

1929

Evidence recorded by the Indian  
Tariff Board during the enquiry  
into the Question of Tariff Equality  
in respect of the Manufacture of  
Printing Type.



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1929

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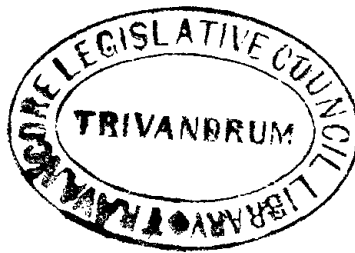
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**DEPARTMENT OF COMMERCE.**

**RESOLUTION.**

**TARIFFS.**

*Delhi, the 28th March 1925.*

**No. 38-T. (2).**—The Government of India have received a number of representations to the effect that the development of certain industries in India is hampered by the fact that the duty on the finished article is lower than the duty on the materials which have to be imported for the manufacture of that article. A list\* of such representations is appended to this Resolution. The representations will now be referred to the Tariff Board. It is requested to examine these representations and any others of a similar nature which may be brought to its notice and to make such recommendations, whether general or special, as it thinks fit.

2. Firms or persons interested in the above enquiry should address their representations direct to the Secretary of the Tariff Board.

**ORDER.**—Ordered that a copy of the above Resolution be communicated to all Local Governments and Administrations, all Departments of the Government of India, the Director General of Commercial Intelligence, the Indian Trade Commissioner in London and the Secretary of the Tariff Board.

Ordered also that it be published in the *Gazette of India*.

**D. T. CHADWICK,**  
*Secy. to the Govt. of India.*

\* Not printed.



**Press Communiqué issued by the Tariff Board, on the 29th July, 1927.**

*The Type-making industry in India.*

The Indian Tariff Board has received an application from the Hindustani Type Foundry, Allahabad, asking that measures be taken to assist the type-making industry in India either by lowering the existing 15 per cent. import duty upon the metals from which their type is made, or by increasing the present  $2\frac{1}{2}$  per cent. duty upon imported type.

A questionnaire has been drawn up and issued to the firm, and firms or persons interested in this question, who desire that their views should be considered by the Board, should address their representations to the Board's Secretary at No. 1, Council House Street, Calcutta, before the 20th August next, at the same time stating if they wish to give oral evidence.

C. B. B. CLEE,  
*Secretary, Tariff Board.*

**Questionnaire issued by the Tariff Board on the 29th July 1927.**

1. What are the constituent materials of type metal and in what proportion are they mixed?
2. Which of the constituent materials are produced in India?
3. Are there to your knowledge any firms in India which manufacture type metal for sale?
4. Has your firm ever manufactured type metal? If so, what quantity have you manufactured in each of the last five years, and what quantities of the constituent materials did you use?
5. What quantities of type metal made by your own firm have you used in each of the last five years?
6. What quantities of type metal have you imported, and what quantities of imported type metal have you used in each of the last five years?
7. From what country or countries do you usually import type metal?
8. What is the present cost of imported type metal—
  - (a) c.i.f. Calcutta;
  - (b) landed at your factory after payment of duty, landing charges and transport to works?
9. What percentage of type metal is wasted in the manufacture of type?
10. What was the output of type from your foundry in each of the last five years and what would be the output when working to capacity?
11. What was the works cost per cwt. of type during the last complete year's working? To what extent would the works cost probably be reduced if the foundry were working to capacity?

*N.B.*—The works cost should be shown under the two heads—

- (a) cost of type metal;
- (b) cost above type metal.

The works cost includes all items of expenditure except—

- (i) Depreciation;
- (ii) Interest on working capital;
- (iii) Agency and head office charges (if any).

12. What is the amount of the fixed capital expenditure incurred in respect of the type foundry on—
  - (a) buildings,
  - (b) machinery and plant,
  - (c) other items (if any)?

13. What is the amount required to be set aside annually as depreciation on buildings and machinery at income tax rates?

*N.B.*—The rates at which depreciation has been allowed for in the past should be separately stated for buildings and machinery.

14. What sum do you require as working capital for the type foundry—

- (a) with your present output,
- (b) when working to capacity?

15. At what rates is interest payable on the working capital you borrow?

16. What expenditure (if any) do you incur annually on agency and head office charges?

17. Please give the present prices c.i.f. Calcutta or port of entry of—

- (1) Imported type made in England.
- (2) Imported type made in America.
- (3) Imported type made in Germany.

18. Please give the present selling price of the type made in your factory.

19. If German type is not inferior to English or American, how is that you are able to realize a price higher by 4 annas a lb. for your type?

20. Do you claim that the type made in your foundry from imported type metal is equal in quality to—

- (a) British and American type.
- (b) German type?

21. What other type foundries to your knowledge exist in India?

22. Can type metal be used for any other purpose except the manufacture of type?

23. Is foreign competition confined to English type or is it also felt in respect of Indian vernacular type? In the latter case is the competition as keen as it is in respect of English type?

24. What proportions of the type you manufacture are represented by—

- (a) English type,
- (b) Indian vernacular type?

25. If effect is given to your proposal that imported type metal should be admitted free of duty, how should such metal be defined for tariff purposes?

## Hindustani Type Foundry, Allahabad.

### A.—WRITTEN.

(1) *Representation to the Government of India, Commerce and Industries Department, Simla.*

As Managing Director of the Allahabad Law Journal Company Limited, Allahabad, I beg to make the following representation to you on behalf of my Company for consideration of the Government of India.

The Allahabad Law Journal Press is a well-established printing and publishing concern which has been running its business successfully since the last 21 years.

In 1919 to help the growth of indigenous industries, the Company added to its other departments a Type Foundry called the Hindustani Type Foundry with an investment of about a lakh of rupees. The genuineness and the public nature of the enterprise has been appreciated by the United Provinces Government who on an application being made by the Company kindly consented to grant it a loan of Rs. 22,000 (re-payable in 5 years @ 7 per cent. per annum) in December last.

But inspite of this patronage and encouragement this Company finds it at present difficult to compete with type foundries outside India on equal terms for the reasons which I beg to detail below:—

The revival of German commerce is adversely hitting many of the indigenous industries but none more so than the type-making industry.

The prices at which types are sold at present range as follows:—

English imported type . . . . .	2—8 per lb.
American . . . . .	2—8 per lb.
German . . . . .	1—0 per lb.
Our type manufactured from imported type metal . . . . .	1—4 per lb.

The German types are capturing the market because they are sold at ridiculously low prices as compared with similar types of other makes. It is also claimed for them that this type is in no way inferior to English or American types. To compete with these, the indigenous foundries must use imported raw materials. Indigenous type metals of the same quality are not available. But unfortunately on this raw material there is an import duty of 15 per cent. which practically makes it impossible for indigenous manufactures to compete with foreign material the more so as the duty on imported ready-made type is only 2½ per cent.

As the policy of the Government is to help indigenous industries, I am inviting your attention to this anomaly, with the hope and the earnest request that it will be removed. Either the import duty on the raw material be altogether removed, or if this is considered inadvisable in the interest of the Indian metal manufacturers then the duty on imported types be raised to 15 per cent.

If nothing is done in this direction the result will be that both American and English types will be altogether driven out from the market and the Indian Type Foundries will have to close down or to content themselves with casting type of an inferior quality with indigenous raw material. This will mean the deterioration and the final stoppage of the whole industry.

We are feeling the strain of the unequal contest and we respectfully approach the Government of India with the request to take some steps to make us and others in our predicament to build up successfully an industry in which we have invested so much capital and the development of which has been realized by the Government to be in the best interest of the country.

We are enclosing herewith two extracts from our "Visitors' Book" containing the opinion of an eminent American Type Foundry Expert and an English Printer's Engineer, which will speak for themselves.

Enclosure.

*True copies of opinions of two expert Engineers who visited our Type Foundry on the 13th March 1925.*

(Copied from our "Visitors' Book".)

(1)

Since leaving Chicago, United States of America, July 12th 1924, I have visited Japan, China, Hongkong, Manila and Australia; since my arrival in India, I have visited Madras, Bangalore, Mysore City, Calcutta, Patna and Allahabad.

My mission is, primarily, to see that users of the Thompson Type, Lead and Rule Caster are getting the fullest advantage of the machine they have purchased, and further, to study the methods and requirements of each country I visit.

My experience as a practical type founder of type making machines extends over a period of forty years.

The most modern and efficient type foundry it has been my pleasure to visit in India is the Hindustani Type Foundry at Allahabad, its management is ideal and the type they produce is a credit to themselves and the Thompson Type Caster.

The quality of their products proves our contention that the basis of good durable types must be good metal.

P. G. NURENBERGER,  
*Vice-President.*

ALLAHABAD,  
March 13th, 1925

THOMPSON TYPE MACHINE CO.,  
Chicago, U. S. A.

(2)

My visit to the Allahabad Law Journal gave me much pleasure.

I found the foundry equipped with high class modern machinery which was handled in an efficient manner.

The product was of good quality both as regards shape and metal and the whole concern impressed me as one of the most enterprising in India.

G. DOUGLAS JEAVONS,  
*Engineer to*  
*Messrs. John Dickinson and Co., Ltd.,*  
*Madras.*

(2) Letter dated 30th September, 1925.

Enclosed please find a copy of the representation \* sent to the Government of India. We have been directed by them to send you one copy for the consideration of the Board.

\* See Statement (1).

(3) Letter, dated 5th September 1927.

With reference to your letter, dated the 28th July 1927, No. 648, we are sending the answers as far as we have ascertained and also the balance sheets\* of four years.

REPLIES TO QUESTIONNAIRE.

1. Lead tin, antimony, copper. There are numerous formulæ. The better class of type metals contain higher percentage of tin and antimony.
2. Lead only is produced in India.
3. No, not to our knowledge.
4. Yes, not much as it costs us more than the same quality of imported metal.
5. Not even a ton.
6. Approximately about six tons every year.
7. England.
8. (a) £60 per ton.  
(b) £60 plus about Rs. 200. This includes duty, landing charges, railway freight, octroi at Allahabad and cartage, etc.
9. 6 to 12 per cent.
10. We started both in 1922. Our output in 1923 was 20,000 lbs.; 1924, 23,000 lbs.; 1925, 22,000 lbs. and 1926, 29,000 lbs.
11. (a) Rs. 84 per cwt.  
(b) About 25 per cent.
12. (a) Nil.  
(b) About Rs. 80,000.  
(c) Rs. 15,000.
- 13.
14. (a) At least one lakh and fifty thousand.  
(b) Two lakhs.
15. 9 per cent.
16. We have no agency. There is only one office where the charges on this head are about 3,600 rupees a year.
17. German 12 Pt. (Standard), As. 13-9 per lb.; others could not be ascertained.
18. Rs. 1-4 per lb. of 12 Pt. type (this is the standard, there are other sizes also which sell at different prices) made of type metal imported from England.
19. English metal has still a name in the market for durability and therefore we are able to sell at our price but our customers, who have also bought some German type as an experiment after receiving assurances from their agent, report that German type, English type and our type made of English imported metal have been showing equally good results. We are not receiving orders now as we used to receive before and whenever we have approached we have been told that our type is very expensive and German type, though cheaper, is in no way inferior.
20. Yes.
21. Gujarati Type Foundry, Bombay Letter Foundry, Nirnayasagar, Bombay, Kalika Type Foundry, Calcutta, Eastern Type Foundry, Calcutta, Madras Type Foundry.
22. No, not to our knowledge.
23. English type. There is no competition.
24. About  $\frac{3}{4}$  English and  $\frac{1}{4}$  Vernacular.
25. Type metal.

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\* Not printed.

## HINDUSTANI TYPE FOUNDRY.

B.—ORAL.

Evidence of Mr. KRISHNA PRASAD DAR recorded at Bombay on  
Friday, the 14th December, 1928.

*Preliminary.*

*President.*—Are you the same as the Allahabad Law Journal Company, Limited?

*Mr. Dar.*—Yes. We have two departments. We have one department known as the Allahabad Law Journal Press; then we have one department known as Hindustani Type Foundry, that is the type casting department.

*President.*—They are all members of the Allahabad Law Journal Company, Limited.

*Mr. Dar.*—Yes.

*Dr. Matthai.*—When was the Hindustani Type Foundry formed?

*Mr. Dar.*—In the year 1922.

*Dr. Matthai.*—I take it that the Allahabad Law Journal Company was formed much earlier.

*Mr. Dar.*—Yes, it was formed in the year 1919—about two years earlier than the Type Foundry. But the Allahabad Law Journal Press was started about 24 years ago.

*President.*—That is to say, it was started in 1904 or 1905.

*Mr. Dar.*—Yes.

*President.*—Is it still running?

*Mr. Dar.*—Yes, that is the only paying department of the Allahabad Law Journal Company, Limited. The Type Foundry Department is not paying and that is why we ask for protection.

*President.*—Are you the Manager or Managing Director?

*Mr. Dar.*—I am the Secretary of the Company and also the Manager of the Press and the Type Foundry.

*President.*—Besides printing the Law Journal, do you do any other printing work?

*Mr. Dar.*—Heaps of job work, printing books, etc. Here is a sample of our printing work (handed in the Catalogue). The whole catalogue was printed in our works.

*Terms of reference.*

*President.*—This enquiry is somewhat limited. Under our terms of reference we have got to consider any tariff inequalities that may exist, that is to say, if your raw materials have to pay a higher duty than the finished article, that is an obvious anomaly which the Government would like to remove.

*Mr. Dar.*—But that would not improve our situation in any way. How will you protect this industry by only removing the duty on the raw material?

*President.*—That is the point.

*Mr. Dar.*—If you remove the duty on the raw material, it will benefit us to a certain extent, but the raw material is used throughout India for other purposes. Take the case of lead, antimony, etc.

*Dr. Matthai.*—By 'raw material' the President meant type metal.

*President.*—You use imported type metal, don't you?

*Mr. Dar.*—We don't use much because it does not pay us to use foreign type metal.

*President.*—What do you use now?

*Mr. Dar.*—We use country made type metal to a large extent and imported type metal to a certain extent.

*Dr. Matthai.*—In your reply to the questionnaire you say that you import approximately 6 tons every year.

*Mr. Dar.*—Yes, that was about two years ago. We have stopped it now because there is no sale. We cannot sell types made from English type metal.

*Dr. Matthai.*—Was it English type metal that you used to import?

*Mr. Dar.*—Foreign—English or German.

*Dr. Matthai.*—Now, I suppose on account of competition from Germany you have to get very cheap type metal.

*Mr. Dar.*—Yes.

*President.*—Do you find it cheaper to make your own type metal?

*Mr. Dar.*—The customer does not like the type. There is no demand for it. Even if we can do it cheap—which of course we cannot—the customer does not want that type because he finds that our type does not last long.

*President.*—Do you mean the type made out of country type metal?

*Mr. Dar.*—Yes. The country made stuff is only a type metal in name. All the scrap that can be got is melted down and made into a sort of type metal and sold.

*President.*—What kind of scrap?

*Mr. Dar.*—Lead. Even Henley's wire is melted down.

*President.*—That would not make a good type metal.

*Mr. Dar.*—No.

*President.*—What is your proposition then?

*Mr. Dar.*—We want protection for a period of five or ten years to enable us to establish ourselves in the market.

*President.*—All these metals are imported.

*Mr. Dar.*—That is true but as we get more and more orders, we will manufacture on a large scale and thus reduce our production cost.

*President.*—That would mean that there is a big demand in the country.

*Mr. Dar.*—There is a growing demand in the country. About five years ago there were only about 60 presses in Allahabad but now there are over a hundred.

*President.*—There has not been very much increase in the imports of type. On the contrary, the imports have gone down.

*Dr. Matthai.*—The total quantity of type metal imported into India in 1927-28 was roughly about 300 tons.

*Mr. Dar.*—Yes, that is imported type metal.

*Dr. Matthai.*—And the total quantity of printing type imported was about 70 tons.

*Mr. Dar.*—The demand for types in India is supplied by type foundries in India itself.

*President.*—Then there is not really very much foreign competition.

*Mr. Dar.*—Why not? There is specially German competition. Imports from Germany are considerably higher now.

*Dr. Matthai.*—Have you tried to make an estimate of the total quantity of printing type made in India?

*Mr. Dar.*—I believe it is about 85 or 87 per cent.

*Dr. Matthai.*—Of what?



*Mr. Dar.*—I mean the types made and supplied in India will be about 85 per cent. of the country's demand.

*Dr. Matthai.*—What do you consider the total consumption of printing type in India? The Indian Merchants' Chamber has estimated that it is about 16 lakhs of pounds.

*Mr. Dar.*—I could not give you the exact figure.

*Dr. Matthai.*—That is roughly about 700 tons a year. That is the estimate given to us by the Indian Merchants' Chamber.

*Mr. Dar.*—I could not tell you the exact figure but this much I can say that between 80 and 90 per cent. of the types used by all the presses in the United Provinces and the Punjab are made by Indian type foundries.

*President.*—So far as you are concerned you have got a very great advantage over the foreign manufacturer in this respect that he will have to pay freight from the port to Allahabad.

*Mr. Dar.*—The freight from the Calcutta Jetty to Allahabad is less than the freight from Howrah to Allahabad. We have a complaint in respect of freight also. The inland freight is more than the freight from the port direct.

*President.*—But in any case he will have to pay some freight before he reaches your Allahabad market.

*Mr. Dar.*—Yes, he has to. But look at the ridiculously low price that he gets for his types. He gets about or a little over 9 annas per lb. If I were to import German types of ordinary quality I would have to pay only 9 annas or 9 annas 6 pies per lb.

*President.*—Where?

*Mr. Dar.*—In Bombay. To that can be added freight and profit and yet these foreign German types can be sold cheaper in competition with us in Allahabad.

