position to-day? Are you producing 10 lakhs of pounds of raw silk?

Mr. Silva.—Very much less—about 7 lakhs.

President.—In 1932-33, may I take it, the production was 7 lakhs of pounds?

Mr. Naik.—In 1931-32 the production was 741,000 lbs.

Mr. Silva.—It is given in the printed yellow book.

President.—You mean the Mysore Government's memorandum?

Mr. Silva.—Yes.

President.—In reply to question 24, you have said that the Mysore cocoon is smaller in size than the foreign one and that it is not easy to reel. How far does this defect show in the raw silk?

Mr. Naik.—It does not show in the raw silk at all. Only the length of the filament is less.

Mr. Silva.—In the first place the length of the filament is smaller and in the second place there is a greater proportion of floss on the outside of the cocoon which we take off in the form of waste. The foreign cocoon is not covered with so much floss. The true end is got at quicker.

President.—That is why the percentage of waste is more in Mysore?

Mr. Silva.—Yes. By foreign, we refer to China and Japan generally and not exactly Canton.

Mr. Boag.—By how much is the Mysore cocoon smaller? Have you any figures to measure the difference exactly?

Mr. Silva.—Government have measured exactly and they will give you the difference. For practical purposes I as a reeler consider that the foreign cocoon is twice as large as the Mysore cocoon. The exact length is given in our replies.

Mr. Batheja.—How does your cocoon compare with the Bengal cocoon?

Mr. Silva.—That is not so good as ours.

Mr. Batheja.—Is it also better as regards waste which you call floss?

Mr. Naik.—It is the same. The length is very much less; the strength is also less; the size is also smaller so far as Bengal is concerned.

Mr. Batheja.—You are talking of the indigenous Mysore race?

Mr. Naik.—Yes.

President.—I would like to discuss the question in a little more detail with regard to your reply to question 43. I find that you have been publishing the actual prices of the various qualities of Mysore silk and also the prices of Kollegal silk. Do they represent the selling prices in the market?

Mr. Naik.—They represent the bazar rates at Bangalore.

President.—What procedure does the Chamber adopt in order to secure these prices?

Mr. Iyer.—We collect statistics by sending a man to the bazar and asking him to interview the merchants and enquire at what prices they are selling.

President.—Do I take it that these prices represent the actual sales which have taken place?

Mr. Naik.—They represent the average market rates.

President.—On the day on which you publish them?

Mr. Iyer.—They represent the average prices during that week. This is a weekly bulletin.

President.—I take it that these prices roughly represent the average prices ruling for the week?

Mr. Iyer.—Yes.

President.—The price of Kempanahalli silk, it is stated, is Rs. 3-10-0 for 26½ tolas.

Mr. Iyer.—That is the standard weight for that quality.

President.—Will you give me the details of this Rs. 3-10-0? How much is represented by brokerage and how much by discount?

Mr. Naik.—The brokerage is one anna per seer. There is no discount.

Mr. Quddus.—They take 2 annas from the price of Rs. 3-10-0. The owner gets Rs. 3-8-0 for 26½ tolas.

President.—Who is the owner? I am now talking of merchants.

Mr. Quddus.—The silk is brought to a certain kotī which is the selling place.

President.—I should like to know the organisation. As you have put it at the very beginning, as soon as a small quantity of raw silk is ready, the reeler who is mostly a charka man comes to the market here from Kempanahalli. He goes to the kotī of silk merchant.

Mr. Naik.—He deposits his silk there and waits for the purchaser.

President.—He does not get the price immediately?

Mr. Naik.—No.

President.—The silk merchant when he sells one seer of raw silk at Rs. 3-10-0, takes 2 annas out of that as his own discount?

Mr. Quddus.—The kotī owner takes 2 annas out of Rs. 3-10-0 and he gives to the merchant Rs. 3-8-0.

President.—Is there another merchant who buys it? Does he buy it at Rs. 3-10-0?

Mr. Naik.—He has to pay one anna commission to the kotī man.

Mr. Quddus.—I shall explain briefly the position. The purchaser gets silk at Rs. 3-10-0. He pays that amount to the kotī man for one seer or 26½ tolas. The kotī man pays to the man who brought the silk for sale Rs. 3-8-0 out of Rs. 3-10-0.

President.—The man who purchases it for Rs. 3-10-0 purchases it in his capacity as a handloom weaver?

Mr. Quddus.—Yes.

President.—I would like to understand the prices of imported silk. What is the method here adopted?

Mr. Naik.—They sell outright.

Mr. Quddus.—Do you mean the imported Chinese or Japanese silk?

President.—I mean both

Mr. Quddus.—That is sold wholesale.

President.—These are retail prices of imported silk—I am now talking of all the silk?

Mr. Quddus.—Only Kempanahalli silk.

President.—Kempanahalli is only a place which I have selected as an example but surely there are other places in the State. They are all retail prices?

Mr. Quddus.—Yes.

President.—The price of imported silk sold in Bangalore, is it wholesale price?

Mr. Naik.—They get imported silk in Bangalore at wholesale rates and sell retail at their own prices.

President.—What are the prices generally?

Mr. Naik.—Now they sell at Rs. 4-10-0 per lb. of 40 tolas.

President.—Does not confusion arise owing to these different measurements and weights?

Mr. Naik.—1½ seers make a lb. So, they calculate this silk which is sold in Mysore on that basis. The Chinese silk is only sold on the basis of lbs.

President.—If the price of Kempanahalli silk is Rs. 3-10-0 per seer, the price of a corresponding quality of imported silk would be Rs. 4-10-0 per lb.

Mr. Naik.—It would be Rs. 5-7-0 per lb.

Mr. Iyer.—There is one thing which I want to correct. The brokerage is one anna and not 2 annas as mentioned by Mr. Quddus. So the reeler gets Rs. 3-9-0 and not Rs. 3-8-0. That is the custom here.

President.—You have mentioned various kinds of assistance which the Government of China are giving or have given to the silk industry or the sericultural industry in China.

Mr. Naik.—Yes, such as bounty.

President.—As regards this point, I would rather reserve it to be discussed with Mr. Silva who has sent us more or less two communications and who has asked us to ascertain it from the Chinese Government?

Mr. Silva.—From the consular authorities of China.

President.—Mr. Silva, you are going to appear before the Board in your capacity as a manufacturer and so it would be much better to discuss it then.

Mr. Silva.—Yes.

President.—The next point which I would like to understand is exchange. Your Chamber has dealt with this point in a very exhaustive manner and has sent us the various rates ruling from 1927 onwards. I can understand the question about the Japanese yen more clearly than the other two for the simple reason that I have been able to ascertain in my last enquiry—the cotton textile enquiry—as to what was the equivalent exchange of yen to a rupee when Japan was on the gold standard. We have been able to get the figure of 136·6 rupees which is equal to 100 yens. Now as regards China, it is a little more difficult because China is governed by silver and both the Hongkong dollar and the Shanghai tael are governed by the pre-

vailing price of silver in China. Will you be able to give me as approximately as possible, if not correctly—because I think to get a correct figure is rather difficult—as to what you would regard as the normal exchange for both these places?

Mr. Naik.—For years together the normal rate of Hongkong dollar was Rs. 130 to Rs. 135 for 100 dollars and Rs. 170 for 100 taels.

President.—That is Shanghai?

Mr. Naik.—Yes.

President.—Have you read the recent announcement in the “Times of India” that the Government of China are thinking of abolishing the tael?

Mr. Iyer.—No.

President.—You are not aware of any change in the currency that has taken place or is about to take place?

Mr. Silva.—Nothing has been announced.

President.—I read it in the “Times of India” about a fortnight back?

Mr. Silva.—I too saw it.

President.—I read that from the 1st of March they were thinking of changing the tael to a dollar currency because that currency I understand is connected with the Hongkong dollar.

Mr. Silva.—You the Hongkong dollar?

President.—May I take these figures as the normal exchange prevailing with regard to the price of silver?

Mr. Silva.—Yes.

Mr. Boag.—In what years were they normal? Can you name the years? What period of years are you referring to?

Mr. Silva.—1927-28.

Mr. Batheja.—What makes you think that they are normal years?

Mr. Naik.—In war time the exchange was abnormal and so it was during the years immediately after the war.

Mr. Batheja.—Why not 1920-21 or 1921-22.

Mr. Naik.—The effect of the war was felt in those years. Further the price of silk was also very high in 1921 and 1922 and even up to 1923.

President.—The next point I would like to discuss is your reply to question 55. In this you have emphasised the question about the method of levying a revenue duty on raw silk? Has your Chamber at any time made a representation to the Government of India on this subject?

Mr. Iyer.—Not before. We have represented to the Mysore Government. We have never approached the Government of India directly.

President.—You are aware that tariff values are fixed by the Director General of Commercial Intelligence and Statistics, who is under the Government of India. Do I understand that even on your representation the Mysore Government did not write to the Government of India?

Mr. Iyer.—We know that the Mysore Government represented to the Government of India.

Mr. Silva.—They did.