*Dr. Matthai.*—You gave us a figure of 13 annas.

*Mr. Dar.*—That was the price. Now it has been reduced.

*Dr. Matthai.*—What is the price of German type 12 point?

*Mr. Dar.*—11 annas in Allahabad. The Indian Press Limited, Allahabad, used to buy our types but now they have gone in for German types because the price is 6 annas cheaper.

*President.*—Can you explain why the German type is so much cheaper?

*Mr. Dar.*—It is due to mass production. If we were to get large orders, we would also be able to reduce our cost. We are not getting orders and consequently we have stopped casting English types. Formerly we used to make, as we said in our replies to the questionnaire, two-thirds English and one-third vernacular types. But now we are doing less than one-third English and more than two-thirds vernacular types.

*President.*—Is that due to the competition from Germany?

*Mr. Dar.*—Yes, and the local industry is being wiped out. We do not fear English or American competition because their standard of price is higher and their quality also is better. But the German type is not as good as the English or American type. The Germans are dumping their types in India and they have replaced the English to a certain extent, because the Indian market is suited for cheap products.

*President.*—This imported type metal that you are using, how much cheaper is it than the imported type?

*Mr. Dar.*—50 per cent. cheaper.

*President.*—In spite of that, you are finding it impossible.

*Mr. Dar.*—Yes, because our costs are higher as we cannot manufacture on a large scale.

*President.*—Wherein does the economy come?

*Mr. Dar.*—We have got automatic machines. Supposing we start casting with a matrix say at half past eight or nine in the morning, even allowing for an interval of one hour in the day, at 5 o'clock in the evening we can get at least 100 lbs. of finished type; whereas if we had a heading type we would get at the most 25 or 30 lbs. You can see how soon it reduces the cost of production. We think that we will get more orders if the German types are checked to a certain extent at least for a certain number of years till we establish ourselves in the market.

*President.*—Let us examine the position. First of all let us take the question of the removal of the duty on the type metal. You use a certain amount of imported type metal, don't you?

*Mr. Dar.*—We use very little of English type metal. We use about one ton every six or eight months.

*Dr. Matthai.*—What is the total tonnage of type metal that you use in a year?

*Mr. Dar.*—30,000 lbs.

*Dr. Matthai.*—That is to say about 15 tons a year.

*Mr. Dar.*—About 13 tons a year.

*Dr. Matthai.*—How much of that do you now import?

*Mr. Dar.*—Not more than 2 tons at the most. It may not be even two tons because we have now nearly stopped importing altogether as nobody pays the price.

*President.*—The whole point is this. If you made your own type metal unless that type metal was of the same quality as the type metal out of which the German types are cast, naturally you would get a lower price.

*Mr. Dar.*—Yes.

*President.*—The point then is whether you can at present make such good type metal as you can import.

*Mr. Dar.*—We have ordered for a type metal smelting furnace. We are going to make type metal of a certain standard and we think that we can make in India as good a type metal as it is made in England or Germany. It is not a difficult matter. We can have samples analysed in a chemical laboratory. We can easily find it out. It is not at all difficult. Further from the experience we have had during the last six or seven years we know what metal is required for Hindi types, and so on.

*President.*—You have got your own formula.

*Mr. Dar.*—Yes. Even the British type smelters do not hide their formula. They say that a certain standard of Type Metal contains 70 per cent. lead, 20 per cent. antimony and 10 per cent. tin and so on. The formula is not hidden. The difficulty arises only in the mixing of metals with any loss of important metals. That also can be done. It is not a difficult matter.

*Dr. Matthai.*—Does it come to this: supposing we decide to give you relief in the shape of complete removal of the present duty on type metal, you would be satisfied?

*Mr. Dar.*—No, it would not materially help us because we see the prices are coming down gradually. It has come down to about 9 annas c.i.f. Bombay.

*Dr. Matthai.*—The position is this. As the President pointed out, this enquiry has been referred to us by the Government of India, under the resolution about tariff inequality. That is to say, you are not here an applicant for protection. You are an applicant here for the removal of tariff inequality. On the type metal you make in the country you do not pay any duty.

*Mr. Dar.*—We pay octroi.

*Dr. Matthai.*—You do not pay any Customs duty at present on the type metal that you use. To make the type metal locally you buy only scrap

or disused type and you are paying no duty on that. Therefore if imported type pays 2½ per cent. duty, it means that there is no tariff inequality. It may be that there is a case for protection but that case is not before us just now.

*Mr. Dar.*—How are we to save our industry from being crushed by German competition?

*The question of protection.*

*President.*—We are prepared to examine the position, though it is not covered by the terms of reference. We will see what can be done. The whole point is this. So far as the use of ordinary scrap that you get in the bazar is concerned, you can hardly claim that from the point of view of **quality the ordinary consumer** would accept it as the equivalent of foreign type. He would say that it is not the same.

*Mr. Dar.*—He will say that.

*President.*—He will have reason for saying that. Therefore you must be prepared to put your case on the footing that you will make your own type metal by using the same sort of metals as the German manufacturers use. It is on that footing perhaps that we may be prepared to consider your case. As regards any type made out of scrap and all that, really the two things are not comparable. You will admit that, I am sure.

*Mr. Dar.*—Yes, I do.

*President.*—You cannot expect the consumer to buy your type made out of scrap. We should be prepared to consider—though it is not covered by our terms of reference—whether protection is required, if you were to make your own type out of lead, antimony and other things, and for that reason we shall require some more figures than you have given.

*Mr. Dar.*—In what respect?

*President.*—You would have to give us the cost of the raw materials. Take a pound of type for instance. We would like to know what ingredients you would require and the amount of each, *e.g.*, lead, antimony, tin and so on. Let us take 12 point for the sake of illustration.

*Mr. Dar.*—It will cost about 6 annas?

*President.*—How do you get this figure?

*Mr. Dar.*—That is the present price we pay for English type metal.

*President.*—What cost would you be able to produce your type metal at?

*Mr. Dar.*—At least at 6 annas.

*President.*—Will you be able to do it?

*Mr. Dar.*—Yes.

*President.*—How?

*Mr. Dar.*—In Allahabad lead is selling at Rs. 17-8-0 to Rs. 18 per maund, that is about 3 annas a lb. Of course if we were importing direct we would get it cheaper. Then tin is selling at Rs. 164 per cwt. that is Rs. 1-8-0 per lb. Antimony we are getting at Rs. 45 per cwt. Of course there is fluctuation in the market but that is the present rate. It varies from Rs. 45 to Rs. 50; that is about 6 annas a lb. For good type metal our formula is 65, 25, 10.

*President.*—And the wastage is about 5 per cent. I suppose?

*Mr. Dar.*—No; only about 1½ to 2½ per cent.

*President.*—What does it come to?

*Mr. Dar.*—Lead will cost Rs. 14 11 0 for 65 per cent.

Antimony . Rs. 10 0 0 „ 25 per cent.

Tin . . . Rs. 14 0 0 „ 10 per cent.

TOTAL . Rs. 38 0 0

If we add to it Rs. 1-5-0 for wastage it comes to slightly over 6 annas, but if we buy in bulk we can make it cheaper. Then again when we mix only 100 the wastage is more.

*President.*—This would include the freight from Bombay to Allahabad?

*Mr. Dar.*—This is the price of the virgin metal at Allahabad.

*President.*—But if you bought it in Bombay?

*Mr. Dar.*—If I buy in bulk there will be a saving of about Rs. 5 per cwt. in tin.

*President.*—Supposing your foundry was in Bombay what would be the saving effected?

*Mr. Dar.*—I will save a lot in type metal, at least an anna per lb.

*President.*—Then it will be about 5 annas in that case?

*Mr. Dar.*—Yes.

*President.*—That includes a duty of 15 per cent. at present on lead, tin and antimony. 15 per cent. of 5 annas. is 9 pies. That is the duty. Therefore, so far as you are concerned, you are at a disadvantage of 9 pies per lb. by the fact of this duty for the type metal only.

*Mr. Dar.*—Yes.

*President.*—If you take the c.i.f. price of the imported German type at 9 annas this 9 pies is equal to about  $7\frac{1}{2}$  to 8 per cent. so that so far as this metal is concerned, if the duty was raised by  $7\frac{1}{2}$  to 8 per cent. on the type, the present inequality would disappear.

*Mr. Dar.*—They have another advantage namely the exchange. We have to sell according to the rupee value and the consumer of the imported stuff buys at the shilling value and he has an advantage there.

*President.*—You will also buy your metal at 1s. 6d. and you will also benefit. Instead of paying 1s. 4d. you pay 1s. 6d.

*Mr. Dar.*—But the manufactured product increases in value.

*President.*—It does not. The position roughly is this. Taking into account merely the duty on the various metals that you use, a duty of  $7\frac{1}{2}$  to 8 per cent. or something like that would equalize you.

*Mr. Dar.*—It would equalize the production of raw type metal in India.

*President.*—Now we come to the next part. Your metal costs you 6 annas in Allahabad and 5 annas at the port? ...

*Mr. Dar.*—Yes.

*President.*—As regards works cost you don't give it at all.

*Mr. Dar.*—I have worked that out now. Times have changed since we represented two years ago. I have got the details now. Casting of types cost us 6 annas a lb. minimum.

*President.*—What do you take the type at?

*Mr. Dar.*—40,000 lbs. at present.

*President.*—What is your capacity?

*Mr. Dar.*—We can increase it up to 60,000 lbs. a year.

*President.*—How do you arrive at this cost of 6 annas?

*Mr. Dar.*—My total cost in fuel, kerosine oil, direct department expenses, salaries.

*President.*—As. 6 you say is the works cost. Will you send us the details?

*Mr. Dar.*—Yes.

*President.*—Then on top of that you have got to add depreciation and profit.

*Mr. Dar.*—We have got a canvasser to look after the sales and sometimes we have to pay commission. That we have accounted as 10 per cent. commission. That comes to 1·2 annas. Interest on our outlay comes to As. 3·8.

*President.*—Is that on your present production?

*Mr. Dar.*—Yes.

*President.*—Depreciation?

*Mr. Dar.*—On an average we put it at 8 per cent. That comes to As. 2·5. Then we have sundry charges, losses in castings and we put in at one anna. Then we require stock to keep so that we may readily supply customers.

*President.*—That is in the working capital.

*Mr. Dar.*—As. 3·8 is the interest on the investment.

*President.*—That is to say on the plant. What about the working capital? How much would you require?

*Mr. Dar.*—We would require about Rs. 1,00,000.

*President.*—How much does that come to?

*Mr. Dar.*—Say about Rs. 50,000. We gave a figure of Rs. 80,000 for our capital expenditure on the plant itself and Rs. 15,000 stocks we had at that time. That was not sufficient to work at a profit, so we increased it to Rs. 30,000 to Rs. 40,000. On that stock we have calculated and it comes to As. 1·5. Now the total is As. 22.

*President.*—Does that include your profit?

*Mr. Dar.*—That does not include our profit.

*Dr. Matthai.*—You allowed interest on the plant as well as the working capital.

*Mr. Dar.*—Interest on the plant and depreciation has to go besides profit. Profit means nett gain.

*Dr. Matthai.*—At what rate have you calculated the interest?

*Mr. Dar.*—9 per cent. is what we pay on overdrafts on Banks.

*Dr. Matthai.*—You are partly financed by Government.

*Mr. Dar.*—Yes, Government have advanced a loan of Rs. 22,000.

*Dr. Matthai.*—On that amount you don't pay 9 per cent. interest.

*Mr. Dar.*—We pay 7 per cent.

*President.*—How much do you calculate extra profit?

*Mr. Dar.*—We are not making any profit in the type founding business. Our printing business is very good and we are making profit on that. No body pays more than Rs. 1-4-0. That is why we have stopped casting these English types.

*President.*—Then your cost would come down by one anna if the duty on type metal was removed or if the duty on the type was increased by 7 per cent.

*Mr. Dar.*—We don't gain much.

*President.*—It would equalise your position.

*Mr. Dar.*—The consumer gets the German type at As. 11 in Allahabad and As. 9 in Bombay.

*President.*—But you are getting Rs. 1-4-0.

*Mr. Dar.*—Why should he buy our type and pay higher price.

*President.*—In that case if the German types come at As. 9, you want a duty of 100 per cent.

*Mr. Dar.*—That is what we want. We want only a protective duty to enable us to establish ourselves. You have given protective duty for paper, although a very small percentage of paper is manufactured in India. 80 to 85 per cent. of this industry is in the hands of Indians only and 15 to 20 per cent. comes from outside.

*President.*—What I cannot understand is that if the type metal costs As. 5 at the port, how the German type metal can be sold at As. 9. That As. 9 includes the freight on the type and everything.

*Mr. Dar.*—Yes.

*President.*—Instead of importing the metal, he imports the type. That leaves him As. 4 for manufacture, for profit and everything. Can you bring down your cost to that?

*Dr. Matthai.*—You say the price of German type is As. 9. What kind of type is it?

*Mr. Dar.*—It is not the finest class of type.

*Dr. Matthai.*—Is it not 12 point standard type?

*Mr. Dar.*—12 point is a special size, but it is not of that strength or durability.

*Dr. Matthai.*—But it is 12 point.

*Mr. Dar.*—Yes. What we fear is not competition from the British manufacturers but from the German manufacturers. They may reduce the price to As. 5 one day and everything will be stopped.

*President.*—Can you give us the reduction in the German prices during the last three or four years?

*Mr. Dar.*—I can't give you immediately, but I can give you complete information.

*Dr. Matthai.*—You can send it later on.

*Mr. Dar.*—Yes.

*Dr. Matthai.*—If we proposed a duty of 60 per cent. on type, what would all the job printers and vernacular papers say to that?

*Mr. Dar.*—They don't lose, because all the up-to-date newspapers are using composing machines.

*Dr. Matthai.*—Take the Vernacular papers.

*Mr. Dar.*—They are not using imported types at all.

*President.*—If the price of imported type goes up, then the price of Indian type must go up.

*Mr. Dar.*—They are not using foreign Vernacular types.

*Dr. Matthai.*—The moment we put on a duty, you don't benefit unless your price also goes up.

*Mr. Dar.*—They will have the benefit of a better quality of types than they are now using. They will be using English metal which will last them longer.

*Dr. Matthai.*—The type metal made out of scrap in this country and type cast out of that would be sold at prices corresponding to 60 per cent. duty. Therefore these small consumers might get practically inferior quality of type at a higher price, would it not come to that? Supposing we gave you a duty of 60 per cent. you may import English type metal and cast superior type, but it is quite possible that a number of other people might cast inferior type out of scrap metal.

*Mr. Dar.*—Reputation will have some effect. Nobody will go to a type foundry who has got one type casting machine and pay as much price as they will pay us. In our own interest we will give them good types. It is a protective duty, it may not be permanent. It will be in force only for a period of years.

*President.*—You must be able to show that after a few years you will be able to sell at the same price as the German manufacturers.

*Mr. Dar.*—May I ask why is it necessary that we should sell at a low rate when it is impossible for us to manufacture?

*President.*—Government have adopted certain principles. One of them is that the industry must eventually be able to do without protection which means that in course of time you ought to be able to do without protection against German type.

*Mr. Dar.*—We will be able to do, because we will get very large orders.

*President.*—Can you tell me what reductions you anticipate if you get large orders? Rs. 1-6-0 is what you want.

*Mr. Dar.*—Yes, that is the minimum.

*President.*—German price in Allahabad is As. 11. Therefore you must bring down your price by As. 11 if you are to do without protection. How do you suggest a reduction of this As. 11?

*Mr. Dar.*—Immediately the duty is imposed, we can make a saving of 100 per cent. by doubling the output. That would be the immediate effect of the duty being imposed. Production will go up at once. We will have large orders and we will put in more machinery and the output will be increased. Charges will go down by As. 3 at once. Then we will save 1-5 pies on stock. This stock we have to keep. There is no quick turnover of the stock. There is now always a dead stock.

*President.*—Let me explain it to you. Really speaking there is not a market in your area. The whole point is that you expect this big market, but the imports itself either come from Bengal or from Bombay.

*Mr. Dar.*—Imports or what?

*President.*—All types.

*Mr. Dar.*—That is all English type. The consumption in India to-day is a large percentage of vernacular type. That will increase by leaps and bounds.

*Dr. Matthai.*—This price of As. 9 is that for vernacular type?

*Mr. Dar.*—No, it is for English type.

*Dr. Matthai.*—For Vernacular type you get a better price.

*Mr. Dar.*—Vernacular and English types we sell at the same rate.

*Dr. Matthai.*—What is the price of German vernacular types?

*Mr. Dar.*—I have seen samples and I hear that they will be sold in Bombay at As. 2 or As. 3 higher than the English type.

*Dr. Matthai.*—About As. 12 in Bombay.

*Mr. Dar.*—They will be received here at As. 12 c.i.f. They will be sold at As. 15 in Bombay.

*Dr. Matthai.*—Do you pay any duty on your machinery?

*Mr. Dar.*—We don't pay any duty on machinery worked by power, but if it is hand-worked, we have to pay a duty of 15 per cent.

*Dr. Matthai.*—You don't use any machines worked by hand.

*Mr. Dar.*—No. There are a number of foundries in Bombay who use hand machines.

*Dr. Matthai.*—You use automatic machines.

*Mr. Dar.*—Yes, absolutely.

*President.*—You use electric power.

*Mr. Dar.*—Yes.

*President.*—On spare parts do you pay any duty?

*Mr. Dar.*—On all the matrices and moulds we have to pay duty.

*President.*—How much is that?

*Mr. Dar.*—15 per cent. I am not sure and my friend says that there is no duty on power-driven machine. On hand-driven machines we have to pay duty. We pay duty on raw materials for manufacturing types.

*President.*—What are the most recent prices that you can give us for English type?

*Mr. Dar.*—It varies now between Rs. 2 and Rs. 2-4-0 per lb. But there is a tendency to reduce it now by 25 per cent. and what we fear is that it will be reduced still further.

*President.*—So far as English type is concerned, you have got really no objection.

*Mr. Dar.*—No. Prices are already high.

*President.*—As regards German prices, the latest c.i.f. price is 9 annas or so per lb.

*Mr. Dar.*—Yes.

*President.*—Where did you get it from? Who are the agents?

*Mr. Dar.*—Their agents in Calcutta are Mr. K. Banerji and in Bombay the Indo-European Mart. I know as a fact that they are actually selling now at the rate of 9 annas per lb.

*Dr. Matthai.*—In one of your replies to the questionnaire, you say that the c.i.f. price is 13 annas 9 pies.

*Mr. Dar.*—That was about two years ago. Recently my friend Mr. Ghosh of the Indian Press, Limited, has purchased about 4,000 lbs. at 11 annas a lb.

*Dr. Matthai.*—In Allahabad?

*Mr. Dar.*—Yes.

*President.*—Mr. Ghosh, you are the proprietor of what press?

*Mr. Ghosh.*—The Indian Press, Limited, Allahabad. It is a private Limited Company.

*President.*—You buy these German types?

*Mr. Ghosh.*—Yes.

*President.*—What are the rates at which you have been buying recently?

*Mr. Ghosh.*—Recently we have purchased 11 point German types at 11 annas per lb.

*President.*—That is delivered at Allahabad?

*Mr. Ghosh.*—Yes.

*President.*—In Calcutta what prices were you offered?

*Mr. Ghosh.*—Their agent came to Allahabad and we got it at 11 annas f.o.r. Allahabad.

*President.*—Formerly did you buy German types?

*Mr. Ghosh.*—We buy lots of German types but we used to buy from the Allahabad Law Journal Company, Limited, 12 point types.

*President.*—At how much?

*Mr. Ghosh.*—At 15 annas or Rs. 1-4-0 per lb. But in comparison with German types, we find that the German types are cheaper and not inferior.

*Dr. Matthai.*—Do you mean that German type is not inferior?

*Mr. Ghosh.*—Yes. As regards durability we cannot say anything definitely now.

*Dr. Matthai.*—Does it give a good impression?

*Mr. Ghosh.*—Type faces are good.

*President.*—How do they compare with English type?

*Mr. Ghosh.*—Equally good.

*President.*—Both in appearance and in work?

*Mr. Ghosh.*—Yes, as far as we can see at present. As regards heading types we prefer English types.

*Mr. Dar.*—The Indian Press is one of the biggest consumers of types in India. It is a very big press.

*Dr. Matthai.*—You do not buy any English type at all now.

*Mr. Ghosh.*—Excepting heading types we do not buy any.

*President.*—It would be interesting to get figures as regards changes in German prices.

*Dr. Matthai.*—Could you give us a statement of both English and German prices for about 4 or 5 years?

*Mr. Dar.*—Yes.

*Dr. Matthai.*—Give us the different sizes also.



*Mr. Dar.*—Yes. I do not know whether there has been any decrease in the price of American types.

*Dr. Matthai.*—Are there large imports of American type?

*Mr. Dar.*—No.

*President.*—There is a decline on the whole.

*Mr. Dar.*—Because there has been an increase in German imports.

*Dr. Matthai.*—No, there is a general decrease in the total imports.

*Mr. Dar.*—That shows that there is a vast demand for vernacular types.

*President.*—In 1925-26, the imports of type were 2,000 cwts. roughly. In 1927-28 they have come down to 1,400 cwts. So, there is no evidence at present that imports are increasing. On the contrary the total imports of type metal have been increasing.

*Dr. Matthai.*—As regards the German figures for printing type, it was 913 cwts. in 1926-27 but in 1927-28 it has come down to 395 cwts.

#### *Internal competition.*

*President.*—So that there is a big drop. The possible explanation is that there is too much competition against yourselves as happens in other industries where business is done on a small scale. It is not really foreign competition that is responsible for this, but it is the internal competition. The figures suggest that the total imports are decreasing. The German imports have dropped by more than 100 per cent. So, it is difficult for us to see that there is any serious competition.

*Mr. Dar.*—How are we to explain why our customers are not buying from us?

*President.*—More types are being manufactured by small people from scrap. That has brought down the price and Germans have to sell in competition with those small people. I am not suggesting that that is the explanation. Before we can say with confidence that you are suffering from German competition we must look at the figures. The figures do not suggest that and it looks to me as if more type is being manufactured out of scrap and out of the imported type metal. The import figures are as follows:—

	Type Metal.	Type.
1925-26	. . 1,594 Cwts.	2,044 Cwts.
1927-28	. . 2,481 „	1,399 „
	<hr style="width: 50%; margin: 0 auto;"/>	<hr style="width: 50%; margin: 0 auto;"/>
Increase	. . 1,163 „	Decrease . 645 „
	<hr style="width: 50%; margin: 0 auto;"/>	<hr style="width: 50%; margin: 0 auto;"/>

These are the total imports.

*Dr. Matthai.*—There has been a decline in the imports of both British and German types. Is there any explanation which you can give?

*Mr. Dar.*—It is surprise to me, because I do not know the figures for 1927-28. I can only say this that I shall go into the matter fully again and send a report to you later why this is so.

*President.*—We are here to protect an Indian industry as far as possible but we must be satisfied that there is foreign competition.

*Mr. Dar.*—Every individual type founder says that he is losing his custom.

*President.*—It may be due to internal competition. Take the vernacular press particularly. There are a number of small presses in every place. They get one small type-making machine, buy scrap from the bazar and begin making type.

*Mr. Dar.*—In certain places they must be doing like that because they are not buying from any type foundries.

*President.*—Therefore there is loss.

*Mr. Dar.*—That is all vernacular and not English types.

*President.*—English type too?

*Mr. Dar.*—Very few people make English types.

*President.*—Take Burma. In Rangoon and other places there are a number of small presses. They print half the paper in English and half in vernacular. They go to the man who makes these type and buy at the rate of 8 or 9 annas per lb. The same thing must be happening in other places.

*Mr. Dar.*—It may be this. As an example I am to say that the bigger newspapers, like The Leader, The Pioneer, have reduced their purchase of types. The latter have got linotypes now. That may account for the increase in the import of type metal and the decrease in the import of types.

*President.*—How can we help you in that case?

*Mr. Dar.*—The German type has certainly made a good name in the market. It is a good type and the price is low. They have a better advantage over us which may continue.

*Dr. Matthai.*—When you set up a linotype machine, you require type metal.

*Mr. Dar.*—Yes.

*Dr. Matthai.*—It is really less hard.

*Mr. Dar.*—Yes.

*Dr. Matthai.*—You will have to renew it very often.

*Mr. Dar.*—That depends on the quantity of type. If you have a large quantity, you need not renew it very often or very quickly.

*Dr. Matthai.*—If you have a larger number of linotype machines in this country, that will show itself in an increased quantity of imported type metal.

*Mr. Dar.*—Yes.

*Dr. Matthai.*—Not merely to the extent that the import in type metal is falling. It will be something more than that because as the linotype metal is renewed more often you will have to import a larger quantity of it.

*Mr. Dar.*—It is not done every six months or every year.

*Dr. Matthai.*—Supposing the explanation is correct that there is now far too much competition among the people who are making types here in India, supposing we give you a duty, on account of this competition you will not be able to benefit by the duty. It will still pull prices down. There will be still more foundries established for the time being.

*Mr. Dar.*—The only thing that will happen, I think, is that foundries that are bigger in size, who have a reputation for good quality and promptness in delivery and so on will stabilise the industry.

*President.*—The point that my colleague is making is simply this, that even if we put a duty of 100 per cent. it would not necessarily benefit you if there is this internal competition. Take the case of the match industry on which we have reported recently. There we found that the duty was 150 per cent. For the time prices were very high and that brought in more people into the business and prices came down. If there is this internal competition no scheme of protection will help you.

*Mr. Dar.*—We will devise means to form a combine.

*President.*—But the whole point is that first of all we must be satisfied that there is this foreign competition. At present there is not on the figures that we have. On the contrary it is becoming smaller and smaller.

*Mr. Dar.*—I could not get the figures for this particular year.

*President.*—For the last five years the imports have been gradually increasing as far as German types are concerned and then there has been a sudden drop this year.

*Mr. Dar.*—I cannot give you the reason. Everywhere people are buying German types. Perhaps there will be an increase in imports next year. I may tell you that the quality and finish of our types is not in any way inferior to any foreign type.

*President.*—Can you give us the prices for lead, tin and antimony for the same period?

*Mr. Dar.*—Yes.

*President.*—Is it possible that there has been a drop in the prices of the metals which might have reduced German prices?

*Mr. Dar.*—There is at present a drop in the price of type metals in England. They have quoted us a lesser price. Prices of tin and lead have come down. But it is not the price of type metals that affects us much, it is the production cost. The more orders we get lesser the cost.

*President.*—Supposing you got the whole of the German type metal market, that is 1,000 cwts. a year. That is for the whole of India and Burma, 112,000 lbs.

*Mr. Dar.*—We are centrally situated and we can supply.

*President.*—You cannot supply Madras.

*Mr. Dar.*—No, we won't supply there because the Madras Type Foundry will monopolize that part of the country.

*President.*—So far, therefore, as the increase in the market is concerned, there is not much room to enable you to bring these costs down.

*Mr. Dar.*—We will have more room in this way that more cheap books will be printed and there will be greater demand for types.

*President.*—You cannot supply Bengal; you cannot supply Madras.

*Mr. Dar.*—Why do you say we cannot?

*President.*—Because you will have to pay freight. There will be foundries in Bombay; there will be foundries in Madras, so that even if you had the whole of the German market there is no room for expansion. The total demand is represented by—I am taking higher than the highest figure—112,000 lbs.

*Mr. Dar.*—That is only the German import.

*President.*—Yes. Even if the whole of the German import were stopped, as I said, there is no room for increasing your market. Then how would you bring down your costs? First of all there must be a market.

*Mr. Dar.*—Our application is only for the fear that the imports are gradually increasing and in ten years, if this goes on, they will capture the whole of the Indian market and throw us out.

*President.*—At the present moment there is no market really to capture and thereby reduce your cost.

*Mr. Dar.*—But the demand for types is increasing every year.

*President.*—Two things must be established before any question of protection can arise. You must prove that the foreign competition is so severe that you must be protected. Now, foreign competition as regards quantity is not severe; as regards prices it is severe. Secondly, you must show that if this foreign competition was eliminated your production would go up so much that you would be able to reduce your production cost and sell your product cheaper. But taking the market as a whole, it consists of 112,000 lbs.

*Mr. Dar.*—That is for German, English types. They are now producing Hindi types.

*President.*—This includes everything?

*Mr. Dar.*—The have not put in vernacular types as yet.

*President.*—How can we say what would happen?

*Mr. Dar.*—From the figures for the last five years we find that they are growing, except this sudden drop this year. But they will certainly manu-

facture vernacular types for which there is a greater demand and they will certainly capture the market and we will then be nowhere. There is no guarantee that they will not sell Hindi types. They are introducing all sorts of vernacular types. When that is done we will be ruined.

*President.*—True, but at present there is no import of Hindi types.

*Mr. Dar.*—If the Tariff Board gives us an assurance that as soon as these vernacular types are introduced by them we will get protection then we have nothing to say.

*President.*—If the thing happens you have got to satisfy Government that it has happened and then it will be time for the Government to consider. We have not got the time nor would it be reasonable for us to provide for a thing which may or may not happen. As a responsible body we cannot assume that a thing is going to happen except on substantial evidence.

*Mr. Dar.*—It may not happen, but does it not look that if it happens we will be ruined. Their Bombay agents have already got Hindi, Gujarati and Gurmukhi type faces, and good faces too, but they are not selling it at present although they can do so at half the price at which we can manufacture.

*President.*—Send\* us these figures that you have promised us and we will see what we can do.

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\* Not received.

**Madras Type Foundry, Madras.***Letter dated the 27th January 1928.*

In thanking you for your favour of the 10th instant, we beg to send herewith answers to the questionnaire for the Hindustani Type Foundry issued by the Tariff Board on 29th July 1928, with three additional copies for your perusal and a favourable disposal.

We earnestly pray to remove the existing import duty of 15 per cent. levied on Type Metal for the development of this indigenous Industry in India like other countries.

We believe that the Government of India will take immediate action for the removal of the said duty.

*Answers to the Questionnaire for the Hindustani Type Foundry issued by the Tariff Board on 29th July 1928.*

## 1. Constituent materials of Type Metal:—

- (a) Lead, Antimony and Tin.  
 (b) Lead, Antimony, Tin and Bismuth.  
 (c) Lead, Antimony, Tin and Copper.

Proportion:—Every Type Foundry may have its own composition, but we give below a general idea for your information:—

Lead 70 per cent., Antimony 25 per cent., Tin 5 per cent.

2. None of the constituent materials is produced in India, but we are told that Pig Lead is available both in Burma and Ceylon. The quality of this seems to be inferior to that of English ones.

3. No firm in India manufacture Type Metal in India for sale.

4. We occasionally manufacture Type Metal, composition of which being 70 per cent. Lead, 20 per cent. Antimony and 5 per cent. Tin, to cast spacing materials. Even this is not successfully produced, as it requires special laboratory costing about Rs. 10,000 with necessary apparatus to prepare metal on a scientific manner. The total quantity produced by us per year is about 6 tons.

5. The above quantity only.

6. The quantity of imported metal (superior ones) used by us per year is about 18 to 20 tons.

7. London and Germany.

8. (a) The price for imported Type Metal is £40 to 55 per ton. This varies very frequently according to the situation of the market.

(b) We are paying a very heavy duty of 15 per cent. The duty and charges alone would amount to Rs. 125 per ton. The price of metal therefore is Rs. 45 to 52 per cwt. on average.

9. 5 to 10 per cent. wastage.

10. Our daily turnout is about 150 lbs. in average. We can do more work if better plants are installed. This purely is a question of investment.

11. Cost of Type Metal . . . . . Rs. 50 per cwt.  
 Labour and other expenses . . . . . Rs. 60 per cwt.

Unless we work on the New Plants, we are not in a position to arrive at the charges for a greater turnout.

	Rs.
12. Rent for the premises . . . . .	1,200
Machinery and Plant . . . . .	15,000
Furniture, etc. . . . .	2,500
The cost of a building of our own would be in the least . . . . .	20,000

13. The depreciation on Machinery at Income-tax rate is 5 per cent.
14. (a) Capital required for the present output refer answer No. 12.  
 (b) When working with New Plants not less than one lakh of rupees.
15. We don't borrow.
16. About Rs. 1,000.
17. (1) Rs. 2 to Rs. 8 per lb. }  
 (2) Rs. 2 to Rs. 8 per lb. } Prices vary according to the size and  
 (3) Re. 1 to Rs. 5 per lb. } style.
18. As. 11 to Rs. 2 As. 4 per lb. (Not so durable as the above).
19. Yes, it is very difficult to push the sale of our type, and to compete with the German Type. If the Government would be pleased to remove the duty on Type Metal imported, and thus encourage the indigenous Industry, we are sure to do more business.
20. The quality is equal to that of German Type, but the finish is not so good. This is due to the difference in the machines, ours being Hand Pivotal Machines.
21. In South India :—  
 St. Joseph's Industrial School Press, Trichinopoly.  
 Nelson & Co., }  
 Swadesi Type Foundry, }  
 Indian Type Foundry, } Madras.  
 Norton & Co., }  
 Madras Type Foundry, }
- There are few more Type Foundries in Madras, but working on small scale.
- In North India :—  
 Gujarati Type Foundry,  
 Nirayasar Type Foundry,  
 Letter Type Foundry,  
 Hindustani Type Foundry,  
 Eastern Type Foundry, etc.
- In Mysore :—Wesley Mission Press.
22. No.
23. Foreign competition only to English Type.
24. 75 per cent. English Type and 25 per cent. Vernacular.
25. " Type Metals ".

## THE MADRAS TYPE FOUNDRY.

B.—ORAL.

Evidence of Mr. P. S. UDAYAR recorded at Ootacamund on  
Thursday, the 27th September, 1928.

*Introductory.*

*President.*—Are you the proprietor, Mr. Udayar, of the Madras Type Foundry?

*Mr. Udayar.*—Yes, I am the Managing Proprietor and also Secretary of the Madras Type Founder's Association.

*President.*—How long have you been doing this business?

*Mr. Udayar.*—Since the year 1921. I started my life as a printer in my 16th year. I entered the line as an ordinary printer, compositor, proof reader and so on. First I underwent training in the Lawrence Asylum Press and the Government Press, Madras.

*President.*—But you started this Foundry in 1921.

*Mr. Udayar.*—Yes. I was also Superintendent for about 8 years in the New India Press looking up to the whole press work prior to this.

*President.*—Was that before 1921?

*Mr. Udayar.*—Yes.

*Dr. Matthai.*—Is your factory located in Madras City?

*Mr. Udayar.*—Yes, in Broadway, quite opposite to the Swarajya Press.

*Dr. Matthai.*—Is yours the largest Type Foundry in the Madras Presidency?

*Mr. Udayar.*—There are many founders and we are also one of the leading founders. I have mentioned the four names of leading founders in Madras proper and one in South India in my answer to question No. 21.

*President.*—Is your Foundry only for type making or does it make other accessories?

*Mr. Udayar.*—We make jobs of printers cabinets and some small works concerning the printing department. We also import printing machinery and Printing Ink from Germany and London and sell them to the printers.

*President.*—That has nothing to do with this part of the enquiry.