President.—I understand Mr. Silva that you have done it and I shall discuss it with you later on. I am now talking to the representatives of the Chamber?

Mr. Silva.—The Chamber brought the matter to the notice of the Mysore Government. The Mysore Government did represent the matter to the Agricultural Commission and pointed out that the duty levied according to the procedure then in force worked out to very much less than it ought to be.

President.—Would it solve all your difficulties if the fixed tariff valuation were abolished and the duty levied on imports according to their correct invoice value.

Mr. Silva.—To some extent.

President.—I want to understand this point. The question about *ad valorem* or specific duty or whether protection should be granted is not at present under discussion. The only point under discussion is this. If the present system of charging the revenue duty on the fixed tariff valuation basis is leading to the hardship of the industry, I want to know from the Chamber, if this fixed tariff valuation were abolished, and the duty levied as in the case of other commodities on the correct invoice value, whether it would solve your difficulties on this account?

Mr. Silva.—It would solve our difficulties to this extent that the duty would then be levied on a truer valuation.

President.—That is to say, as far as your complaint on this score is concerned, it would disappear?

Mr. Silva.—Yes.

President.—And you would not object to the system by which the duty, protective or revenue, would be charged on the correct invoice value?

Mr. Silva.—No.

President.—The next question of importance is protection. There are two issues with regard to protection. I think that it would be better if your Chamber could give the Board a clear idea as to what exactly your proposals are in this connection. I find that you have sent a representation to the Government of India urging that the silk industry also should be referred to the Tariff Board. As regards the present enquiry into the sericultural industry, it appears that you feel that it is not a comprehensive enquiry?

Mr. Silva.—Quite so.

President.—Only a copy of the letter has been sent to us and I would like to know whether you have received any reply from the Government of India to your representation in this connection.

Mr. Iyer.—Beyond saying that they have referred the question to the Tariff Board, they have not sent us any other reply.

Mr. Boag.—Is that in reply to your letter?

President.—This is the letter (shown). They have simply passed it on to us without expressing any opinion.

Mr. Iyer.—We presumed that they must have instructed the Tariff Board.

President.—This was after the resolution ordering the enquiry was published. This is dated the 26th December, 1932. However, let me understand the point of view of the Chamber. As far as the Board is concerned, the terms of reference at present are that they should investigate the question about the Indian raw silk and that if after investigation they find that the Indian raw silk industry deserves protection, then to the extent to which the prices of silk goods will be increased, the Board will be at liberty to recommend a correlative duty on the manufactured articles, that is silk goods and mixtures, because the cost of production of silk goods and mixtures will be increased by the duty on Indian raw silk. Will that satisfy the Chamber?

Mr. Iyer.—Yes.

President.—To that extent I think the Chamber's point of view is met.

Mr. Iyer.—The weaving industry also has to be protected.

President.—The way I have put it does cover the point of view which your Chamber represents to the Board.

Mr. Iyer.—We could not catch you.

President.—If after investigation the Board finds that the Indian Sericultural industry deserves protection—after protecting the Indian raw silk, the cost of production of Indian silk goods which are made out of Indian raw silk will go up because the price of Indian raw silk will automatically be increased by the grant of protection—if the Board protects the Indian silk goods to the extent to which their price will be increased as a result of protection granted to the Indian raw silk, then it will satisfy the Mysore Chamber?

Mr. Naik.—It won't because the Indian goods will not be in a position to compete with the foreign fabrics which are coming into India ready made. We are getting foreign silk fabrics also.

President.—Are you aware that in the budget of 1933-34 Government have increased the duties on silk goods and mixtures?

Mr. Iyer.—Yes.

President.—What is your opinion about those duties?

Mr. Iyer.—They are not adequate.

President.—I understand that a specific duty of 4 annas or 50 per cent. *ad valorem* has been put not only on silk goods but also on artificial silk goods.

Mr. Silva.—Only on silk mixtures.

President.—The proposal as I understand it is as follows. On silk goods and artificial silk goods the new duty is 4 annas per yard or 50 per cent. *ad valorem* and as far as silk and artificial silk mixtures are concerned it is 2 annas 3 pies per yard or an *ad valorem* duty of 35 per cent. We have been informed that these new duties have come into force from the 1st of March.

Mr. Iyer.—Yes.

President.—I wonder whether you have given any thought to these new duties and if so whether you think that the increase in the duties will satisfy your demand for protecting the silk goods industry. Will you send me a considered note on the subject on behalf of your Chamber after going into the matter fully?

Mr. Iyer.—Yes.

President.—As far as the protective duties are concerned, you want a specific duty of Rs. 3-8-0 per lb. on hand reeled and Rs. 4-8-0 per lb. on filature silk.

Mr. Silva.—Yes.

President.—It is very difficult to administer two kinds of silk duties when you are abolishing the fixed tariff values. The present distinction in the fixed tariff values is not on the basis of hand reeled as against filature silk which you have proposed but it is with regard to colour and place of shipment. It is either white or yellow Shanghai or white other kinds or yellow other kinds which are the kinds of articles which are competing with Indian raw silk. Therefore your duty I take it should be on an average Rs. 4 per lb.

Mr. Silva.—I would very much press the point that a distinction should be made between hand reeled and filature silk.

President.—If you are going to abolish the fixed tariff values who is going to make the distinction?

Mr. Silva.—The Customs can easily make it.

President.—It will be difficult to work on the administrative lines.

Mr. Silva.—It can be done from the look of the silk itself?

President.—I think that it will be a very difficult proposition. Of course the Board will consider the question. Personally I think that it will lead to a good deal of work on the part of the Customs Department. You can have fixed tariff values with the kind of distinction suggested by you and it is a matter which requires consideration, but as the Chamber has ex-

pressed the opinion that they would welcome the abolition of the fixed tariff values and would press the point that the duty should be fixed or levied on the actual invoice value, to my mind it appears to be a difficult proposition at that stage for the Customs Department to distinguish between charka silk and filature silk.

Mr. Silva.—I take it that if the duty is to be a specific duty it would not matter much whether it was levied according to the invoice value or otherwise. If it is a specific duty on a particular class of goods, it is levied irrespective of its value.

President.—But you are asking me to distinguish the qualities of silk?

Mr. Silva.—Because we get two kinds of silk and two qualities of goods.

President.—If the appraiser in the Customs Department takes the invoice, will he be able to distinguish whether it is a charka silk or a filature silk?

Mr. Silva.—Yes, from the invoice partly by reason of price and partly by reason of the description that is given. For instance, filature silk or re-reeled silk is described in the invoice as Shanghai filature or Minchow filature or whatever it is.

President.—My point is this. Suppose, in order to avoid the duty, the particular filature is not mentioned, then what happens?

Mr. Silva.—In such a case he is in a position to verify from the bundles of silk.

President.—Personally I am of opinion that giving too much discretionary powers might lead to various kinds of complaints. If the Board is giving protection, it must see that not only protection is given but also that the protection that is given is maintained. I am not able to see how it can be worked unless the Chamber as a body—I understand you are at present speaking on behalf of the Chamber—is prepared to give me a considered note on this subject as well showing how the Customs authorities will be able to administer it without the slightest difficulty and whether protection would thereby be given as it was intended by the Board and accepted by the legislature?

Mr. Silva.—We shall give a considered note on the subject. At present the Customs Department is able to distinguish in the case of piecegoods and various other kinds of commodities.

President.—From the invoice value?

Mr. Silva.—From the goods themselves. The goods are liable to be examined by the appraisers. They don't levy the duty on the strength of the invoice but on the basis of inspection. They are expected to inspect the goods also.

President.—After all, the discretion will lie with the Customs Department.

Mr. Silva.—It is not a question of discretion. It is a question of ordinary care. Every bundle is accompanied by a label showing the name of the manufacturer, the filature, the quality and that sort of thing. These labels clearly specify the article, whether it is re-reeled silk or not. In such a case there should be no difficulty in distinguishing it from another bundle.

President.—You had better give us a considered note on the subject?

Mr. Silva.—Yes.

President.—You have emphasised whilst dealing with the silk weaving industry the question of artificial silk goods and artificial silk yarn. Are you in a position to tell me to what extent artificial goods or artificial silk yarn has taken the place of real silk?

Mr. Ramachandran.—At one time, it took the place of real silk to a great extent. Now it has been gradually coming down.

President.—Is it the Chamber's opinion that they do not consider artificial silk as a rival to the real silk?

Mr. Naik.—Not directly.

President.—I would like to understand the Chamber's point of view. You don't think that artificial silk yarn is a competitor to real silk?

Mr. Naik.—Not to any extent.

President.—It would be better if one representative were to speak on behalf of the Chamber I must get some clear idea of the opinion of the Chamber. You gentlemen are all representing the Chamber. If you speak one by one, it would enable me to get at the opinion of the Chamber as a body. Will you tell me whether it is the opinion of the Mysore Chamber of Commerce that the artificial silk yarn is no competitor to real silk and that you are not in any way hindered by the artificial silk yarn which is now coming into India?