*Mr. Udayar.*—No. We are also manufacturing printers' furniture, i.e., cabinets.

*President.*—What sort of machinery do you have for this work?

*Mr. Udayar.*—Ordinary pivotal machines (illustration shown).

*President.*—Is this a German type?

*Mr. Udayar.*—No. We purchased the machines from London in the beginning and then we began to manufacture with necessary modifications.

*President.*—Is it a very simple machine?

*Mr. Udayar.*—No, there are certain parts which are to be handled carefully, and also more complicated.

*Dr. Matthai.*—Is it easy to work?

*Mr. Udayar.*—No. At least two or three years' training is necessary to work on the machine satisfactorily.

*President.*—The work is done chiefly by machinery.

*Mr. Udayar.*—Yes. There are certain processes to be done by hand. The type is cast like tail pieces. The tail must be broken. Then it must be filed on both sides just to remove the bur and then it must be composed in the long

rod so as to grove the types on the dressing machine at the other end, otherwise called feet. This is the final process.

*President.*—How many of these machines have you got?

*Mr. Udayar.*—I have got nearly 10 machines.

*Type metal.*

*President.*—There are three or four different materials used in the type metal, viz., lead, antimony, tin, bismuth and copper. These metals are also separately imported into the country.

*Mr. Udayar.*—Yes.

*President.*—What I wish to know is can this type metal be easily identified by the Customs authorities as type metal?

*Mr. Udayar.*—It can easily be identified by the Customs authorities. On the ingots the words 'type metal' are put. (Sample German and English type metals shown). Also the examiners of the Customs can identify the type metal by its colour itself when coming across such stuff often.

*President.*—Is it used for any other purpose?

*Mr. Udayar.*—No.

*President.*—I find the import figures are so small both of type and of metal that one wonders whether it is enough for a country of this size. It is quite possible a lot of small foundries are making their own type metal out of these imported materials.

*Mr. Udayar.*—It is not possible to manufacture type metals here.

*President.*—Should it necessarily be type metal? They can make their own formula.

*Mr. Udayar.*—That requires a special laboratory.

*President.*—They do make.

*Mr. Udayar.*—I cannot call it as type metal, but I would call it as dross.

*President.*—Types are cast out of any composition that they make here from lead, tin, bismuth and copper by a number of these small foundries.

*Mr. Udayar.*—They may do so, but I cannot call it as virgin type metal.

*President.*—You do make type metal for spacing.

*Mr. Udayar.*—Yes. There is a vast difference between type metal and spacing material.

*President.*—Is it not a fact that a considerable quantity of type metal is manufactured in the country by the smaller foundries out of the metal which is not strictly type metal?

*Mr. Udayar.*—Yes, they do manufacture out of spacing material type metal for instance, in Madras they also cast some vernacular types, but these will not last long and those people who are unable to pay the reasonable price will go in for such cheaper stuff.

*President.*—They melt the old type again.

*Mr. Udayar.*—Yes and they have to pay only labour charges which is called (recasting).

*President.*—That is why I say the imports of type metal are very small.

*Mr. Udayar.*—We can even import more provided the Government is pleased to remove the duty.

*President.*—In 1927-28 the total imports of type metal were about 150 tons and about 70 tons of type. That is not a very large consumption for India. Do you think it is sufficient for the requirements of India, unless considerable quantities were made out of lead, copper and so on by these people?

*Mr. Udayar.*—The difficulty is we are not able to push the sale of our type in the market, because it is not properly done. That is why some printers are afraid to go in for the several Indian cast types.



*President.*—Do you think that considerable quantity of type metal can be manufactured in that way by the local manufacturers on a small scale? There are a lot of vernacular Presses in the country. They import. They use disused type, viz., battered and worn out types, lead and something else combined, is that not a fact?

*Mr. Udayar.*—Yes, to a certain extent.

*President.*—This consumption of type and type metal is very small for a country like India.

*Mr. Udayar.*—That is true. I told you that it could be increased, if the cost were a little less. Yesterday I have wired to my office to give you some information about the pre-war price, so that you can compare the present price and the pre-war price.

*Proposed rate of duty discussed.*

*President.*—Was this 15 per cent. duty imposed during the war?

*Mr. Udayar.*—Yes. If the same duty were to be raised on the imported type and if the Government is pleased to levy the type duty of 2½ per cent. on type metal, we could do splendid business.

*President.*—There should be a duty of 2½ per cent. . . . .

*Mr. Udayar.*—Now the duty on imported type is 2½ per cent. If that duty were to be transferred to type metal then there is much scope.

*President.*—You want 15 per cent. on type and 2½ per cent. on metal. Don't you know there will be a lot of opposition in the country?

*Mr. Udayar.*—We are still in an infant stage and Government should encourage the indigenous industry.

*President.*—Don't you know that the people may call it a tax on knowledge and there may be a tremendous opposition to the types being made more expensive?

*Mr. Udayar.*—There is great competition in Continental types.

*President.*—But your proposal is simply the removal of the duty on type. There is no use bringing in these extraneous considerations. We are now concerned merely with the question that the duty on type metal should be removed or not.

*Mr. Udayar.*—Yes. I have to express this, because the duty was levied only as a temporary measure after the War.

*Comparison of the English and the Vernacular types.*

*Dr. Matthai.*—I find that the bulk of your output is really English type.

*Mr. Udayar.*—English as well as Vernacular.

*Dr. Matthai.*—About 25 per cent. is Vernacular and I find the other foundries in Bombay and Calcutta are also making about three-fourths English type and one-fourth Vernacular type. Therefore it looks to me, as the President pointed out, that the bulk of the requirements in regard to Vernacular printing can probably be made out of some metal made here, is not that possible? In a province like Madras there is an enormous amount of Vernacular printing compared with English printing and since you are supplying only a very small quantity of Vernacular type, obviously that must have been somewhere made in India. Why really is that inferior? Can you make your own type metal for spacing metal.

*Mr. Udayar.*—Yes.

*Dr. Matthai.*—Where does the inferiority lie?

*Mr. Udayar.*—Ingredients do not mix properly.

*Dr. Matthai.*—In printing what is the actual difference that it makes?

*Mr. Udayar.*—It is due to the inferior quality and all such types will be ending like an arrow and shortly the faces will be smudged.

*Dr. Matthai.*—And the impressions get blurred.

*Mr. Udayar.*—Yes, after printing a few thousand copies, they get blurred and printers will be losers in the long run by recasting again and again.

*President.*—That is to say you will have to recast it more often.

*Mr. Udayar.*—Yes. Now almost all the printers have found out the defects of the inferior types and they always prefer to go in for the high class material.

*Different kinds of type metals.*

*President.*—Most of the big newspapers cast their own type, don't they?

*Mr. Udayar.*—Yes, they have got Lino. They are also buying type, but the Lino metal will not be very hard.

*President.*—That has to be melted every day.

*Mr. Udayar.*—Yes. They consume about 5 to 6 tons per annum.

*President.*—Most of these metals that are imported will probably be used by these Linotype people.

*Mr. Udayar.*—The ordinary type metal cannot be used, because it will be very hard to pass through the nozels, so there is special formula for Lino and Mono.

*President.*—It must be called a type metal.

*Mr. Udayar.*—Yes, but there will be some slight difference in formula.

*President.*—The import figures show considerable quantity of type metal required for the Lino-type and Mono-type. Newspapers in Madras have their own type foundries.

*Mr. Udayar.*—In Madras the Madras Mail, the Swarajya and the Hindu have their own type foundries, i.e., Lino. They cast their own types by Lino machine.

*President.*—At the same time the Lino-type cannot be used for advertisements.

*Mr. Udayar.*—No. They must go in for loose type.

*President.*—You have what you call Stereotype.

*Mr. Udayar.*—We also call it as type metal. The difference is very little. A small percentage of antimony and tin will be reduced. We do cast Stereotype.

*President.*—The proportion of the type metal imported which is used only for making type other than by newspapers will be very small.

*Mr. Udayar.*—Newspaper people on an average consume about 5 to 6 tons.

*Dr. Matthai.*—Each press uses about 6 tons a year.

*Mr. Udayar.*—All these people use 6 tons. If the matter is once used, it will be melted again on the following day.

*Effect of duties on type metals and types.*

*President.*—But the point is this. Most of the bigger newspapers in India to-day and most of the bigger Government Presses have either Lino-type or Mono-type and for that purpose they must import this type metal. The remainder would go to the job printers and others have to depend on you for this type. Is it really to that class of consumer you cater?

*Mr. Udayar.*—Yes.

*President.*—If the duty on type metal was left or even if it was increased, it would not necessarily be a tax on knowledge so far as knowledge is represented by newspapers, because they would still make their own type out of imported metal.

*Mr. Udayar.*—Quite so.

*President.*—Then the people who will be affected by the duty on type are job printers chiefly and the smaller Vernacular papers who don't have these Mono-type machines or lino, is that right?

*Mr. Udayar.*—Yes.

*President.*—Perhaps the advertisers may be affected also to some extent, because they have to depend on ordinary types, is that correct?

*Mr. Udayar.*—Yes, (i.e.) Loose type.

*Type metals.*

*Dr. Matthai.*—When you make your own type metal, where do you get the materials from? Do you import them?

*Mr. Udayar.*—90 per cent. are imported from Germany and London.

*Dr. Matthai.*—You do make a certain amount of type metal, don't you?

*Mr. Udayar.*—Yes, only for the spacing materials.

*Dr. Matthai.*—You say 5 to 6 tons a year. You make your own metal and the lead and tin that you require, you buy locally.

*Mr. Udayar.*—Yes from hardware merchants.

*President.*—Do you prefer the English metal or the German metal?

*Mr. Udayar.*—I have been patronising only English metal for a long time. Now I prefer the German metal. The quality is the same. I give my own formula and they make it.

*President.*—What is the difference between the two?

*Mr. Udayar.*—The English metal costs Rs. 47 and the German metal Rs. 42-8-0 per cwt. at our godown. Sometimes there is a difference of Rs. 10.

*President.*—It makes no difference to you so long as they make it according to your own specifications and they supply it to you, but does not the English manufacturer do the same?

*Mr. Udayar.*—Yes. In England the labour charges are more and therefore it is costlier than German metal.

*Dr. Matthai.*—Supposing you have got your own formula and you ask a German manufacturer and an English manufacturer to manufacture to that specification, even then you would find that the English type metal would be better in quality, although it is the same specification.

*Mr. Udayar.*—No.

*Dr. Matthai.*—If it is the same specification, there should be no difference in quality.

*Mr. Udayar.*—No, certainly not.

*Dr. Matthai.*—If there were no difference at all between English type metal and German type metal made to the same specification, why can't you people do it here.

*Mr. Udayar.*—No, it is not possible to manufacture type metal here as we have no special laboratory. The laboratory costs about Rs. 10,000. If we had that amount, we would invest it in other things and develop our business.

*President.*—There is a duty of 15 per cent. on some of these metals, viz., lead, tin, etc. There is no proposal at present to remove the duty on these non-ferrous metals. Therefore it would not be cheaper for you even at present to make your own type metal than to import type metal so far as the tariff is concerned, is not that so?

*Mr. Udayar.*—That is what we say. We prefer this and prices on types will be reduced simultaneously.

*Prices of type metals.*

*President.*—Are these the latest prices that you have given, Rs. 47 and Rs. 42-8-0?

*Mr. Udayar.*—The present price is Rs. 47 for English type metal and Rs. 42-8-0 for German type metal delivery at godown.

*President.*—You have got to pay 15 per cent. Is that a tariff valuation or you simply pay 15 per cent.?

*Mr. Udayar.*—Customs people only charge 15 per cent. according to the tariff schedule.

*Cost of type metals.*

*President.*—In answer to question 11, you give your cost of type metal as Rs. 50 and labour as Rs. 60 per cwt.

*Mr. Udayar.*—Yes, excluding advertisement, bad debts and depreciation.

*President.*—That does seem to me a very large amount.

*Mr. Udayar.*—As you said this morning in the beginning there are small foundries in Madras where labour is cheap. A man could cast 50 to 60 lbs. of ordinary metal a day. In the hard metal he could not cast even 20 lbs. a day.

*President.*—It is merely the training of labour when you do with machinery.

*Mr. Udayar.*—We require a certain kind of temperature. It must be mixed well. Sometimes you get hollow types and sometimes there are defaced types for want of proper temperature. Also we won't get perfect cast types, because you must give sufficient heat to the metal. That is why our labour charge is higher.

*President.*—Other things being equal, labour in India is cheaper than in Germany.

*Mr. Udayar.*—It has increased now. Year after year labour cost is increasing.

*President.*—Labour is cheaper here than in Germany. Therefore you would be in a better position to produce the type than the German manufacturer assuming that you use the same machinery.

*Mr. Udayar.*—I have already mentioned in my written statement that there is much difference between my price and German price.

*Price of types.*

*Dr. Matthai.*—If you take the German 12 point, what is the price now in Madras?

*Mr. Udayar.*—It is Re. 1 per lb.

*Dr. Matthai.*—And what is your price for the same kind?

*Mr. Udayar.*—As. 11 per lb.

*President.*—The point is this. There are English types and German types being imported into the country. The German types are of a cheap kind.

*Mr. Udayar.*—I agree there.

*President.*—Won't you get at least the German price?

*Mr. Udayar.*—Whatever may be our outturn and our cost, our types are not so very perfect and accurate when compared to Continental types, because those types are manufactured in automatic type casting machines whereas ours is cast on hand pivotal machines. High class printers doesn't go in for our types, as the finish and other things are not accurate and perfect, though the quality is the same. As a type founder I admit that.

*President.*—That is to say they would rather buy the German type than your type.

*Mr. Udayar.*—It is so in the present case.

*Dr. Matthai.*—One of the foundries in Northern India have told us that the current price for imported German type in that market is somewhere about As. 13-9 per lb. and the price that they realise is a little over Re. 1.

*Mr. Udayar.*—I believe they might have got automatic type casting machines.

*Dr. Matthai.*—You sell at the rate of As. 11 per lb. Don't you lose on that?

*Mr. Udayar.*—We make very little profit. Still we are not successful in finish owing to competition. If the duty were removed, we could reduce the price, improve the finish and thus increase our sales.

*President.*—The position is this; supposing we took Rs. 42 as the c.i.f. price of your imported German metal and then we added 10 per cent. wastage, the duty you have got to pay on that is between 9 to 10 pies per lb.

*Mr. Udayar.*—Yes.

*President.*—What will be the c.i.f. price if he sells the German type at Re. 1 in the bazaar?

*Mr. Udayar.*—It must be lower, but they sell on an average at Re. 1 per lb.

*President.*—That is true. We must take the wholesale c.i.f. price for this purpose. If a man imports, take Dickinson for instance, and if you buy 10 lbs., he charges you a higher price for those 10 lbs., but he doesn't pay duty on that price. Re. 1 is the retail price for the man who buys a lb. The c.i.f. price would be As. 13. Supposing we took in round figures As. 12, 2½ per cent. duty on As. 12 is just 3½ pies. Therefore you are at a disadvantage compared to the foreign manufacturer of 5 or 6 pies a lb. and that is your complaint.

*Mr. Udayar.*—Yes.

*President.*—Prices vary from Re. 1 to Rs. 5 a lb. What type would be typical of the whole type industry? Which is the type most in use?

*Mr. Udayar.*—12 point to 8 point.

*President.*—12 point is Re. 1.

*Mr. Udayar.*—10 point costs about Rs. 1-4-0 and 8 point about Rs. 1-8-0.

#### *Imports of German types.*

*Dr. Matthai.*—We may take 12 point as more or less Standard. German type is the cheapest imported type at present.

*Mr. Udayar.*—Yes.

*President.*—German type is about half of the total imports.

*Mr. Udayar.*—Yes.

*President.*—The other half is English type.

*Mr. Udayar.*—Yes, partly English and partly American.

*President.*—That sort of type you don't compete against?

*Mr. Udayar.*—Not much.

*President.*—Is the competition chiefly against German type?

*Mr. Udayar.*—Yes.

*Dr. Matthai.*—Who are the classes of people who generally use English type?

*Mr. Udayar.*—Job printers like Messrs. Addison and Company, the Methodist Publishing House, the Associated Printers Limited, Messrs. V. Perumall Chetty and Sons and others.

*President.*—For special type of printing the English type is better in this sense that it lasts longer and you get a better impression than you would from a German type.

*Mr. Udayar.*—German type is also equally good.

*Dr. Matthai.*—How long has German type been coming into the country?

*Mr. Udayar.*—It is only during the last 4 or 5 years German type is being imported.

*Dr. Matthai.*—Before the war was there a lot of German type?

*Mr. Udayar.*—No.

*President.*—Excluding Bombay in 1927-28 there was 2,431 cwts. of type metal and type for all India was 1,399 cwts.

*Mr. Udayar.*—There is an agent in Madras and he gets about 1,000 lbs. to 1 Ton. of German type every six months. Sometimes he sends direct indents if the indents were to exceed about 1,500 lbs.

*President.*—I find that the imports from Germany have been steadily increasing, so that the competition that the Indian manufacturer has to face is from Germany.

*Mr. Udayar.*—Yes.

*Dr. Matthai.*—Could you send us the actual c.i.f. Madras price of German type 12 point?

*Mr. Udayar.*—I will send\* you later on.

---

\* Not received.

### The Gujarati Type Foundry, Bombay.

(1) Letter dated 30th October 1928.

1. The attention of the Tariff Board is invited to the fact that almost all the foundries in Bombay and similarly many other foundries in India, except a few foundries in Madras, manufacture their own type metal; import of the type metal for the commercial foundries in this part of the country is negligible—rather *nil*.