Mr. Silva.—Our silk consists of two parts. One is raw silk and the other, the waste which is the by-product of raw silk.

President.—This waste is all exported out of India?

Mr. Silva.—The waste is converted into spun silk. The artificial silk competes very seriously with the spun silk.

President.—You are getting away from the point. I am not speaking of spun silk at all. Spun silk is not manufactured in India. As a matter of fact it is one of the important points for consideration that you are sending waste silk outside and getting it back manufactured in the shape of spun silk.

Mr. Silva.—What I mean to say is this. The price of waste has fallen. Therefore we lose in the silk industry.

President.—Then the competitor to the real silk is spun silk?

Mr. Silva.—Artificial silk yarn has taken the place of spun silk and therefore it competes with the spun silk taken together with the raw silk.

President.—I am afraid I am not able to follow this discussion.

Mr. Silva.—I am sorry that I have not made myself clear. Since the introduction of artificial silk the price of waste silk has fallen very considerably. Therefore artificial silk has replaced spun silk. Now since the price of waste has fallen considerably, it has affected the raw silk industry.

President.—I asked you a different question. What I want to know is whether the artificial silk yarn has taken the place of real silk and if so to what extent?

Mr. Silva.—It does not compete directly.

President.—You are not in any way affected by the large imports into India of artificial silk yarn?

Mr. Silva.—Not directly.

President.—What kind of indirect competition, Mr. Silva, are you thinking of? The indirect competition which you are saying is no indirect competition at all. I am now concentrating on the question of protecting the raw silk. I am not concerned with the protection of spun silk. The indirect disadvantage which you speak of is a far fetched idea, namely the artificial silk which is an imported article taking the place of spun silk because the price of the latter has fallen.

Mr. Silva.—I am referring to our waste.

President.—Is it not a fact that all the waste that is produced in India is exported?

Mr. Silva.—Yes.

President.—Out of that waste you get spun silk?

Mr. Silva.—Yes.

President.—That spun silk comes into India?

Mr. Silva.—Yes.

President.—That spun silk is competing with your raw silk?

Mr. Silva.—Artificial silk has taken the place of waste silk. Therefore the sale of waste has diminished considerably.

President.—The point about the price of waste having fallen is quite separate. Your charkha waste is about 50 per cent. of the quantity of silk that you are producing. I am talking of the replacement of real silk by another class of goods with regard to the price factor or with regard to the quality factor. These are the two considerations. You have been using a certain quantity of raw silk. You say that the raw silk industry is suffering for want of demand. Now I want to know whether the demand has been decreased or whether the demand is met by the substitution of another quality?

Mr. Naik.—I shall explain the point. The raw silk industry is not much affected by the artificial silk. Formerly, that was the case, but the competition of artificial silk yarn has subsided now. At present competition to some extent arises from spun silk yarn which also comes from foreign countries. They sell spun silk as swadeshi silk. Now in India they are selling fabrics made out of spun silk as swadeshi silk fabrics. That has hindered the use of raw silk to some extent.

President.—Are you using spun silk for warp as well as for weft?

Mr. Naik.—Yes.

President.—For what kinds of goods are they used?

Mr. Naik.—Shirtings, suitings and also saris. It is now mostly a competition of spun silk yarn and not artificial silk yarn.

President.—Your opinion is that the spun silk yarn has taken the place of real silk?

Mr. Naik.—Real silk is to some extent used.

President.—I think that it would be better you could send us a considered note on the subject.

Mr. Iyer.—Yes.

President.—The point which I was asking you at the beginning is what has been mentioned by you in reply to question 59. The cost of raw silk is about 40 per cent. of the cost of the finished product.

Mr. Iyer.—Yes.

Mr. Boag.—Could you state what the relations are between your Chamber and the Silk Association?

Mr. Iyer.—They are also members of the Chamber.

Mr. Boag.—And the Raw Silk Merchants Association?

Mr. Iyer.—They are not members.

Mr. Boag.—Now it has been suggested to us that the depressed state of the sericultural industry is in an appreciable manner due to the failure of the industry to adopt adequate measures for the marketing of its goods. We have been told that although weavers were anxious to use Indian silk, they had no means of finding out whether the qualities of silk that they wanted were available. They had no means of judging the relative merits of the Indian silk which was put on the market. I should like to know whether your Chamber has had any complaints of this nature to deal with and if so what opinion you have formed on the subject?

Mr. Naik.—The point has come only in regard to price—not at all in regard to quality. Our reeled silk is sold and is used in all parts of Southern India.

Mr. Boag.—How is it described? Is any attempt made to grade it or to see that the Indian silk keeps to certain standards?

Mr. Naik.—As regards hand reeled silk, there are some grades. The fact is that it is made of all sizes.

Mr. Boag.—How many grades?

Mr. Naik.—It depends upon sizes. There are I think five or six sizes for use as warp and weft.

Mr. Boag.—What guarantee is there that a silk which is described as being of a certain size is throughout of uniform size?

Mr. Naik.—For our handloom industry it is quite suitable.

Mr. Boag.—What guarantee is there?

Mr. Naik.—There is no guarantee.

Mr. Boag.—As a matter of fact, is the silk uniform in size?

Mr. Naik.—To some extent it is.

Mr. Boag.—"To some extent" means that to some extent it is not. Does not the Chamber consider that this failure to grade silk and to describe it and to see that it does in fact comply with the description given injures the sericultural industry?

Mr. Naik.—For some time past the industry is being organised by the introduction of domestic basins and filatures. The silk that is produced now is more uniform and is suitable even to power looms.

Mr. Boag.—What percentage of the production of the Mysore State is produced from domestic basins?

Mr. Naik.—Nearly 70,000 lbs.

Mr. Boag.—What is the percentage?

Mr. Naik.—30 per cent. is produced by both filature and domestic basins.

Mr. Boag.—What is the total production of the Mysore State?

Mr. Naik.—700,000 lbs.

Mr. Boag.—How much is produced from domestic basins?

Mr. Naik.—70,000 lbs.

Mr. Boag.—That is one-tenth?

Mr. Naik.—Yes.

Mr. Boag.—You argue that because one-tenth of the production is produced in a way which ensures a certain amount of uniformity, it is sufficient to clear you of the charge?

Mr. Naik.—We are on the way to improving the silk.

Mr. Boag.—Another complaint of the same sort has been made, viz., there is no uniformity throughout the country in the unit of weight adopted in the sale of raw silk and that is another handicap to the sericultural industry. Has that been brought to the notice of your Chamber?

Mr. Iyer.—That has been brought to the notice of the Government.

Mr. Boag.—What action has been taken?

Mr. Naik.—They are going to adopt one measure.

Mr. Boag.—Have you made any recommendations on the subject?

Mr. Naik.—Yes. We have made a representation to the Government for fixing a general standard weight for silk.

Mr. Boag.—Is that for the Mysore State alone or is that going to bring the Mysore standards into line with the rest of India?

Mr. Naik.—Mysore State for the present.

Mr. Iyer.—If afterwards we find that the Government of India are having a standard weight, we will follow that.

Mr. Boag.—In your answer to question 37, you are using a term with which I am not familiar. You say "In India raw silk is used for weaving and for the manufacture of gold thread and 'Nakhi'". What is Nakhi?

Mr. Naik.—It is used for borders of saris in Northern India in places like Sind, Ajmer, Jodhpur, Delhi, etc.

Mr. Boag.—Does it mean the border of sari?

Mr. Naik.—It is a separate thing which is stitched on to the borders of saris?

Mr. Iyer.—We will get you some samples and show them to you.

Mr. Boag.—From where do you get those figures that you have given in answer to question 38. You say that the total Indian demand is esti-

mated at 4 million lbs. a year and the Indian production of raw silk at 2 million lbs. What is the source of that information?

Mr. Naik.—Collected from the Department and from the Seaborne Trade Statistics.

Mr. Boag.—The Sea-borne trade gives you the imports, but it does not give the figure of consumption in India.

Mr. Naik.—The Department of Sericulture gives the Mysore production. As regards Kashmir we have got figures from the Kashmir Government and the Bengal production is estimated by local merchants from whom we have got the figures.

Mr. Boag.—I ask this question because I notice in your answer to the next question you say that it is not possible to collect statistics of the quantity of raw silk produced in Mysore.

Mr. Naik.—Not exactly that. We have to depend upon figures collected by the Department. They have exhaustive information.

Mr. Boag.—It means that it is not possible for you to collect statistics?

Mr. Naik.—It is not possible for the Chamber to collect statistics independently of the Government.

Mr. Boag.—I should like to advert for a minute to the question of exchange. I looked through these figures and I notice that the fall in the price of raw silk does not show any regular connection with the fall in exchange. Take for example your figures for January 1932. The Shanghai exchange fell as compared with October by 14 per cent. The Hongkong exchange went up by 15 per cent. from 85 to 98 but the price of silk in the same period fell from Rs. 7.6 to Rs. 6.6. Are you trying to establish by these figures that the prices of raw silk follow the decline in exchange?

Mr. Naik.—Not merely exchange. This is one of the causes for the fall in the price.

Mr. Boag.—How do you account for the fact that although at certain periods there has been a rise in the exchange, yet in the same period the price of silk has fallen?

Mr. Naik.—The demand has been less from India due to some reason.

Mr. Batheja.—Is the statement merely made on the basis of conjecture—the statement that apart from the exchange there are other factors which account for the fall in the price? I want to know whether it is based upon conjecture or upon facts?

Mr. Naik.—Upon facts.

Mr. Batheja.—Can you give us an instance to show that it is based on facts?

Mr. Naik.—In November 1932 there was a demand from America for Canton silk and the price went up there, I mean in China. They could not supply to India though the exchange was favourable.

Mr. Boag.—In that quarter—November 1932—the price of raw silk shows an increase which is almost exactly the same as the rise in exchange. You are speaking of November 1932. You have given us quotations for that quarter and there is an almost exact correspondence between the rise in exchange and the rise in the price of silk?

Mr. Naik.—It was a sudden rise and a sudden fall. The price had gone up to Rs. 9.8 per seer and then suddenly it came down by one rupee within a period of 20 days, because they were not sure of American prices.

President.—Your point is that exchange plays a very prominent part in the decline of price but it need not be the only factor.

Mr. Iyer.—Yes.

Mr. Boag.—In answer to the President you gave some information regarding your complaints against tariff classification of raw silk. I see you also criticise the classification of silk yarn or rather the inclusion of thrown silk under the head of silk yarn. What exactly is your point?

Mr. Naik.—Because thrown silk has a further cost added on to it for throwing, and the yarn now is passed off under the same name as silk.

Mr. Boag.—The additional process which is applied to thrown silk is surely represented in the higher price of thrown silk?

Mr. Naik.—It comes under "Silk Yarn, Noils and Warps and Silk Threads". There is no special heading for thrown silk.

Mr. Boag.—Why should there be? Why do you think that there should be?

Mr. Naik.—Because the silk is of the highest grade. The thrown silk imported into India is the finest quality.

Mr. Boag.—Is not that superiority represented in price?

Mr. Naik.—It is.

Mr. Boag.—Then the duty is applied to that higher price and it pays more duty.

Mr. Naik.—It does not. If it paid, we had no grievance.

Mr. Boag.—Surely the duty on silk yarn is an *ad valorem* duty. There is no tariff valuation of silk yarn and the duty is applied to the price at which the thrown silk or the spun silk or other kinds of silk yarn are imported. I don't see that there is any hardship there?

Mr. Silva.—It is liable to be confused with spun silk.

Mr. Boag.—Do you mean to say that it is likely to be wrongly described?

Mr. Silva.—There is a risk of its being wrongly described.

Mr. Naik.—It is not shown as thrown silk.

President.—The point that is of importance in that connection is whether the Customs Department is or is not able at present to distinguish between the thrown silk and spun silk.

Mr. Silva.—They are quite able.

President.—My colleague's point is this. The duty is *ad valorem* and is not charged on the basis of tariff valuation. If the price of thrown silk is higher than that of spun silk and if the Customs Department can distinguish the thrown silk from spun silk and if the revenue duty is charged on the invoice price, there can be no complaint.

Mr. Silva.—That is quite correct. What we say is that it is liable to be passed or at all events to be passed off for another quality.

Mr. Boag.—Have you any foundation for that fear?

Mr. Silva.—I was once present at the Calcutta Custom House when a consignment of thrown silk was received. That very day I had seen Dr. Meek and represented the matter. I found at the Custom House that a consignment of thrown silk from Japan was about to be charged a duty on the basis of spun silk. I brought the matter to the notice of the authorities and it was rectified.

Mr. Boag.—It was not charged on the basis of invoice value?

Mr. Silva.—It ought to have been charged on the invoice value whether in this case the invoice was wrongly shown or not. I cannot say.

Mr. Boag.—Was that the only instance?

Mr. Silva.—That was the only instance which had come to my personal knowledge.

Mr. Boag.—Have you heard of any other?

Mr. Silva.—No.

Mr. Boag.—I am not quite clear why you suggest different rates of specific duty for hand reeled silk and for filature silk. As far as I am able to examine the prices of the various qualities of imported silk, it seems to me that the difference between the price at which filature silk is produced in India and the prices of the qualities of imported silk which compete with the Indian filature silk is not so great as the difference between the prices of cheaper qualities of imported silk which compete with the Indian hand reeled silk and the price at which Indian hand reeled silk is

produced. I should be glad if you could enlighten me on that point. What do you consider the quality of silk which competes mainly with your filature silk?

Mr. Silva.—The filature silk of China.

Mr. Boag.—At what price is it sold to-day?

Mr. Silva.—Rs. 4-10 per lb.

Mr. Boag.—Does it compete with the silk which you produce at Rs. 8-4?

Mr. Silva.—Yes.

Mr. Boag.—What is the price of the hand reeled silk?

Mr. Silva.—Here it is Rs. 6 a lb.

Mr. Boag.—What is the price of the main quality which competes with that?

Mr. Silva.—Rs. 2-6 to 3-8.

Mr. Boag.—The average is Rs. 3.

Mr. Silva.—Yes.

Mr. Boag.—You claim that there is more difference in the case of the filature silk than in the case of hand reeled silk?

Mr. Silva.—Yes.

Mr. Boag.—The last point that I should like to clear up is this. At the end of your answer to question 58, you mention certain qualities of silk goods which come into competition with those manufactured in India such as crepes, georgettes, satins, taffetas and unprinted silks. I want to know what are the other classes of silk which do not come into competition with Indian silk. You say that in other cases the duty may be a little lower. What are those other cases?

Mr. Silva.—May I have a copy of the Tariff Schedule? (copy handed to Mr. Silva).

Mr. Boag.—The classes enumerated by you cover practically the whole, I should say, of the imports of silk goods. What is left out?

Mr. Silva.—There are a large number of items (shown) like Paj, Fugi, Boseki, fancies, embroidered, etc.

Mr. Boag.—We want to know what quantities of these are imported and what are the qualities of goods.

Mr. Silva.—Printed silk comes in very largely. We mean fancies, dress materials and things like that.

Mr. Boag.—All these do not come into competition with you?

Mr. Silva.—No.

Mr. Boag.—They are grouped in one class?

Mr. Silva.—All the goods enumerated do not come into competition. Paj does not come into competition. Fugi and Boseki do not come into competition. Twill (all kinds) also does not come into competition.

President.—Has the Chamber given any consideration to the details that you are mentioning?

Mr. Silva.—They have.

President.—When you say that the duty in other cases may be a little lower, I take it that you say so because the main production of Mysore State is confined to the goods which you have described in detail. Therefore you are seriously concerned with the goods which you have described and on which you have asked for a protective duty?

Mr. Iyer.—We are particularly stressing the point because it is necessary to increase the duties on all silk goods. We say that only in those cases in which there is direct competition more or less with the silk goods manufactured in India, the duty should be a little higher than in the other cases.

President.—That is exactly the point which I want to understand. I want to know whether the Chamber is of opinion that only those goods which are manufactured mostly in the Mysore State should be protected because they have taken seriously into consideration the cost of those goods

or whether they will be prepared to make a general statement that the following kinds of goods should be protected in this way and the other goods in that way. I don't personally think, as the question lies, that the Chamber has seriously considered that question. I would like you to be very careful because any opinion coming from the Chamber will require the serious consideration of the Board and therefore if you are going to tell me the different qualities which require a lower duty, with regard to the finished materials, they must be stated very clearly. There is a distinction made which my colleague wants to clear it up. If the Chamber has not considered the question

Mr. Iyer.—The Chamber has really considered this point. The Committee appointed by the Chamber went into the question seriously.

President.—I am again in the same difficulty because two of your colleagues do not corroborate the statement. As I have repeatedly pointed out it is much better in the interests of the Mysore Chamber of Commerce that there should be one representative spokesman who should be supported by others in case more information is needed by the Board.

Mr. Batheja.—As regards the figure which you have given in reply to question 2, viz., 4,000 charkas in the State, has this also been arrived at on the basis of the reports of the Department or is it based on an independent enquiry?

Mr. Iyer.—That is also obtained from the Department.

Mr. Batheja.—You have no separate agency for collecting information on that point?

Mr. Iyer.—No.

Mr. Batheja.—In reply to question 24, the Chamber has expressed the belief that filatures in India are under no disadvantage as compared with their foreign competitors. Are you speaking of Mysore filatures or are you speaking of filatures throughout India?

Mr. Iyer.—Throughout India.

Mr. Batheja.—What is your experience of filatures outside Mysore?

Mr. Iyer.—The Kashmir filature silk is appreciated very much.

Mr. Batheja.—Have you examined the working of the filature? The silk may be good but the organisation may not be satisfactory?

Mr. Iyer.—We have no direct knowledge.

Mr. Batheja.—Have you got any knowledge of the working of Bengal filatures?