2. It is unnatural, unjustifiable and injudicious that a finished product like type should pay only 2½ per cent. duty when its constituents or the raw materials like Lead, Antimony, etc., are made to pay a duty of about 15 per cent.

3. It looks inconsistent and ridiculous that when the Government have made the import of machinery and certain other articles used in printing presses, absolutely free, the raw materials for a type industry be made to pay a higher duty and the finished product type—should pay a nominal duty of 2½ per cent. only.

4. For the purposes of arriving at first cost it is not enough that mere cost of metal and charges of labour, office, etc., alone may be taken into account.

There should be a margin for the bad debts that require to be written off, margin for "castings" going wrong, the entire cost and dead loss of certain type styles not finding a sale because of the change in taste. The last is indeed a very important factor for every type foundry.

5. Much of the so-called apparent margin is not genuine, because, in India local type foundries have to supply small quantities of "Sorts" the cost of whose casting eats up the assumed profits in the sale of types.

NOTE.—"Sorts"—sorts mean some extra letters that are supplied to presses when they run short of these; a printer buys, say, 60 lbs. of types which have, say, 100 Capital 'A' and 400 Lower 'a'; when these types are distributed and the compose is done, the printer finds that he needs only 20 additional 'A' or 'a'; any such supplementary supply of types is known as "sorts".

6. If the Government decide to give relief to this industry, equally and fairly, duty on both the type metal as well as virgin metals ought to be removed,—besides other relief like enhancement of duty on types.

If, however, Government have any difficulty or objection to remove duty on virgin metals on the ground that the virgin metals are not consumed more than 700 tons—in the type industry, even at a most liberal estimate, and assuming that only fresh virgin metals are used, we suggest and press for duty on imported type at 60 per cent.

7. We press for a duty of 60 per cent. on imported types, at present, for the reason that—if the industry is to be protected adequately and not in a half-hearted spoon-feeding way. The latter course would hardly afford security or stability to the industry.

8. Government need not entertain any fear of the loss of revenue if the import of type ceases. Much of the revenue will be made up from the greater consumption of raw or virgin metals (assuming the duty on them remains) and indirectly from what a prosperous industry contributes, *e.g.*, Income-tax, etc.

9. Higher duty on imported type is not likely to become a tax on knowledge.

Assuming that the presses buy dearer types, this extra cost is so distributed that it makes hardly any appreciable difference either in the cost of publication of a newspaper or a book or to the reading public. It may here be noted that many a newspaper press or publication house use Linotype or Monotype machines, which will not be affected by the higher duty on types.

On the contrary, the duty of one anna per lb. on imported paper for books and newspapers and a high postal rate for printed matter are really heavy and almost prohibitive taxes on knowledge which need no scientific or elaborate mathematical calculation to understand.

10. The Board may also consider that it is neither desirable nor patriotic that a country should be made dependent on foreign countries for a finished product; the consequences of any such state of affairs in times of war or similar events are indeed dangerous. While considering this point, the Board may not be misled to believe that because India to-day produces about 85 to 88 per cent. of the total types and only about 15 to 12 per cent. of the types are imported, the danger feared by us is not true or is exaggerated.

We desire the Board to see from now the dangers that are ahead and if the import of cheap foreign types is to progress in the same proportion as it has done during the last five years coupled with the price cutting (*viz.* Re. 0-9-6 per lb. for English Character types, c.i.f. Bombay) the dangers and the natural consequences to result therefrom that we foresee, will materialize and that, not at any distant date.

11. We take it that the Board is aware that many an Indian industry have decayed and been ruined in a similar way in the past and we, therefore, wish that a similar fate should not be allowed to overtake this industry merely through the short-sighted policy of the Government.

12. Lastly we do assume and take it that one does not belittle the importance of the industry because, in the vast manufactures and commercial trade of the country these figures do not go beyond Rs. 20,00,000 annually.

Indian foundries have sunk in this industry about Rs. 50,00,000 (Bombay contributing about Rs. 23,00,000) and afford work to about 4,000 skilled labour. The industry has opportunities to grow and develop with the spread of knowledge and literacy.

Such an industry ought not therefore to be crushed by foreign competition which has vast organised resources at its back. One should extoll all such resources if same could be for a country's good but if the same were to be utilised to crush a young industry, such great resources are hardly a boon but a calamity and a misfortune for a country against whose industries they are used.

(2) Letter dated 31st October 1928.

We have pleasure to attach our reply to the questionnaire issued by you on 29th July 1927 with a few observations,\* for the consideration of the Board.

We shall thank you to acknowledge receipt of this letter with enclosure.

Enclosure.

REPLIES TO THE QUESTIONNAIRE ISSUED BY THE TARIFF BOARD ON 29TH JULY 1927.

1. Lead, Antimony, Tin and Copper. (For proportion refer Appendix A).
2. Only Lead is partly available from Burma (India), but most of the double refined Lead comes from England.
3. No, not as a main commercial business line; however some foundries like ours manufacture it for sale to small foundries attached to printing presses or for Linotype Machines and Monotype Machines.

\* Vide letter dated 30th October 1928.



4. Yes, since the foundry was founded in 1901. The type metal we made for our requirements is as under:—

	Cwt.
1923 . . . . .	.800
1924 . . . . .	1,240
1925 . . . . .	870
1926 . . . . .	510
1927 . . . . .	500

The constituents of the type metal are approximately the same as in Appendix A. Besides this, we manufactured type metal for our constituents as mentioned in item 3.

5. Since we do not purchase foreign or outside type metal, we have used the type metal manufactured by ourselves in our foundry. (*Vide* question 4.)

6. None; none.

7. We either directly import raw or virgin metals from England or buy them locally.

Type metal mostly come from England and a small quantity from Germany.

8. The rates depend upon the quality and the constituents of the materials.

(a) At present foreign firms quote for fairly good quality of metal Rs. 45 to 50 per cwt. *ex-godown* Bombay, which work out to approximately Rs. 36 to Rs. 41 c.i.f. Bombay.

(b) Approximately at least 20 per cent. over the c.i.f. price.

9. About 3 to 5 per cent. when the type metal is made and about 1½ to 2½ per cent. between the process of casting types and packing them for delivery; the latter figure includes waste in handling also.

10. See Appendix B.

11. See Appendix C.

12. (a) As per Bombay standard, a decent small foundry will require to pay as rent about Rs. 200 to 250.

(b) For a decent small foundry capable to supply type outside its local area minimum investment in plant (moulds, matrices, punches) and machinery would be about Rs. 1,00,000.

(c) Furniture, equipment, etc. 10,000.

13. As per estimate in item 12, about Rs. 5,000 to 8,000 per year, as depreciation at the rates allowed by the Income-tax offices in Bombay:—

2½ per cent. on building.

5 per cent. on machinery.

7½ per cent. on matrices and moulds.

14. Besides investment in the Foundry, working capital needed is:—

(a) Rs. 2,00,000.

(b) About Rs. 2,50,000.

15. The minimum rate that needs to be calculated is 7½ per cent. and maximum 12 per cent. for borrowed capital.

16. It is uncertain; to agents we have to pay on an average 10 per cent. to 12½ per cent. as commission.

Except the manager's salary we debit the office expenses to the working cost of types.

In this sense the head office expense is from Rs. 9,000 to Rs. 12,000 annually.

17. (a) Rs. 2-0-0 per lb. on an average.

(b) Rs. 2-4-0 to Rs. 2-8-0 per lb. on an average.

(c) Re. 0-9-9 to 0-9-3 per lb. on an average for English character types and Re. 0-14-3 per lb. for vernacular types.

NOTE.—We have come to know from private sources that an important English type foundry has reduced its selling price of English character types to Rs. 1-8-0 per lb.

18. Our current rates are:—

Rs. 2 per lb. for 12-point, English.

From Rs. 1-13-0 to Rs. 2-0-0 per lb. for vernacular types.

Less discounts, if, and when necessary, according to the quantity of order placed; less agents' commission when any.

NOTE.—In September, to compete with foreign type selling cheaper in Delhi and outside we had to reduce Hindi type rates to Re. 1-4-0 for 12-point type.

19. (1) Large presses which have for years bought our types, need the existing stock to be replenished with our types.

(2) Facility to get sorts.

(3) Also because the ordinary presses are not still fully aware of getting cheap foreign types.

(4) Personal influence.

(5) Dependability.

20. Yes.

21. About 20 to 25 fairly large type foundries and about 40 small ordinary foundries.

22. No.

23. Till a year or two back competition was practically confined to English types; now it is felt in respect of vernacular types also, especially Devnagari, Urdu, Sindhi. We have reasons to believe that even for vernacular types the competition is bound to be as keen as for English types.

24. (a) About 60 per cent.

(b) About 40 per cent.

25. (a) It will serve the purpose of the tariff, if the imported type metal for foundries be defined as "type" metal.

(b) Government agreeing to allow free import of type metal will afford no relief to Bombay as well as to the foundries manufacturing their own type metal situated in other parts of the country except to certain foundries in Madras.

Regarding Appendices A and C we do not desire publication of the information given; we give it confidentially to the Board only to help them in their inquiry.

On these points, oral evidence, if needed, be taken in camera.

APPENDIX A.

Question 1.

Constituents of the hard metal—

	Per cent.
Lead . . . . .	63½
Antimony . . . . .	26
Tin . . . . .	10
Copper . . . . .	½
TOTAL	100

## APPENDIX B.

## Question 10.

	Output in lbs.
1923 . . . . .	81,300
1924 . . . . .	126,700
1925 . . . . .	88,260
1926 . . . . .	51,100
1927 . . . . .	50,600

Capacity to turn out types—lbs. 75,000 to 80,000.

## APPENDIX C.

## Question 11.

(a) Cost of type metal per lb.—annas six.

(b) Cost above type metal—ten to eleven.

If we have the possibility to work the foundry to capacity about 12 per cent.

No consideration is taken in the above figures of dead loss, bad debts, etc.

### The Nirnaya Sagar Press and Jawaji Dadaji Type Foundry, Bombay.

Letter dated 31st October 1928.

With reference to your questionnaire of 29th July 1927 supplied to me by the "Type Foundry Owners' Association, Bombay", I beg to send you herewith my replies to the several questions relating to the type manufacturing industry.

#### REPLIES OF THE NIRNAYA SAGAR OR JAWAJI DADAJI TYPE FOUNDRY TO THE QUESTIONNAIRE ISSUED BY THE TARIFF BOARD ON 29TH JULY 1927.

1. Lead, Antimony and Tin, mixed in the ratio of 32: 13: 5.
2. None of the materials except Lead from Burma are produced in India.
3. To our knowledge there are no commercial firms in India manufacturing type metal for sale.
4. Our Foundry has been manufacturing its own type metal since its inception in 1864 and has manufactured type metal to the extent of types cast, as shown in the reply to question 10.  
Constituents of the metal as per item 1.
5. We have been using only our own type metal.
6. For all these years we have never used foreign type metal.
7. For manufacturing our own type metal we locally purchase the virgin constituent metals.
8. (a) The local c.i.f. cost of the ordinary type metal is about Rs. 42 per cwt. (112 lbs.).  
(b) About 18 per cent. to 20 per cent. more than (a).
9. About 8 per cent. to 10 per cent. of the type metal is wanted in the entire type manufacturing process.
10. Actual production—

	Cwts.
1923 . . . . .	900
1924 . . . . .	1,000
1925 . . . . .	850
1926 . . . . .	725
1927 . . . . .	650*

If there is no price cutting by foreign competition we can manufacture and sell more types; if we work at full capacity we can make about 850 cwts. of types.

11. Works cost per cwt. would be Rs. 106.
  - (a) Type metal about Rs. 40 per cwt.
  - (b) Labour charges about Rs. 64 to 66 per cwt.
12. (a) A small foundry capable to sell its type beyond local area will require premises having a rental of about Rs. 200 monthly;
  - (b) About Rs. 80,000 for machinery and plant; and
  - (c) Equipment and furniture, etc., about Rs. 10,000.
13. Depreciation is allowed by the income-tax at the following rates in Bombay:—
  - 2½ per cent. for building.
  - 5 per cent. on machinery.
  - 7½ on matrices and moulds.
14. Working capital required for present output is Rs. 1,25,000 and Rs. 1,50,000 for working capacity.
15. The rate of interest we pay is 9 per cent. per annum.
16. We have no Agents.
17. (a) English types, cost Rs. 2 per lb.
- (b) American types, Rs. 2-4-0 per lb.
- (c) And German types, Re. 0-10-0 per lb. and Re. 0-14-0 per lb. for vernacular types.
18. Our current rates for the English types are Re. 1-2-0 per lb. and Re. 1-4-0 as per lb. for the vernacular types.
19. Our type commands a sale because of our long established clientele, and specially because the cut of our types is better appreciated.
20. Our type is as good as foreign types.
21. There are about 20 good foundries and about 40 to 45 small ones.
22. Type metal cannot be used for any other purpose except for the manufacture of type.
23. Foreign competition till recently was confined to English types only but with the import from Germany of cheap German types, competition in vernacular types had also commenced and from the recent import figures and the latest advices of further reduced prices, our industry is now in imminent danger of being shortly taken.
24. Of the total types manufactured by us—
  - (a) about 25 per cent. are English types, and
  - (b) about 75 per cent. are vernacular types.
25. (a) "Type metal".
  - (b) The removal of the import duty will be of no benefit to the foundries that prepare their own type metal. On the contrary the general effect of such removal will be to encourage import of type metal and open a new market to foreign labour so far as the manufacture of type metal is concerned and as a result, native manufacture of type metal would be further discouraged to the advantage of foreign competition as the constituents of the type metal will be subject to a duty which will be exempted in the case of imported type metal. So removal of duty on type metal merely would not afford a real protection to the indigenous industry. The real way to protect type industry will be to impose a duty on imported type to the extent of 60 per cent.

**The New Anand Sagar Type Foundry, Bombay:**

*Letter dated 3rd November 1928.*

REPLIES TO THE QUESTIONNAIRE ISSUED BY THE TARIFF BOARD ON 29TH JULY 1927.

1. Lead, Antimony, Tin and Copper. In the following proportions:—

	Per cent.
(a) Lead . . . . .	72½
(b) Antimony . . . . .	25
(c) Tin . . . . .	1½
(d) Copper . . . . .	1
	<hr/>
TOTAL	100

2. We get lead from Burma and we import something refined lead from England.

3. Special firms dealing only in type metals are not known to us. Some foundries manufacture a small quantity for their constituents.

4. We have manufactured our own type metal since the establishment of our foundry in 1924.

In 1927 we made 285 cwts. of type metal.

For constituents of our type metal refer to item 1.

5. As above, see reply to item 4.

6. *Nil, nil.*

7. We do not import type metal but buy virgin metals locally. Type metal mostly comes from England.

8. The rates depend upon the quality of the metal.

(a) Rs. 35 to Rs. 40 c.i.f. Bombay for ordinary good metal.

(b) About Rs. 42 to Rs. 47 delivery Foundry.

9. About 5 per cent. when the type metal is made and about 5 per cent. further from casting of the types till finish.

10. In 1927 we manufactured 23,500 lbs. of type.

We can manufacture 40,000 lbs. with ease.

11. (A) Rs. 31-8-0 per cwt.

(B) Rs. 42-0-0 per cwt.

12. (a) We pay as rent Rs. 150.

(b) Rs. 85,000.

(c) Furniture, etc., Rs. 10,000.

13. About Rs. 5,500 per year at least—Depreciation at the rate as allowed in Bombay.

2½ per cent. on building.

5 per cent. on machinery.

7½ per cent. on matrices and moulds.

14. (a) Amount for working capital is about Rs. 85,000.

(b) Amount for building to the capacity is about Rs. 1,10,000.

15. The minimum rate may be calculated at 7½ per cent. and maximum 12 per cent.

16. (a) We pay commission on an average to agents 10 per cent.

(b) Our Bombay office manager's charge, etc., is Rs. 6,000.

17. (a) About Rs. 2 per lb. known good foundries.  
Other foundries not very well known quote Re. 1-6-0 to Re. 1-8-0 per lb.  
(b) Rs. 2-4-0 per lb.  
(c) Re. 0-12-0 per lb.
18. Our current English style type rates are Re. 1 per lb. and Re. 0-14-0 vernacular types.
19. We could sell our types due to our low price which we have to keep to introduce our types in the market.
20. Quantity of our types is a little lower; if we can get full rate, i.e., Re. 1-4-0 to Re. 1-8-0, we are able to make types as good as German or English. At our low rate, we cannot afford to make types equal to English standard.
21. As per list attached.
22. No.
23. Two years after we established our foundry we have realised the sad state of this industry. Competition is more in English types, but we anticipated the same keen competition even for vernacular types shortly as they already commenced to arrive in fairly large quantity.
24. (a) About 25 per cent.  
(b) About 25 per cent.
25. Removal of duty from type metal would not give us any benefit; if it is not possible to remove duty from virgin metals, imported types be made to pay 55 to 60 per cent. duty. Otherwise there will be no real benefit to our industry.

#### **Bombay Type Foundry Owners' Association.**

(1) *Letter without date (received on the 2nd December 1927).*

I have pleasure to send herewith a copy of the telegram and the subsequent representation sent by the Chairman, Bombay Type Foundry Owners' Meeting held in Bombay on 30th August 1927.

This was prior to my Association was formed.

I understand that a copy of the said representation was also sent to the Secretary, Department of Commerce, Simla, and Secretary, Revenue Board, Simla, but there was no further reply from them except mere acknowledgment.

I also attach a copy of the telegram sent by the Bombay Type Foundry Workmen's meeting on 1st September 1927.

I shall thank you to acknowledge receipt of the enclosures sent.

Enclosure No. 1.

- *The resolution passed at the Meeting of the Type Foundry Owners of Bombay on Tuesday, the 30th August, 1927.*

"This meeting of the Type Foundry Owners in Bombay, held on 30th August 1927, strongly protests against the amendment of the Indian Tariff Act of 1894, so far as it affects Types, Leads, Lead and Brass Rules, Metal and Wooden Quoins, Metal Furniture, Shooting Sticks and Galleys by the proposed removal of duties thereon as the same will be detrimental and suicidal to the infant Type Foundry industry of this country and request the Government that with a view to protect and strengthen it, the existing duty on the above articles be enhanced to at least 15 per cent. *ad valorem*."

"This meeting also authorises its Chairman to communicate this resolution, with any further explanation that may be necessary, to the parties interested in this question and also to the Department of Commerce, Government of India, Simla, and the Members of the Legislative Assembly and Council of State."

Enclosure No. 2.

*True copy.*

This mass Meeting of Labour employed in Type Foundries, Bombay, protests against proposals made by Department of Commerce, under Amendment Tariff Act, 1894, to remove duty on Types, Leads and Foundry articles. Due bad unfavourable trade and import of cheap foreign types especially from Germany employment of Labour and Wages are being reduced in Foundries since some time past. In view of this unless further heavy duty is not imposed on imports of Types and Local Foundry made materials labour would be thrown out and unemployment increase. Commerce Department proposals create misgivings. Request Government take immediate timely action to protect labour by protecting our industry, otherwise consequences will be serious all over and type industry ruined.

VIRJI HEMCHAND,  
Chairman,

*Bombay Type Foundry Workmen's Meeting.*

Virji Hemchand,  
76/84, Ramashram, Kandewadi,  
Bombay,  
1st September.

Enclosure No. 3.

GAIWADI, GIRGAON,  
BOMBAY, 4,  
1st September 1927.

FROM

CHHAGANLAL THAKURDAS MODI,  
CHAIRMAN OF THE MEETING OF THE  
TYPE FOUNDRY OWNERS OF BOMBAY,

To

THE SECRETARY,  
DEPARTMENT OF COMMERCE, GOVERNMENT OF INDIA,  
SIMLA.

*Re Amendment of Indian Tariff Act, 1894.*

DEAR SIR,

I have the honour to confirm my telegram dated 30th August 1927 and to forward to you the full text of the resolution passed by the meeting of the "Type Foundry Owners of Bombay", held on 30th August 1927.

In connection with the said resolution I am desired by the said meeting to submit to you the following main reasons, amongst others, why it considered it undesirable to remove any duty on Types, Leads, Lead and Brass Rules, Wooden and Metal Quoins, Metal Furniture and sundry articles made by type foundries in India and used in printing presses. On the contrary, the meeting was of opinion that it was necessary to request the Government to take immediate steps to protect this industry by enhancing the existing duty to at least 15 per cent.

1. The raw products, viz., Antimony, Lead and Tin, from which types are made, pay an import duty of 15 per cent. *ad valorem*, and Rs. 250 per ton respectively, whereas the manufactured article "Types" will, if the Government's amendment be accepted and passed, pay no duty whatsoever.

This is very unnatural and contrary to any sound ethic of administration, industry or business.

This is unjustifiable also on any ground of sound reasoning.

It was in view of this that the meeting urged on the Government to impose a duty of 15 per cent. at least on the imported types, especially

to counteract the unnatural and unjustifiable advantage they derived by the so far nominal duty on them.

The reason for suggesting 15 per cent. duty is because Lead and Antimony, the two main components of the type metal, pay as much as 15 per cent. *ad valorem* duty.

2. Two years back, Government increased duty on paper and ink—two other branches of the printing industry—with a view to protect and encourage these two industries.

It, therefore, looks strange that the Government in the same breath proposes legislation that may ultimately help in crushing out the undeveloped type industry of this country.

3. The meeting wondered if the Government were aware that the dumping of cheap German types seriously menaced the local young type foundry industry.

The following figures speak for themselves:—

IMPORTS FROM GERMANY.

Year	1921-22	1922-23	1923-24	1924-25	1925-26
Weight in cwts.	1	79	275	884	859
Value in Rs.	165	9,441	24,890	87,307	70,980

N.B.—1926-27 figures are still not available.

The meeting also felt that if it was at all the Government's intention to give any preferential advantage to England, the object would be defeated because of the more than 50 per cent. cheapness of German types against English types as the following figures showed:—

Years.	1924-25		1925-26	
	Quantity in Cwts.	Value in Rs.	Quantity in Cwts.	Value in Rs.
United Kingdom	958	1,66,891	1,053	2,00,979
Germany	884	87,307	853	70,980

N.B.—1926-27 figures are still not available.

The meeting was, therefore, of opinion that the proposed Government's action, without giving any concrete benefit to England, would enable the free and unhampered dumping of cheap German manufactures, especially types, to the detriment of and serious harm to the growing young type industry of the country.

4. Of the existing type foundries, only about 5 or 6 were established more than 30 years back, in the vast continent of India, whereas most of the other type foundries came into existence just after the war. It was, hence, that any such proposed action would seriously affect these young foundries which were still not firmly established nor were in a position to stand by themselves the unfair competition and other advantages possessed by imported types.

5. Some of the industries in general, and the type foundry industry in particular, are passing through critical times and the foundries have to make their own struggle to pull through. If, therefore, instead of giving support and strengthening the local industry by protection and encouragement, by raising the duty on imported types to 15 per cent. Government were to take any suicidal action in the opposite direction, same would result in the foundries being not able to stand the foreign competition and such an action would ultimately kill this industry.

6. The meeting also apprehended that if the Government were not to take effective steps and give the long delayed protection to this industry very promptly, the labour employed in the foundries would be thrown out at no distant date and would further augment the already existing critical unemployment situation. It was, hence, that the meeting urged on the Govern-



ment to extend their helping hand to labour as well and to take such steps that it might not be thrown out.

In view of the above considerations the meeting unanimously passed the resolution attached herewith and I trust Government would see the necessity not only to stop the removal of duty on types, leads, brass and lead rules, metal and wooden quoins, metal furniture, shooting sticks and galleys but to raise the existing duty to 15 per cent. at least.

I shall thank you to acknowledge to me the receipt of this letter at the above address and to send any further correspondence at the same address.

Yours faithfully,

(Sd.) CHHAGANLAL THAKURDAS MODI,  
Chairman of the Meeting of the Type  
Foundry Owners of Bombay.

(2) Letter No. 4, dated the 25th January 1928.

I have the honour to herewith forward my Association's reply to your questionnaire dated 29th July 1927 in respect of Type Foundry industry. I shall thank you to acknowledge its receipt.

I shall also feel thankful to you to inform me the earliest date when the Tariff Board will hold an inquiry into this question and when it is likely to visit Bombay.

Enclosure.

*Reply to the questionnaire.*

1. Lead and Antimony generally; some foundries add Tin and Copper. Least 10 per cent. of Antimony must be added to Lead to call it by the name type metal. Proportions of Lead, Antimony, Tin and Copper vary in all cases.
2. None except Lead in Burma.
3. Some foundries make type metal for sale to their constituents; the Association is not aware of this being done by any firm in India on a commercial basis.
4. Do not come within the scope of the Association for reply.
5. Do not come within the scope of the Association for reply.
6. Do not come within the scope of the Association for reply.
7. Mostly it comes from England and a small quantity from America. We are not aware if it comes from Germany.
8. We understand the current rates per cwt. to be as under:—
  - (a) about Rs. 36 per cwt. c.i.f. Bombay, Ordinary Type metal,
  - (b) about Rs. 45-46, Delivery Foundry, Bombay, Ordinary Type metal.
9. From 3 to 5 per cent.; in certain foundries it goes much beyond 5 per cent.
10. Do not come within the scope of the Association for reply.
11. Excluding depreciation, interest, and agency and many sundry charges, the minimum cost will be as under:—
  - (a) 0-4-0 annas per pound for the most ordinary foundry made metal.
  - (b) 0-4-0 annas per pound for labour and office charges.

0-8-0 Total per pound.

This does not include any laboratory agency or advertisement charges, dead loss, bad debts, etc.

12. We estimate the cost of a small type foundry with, say, 6 machines as under :—

Rent 125 to 150 rupees per month, *i.e.*, say a property worth Rs. 50,000 roughly.

Machinery, Rs. 8,000.

Tools, moulds and matrices, Rs. 45,000 to Rs. 50,000.

Sundry, Rs. 5,000 to Rs. 7,000.

Total Rs. 1,08,000 to Rs. 1,15,000.

Such a foundry must annually expand till a certain stage is reached.

13. On the above Rs. 1,250 for building depreciation at  $2\frac{1}{2}$  per cent. and Rs. 4,500 on moulds, matrices and plant at  $7\frac{1}{2}$  per cent.

14. With reference to figures given in item 12, lowest Rs. 30,000 maximum may go beyond Rs. 1,00,000 as it depends upon the nature of the work the foundry does.

15. Rate of interest on borrowed money should be calculated at  $7\frac{1}{2}$  to 9 per cent.

16. Do not come within the scope of the Association for reply.

17. (1) Rs. 2 8 0	} per lb. of 12-Point English or Pica types.
(2) Rs. 2 4 0	
(3) Re. 0 12 0	
Rs. 0 14 0	

18. In Bombay local made 12-Point English Types sell from Re. 0-14-0 to Rs. 2 per lb. and vernacular types also at similar rates.

19. Proximity of the foundries.

Great facilities to get sorts.

Personal influence of local canvassers.

Import of German types has commenced only recently.

With more advertisement and the printing presses coming to know more of them, their types will sell enormously, and English or American types will have no market here worth the name.

20. Not in all cases; the type metal of some of the type foundries is indeed very low compared either to (a) or (b).

21. Separate list is appended.

22. No.

23. To both English as well as vernacular types; effect of competition in respect of vernacular types has now commenced to be felt.

24. Taking the output of all the foundries we know of in Bombay, we believe the proportion of English and Vernacular types will come to  $\frac{1}{3}$  and  $\frac{2}{3}$  respectively.

25. Type metal.

#### *General Remarks.*

Reduction of duty on type metal alone will be only partial and inadequate relief. A lot of the constituents of the type metal come as raw or virgin metal which the type foundries use, to make type metal locally.

The relief, if any, will be uniform, only if the finished foreign type is made to pay a fairly adequate duty of about 25 per cent.

The Association is aware that it is not so much the English and American types which severely compete with local products as the German made cheap types. But as long as the English and American types pay only  $2\frac{1}{2}$  per cent. tariff duty against 15 per cent. paid on raw or virgin metals or type metal, a serious and justifiable ground for grievance remains.

## (3) Letter dated 1st November 1928.

With reference to my letter dated January 25th, 1928, I have to request you to note the following in connection with the replies to your questionnaire.

Question 17—

- (1) Reply should read 2/4 instead of 2/8.
- (2) Reply should read 2/8 instead of 2/4.

I have also to inform you that the c.i.f. price of German made types, as per latest advices from Germany, is about Re. 0-9-6 to Re. 0-10-0 per lb. for English character types and Re. 0-14-0 per lb. for Vernacular types.

My reply to the Board's Question 17 (3) was on the basis of prices ruling and known to my Association in December 1927.

## (4) Letter dated 1st November 1928.

In continuation of my letter, dated January 25th, 1928, and in further explanation of the answers to the questionnaire, I am directed to address you as follows:—

1. The Type Foundry Industry is still an infant rising industry of India, most of the foundries having been established after the War. Even it is admitted by Sir George Rainy that "It is considered desirable that the duty should be retained for the present in order to avoid prejudice to the manufacture of printing type and similar articles, an industry which has recently been started in India."

2. (a) "It should be an essential part of the fiscal policy of the Government that the raw materials should be made as cheap as possible and that therefore the duty should be kept as low as possible."

(b) "Government should see that no foreign industry should be allowed to import free (or with almost nominal duty) the articles on which local industries have to pay duties."

On the contrary, we find Government levying a duty of 15 per cent. on raw materials, viz., virgin metals—Antimony, Tin, Lead—and allowing the finished products, like the types made from these metals, to be imported with only 2½ per cent. duty.

(c) "Even till the Government change their whole policy of tariff they should give precedence in affording relief to an industry that is not well established or is passing through a period of depression."

We may mention that Type Making Industry is certainly not well established in India and in view of the dumping of foreign types and the trade depression, it is passing through a period of depression.

We quote the above arguments *almost* in the same words as used by Sir George Rainy on September 8th, 1927, when moving the Bill to amend the Tariff Act (*vide* Vol. IV, No. 59, Legislative Assembly Debates, 8th September 1927).

3. The protection or relief, if afforded, should be adequate.

The local industry is apparently under a disadvantage in having to pay 15 per cent. duty on raw materials as shown above; the exchange ratio again gives foreign manufacturers an advantage of 12½ per cent. Add to this the very cheap price of German types, costing only Re. 0-9-0 to Re. 0-9-6 per lb. c.i.f. Bombay, against types of ordinary type metal offered in Bombay at Re. 0-14-0 per lb. or types of very poor quality sold in Southern India.

4. By maintaining an unjustifiable Tariff, the Government of India, even if so minded or desired, is not and will not be able to help the English Type Foundry Industry (as the following figures shew); on the contrary it makes it very easy for the import of cheap German types to the serious detriment of the local Industry and to the sure possibility of crushing it down as an Industry.

The cheapest English made types manufactured by Foundries not very well known, cost about Re. 1-2-0 to Re. 1-4-0 per lb. against which superior quality German made types are available at about Re. 0-9-6 c.i.f. Bombay.

5. A vigilant and shrewd Government would provide every means and facility for the children of the soil to get scientific and technical education. Unfortunately there are no such facilities available for this Industry locally; on the contrary, important responsible posts in Government Presses and Foundries are given to Europeans, and hence the local talent does not get opportunities to advance and progress nor the industry gets any benefit.

6. On the ground that the artificial silk yarn be made available cheaper to the local manufacturers like hand loom weavers, etc., and declaring that the maintenance of any duty on it was unfair and unjust, although the imports of such yarn had increased 30 times in 1925-1926 than what it was in 1920-1921 (in spite of the import duty) the Government came out to remove the duty on artificial silk in last September 1927.

In our case, by allowing the import of types with only a nominal duty and maintaining a high duty on raw materials, Government consciously or unconsciously and without any special benefit to itself is throttling a young Industry. Thus the Government policy does not look consistent.

7. While speaking on the Indian Tariff Bill on September 8th, 1927, Sir Basil Blackett said that a duty falling on Machinery, so long as it is imposed purely for revenue purposes, is obviously in the nature of a tax imposed on the raw materials. It adds to the cost of the finished products, and is, therefore, open to objection.

How much more objectionable it should then be that the raw products are taxed highly while the finished products made from the same materials are nominally taxed, with the result that this young Industry is to-day forced to ask for special relief, at the hands of the Government.

8. In spite of India having few paper mills and although the quantity consumed is beyond the capacity of Indian Mills to produce shortly and although certain kinds of paper are not made in India, Government have imposed a heavy duty on the import of paper.

In our case, if all the imports of Types were to be stopped to-day, Indian Foundries would supply that want; secondly, there are many foundries already existing in India, and as the foreign types compete with the very types that they make, the Government, if it is fair, should see its way to support and protect this industry as it has protected the paper industry.

In this connection the following extract from the British and Colonial Printer and Stationer makes interesting reading and further supports the claim for protection:—

“Extracts from an article on “PRINTING IN SOUTH AFRICA” that appeared in the British and Colonial Printer and Stationer, London, dated August 18th, 1927.

“SOUTH AFRICAN PRINTERS’ PROGRESS:—

“As regards the state of the trade in South Africa, Mr. Radford reports that Printers are experiencing an improvement of business. This is attributed partly to the recently introduced protective tariff duty of 40 per cent. on printed matter. As South African Printers can themselves produce almost all the Printing required in the Union—with the exception of certain specialised lines, such as fancy calendars and Christmas cards—they pressed for and obtained this duty on the general run of Printing; and they are now congratulating themselves on the result.”

9. The Type Foundry Industry in India has already begun to suffer substantially on account of the import in this country of the printing type manufactured specially in Germany. The resources of the German manufacturers—financial, industrial as well as technical—are such as to enable the German type to cost in this country from forty to sixty per cent. cheaper than similar Indian made types. Till very recently the vernacular type was almost a monopoly of Indian foundries, but now even vernacular types

like Devnagree, etc., have been imported from Germany and it will not be long before vernacular types of Bengali, Kanarese, etc., will also be manufactured in Germany. The working foundries in Bombay and in certain other parts of India have already begun to feel the effect of the cut prices at which German type is available. All foundries in India are alarmed at the potentialities of which the present effect is only an index. Although it is a fact that from one cwt. in 1921-1922 the German import of type went up in 1926-1927 to over 900 cwt. the import does not still satisfy more than a very small fraction of the whole needs of this country. But this steady rise is proof positive of what the imports can, in ordinary circumstances, be in another quinquennium and in another decade. In 1923-1924 the imports of German type totalled 275 cwt. only, while in 1924-1925 they were 889 cwt. For this quinquennium the German imports have been steady at about that figure, which means that the German type has displaced the indigenous type to that extent especially in big cities. During these years the reconnoitring work has been done on a much larger scale and a net work of organisation is developing. Things remaining normal, they are sure to take the next big jump shortly almost in the same proportion as the imports of 1923-1924 bore to those in 1924-1925. It is quite a reasonable expectation that the average annual figure for the next quinquennium should stand at 4,000 to 5,000 cwt. and the next after that anywhere from 10,000 cwt. and upwards.

Unless something be done to arrest it, the avalanche of imported German type may in a decade bring about the complete ruin of Indian type foundries except for purely subsidiary purposes.