Mr. Naik.—I visited the filatures there when they were working and some of the Muhammadans are working a few filatures there.

Mr. Batheja.—Are they satisfactory as compared with foreign filatures?

Mr. Naik.—I have used their silk and the quality is satisfactory.

Mr. Batheja.—You are giving me an idea of the quality. Have you any idea of the working?

Mr. Naik.—They are working profitably so far as my information goes.

Mr. Batheja.—Have you any recent information on the subject?

Mr. Naik.—No.

Mr. Batheja.—Are you aware that most of them have closed down?

Mr. Naik.—We are getting silk from some of the filatures.

Mr. Batheja.—Have you any idea of the cost of labour in Bengal filatures?

Mr. Naik.—I have not gone into that.

Mr. Batheja.—Have you any idea of the cost of supervision and management of the Bengal filature?

Mr. Naik.—I haven't.

Mr. Batheja.—Have you any general rough idea?

Mr. Naik.—No.

Mr. Batheja.—Have you any idea of their selling expenses?

Mr. Naik.—You mean silk prices.

Mr. Batheja.—If I take you item by item through these various elements of cost you will see that you do not know anything about Bengal filatures.

Mr. Naik.—I had reports when I was there. I had a discussion with the people there.

Mr. Batheja.—Can you give me similar information about Kashmir filatures?

Mr. Naik.—No.

Mr. Batheja.—That means your experience is confined to Mysore filatures?

Mr. Naik.—Yes.

Mr. Batheja.—How many filatures are there?

Mr. Naik.—In Mysore, two.

Mr. Batheja.—Can you make a general statement which is justifiable on your experience of the working of two filatures in the whole of India?

Mr. Naik.—No.

Mr. Batheja.—In reply to question 39, you have given figures showing the decline in the export of Mysore silk and then you draw the conclusion that the decline is due to foreign competition. Is it not possible to argue that it is due to a decline in the general demand?

Mr. Naik.—The imports of raw silk from foreign countries and the consumption in those areas of foreign silk do not show any decline in the general demand.

Mr. Batheja.—That is to say, the total demand in India remains the same?

Mr. Naik.—Yes.

Mr. Batheja.—What are your figures for the same? How do you know that?

Mr. Naik.—We have received reports from Bombay. The recent imports also show that they are the same as those of previous years.

Mr. Batheja.—Is not this phenomenon capable of explanation in this way that on account of world depression the prices of silk are regarded as too high by the purchaser. The purchasing power has gone down and therefore there is a diminution of demand. Consequently your export has gone down.

Mr. Naik.—There are some articles which are exclusively used in India.

Mr. Batheja.—Is it possible to explain these figures on the basis of the hypothesis which I have put before you.

Mr. Naik.—Prices may be explained in that way but the quantity remains the same.

Mr. Batheja.—Or is this decline of Mysore silk export due to the fact that there is a change of fashion and that people now demand qualities of silk which Mysore is not able to supply?

Mr. Naik.—That is not the case. From my experience I can say that there is demand for Mysore silk. We are introducing new fashions of silk and therefore we know there is demand for Mysore silk even now. There is a general tendency to use swadeshi silk.

Mr. Batheja.—Is it possible that the Mysore silk is of superior quality? You admit that the Mysore silk is of superior quality and therefore fetches a higher price while the present demand is for inferior quality?

Mr. Naik.—There are some classes of people

Mr. Batheja.—Can you not answer my question?

Mr. Naik.—May I know your question?

Mr. Batheja.—Is it possible that the demand in the markets where the Mysore silk used to find its way has changed in character so much that

instead of demanding the superior and expensive quality of Mysore silk they want the inferior quality which is cheaper?

Mr. Naik.—No.

Mr. Batheja.—Do you think that the demand remains the same?

Mr. Naik.—Yes.

Mr. Batheja.—Why do they not buy your silk?

Mr. Naik.—When prices are compared, the foreign yarn used material is sold cheaper.

Mr. Batheja.—Quality for quality, is it the same thing?

Mr. Naik.—To some extent, but a closer study will show that in point of lustre and durability it is different.

Mr. Batheja.—Then the quality is not the same?

Mr. Naik.—Our quality is superior in lustre.

Mr. Batheja.—If your quality is superior in point of lustre, strength and durability, the quality of the competing article is not the same?

Mr. Naik.—The price question comes in the way. If the difference comes to 40 or 50 per cent, people will be naturally inclined to go in for the cheaper thing.

Mr. Batheja.—If the quality of the imported article is not the same as yours then you are not talking of the same things. There must be different prices for different things.

Mr. Naik.—There is not so much of difference.

Mr. Batheja.—Which is the chief variety of foreign silk which is imported into Mysore?

Mr. Naik.—Canton filature.

Mr. Batheja.—Is it steam filature?

Mr. Naik.—Yes.

Mr. Batheja.—Are you sure that it is not something like Bengal steam filature?

Mr. Naik.—I have seen it myself.

Mr. Batheja.—We have heard that Bengal steam filature is nothing but a collection of hand charkas?

Mr. Silva.—Yes, that is our information.

Mr. Naik.—Formerly they had a rose filature. I have seen that silk which was exported to foreign countries.

Mr. Batheja.—Reading a book on the Silk Industry in South China, I came across a statement—"There are certain so-called steam filatures in China which are worked by footpower and in some cases are worked by hand power. The output of these steam filatures is exported to India because it is very cheap and India readily buys a cheap commodity". When you talk of Canton steam filature, are you talking of a technically efficient filature or a filature something like the Bengal filature or of the filature which I have just described?

Mr. Silva.—We are really talking of efficient filatures. We know from the description given on any parcel of silk that the name of the filature is mentioned. We have reference books which show where that particular filature is, how many basins it has got and so on.

Mr. Batheja.—Whether it is worked by efficient methods?

Mr. Silva.—A considerable number of them are worked by modern methods.

Mr. Batheja.—It is only a presumption. You have no definite knowledge that the Canton steam filature silk is not produced on primitive appliances.

Mr. Naik.—We have no definite information. But there are gentlemen in the Department who will be able to give you information on that point.

Mr. Batheja.—Then I need not trouble you about that. In reply to question 47, you say "In the past, Mysore silk found a ready market at a

price of about one rupee per lb. higher than that of imported silk". Is there any reason why this difference should not prevail if the quality remains the same during a period of depression?

Mr. Naik.—The prices of silk without rhyme or reason have gone down to a very great extent.

Mr. Batheja.—Do you maintain as a member of the Chamber of Commerce that prices go down without rhyme or reason?

Mr. Naik.—I am referring to the change in the price of Canton filature silk of a particular quality.

Mr. Batheja.—There must be some reason for the prices going up and down.

Mr. Naik.—It was Rs. 22 when our silk was Rs. 10 or 11 per lb.

Mr. Batheja.—"The weaver may acquire a new taste and may not pay the difference in price for the Mysore silk": that is what you say. I don't understand that argument. Will you kindly explain it further?

Mr. Naik.—For the sake of certain weaving facilities, if they take to certain qualities of foreign silk which are reputed to possess them, it will be difficult.

Mr. Batheja.—There are certain definite reasons for his preference. There are some differences of quality.

Mr. Naik.—Yes.

Mr. Ramachandran.—In the preparatory processes before weaving, the foreign silks are easier to deal with.

Mr. Batheja.—There is a reason for the weavers' preference.

Mr. Naik.—Yes.

Mr. Batheja.—If Mysore silk can show better qualities than the Canton steam filature silk, is there any reason why the difference should not be maintained for ever?

Mr. Ramachandran.—The price of our silk is stationary.

Mr. Batheja.—There may not be a difference of one rupee. The difference might be smaller.

Mr. Naik.—The Canton Steam filature silk is much less than the hand reeled silk. So, we say that it is abnormally low.

Mr. Batheja.—Again you say that the imported silk is cleaner than the Mysore silk and therefore winds much better. Is this defect remediable? Is it within the means of the industry to remedy this defect? Can this defect be remedied by any means open to the cottage industry?

Mr. Naik.—It can be remedied.

Mr. Batheja.—How?

Mr. Naik.—By re-reeling it.

Mr. Batheja.—Why do they not re-reel it?

Mr. Naik.—They are not getting enough price. It will mean additional charge to re-reel it.

Mr. Batheja.—They were getting very satisfactory prices for 15 years. Why was this not done at that time?

Mr. Naik.—They have begun to improve the quality. Domestic basins are being encouraged.

Mr. Batheja.—Is it not a fact that 95 per cent. of your production is hand reeled?

Mr. Naik.—Yes.

Mr. Batheja.—I want to know whether that system of production can be improved so that this defect may be removed?

Mr. Naik.—I shall tell you the reason. The throwing mills cannot use the hand reeled silk because of the broken ends. Now the taste of the local weaver for thrown silk has increased.

Mr. Batheja.—To improve the quality of Mysore charka silk, it is necessary to start throwing mills?

Mr. Naik.—Throwing mills were started only on the extension of filatures.

Mr. Batheja.—Why cannot there be an independent improvement apart from throwing mills?

Mr. Silva.—There has been some improvement.

Mr. Batheja.—You have given a list of prices of the different kinds of Mysore silk. How is the price governed? Is it governed by the cost of production of Mysore silk or is it governed by the price of the foreign competitor, that is to say, the Canton steam filature silk? What is the actual process of determining the price?

Mr. Naik.—It depends upon the demand.

Mr. Batheja.—Simply because the Canton steam filature silk goes down, the price of Mysore silk goes down automatically?

Mr. Naik.—This is the rock bottom price. It cannot be less.

Mr. Batheja.—Below what point they cannot fall?

Mr. Naik.—Rs. 5-8-0 per lb.

Mr. Batheja.—Is that the rock bottom price?

Mr. Naik.—Yes.

Mr. Batheja.—You have quoted prices lower than that?

Mr. Naik.—There are grades of course.

Mr. Batheja.—In reply to a question of my colleague, Mr. Silva, you said that against the filature silk produced in Mysore generally the filature silk of China competed.

Mr. Silva.—Yes.

Mr. Batheja.—Therefore on that basis you justify a difference in the amount of protection to be granted to filature silk and charka silk.

Mr. Silva.—Yes.

Mr. Batheja.—Are you quite sure that all the silk that comes here is really filature silk?

Mr. Silva.—Not all; only a portion. I believe much the larger quantity is non-filature—I mean the silk imported into India at present.

Mr. Batheja.—You mean the silk imported into South India?

Mr. Silva.—In Mysore nothing but filature silk is imported now but in Southern India, a good deal of non-filature silk is imported.

Mr. Batheja.—The assumption that it is Canton steam filature silk has to be proved?

Mr. Silva.—After all, we are dealing with it ourselves.

Mr. Batheja.—Since most of the production of Mysore silk is on charkas and the filature silk is a very small amount, would it be worth while making a distinction in the rates of duty for the two classes of silk?

Mr. Silva.—It will be agreed that the encouragement of filatures would be one of the best means of developing the industry. If you do anything which would encourage the development of filatures, the benefit would be far greater than otherwise.

Mr. Batheja.—In reply to question 51, you have given the chief causes of the decline of the sericultural industry and you have mentioned under heading 4 "Heavy fall in the price of waste, which hitherto was the main, if not the sole, source of profit to the reeler". What is the cause of the decline in the price of waste—the world price of waste?

Mr. Silva.—It is due to the decrease in the use of spun silk.

Mr. Batheja.—What other commodity has taken its place?

Mr. Silva.—Artificial silk in Europe for instance.

Mr. Batheja.—Are there any qualities of silk waste yarn which make it more desirable to be used than artificial silk yarn?

Mr. Silva.—Certainly it is much more desirable. There is no doubt about that.

Mr. Batheja.—You think that there is a marked change of fashion?

Mr. Naik.—Owing probably to the cheapness of the artificial silk.

Mr. Batheja.—In that way, you maintain that the artificial silk is indirectly competing with the prospects of the silk reeling industry?

Mr. Silva.—Yes.

Mr. Batheja.—It is a question of joint partner to the silk?

Mr. Naik.—It is a bye-product.

Mr. Batheja.—In reply to question 53 you say that the world depression and the depreciation of exchange are factors of a temporary character. The depression may be temporary, but what makes you think that the depreciation of exchange is not more or less permanent.

Mr. Iyer.—We might be mistaken in that view.

Mr. Batheja.—You cannot maintain that proposition with any degree of confidence?

Mr. Iyer.—It is difficult to say.

Mr. Batheja.—If you can speak with confidence on the subject I will ask you further questions.

Mr. Iyer.—No, we cannot.

Mr. Batheja.—In reply to question 55, you say that until two or three years ago the tariff valuation was distinctly below the import price. Have you got any instances in support of that statement?

Mr. Silva.—If we compare the tariff valuation with the selling prices of foreign silk I think it won't be difficult to establish that.

Mr. Batheja.—Can you give one or two instances within your knowledge?

Mr. Silva.—Which year am I to take?

Mr. Batheja.—You say until two or three years ago.

Mr. Silva.—Let us take 1929 for instance. We have not got any authoritative record of prices. We have notes of prices of certain qualities only. I believe the Board will have authoritative prices.

Mr. Batheja.—The Chamber of Commerce has made the statement that until two or three years ago the tariff valuation was distinctly below the import price.

Mr. Silva.—That is the general belief.

Mr. Batheja.—What is your proof of that statement? Have you got any actual instances?

Mr. Silva.—In January 1929 I find that the price of Shanghai yellow silk was somewhere about Rs. 10 or Rs. 11 per lb. The tariff valuation was Rs. 5-10-0.

Mr. Batheja.—For that class of silk?

Mr. Silva.—Yes.

Mr. Batheja.—Any other instance?

Mr. Silva.—There are other instances. In January 1928, Canton filature silk was sold at Rs. 20-8 per seer and the tariff valuation was Rs. 7 per lb.

Mr. Batheja.—This complaint has disappeared in the last two or three years?

Mr. Silva.—Quite so.

Mr. Batheja.—Now you have no complaint?

Mr. Silva.—Not from that point of view.

Mr. Batheja.—Then what is your objection to the tariff valuation if those difficulties are removed?

Mr. Silva.—On general grounds we hold that *ad valorem* duties are more likely to be correct than tariff valuation.

Mr. Batheja.—But the main justification for tariff valuation is to make it easier for the Customs Department to collect the Customs revenue. There are some administrative difficulties in having *ad valorem* basis.

Mr. Silva.—Our point of view has to be considered and so long as the administrative difficulties are not insuperable we urge that our objections should, as far as possible, be met.

Mr. Batheja.—In your reply to question 57, you have mentioned 15 years as the period of protection because you maintain that it is the minimum time required to develop the industry. How did you arrive at this figure of 15?

Mr. Silva.—It is based on expectations. It is not a point on which any one can definitely lay down an opinion.

Mr. Batheja.—When you say that the industry will require some period for development, you must have development measures in view about mulberry culture, about silkworm rearing, about reeling and so on. Have you got those things in view or is it simply a vague statement made by the Mysore Chamber of Commerce?

Mr. Silva.—We have mentioned that certain things are necessary for the development of the industry. We think that a period of 15 years is required to enable us to attain that degree of development.

Mr. Batheja.—How long has this industry been in existence?

Mr. Naik.—For nearly 100 years.

Mr. Batheja.—It is not an infant industry?

Mr. Naik.—No.

Mr. Batheja.—Why has not the infant developed?

Mr. Silva.—No one made any attempt to develop it.

Mr. Batheja.—When did the Mysore Government begin to take interest?

Mr. Silva.—For the last 20 years.

Mr. Batheja.—You require 15 years more to make the necessary reforms?

Mr. Silva.—During these 15 years very considerable progress has been achieved. The results are not so visible because it is all spadework. All the work that has been done so far is of the character of spadework. Hereafter the position should be different.

Mr. Batheja.—As regards your reply to question 58, I won't deal with the details of the increased duties on silk piecegoods which you recommend because that point has been dealt with by my colleagues. I will ask you only this. When you recommend an increased duty on silk piecegoods, you recommend only a corresponding duty as explained to you by the President or do you want something more than that?

Mr. Silva.—We have promised to submit a note on that point.

Mr. Batheja.—In reply to question 59 you have said that the proportion of raw silk in piecegoods is about 40 per cent. of the cost of the finished fabric. We have reason to believe from evidence obtained somewhere else that the proportion is fifty per cent.?

Mr. Naik.—It depends upon the fabric.

Mr. Batheja.—Looking at your replies to the handloom questionnaire the average works out to be 50 per cent. How did you arrive at this 40 per cent.? Did you take some representative specimens of silk products?

Mr. Naik.—We have cloth merchants.

Mr. Batheja.—Is it a general statement or is it based on experience?

Mr. Naik.—Yes, it is based on experience.

President.—Mr. Iyer, I would like to ask you a few questions in connection with your replies to our questionnaire with regard to the handloom weaving industry. The most important point in this connection is the raw material which the weaver gets for weaving his silk goods. The Indian

raw silk as you have stated is generally given to the throwing factories by the weavers or by the merchants?

Mr. Iyer.—By the merchants.

President.—The weaver gets the twisted silk. He does not buy the Indian raw silk generally?

Mr. Naik.—Some weavers purchase and get them twisted and some of the merchants sell thrown silk.

President.—I am talking from the weaver's point of view. The weaver must get the silk for manufacturing the articles. The weaver has the option of purchasing two kinds of silk. One is thrown or twisted silk and the other Indian raw silk which he can buy and get it twisted himself. The twisting charge which you have put down in your example is Rs. 2-4-0. I want to know whether the bulk of the weavers get the twisted silk for their use or buy the raw silk in the market?

Mr. Naik.—They buy the raw silk in the market.

President.—And they give it afterwards to the throwing factory?

Mr. Naik.—Yes.

President.—The charge put down by you is the general average charge?