One very pertinent fact about the cheap German types is that they have so far affected only indigenous type but have almost left the imports of British type untouched. The British imports for the year 1923-1924 stood at 989 cwt. and the German at 275 cwt., while in 1925-1926 the British imports stood at 1053 and the German at 853. This examination of figures will show that the increased and ever increasing imports of cheap German type are not to-day hitting the British Manufacturers but only the Indian Foundries. The competition is not general but is the special concern of Indian manufacturers, who are, on that account, forced and entitled to ask the Indian Government to protect them.

The Association has in its reply to the questionnaire specifically referred to keen cut-throat German competition, mainly because the danger is imminent and is capable to be clearly gauged by the Tariff Board; my Association is, however, not unaware that price cutting in English manufactured types has already commenced. The selling rate of about Rs. 2 to Rs. 2-4 per lb. of English manufactured types is only of important and well known British type foundries, but the types manufactured by other foundries not so very well known or important, are offered for sale even to-day at about shilling 1/9 per lb. less 12½ per cent. to 15 per cent. discount.

My Association has come to know also that, in view of the German types gaining ground in India, a well established, well known and important British type foundry proposes, to hold the market, to shortly reduce its price from about Rs. 2 to Re. 1-4 per lb. for 12 point (pica) types. The negotiations in this connection are said to be in progress and my Association refers to same only to show that the unhealthy competition is affecting English productions as well. If, therefore, the price cutting in English made types takes place similarly in very near future, the danger from that quarter will not be less than from Germany, which is already pointed out.

10. The very first question that is always raised when any Indian industry seeks protection is "what of the customs revenue?" In this case, it is most easily disposed off. To start with, Government were willing of their own initiative to forego even the insignificant amount, *viz.*, about Rs. 8,000 that they realise at present and it was only because the question of a protective tariff was raised that the present import duty of 2½ per cent. was retained. Besides, the virgin metals or type metal, when imported,

pay a duty of 15 per cent. In fact, the customs department ought to welcome imports of the virgin metals or type metal in preference to manufactured type. If a protective tariff is imposed on the imported type, Government are never likely to realise at the customs gate less than they are doing at present. Assuming that a duty of 60 per cent. is imposed as pressed by us, merely five per cent. of the present amount of imported type will pay into the treasury what the total imports of types to-day are doing. On the other hand if the type foundry industry in India maintains its ground and expands normally, Government stands to gain a good deal directly, *e.g.*, through increased income-tax receipts and indirectly through the employment of skilled labour with consequent improvement in their standard of life. A well established industry must please every Government not only on its altruistic but also on its selfish side.

11. It has been suggested that any increase in the duty on imports of type may mean a tax on knowledge. The slightest acquaintance with the production and sale of books or newspapers will satisfy any reasonable person that this suggestion is as far from reality as possible.

Even assuming that the presses pay a trifle more for types, the higher cost, if any, is distributed over a number of impressions one can take from these types, say about 3,00,000 to 4,00,000 and hence the rise in first cost per piece of printed matter is hardly appreciable.

The infinitesimal difference does not come to be borne in practice by the buyer of "printing," *i.e.*, either the booksellers or the readers. And what is this difference after all when we take into consideration factors like the duty of one anna per pound on paper, the book post rate of half anna for five tolas of printed matter, etc., which are rather more direct and more oppressively heavy taxes on knowledge compared to higher cost resulting from protective duty on imported types.

On the other hand a little reflection will shew that even if it did work as a tax on knowledge, the proposed protective duty is a lesser evil than the gloomy prospect of a ruined industry and the consequent monopoly vested in a foreign country. When that position is realised there will be nothing to prevent the prices even of foreign type from going up. That this is not a fanciful idea is proved by the very recent action of the Java Sugar Trust, who have charged for sugar supplied to India nearly Rs. 12 per ton more than the countries west of Suez (as can be seen from a telegram that has been addressed to Sir George Rainey on this subject by the Bombay Sugar Merchant Association).

12. It has been said that the whole question is trivial as the total figures involved are insignificant. If this be a fact, the illiteracy prevailing in this country and the enforced purchase of foreign books for all higher and secondary education, as well as the printing on account of Government and the school text books that are allowed to be printed in England and elsewhere, are also responsible. On all sides, however, one can see strenuous efforts being made to spread primary education and to propagate even higher education in vernaculars. Already one has before him a widening and hopeful vision. The Type foundry industry in India is an expanding industry, *i.e.*, if it is allowed to stand in the face of the powerful undercutting expedition launched from outside. It is the future to which the Association looks and to which attention of the Government is invited. To the people of India even a small industry is not inconsiderable especially when it does supply more than eighty per cent. of the country's requirements of a particular commodity and reasonably expect to keep on supplying the increasing demand.

13. The Type founders in India have hitherto supplied more than eighty-five per cent. of the type required in this country. No other evidence is necessary to prove their capacity to do so and to be able to supply cent per cent. demand. It may here be repeated that there were till very recently almost no imports of vernacular type. The skilled as well as the unskilled labour required for this industry is available in India and given reasonable assurance, this industry will be able to induce the necessary capital. As

regards the raw materials Burma supplies lead which is the main constituent of the type metal, say about 75 to 80 per cent. The other two constituents, tin and antimony are only very small quantities of the virgin metals imported into India for all sorts of purposes and there is no reasonable possibility of India not being able to get such necessary supply for manufacturing printing type.

14. Type is a key material in the preparation of books and papers and it is extremely desirable that a big country like India should be self-supporting in respect of it. It is surely undesirable in the extreme that advantage of certain favourable factors should be so allowed to a foreign country as to virtually hand over to it the entire control of such a key material. As a body of commercial men, this Association does not entertain alarmist ideas but likes to think as a practical body and therefore cannot rule out of the world the possibility of another international upheaval. Such an upheaval would at once dislocate and even paralyse the whole press in India if the type foundry industry be reduced by that time to the position pictured in the foregoing paras. Even a trouble between the two countries, in this case between India and Germany, may seriously hamper education in India. That is not a prospect any Government can look with unconcern if it has any solicitude for its people.

At present about three thousand skilled labour is estimated to be employed in this industry in India. This number is sure to multiply with the legitimate expansion of literacy. Besides these there is a large number of engravers, matrix-makers, designers, punch-makers, etc. Again there is a large batch of unskilled labourers finding employment in this industry. The skilled workmen have had to devote years to attain their present skill and will find themselves seriously handicapped if they are thrown out of employment. Already unemployment is prevalent in India both in regard to skilled as well as unskilled labour. Any addition to the rank of the unemployed will aggravate the present distress and any shrewd Government will try to stop such a catastrophe.

Many of the large presses in India have type foundries as subsidiary branches. They have invested capital in them and have made many other arrangements on the basis of the foundries being an integral and inseparable limb of the presses. They will be either great losers or will be seriously upset if they find that their foundries are not paying propositions which can be realised if the German type drives the Indian type out of the Indian market.

15. The demand of this Association is for a protective duty to be imposed on the imported printing type to the extent of 60 per cent. It ought to be made a definite protective tariff so that the Legislature will have to be consulted for modifying or repealing it and the Executive cannot interfere with it.

My Association has revised its former demand in view of the further heavy price cutting of German made types; even first class English foundries are now reported to have reduced their prices from Rs. 2 to Rs. 1-4 to hold the Indian market against German competition and already small English foundries have begun to offer English made types at Rs. 1-2 to Rs. 1-4.

In the opinion of this Association the removal of the duty on type metal will not serve any useful purpose. To the best of its information, the Association can say that type metal is not generally imported except in Madras for commercial type foundries. Besides so long as virgin metals will have to pay import duty, it will be unreasonable to allow type metal duty free.

16. Many of the type foundries are only of recent growth; they have come into existence after the War.

The industry has reached its present state as a result of incessant and even unremunerative labour and industry of the past few years.

As a growing industry the Capital it has attracted is not negligible but further capital is shy to come because there is not the reassuring factor of its stability.

After the War this Industry has been subjected to the same disturbing forces as every other industry in India. In the inevitable reshuffling the owners of the foundries have been recently striving their utmost to maintain their ground. They are also not blind to the things outside their countries. They have realised the necessity to send out their men to Western countries to learn the new improved technique. But they will take some time to achieve success in these new directions. The Industry is therefore entitled to be protected till it grows sufficiently strong and is well developed. The advent at this juncture of this extraordinarily cheap finished product especially from Germany to-day has come like a sudden upheaval which is threatening to throw the Indian Manufacturers altogether off the ground. This Industry therefore can and does make a legitimate claim on the Indian Government for protection against the vast resources which enable Germany to create this crisis and crush a young Industry.

My Association, therefore, hopes that the Tariff Board will carefully consider the above considerations and support this Industry's claim for protection to the extent it has been sought.

*General Import of Printing Types.*

Country.	1921-22.		1922-23.		1923-24.		1924-25.		1925-26.		1926-27.	
	Cwt.	Rs.	Cwt.	Rs.	Cwt.	Rs.	Cwt.	Rs.	Cwt.	Rs.	Cwt.	Rs.
United Kingdom	1,608	4,51,338	1,121	2,52,160	989	1,74,656	959	1,66,891	1,053	2,00,970	895	1,91,686
Germany . . .	1	165	76	9,441	275	24,890	389	87,307	853	70,980	913	98,216
United States .	41	24,020	99	21,316	53	14,909	37	12,581	104	34,862	35	13,061



## TYPE FOUNDRIES.

B.—ORAL.

Evidence of Messrs. M. C. MODI, DHIRAJLAL CHHAGANLAL, CHHAGANLAL HARGOVINDAS and R. Y. SHEDGE, recorded at Bombay on Wednesday, the 19th December 1928.

*Introductory.*

*President.*—Mr. Modi, you represent the Bombay Type Founders' Association, don't you?

*Mr. M. C. Modi.*—Yes. Mr. Dhirajlal Chhaganlal represents the Gujrati Type Foundry, Mr. Chhaganlal Hargovindas the Anand Sagar Type Foundry and Mr. Shedge the Nirnaya Sagar Press and Jawaji Dadaji Type Foundry.

*President.*—I don't know whether you were present the other day when I was examining the representative of the Allahabad Hindustani Type Foundry?

*Mr. Dhirajlal.*—Yes, I was.

*Scope of the enquiry.*

*President.*—The scope of the enquiry is somewhat limited; we have been asked to find out whether there is any inequality of tariff between you and the foreign manufacturer of types, that is to say, whether you are paying a duty on raw materials which is higher in the aggregate than the duty he is paying on the finished type. In this enquiry we are not going into the question of protection of the type making industry, but we are prepared to investigate whether there is a *prima facie* case for enquiring into this question of protection. If we are satisfied that there is, we may make some recommendations, but it is important first of all to find out what inequality there is in this tariff and secondly what precisely the position is as regards foreign competition.

*Mr. Dhirajlal.*—Yes.

*Duties on Raw Materials.*

*President.*—As regards the inequality of tariff, there are two different kinds of raw materials used; the first is the type metal on which there is a duty of 15 per cent. and then there are the virgin metals used by people to manufacture their own type metal.

*Mr. Dhirajlal.*—That is correct.

*President.*—If we remove the duty on the type metal itself, it would mean that those people who make use of virgin metals will be at a great disadvantage.

*Mr. Dhirajlal.*—Yes.

*President.*—Because type metal will be imported; but really speaking there is no one here who actually makes type metal.

*Mr. Dhirajlal.*—There are no commercial bodies only dealing in type metal, but foundries do sell type metal. My own Foundry sells type metal to the Government Presses, the Times of India Press, the Bombay Chronicle Press and so on, but, of course, our main business is not of making type metal.

*Dr. Matthai.*—What you mean is that you do make a certain amount of type metal in excess of your requirements in your own casting process?

*Mr. Dhirajlal.*—That is so.

*President.*—That would be comparatively a small proportion of your whole business?

*Mr. Dhirajlal.*—Yes.

*President.*—On the Madras side they use practically all imported type metal and therefore a retention of the duty on type metal would hit them whereas the removal of it would not necessarily benefit you very much.

*Mr. Dhirajlal.*—But if the counter proposal is accepted—we will be going into its discussion later—then the benefit will be . . . . .

*President.*—Do you mean by counter proposal raising the duty on types?

*Mr. Dhirajlal.*—Yes, we appreciate the difficulty of Government. We understand that it is difficult to discriminate between the two as the virgin metal is used not only for the making of types but also for many other things.

*President.*—Do you import your virgin metal?

*Mr. Dhirajlal.*—We either import virgin metals or buy same from local dealers.

*President.*—The principal materials required are lead, tin and antimony. For vernacular types I understand you use more lead?

*Mr. Dhirajlal.*—Not necessarily. That is probably the case in Madras where they use very low quality of type metal just to bring down the price to as low a level as possible, but in other places, especially in Bombay, the percentage of other metals is not so small. More of antimony and tin is mixed here.

#### *Composition of type metal.*

*President.*—What is the average percentage?

*Mr. Dhirajlal.*—The typical composition of the type metal manufactured by the local founders differs much; you can safely take it as 88 per cent. lead, 10 per cent. antimony and 2 per cent. tin on an average. This is for the lowest quality of type metal.

*Dr. Matthai.*—That is to say, type made out of this composition would compete with the German type?

*Mr. Dhirajlal.*—That is not correct.

*President.*—Which is the type that would compete with the German type? What is the composition of that?

*Dr. Matthai.*—Give us a composition that would correspond to 12 point standard.

*Mr. Dhirajlal.*—The general recognized standard of the American and the English type metal is about 26 per cent. antimony, 63 per cent. lead, 1 per cent. copper and 10 per cent. tin. This is the average recognized composition for first class type metal. I am not quite aware what the composition of the German type metal is at present, but it may probably be a little lower than this.

#### *Price.*

*President.*—Now let us take the price.

*Dr. Matthai.*—Have you imported metals direct?

*Mr. Dhirajlal.*—Yes.

*Dr. Matthai.*—Have you done it recently? Can you give us recent prices for lead, tin, copper and antimony of the sort that you import?

*Mr. Dhirajlal.*—I have not got any recent figures but the selling price of lead, antimony and tin are, Rs. 34 for antimony per cwt., Rs. 18 for lead per cwt. and 7 annas for copper per lb. and Rs. 1-8-0 for tin per lb.

*Dr. Matthai.*—For 100 lbs. of metal you pay Rs. 33-9-0?

*Mr. Dhirajlal.*—Yes.

*Dr. Matthai.*—That works out to about 6 annas per lb. with labour.

*Mr. Dhirajlal.*—With the making of the type metal

*Dr. Matthai.*—Rs. 33-9-0 is the total, plus 5 per cent., that is Rs. 1-11-0=Rs. 35-4-0. That is roughly about 6 annas.

*Mr. Dhirajlal.*—Yes.

*Dr. Matthai.*—15 per cent. duty is included in it?

*Mr. Dhirajlal.*—Yes.

*Dr. Matthai.*—Therefore you pay a duty of about 10 pies per lb. on this material?

*Mr. Dhirajlal.*—Yes.

*Dr. Matthai.*—We have taken 9 annas 6 pies as the c.i.f. price of the German type.

*Mr. Dhirajlal.*—That is the average that we have worked out.

*Dr. Matthai.*—You mean by average taking into account all kinds of types?

*Mr. Dhirajlal.*—No. I am taking only 12 point type.

*Dr. Matthai.*—Re. 0-9-6 is the price of 12 point German type?

*Mr. Dhirajlal.*—Yes.

*Dr. Matthai.*—How long has this price been in force?

*Mr. Dhirajlal.*—Since the last four or five months.

*Dr. Matthai.*—Is that the selling price or the c.i.f.?

*Mr. Dhirajlal.*—That is the c.i.f. price.

*President.*—Then they pay 2½ per cent. on that, that is 3 pies, and you pay 9 or 10 pies so that the inequality is about 7 pies per lb., or on a valuation of 10 annas about 6 per cent.

*Mr. Dhirajlal.*—It will work out to about 7½ to 8 per cent.

*President.*—That is what you are entitled to on these figures, isn't that correct?

*Mr. Dhirajlal.*—That is correct, but we have not to consider the question in that light only. May I to understand that you desire to equalise the two duties only?

*President.*—No.

*Mr. Dhirajlal.*—I have to mention this, because from your remarks it may appear that this Industry is entitled to only about 8 per cent. additional duty. Whereas, I may submit, Sir, that the duty on finished products and raw materials need not be equal, rather on finished products, it should be more.

*President.*—I see your point and I shall see that in our report we make a recommendation to this effect?

*Mr. Dhirajlal.*—I thank you for this assurance.

*Specific duty preferable.*

*President.*—We may convert the duty into a specific duty instead of an *ad valorem* duty. That would be better, would it not, because you are not up against any serious competition against more expensive types. It is better to have a specific duty whatever the figure is per lb. instead of having 7½ or 8 per cent. on the value.

*Dr. Matthai.*—Because if the German price falls again the duty remains the same.

*Mr. Dhirajlal.*—Am I to understand that you want a discriminating duty?

*President.*—There is no question of discrimination. The specific duty has this advantage that although the price drops the duty remains the same, whereas an *ad valorem* duty acts in the opposite direction, the more the prices drop the higher becomes the duty. In a protected industry it is better to have specific duties.

*Mr. Dhirajlal.*—Exactly.

*President.*—That is how the case stands.

*Mr. Dhirajlal.*—Yes, so far as the inequality of tariff is concerned.

*Price of type metal.*

*President.*—What is the price of type metal.

*Mr. Dhirajlal.*—4 to 6 annas for local type metal.

*Dr. Matthai.*—May we take it at Rs. 40 a cwt. on the average?

*Mr. Dhirajlal.*—That will be a little on the high side.

*President.*—What is the kind of type metal ordinarily used in the country for English types?