Mr. Naik.—Yes.

President.—Even if they themselves don't twist it?

Mr. Naik.—Quite.

President.—What will be the price of the twisted silk if the rest of the processes mentioned here namely dyeing and weaving are done by the weavers? What is the price of the twisted silk to the weaver as compared with the Indian raw silk?

Mr. Naik.—It is nearly 86 to 87 per cent.

President.—Higher than the Indian raw silk?

Mr. Naik.—The raw silk price will be 86 to 87 per cent. of the price of the twisted silk.

President.—What is the price of raw silk?

Mr. Naik.—Rs. 4-10-0.

President.—I will take Rs. 5-7-0 which you have given for Kempanahalli silk. Suppose instead of buying this silk I buy twisted silk, what is the price?

Mr. Naik.—The charge for twisting is Rs. 1-8-0.

President.—That is to say, a weaver would get one lb. of twisted silk at Rs. 6-15-0?

Mr. Naik.—One anna is given away as wastage on top of that.

President.—I want to understand what is the price which the weaver has to pay for the twisted silk?

Mr. Naik.—Rs. 7.

President.—He pays Rs. 7 a lb. for the twisted silk?

Mr. Naik.—Yes.

President.—You have put down Rs. 2-4-0 as the twisting and winding charge in your reply to question 16. May I take the rest as winding charge?

Mr. Naik.—Rs. 1-8-0 is the charge for winding as well as twisting.

President.—Here you have put down Rs. 2-4-0 for two lbs.

Mr. Naik.—The charge varies from Rs. 1-4-0 to Rs. 1-8-0.

President.—Rs. 7 is the price for twisted silk with winding done?

Mr. Naik.—Yes, for silk which is ready for dyeing?

President.—Ready for the loom?

Mr. Naik.—Yes.

President.—You will get it for Rs. 7.

Mr. Naik.—Yes.

President.—The question that arises out of that is rather an important one and I want your Chamber to consider it seriously. The Indian raw silk at present is at a certain price and if necessary protection is given the price will be naturally higher while the price of the imported twisted silk may be such as to harm the throwing industry in India?

Mr. Naik.—I don't think that it will harm the throwing industry because they have to go through that process.

President.—If the process is not done by the throwing factory will there be a lesser charge for the winding and twisting? Suppose I don't give it to a throwing mill is there any method by which I can get it done?

Mr. Naik.—There is.

President.—What will that process cost?

Mr. Naik.—Some 2 to 4 annas less.

President.—If the man gets it twisted outside?

Mr. Naik.—Yes.

President.—What will be the quality of the twisted silk done outside in comparison with the output of a throwing mill?

Mr. Naik.—The quality of the thrown silk will be better.

President.—You mean the class of silk turned out by the throwing mill?

Mr. Naik.—Yes. The winding quality after dyeing of the thrown silk is better.

President.—Then the price difference is justified from the point of view of quality?

Mr. Naik.—Yes.

President.—You are using I understand also foreign silk?

Mr. Naik.—Yes.

President.—Can you tell the proportion between foreign and Mysore in respect of boiling off?

Mr. Naik.—The foreign filature and Mysore filature are at the same level.

President.—Say 25 per cent.?

Mr. Naik.—Yes.

President.—What about the charka silk?

Mr. Naik.—In charka the loss is more. It is about 27 per cent.

President.—I take it that as far as the manufactured goods are concerned, the large majority of the goods turned out are sarees in Mysore?

Mr. Naik.—Yes.

President.—What is the general length? You have given 8 to 9 yards in length and 45" in width? May I take that as the average?

Mr. Naik.—Yes.

President.—There is a very big difference in point of time taken by a pit loom and a shuttle loom?

Mr. Ramachandran.—Yes.

President.—Is that statement made from personal experience? You say that a pit loom takes 8 to 10 days and the shuttle loom 3 to 4 days.

Mr. Ramachandran.—The processes of weaving sarees are different. Sarees woven in shuttle looms take only less time. In the case of the pit loom, we have to work with three shuttles. The colours of the body and of the borders are different. The border colour is red and the body colour is green. So, we have to work three shuttles—putting green for the body and red for the borders. It takes a lot of time.

President.—It is the border that takes a long time?

Mr. Ramachandran.—The process takes a long time. The border is not distinct from the body. In the case of the shuttle loom, the weft travels right across whereas in the pit loom it travels not from one end to the other. The very process is different.

President.—In answer to question 9, you have put down the annual production as about Rs. 50 lakhs; consisting of the three qualities mentioned in reply to question 1. That is to say about 35,000 people are producing 50 lakhs of rupees worth of goods at present?

Mr. Ramachandran.—We arrived at this figure only by asking merchants.

Mr. Boag.—Does not this Rs. 50 lakhs represent silk goods?

Mr. Ramachandran.—Yes.

Mr. Boag.—The figure that I asked was with reference to the three kinds of goods produced?

Mr. Ramachandran.—I mistook it, I am sorry. Rs. 50 lakhs is only for silk goods.

President.—That means over and above Rs. 50 lakhs worth of silk goods, the State is also producing mixed goods?

Mr. Ramachandran.—Very little. In these days it does not pay to take cotton on the shuttle looms and pit looms.

President.—Do I understand that that trade is going out?

Mr. Naik.—Yes, it is replaced by silk.

Mr. Ramachandran.—At one time it was replaced by artificial silk. It was found that it was not suitable. Now that they are able to get cheap China silk they are going back.

President.—The average consumer in the Mysore State generally wears silk goods?

Mr. Ramachandran.—The ladies wear silk except the poor class. Usually the middle class and the richer class use silk saris for their daily wear.

President.—The poor classes are practically nil. Taking your argument to its logical conclusion, it follows that there are very few poor people.

Mr. Ramachandran.—They may not use handloom cloth; they may use mill cloth.

President.—As far as the production of mixed goods is concerned, it is practically nil.

Mr. Ramachandran.—Not very much. In fact, the number of silk looms has increased, probably due to cotton looms adapting themselves to silk.

President.—That is to say, cotton fabrics have more or less gone out.

Mr. Ramachandran.—In the majority of cases.

President.—Silk goods are generally worn by well-to-do classes?

Mr. Ramachandran.—Yes. The lower classes use mill made goods.

President.—In your reply to question 10, you have said that spun silk is used only for the manufacture of shirtings and suitings which are produced on a limited scale. As far as spun silk is concerned, I don't think that it is a serious competitor to silk.

Mr. Ramachandran.—It has happened subsequently a bit of spun silk is also used for saris also.

President.—When did you draft the replies to the questionnaire?

Mr. Ramachandran.—In February.

President.—In one month the change has taken place.

Mr. Ramachandran.—We find the change slowly taking place.

President.—This statement requires a great deal of modification.

Mr. Ramachandran.—We are just now finding that people are taking to manufacturing spun silk saris which we did not find once.

President.—Can you tell me what the percentage is?

Mr. Ramachandran.—Negligible. They are taking to that in power looms and not in handlooms.

Mr. Batheja.—Spun silk is used in power looms and not in handlooms?

Mr. Ramachandran.—Yes. It is used largely in Ahmedabad.

President.—As regards your reply to question 15, I am glad to note that the consumers in the Mysore State have begun to realise the defects of artificial silk goods.

Mr. Ramachandran.—We found it sooner than others because our ladies have a habit of washing their saris every day. Every day the sari must be washed. The artificial silk sari does not last for a month and that is how they have found it sooner than in other places.

President.—The consumers in the Mysore State have discovered the defects of artificial silk goods and to that extent the artificial silk goods and the artificial silk yarn will not be competitors.

Mr. Ramachandran.—Quite.

President.—In reply to question 16, you have given the various charges of manufacture. The weight of the sari is 60 tolas?

Mr. Ramachandran.—Yes, we have taken the handloom sari.

President.—What other saris have you?

Mr. Ramachandran.—Power loom saris.

President.—We are now dealing with handlooms. The weight is 60 tolas; the cost of the raw material is 45 per cent.?

Mr. Ramachandran.—Yes.

President.—I want to know whether the sari is woven on pit loom or shuttle loom.

Mr. Ramachandran.—Both.

President.—It cannot be both.

Mr. Ramachandran.—These costs are for one kind of sari weighing 60 tolas.

President.—I would like to know if you have no objection to supply me with the detailed costs with regard to shuttle looms in the manner prescribed with regard to pit looms?

Mr. Ramachandran.—Shuttle looms are used with filature silk.

President.—I understand from one of the answers that your Chamber is very anxious to encourage the filatures. Therefore it is very necessary to get the cost of shuttle looms.

Mr. Ramachandran.—Yes.

President.—I take it that the general practice here is that the weavers are paid on piecework. They are paid at Rs. 8 per sari of 9 yards—and that this Rs. 8 is for pit loom.

Mr. Ramachandran.—Yes.

President.—What would it be for the shuttle loom?

Mr. Ramachandran.—This cannot be woven on shuttle looms.

President.—What kinds of saris are woven on these looms? Can you give me in detail the items of costs?

Mr. Ramachandran.—The cottage industry is mainly of pit looms.

President.—What is the percentage of pit looms as against shuttle looms?

Mr. Ramachandran.—Very few shuttle looms and that too very recently introduced.

President.—This is the average cost of a sari which is being used in the Mysore State?

Mr. Ramachandran.—Yes.

President.—In this, the cost of labour and other charges is given as Rs. 2. The weaving charge is practically the charge of labour?

Mr. Ramachandran.—The weaving charge is paid to the weaver.

President.—What is the other labour?

Mr. Ramachandran.—Winding, etc.

President.—Is this the cost of the labour of the family or outside labour?

Mr. Ramachandran.—He might take in outside labour. Rs. 8 is only the weaving charge.

Mr. Naik.—There are some people who have 10 or 15 looms under them. They employ weavers. They also employ labour for preparing warps, etc.

President.—That may include outside labour?

Mr. Naik.—Yes.

Mr. Ramachandran.—Rs. 8 is the weaving charge.

President.—Rs. 2 is the cost of labour of 8 to 10 days?

Mr. Ramachandran.—They prepare it in two days.

President.—You say in reply to question 6 that it will take 8 to 10 days.

Mr. Ramachandran.—This is the preparatory process and that is the weaving of the sari itself.

President.—Do the weavers find any difficulty in selling their products?

Mr. Ramachandran.—That is more than we can say.

President.—I understand that when the replies to the questionnaire were drafted the Chamber made the necessary inquiries in the matter.

Mr. Naik.—There is a large local market for saris.

Mr. Ramachandran.—We also export.

President.—About 20 to 30 per cent. is consumed here and the rest exported?

Mr. Ramachandran.—Yes, all over the Madras Presidency.

President.—That is just what I wanted to know. The weavers do not find any difficulty?

Mr. Ramachandran.—No.

President.—Are there any co-operative or other kinds of societies to help the weavers?

Mr. Ramachandran.—There are weavers' co-operative societies—one or two.

President.—Are they run under Government supervision?

Mr. Ramachandran.—By shareholders.

President.—What kind of assistance do they render?

Mr. Ramachandran.—They purchase saris and sell.

President.—They purchase and sell them outside Mysore?

Mr. Ramachandran.—Yes. They advance money.

President.—The handloom weavers are generally kept busy with their work?

Mr. Ramachandran.—Yes.

President.—They always get the silk goods disposed of through societies?

Mr. Naik.—There are merchants who export saris. There are nearly 10 wholesale merchants who do the export business.

Mr. Boag.—Can you tell me, as regards these prices which you have given in answer to question 2, what date you are referring to?

Mr. Iyer.—The time of drafting.

Mr. Boag.—When was that?

Mr. Iyer.—In February.

Mr. Boag.—These are Bangalore prices?

Mr. Iyer.—Yes.

Mr. Boag.—What is the unit for gold lace borders? It is marc?

Mr. Iyer.—21 tolas—one bundle of 8 skeins.

Mr. Boag.—Has there been any variation during the last five years say in the weaver's wages?

Mr. Naik.—There was a depression owing to the fall in the price of other commodities.

Mr. Boag.—By how much have they fallen?

Mr. Naik.—Nearly 50 per cent.

Mr. Boag.—The weaver who now gets Rs. 8 was getting Rs. 16?

Mr. Naik.—Yes.

Mr. Boag.—How many years ago?

Mr. Naik.—Three or four years ago.

Mr. Boag.—How long has the wage been 8 rupees?

Mr. Naik.—For the last 2½ to 3 years.

Mr. Boag.—In the last three years?

Mr. Naik.—Yes.

Mr. Boag.—It dropped suddenly from Rs. 16 to Rs. 8?

Mr. Naik.—Yes.

Mr. Batheja.—In reply to a question from the President you have said that the weavers are taking more and more to silk?

Mr. Ramachandran.—Yes.

Mr. Batheja.—When was this tendency observed?

Mr. Ramachandran.—Especially last year when we used to get cheap imported China silk.

Mr. Batheja.—It was observed last year?

Mr. Ramachandran.—Yes.

Mr. Batheja.—How far have the prices of saris gone down during that period?

Mr. Ramachandran.—Considerably.

Mr. Batheja.—By how much?

Mr. Ramachandran.—A 60 tola sari they used to sell at about Rs. 90 or Rs. 80. Now it has gone down to Rs. 40.

Mr. Batheja.—Which sari are you referring to?

Mr. Ramachandran.—Handloom sari mentioned in our reply to question 16.

Mr. Batheja.—It used to sell at how much?

Mr. Ramachandran.—Rs. 80 to Rs. 90 according to patterns. Now the demand for such sort of patterns has gone off and the prices have also gone down.

Mr. Batheja.—The price has come down to Rs. 45?

Mr. Naik.—We have not added the gold thread price. We have only given it for silk.

Mr. Batheja.—The fall in the price is covered by the fall in the price of the raw material. How far has this fall in price passed on to the masses, the weaver and to the wage earner?

Mr. Naik.—As we have told you, the weaving charges have gone down.

Mr. Batheja.—I thought you said that the weaving charges had gone down as a result of general depression. I am now talking of the fall in the price of silk sari. Did you give this 50 per cent. to cover both causes?

Mr. Naik.—I don't understand.

Mr. Batheja.—In reply to Mr. Boag you said that the wages had gone down by 50 per cent. and that they had remained stationary at the present

level for the last three years. The greatest fall in the price of raw silk has taken place within three years. Has no fall taken place in the price of silk saris?

Mr. Naik.—In relation to raw silk, it has gone down.

Mr. Batheja.—That means to say there is no change in the condition of the wage earner?

Mr. Naik.—Quite so.

Mr. Batheja.—Profits have suffered and the wage earner has not suffered?

Mr. Naik.—Quite so.

Mr. Batheja.—That 50 per cent. fall in price is entirely due to general depression and not due to the fall in the price of silk?

Mr. Naik.—The demand for such kinds of cloth has gone down and so the merchants have reduced the wages.

Mr. Batheja.—How much can a wage earner earn under present conditions?

Mr. Naik.—One rupee per day.

Mr. Batheja.—Is he employed throughout the month?

Mr. Naik.—Yes.

Mr. Batheja.—He is finding employment throughout the month?

Mr. Naik.—If he continuously works he can produce 2 saris per month.

Mr. Boag.—The weavers are earning one rupee a day?

Mr. Naik.—Yes.

Mr. Boag.—But you have said Rs. 8 for 8 to 10 days?

Mr. Naik.—Roughly it is one rupee. They have no holidays.

President.—They don't need holidays.

Mr. Batheja.—In reply to question 5, you have said that some saris are coming from outside. What kinds of saris are these?

Mr. Ramachandran.—We are getting printed saris, embroidered saris—not saris of the conventional style which we do here.

Mr. Batheja.—From which country is it coming?

Mr. Ramachandran.—From China or Japan. They are not of the conventional style.

Mr. Naik.—Plain silk is being imported and the printing is done here.

Mr. Batheja.—Does it compete with your production in your markets?

Mr. Ramachandran.—Not with the conventional style.

Mr. Batheja.—This conventional style prevails in Mysore only?

Mr. Ramachandran.—In South India.

Mr. Batheja.—You have no markets outside South India?

Mr. Ramachandran.—No.

Mr. Batheja.—Are the markets in South India affected by the imports of these saris?

Mr. Ramachandran.—They are affected.

Mr. Batheja.—Where conventional saris are sold?

Mr. Ramachandran.—For instance in Guzerat, we can supply saris of their design, taste and everything. They are now using printed saris.

Mr. Batheja.—They are using the imported stuff?

Mr. Ramachandran.—Yes, the foreign stuff.

Mr. Batheja.—What is the price of such saris?

Mr. Ramachandran.—Rs. 1-8-0 to Rs. 2 per yard. They use 6 yards saris. Our saris are 9 yards long.

Mr. Batheja.—How many co-operative societies in Mysore have been organised for the benefit of the weavers?

Mr. Ramachandran.—In Bangalore there is only one.

Mr. Batheja.—I am talking of Mysore?

Mr. Ramachandran.—There are no societies except this one at Bangalore.

Mr. Batheja.—In reply to a question of my colleague you said that co-operative societies were marketing goods for the benefit of the weavers. How many societies of that sort exist in the Mysore State?

Mr. Iyer.—There are about 15 or 20. Some are working well and some are not. You may be able to get the information from the Department of Industries and Commerce.

Mr. Batheja.—There are only 15 or 20?

Mr. Iyer.—May be more.

Mr. Batheja.—Are these societies marketing saris for the weavers or are they only credit societies?

Mr. Naik.—We know of only one society.

President.—You have sent in a representation on behalf of lace cloth merchants—Subbarama Chetti and others. I want to know whether there is any lace industry in the Mysore State.

Mr. Iyer.—No.

President.—Mr. Subbarama Chetti is only an importing merchant.

Mr. Iyer.—Yes. There was a gold thread factory but now it has closed down.



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