*Mr. Dhirajlal.*—It varies as you go from Madras to Bombay. You find a difference of about 2 annas so that 5 annas would be a fair average, or Rs. 50 a cwt.

*President.*—That includes the duty?

*Mr. Dhirajlal.*—Yes.

*President.*—Your metal costs you about 6 annas?

*Mr. Dhirajlal.*—Yes.

*President.*—And theirs is 5 annas with duty so that the disadvantage is about the same.

*Mr. Dhirajlal.*—Yes, so far as the tariff is concerned.

*President.*—Therefore 7½ or 8 per cent. or whatever the figure is would remove the inequality in both cases?

*Mr. Dhirajlal.*—Yes.

*Wastage.*

*Dr. Matthai.*—What is the amount of wastage? Supposing you start from the virgin metal; in the making of the alloy you lose a certain amount and in the casting there is a further loss. Would it be about 10 per cent.?

*Mr. Dhirajlal.*—That would be a little on the high side. The minimum would be 5 per cent., 3 per cent. from the virgin metal to the type metal and 2 per cent. from the type metal to the finished product. There is some further wastage but part of that is recoverable.

*Question of protection.*

*President.*—That is how the position stands. What do you propose as far as our immediate enquiry is concerned?

*Mr. Dhirajlal.*—We understood from the proceedings of the Legislative Assembly that the Tariff Board was also examining the question of protection.

*Dr. Matthai.*—As the President pointed out, the immediate reference, that we have is the question of tariff inequality, but if you can suggest any ground on which the larger question of protection may be raised, we should be glad to know what they are so that even if we cannot make any recommendation on that point just now it might be possible for us to make suggestions to Government.

*Mr. Dhirajlal.*—The main ground for protection is the cheapness of this German type which threatens to ruin our industry. We cannot attribute reasons as to how they are able to make types so cheap: whether it is due to a move for price cutting, whether it is due to the subsidies that they get from the Government that they are selling it at such a cheap price in the Indian market we don't know. All other types, British or American, all sell on the high side whereas the German types are unusually cheap and the only possibilities are the two that I have mentioned.

*Freight.*

*President.*—What other items are included in the price?

*Mr. Dhirajlal.*—As 9-6 includes freight, insurance and other sundry charges. This price must include a fair margin of profit for them also.

*President.*—The freight on the type would not be more than on the type metal which you use.

*Mr. Dhirajlal.*—No.

*President.*—What it comes to is this: their metal with freight costs them annas 6. The freight on the metal may be taken to be equivalent to the freight on the type. There is a difference of three to four annas between the metal and the making.

*Mr. Dhirajlal.*—Yes. That works out like that.

*President.*—Whereas that difference does not enable you to do any profitable business. That is the point.

*Mr. Dhirajlal.*—Yes.

*President.*—How do you explain that?

*Mr. Dhirajlal.*—There are certain shortcomings in the Indian market as well. It may be lack of scientific knowledge, or want of capital or inability to secure up-to-date machinery. There is also the question of the market.

*Reduction in price.*

*President.*—That is the correct way of looking at it. There are two things. You must first of all satisfy the Board that this reduction in price is entirely done by the foreign importer. German imports in market are about 800 or 900 cwts. a year which is a very small market.

*Mr. Dhirajlal.*—Yes.

*President.*—If the German wants to retain the market, he must keep his prices at the same level as your prices or a little lower.

*Mr. Dhirajlal.*—Rather lower.

*President.*—But there are so many foundries in Bombay.

*Mr. Dhirajlal.*—We have got about 18 to 20 foundries.

*President.*—In Bombay alone?

*Mr. Dhirajlal.*—Yes. Of these 12 or 13 foundries are not doing commercial business.

*President.*—They are the very people that bring down the price.

*Mr. Dhirajlal.*—Their competition is not great. They are not commercial foundries which can supply the wants of so many presses outside. They have to localise their business to one or two firms just as a foundry is attached to a press. So many newspapers have got foundries and their products don't compete with ours. Some of the foundries are entirely localised.

*Dr. Matthai.*—How many of these are local foundries?

*Mr. Dhirajlal.*—At least 5 to 6.

*Dr. Matthai.*—You have got 15 foundries.

*Mr. Dhirajlal.*—Yes.

*Dr. Matthai.*—Is not there a great deal of competition among these 15 foundries which results in the lowering of prices?

*Mr. Dhirajlal.*—No, they each want to live. If they cut down prices, they must close down.

*President.*—When a man has got a foundry, he finds that he cannot sell except by lowering his prices.

*Mr. Dhirajlal.*—Yes, to a certain extent.

*President.*—We had a peculiar instance in the Match enquiry.

*Mr. Dhirajlal.*—I followed the proceedings.

*President.*—There you will find that any business that becomes profitable attracts more and more capital. The result is that where there is a market for 5 articles, 25 articles are produced and the prices go down. As the prices go down the foreign manufacturer has got to bring down his prices.

*Mr. Dhirajlal.*—Here perhaps the case is the opposite. Germany's making cost was annas 8 to annas 9 and the selling price was annas 15 all round.

Even to-day English types made by the smallest foundries are sold at not less than annas 15. When we first sent our report last January, we had information that the German types were selling in India at about Rs. 1-8-0. The price had come down to Rs. 1-6-0, 1-4-0 and Rs. 1-1-0 and we heard very recently that it has come down to annas 9.

*Dr. Matthai.*—I do not know whether the Trade Returns are correct. Taking the average Trade Returns figures, these are the German prices that you get per cwt. from 1923 (handed in) which does not indicate that there has been any striking decline. It is quite likely that invoice prices remain the same and lower prices are made possible through discounts.

*Mr. Dhirajlal.*—I have not worked out the prices in that way, but one thing I can say and that is that the sale prices have gone down that way and the general custom with them is to keep the same printed prices and to offer different rates of discount. It is on that basis that I gave you these figures.

*Dr. Matthai.*—Have you got any authority for that statement?

*Rate of discount.*

*Mr. Dhirajlal.*—It is a common practice for most of the German type foundries to quote a rate of discount with a difference of 5 to 10 per cent. in their quotation terms. Some quote from 15 to 20 per cent. discount and others 25 per cent. discount which is the maximum offered even to retail buyers. The same uniform price list is sent out (handed in printed list) and it is but natural to assume that when 25 per cent. are offered to retail buyers they must be offering say 10 per cent. to their agents or wholesale buyers.

*Dr. Matthai.*—How long has this price list been in force?

*Mr. Chhaganlal.*—The date is given on the top of the printed list.

*Dr. Matthai.*—19-7-1927. I believe this price list is still in force, but the rates of discount are increased.

*Mr. Dhirajlal.*—It is a common practice with them to keep a higher printed list and then to give different rates of discount.

*President.*—They say here that they give you a discount of 25 per cent.

*Mr. Chhaganlal.*—Yes. The printed prices are all one and the same. This rate of discount is given to small men or retail buyers. When a chief agent or a Provincial agent is appointed, he certainly gets a better and favourable price in this way that a higher rate of discount is allowed him and that is at least 10 to 15 per cent. more over the usual discount allowed to retail buyers.

*Dr. Matthai.*—So that if he gets 10 to 15 per cent. more, he takes 10 per cent. and the rest he allows to the buyer.

*Mr. Dhirajlal.*—That is why they are able to sell at about As. 11-6 at Allahabad. The freight from Bombay to Allahabad would be one anna. The actual price at which they sold 11 point type was As. 11-6. I would like to mention here that the German types of 12 point as well as 11 and 10 points are also offered at the same price at present in Delhi and Bombay markets. Any local foundry would charge for 10 point type about As. 2 to As. 3 more than 12 point type. For the German types whether 11 point or 12 point the sale prices are the same in Bombay and Delhi. There is difference in 10 point type and 12 point type (samples shown). Making cost of the smaller body is more and it takes longer time in casting.

*Dr. Matthai.*—Could you send us a copy of that letter with six copies marked confidential?

*Mr. Dhirajlal.*—Yes.

*Nirnaya Sagar Type Foundry.*

*President.*—Nirnaya Sagar Type Foundry is the biggest foundry.

*Mr. Rambhaw.*—Yes.

*President.*—That is a very old foundry.

*Mr. Rambhaw.*—65 years old.

*President.*—Will you be able to send us your costs?

*Mr. Rambhaw.*—We have given you our costs in reply to the questionnaire.

*Dr. Matthai.*—Your foundry makes about 30 tons a year.

*Mr. Rambhaw.*—Yes.

*Dr. Matthai.*—Have you any idea whether a foundry that makes 30 tons a year would be considered in other countries a large enough unit for economical production?

*Mr. Dhirajlal.*—Yes, it will be considered economic.

*Dr. Matthai.*—What is the average size of a type foundry in Germany or England?

*Mr. Dhirajlal.*—I have no reliable information.

*Production on uneconomic scale.*

*Dr. Matthai.*—As regards your case for protection it may be urged that your costs at present are relatively high compared with Germany, because your factory is producing on uneconomic scale. That point may be urged against you and it is a point that you have got to meet.

*Mr. Dhirajlal.*—Nirnaya Anandsagar, Guzarati Type Foundry, Hindustani Type Foundry are considered to be the biggest foundries. If these foundries are considered small, then India will never be able to have a type foundry of its own.

*President.*—Anandsagar are getting about Rs. 1-4-0.

*Mr. Dhirajlal.*—Yes.

*President.*—That is not a bad price.

*Mr. Dhirajlal.*—It is for them to say.

*President.*—Even if you take As. 6 as the price of the metal that gives them about As. 14 above the price of the metal.

*Mr. Dhirajlal.*—That is true, but there are so many factors to be taken into account. We have taken 12 point type as the basis for discussion. A type foundry does not make only 12 point type.

*President.*—Mr. Rambhaw, what do you get for the 12 point?

*Mr. Rambhaw.*—Rs. 1-4-0.

*President.*—How much you get for the English?

*Mr. Rambhaw.*—Rs. 1-2-0.

*President.*—On their figures they are not doing so badly. They are not feeling the competition.

*Mr. Dhirajlal.*—They do feel the competition. Most of the large foundries are not making 10 or 12 point types. If we make any profit at all, it would be not from 12 point types, but from other types.

*Case for protection considered.*

*Dr. Matthai.*—At present apparently the Indian Type Foundries are able to meet about 85 per cent. of the Indian demand. The question may be raised that if the Indian industry is able to meet 85 per cent. of the demand at present is there a case for protection?

*Mr. Dhirajlal.*—In reply to that I will say that if protection is not given now, the whole industry will be very adversely affected, if they are allowed a footing in the country. At present it is a beginning and it is a thin end of the wedge. It is the price cutting brought to so a level that production in India becomes uneconomical or non-paying and it is this cheap price that we fear.

*President.*—The figures don't suggest that the imports are increasing.

*Mr. Dhirajlal.*—Unfortunately the figures are not available which will convince the Tariff Board.

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*German competition.*

*President.*—We can only go by the materials at our disposal and the figures don't show that there has been any increase in the import of German types.

*Mr. Dhirajlal.*—These figures in the trade returns were only available to us after we sent in our representation.

*President.*—We have got these seven months' figures for 1928-29. In 1926 the total imports were 1,141 for seven months from all countries. In 1927 they dropped to 726—that must be due to some accident—in 1928 it was 1,166, so that there isn't any great increase if you compare it with the previous years.

*Dr. Matthai.*—For about four years it has kept more or less steady.

*Mr. Dhirajlal.*—In the import of German types the change has been very rapid since the last four years. The increase has been disproportionate.

*President.*—You can't take the figures for German types for 1923-24 as typical.

*Mr. Dhirajlal.*—I will give you figures for the previous years. From 1920-24 the figures are not available. In 1912-13 and in 1913-14 imports from Germany were 35 cwts. and 44 cwts. respectively.

*President.*—True, but they had just come into the market. From 1924-25 to 1928-29 imports have been fairly steady so that we cannot say that German competition is on the increase.

*Mr. Dhirajlal.*—In this particular case the imports have remained the same while the price has gone down and the price cutting is so severe that it has affected other prices in the market.

*Dr. Matthai.*—Supposing we put the case in this way: we recommend to the Government that the tariff inequality to which you are subject should be removed and after that we wait and see how the German competition in the Indian market is developing. Then if you find that the German competition is still on the increase and you are suffering on account of that, then it will be time for you to make further representation to Government, but in the meanwhile if we remove the tariff inequality to which you are subject would not that be a satisfactory solution?

*Mr. Dhirajlal.*—I quite appreciate the assurance given but circumstances may not remain the same.

*President.*—We are always anxious to help industries whenever we can but can we make a recommendation about a case which has not arisen?

*Mr. Dhirajlal.*—My idea is that a shrewd Government should take things by the forelock.

*President.*—A shrewd Government does not provide for a risk that has not arisen! German manufacturers may soon realize, supposing we say that if the prices drop further Government will consider the case for further action, that it will not pay them to cut prices.

*Mr. Dhirajlal.*—To that extent the Indian industry would be benefited.

*President.*—Can you really say that we have materials on which we can make any recommendation?

*Mr. Dhirajlal.*—The prices of our materials have been going down.

*President.*—But the imports have not increased.

*Mr. Dhirajlal.*—The prices have gone down from Rs. 1-3-0 to 9 annas.

*President.*—Can you give us the prices of German types for 1924-25?

*Mr. Dhirajlal.*—I shall get you the selling price.

*Dr. Matthai.*—Give us for the past five years.

*Mr. Dhirajlal.*—Yes.

*Internal competition.*

*President.*—If the prices go down but the imports don't increase that will mean that owing to internal competition prices are going down. If the



reduction in price is accompanied by an increase in the imports then you can say that this is due to foreign competition, but if the imports remain steady but the prices come down Government may say that the prices have nothing to do with the imports. We ought to be able to say that prices have gone down and simultaneously with that foreign competition has increased. That would be evidence to suggest that the foreign competition is strong. But if prices go down and imports do not increase, what is the explanation? It is that owing to internal competition prices are being brought down and if that is the case however much protection Government may give you, you cannot benefit, can you? Supposing we gave you 100 per cent. protection, the result will be that more Indian foundries will be established and there will be keener competition and local prices will not increase.

*Mr. Dhirajlal.*—That would restrict the benefit to India itself.

*President.*—At present you have got 85 per cent. of the market so that there is only 15 per cent. left. Supposing you got this 15 per cent. that won't help you.

*Dr. Matthai.*—Your main point is the price?

*President.*—The point arises, how are we going to get you a higher price with this internal competition? In the Textile industry we found the same thing; we found the same thing in the Cement industry; the same thing in matches. I confess the position is very difficult, but it is not a position which Government can remedy. So, as my colleague was suggesting, supposing simultaneously with reduction in foreign prices there is an increase in the foreign imports then you are on firmer ground but so far the imports remain on the same level as before.

*Mr. Dhirajlal.*—But later on when the situation arises you will find that it will be too late. At present we feel that we are not secure.

*President.*—Supposing a duty of 100 per cent. was put on do you think prices would rise? If the prices do rise they will only rise for a short time till other foundries are established and then prices will begin to drop again.

*Mr. Dhirajlal.*—The Gujrati Type Foundry sells its types at Rs. 2 per lb.; my friends here sell at Rs. 1-14-0 and Re. 1-0-0. Now, all these type foundries are able to sell their types at prices which depend on their quality and so on. But if you allow German types to come into the country which are decidedly good, if not better than some of the local types, consumers will go in for German types which are cheaper and good at the same time than go in for some of these local types.

*Dr. Matthai.*—As far as the three large foundries are concerned do you arrange prices on some kind of understanding?

*Mr. Dhirajlal.*—We have not yet come to that stage but there is a move that we should, in view of the present circumstances, regulate our prices in some way.

*Dr. Matthai.*—German prices have been on the decline for the last two or three years?

*Mr. Dhirajlal.*—Mostly two years.

*Dr. Matthai.*—In spite of that you have more or less maintained yourself at this level of 85 per cent. of the Indian consumption and if, in these circumstances, we made a suggestion that the industry should be protected, the obvious answer would be that the industry, as things stand at present, in spite of the German competition, is in possession of the great bulk of the Indian market and is therefore not really a struggling industry.

*Mr. Dhirajlal.*—But this is the thin end of the wedge.

*Dr. Matthai.*—If you can show that this is the thin end of the wedge. But that can only be demonstrated by the increase in imports and decline in your market.

*Mr. Dhirajlal.*—Even before the war they were not sending German types to this extent.

*President.*—True, but the Indian business was then new to them. They commenced in 1923-24. In 1924-25 they got up to 889 cwts. and they have remained more or less at the same level up to now. Therefore you cannot say that their competition has been on the increase. If we are satisfied that the German competition has actually increased then we should certainly not hesitate to make a recommendation so that the terms of reference may be changed. I am trying to get information from you on the point and you are not able to help me with more information than I have got.

*Dr. Matthai.*—Taking you individual foundries, have your total sales within the last two or three years shown a decline?

*Mr. Dhirajlal.*—Yes.

*Dr. Matthai.*—Have you got the figures?

*Mr. Dhirajlal.*—I have submitted my figures to the Board.

*Dr. Matthai.*—I want your actual sales.

*New Foundries.*

*President.*—How many new foundries have been started within the last four or five years in Bombay?

*Mr. Dhirajlal.*—Five or six.

*President.*—How old is this Type Founders' Association?

*Mr. Modi.*—Two years.

*President.*—How many foundries were there four or five years ago?

*Mr. Modi.*—About 13 and now there are about 20, but the recent foundries which go by the name of foundries are hardly foundries.

*President.*—The whole point is this. As in Bombay so in the mofussil, foundries have been increasing and therefore unless the demand for types also increases somebody must lose a part of the business.

*Mr. Dhirajlal.*—Even bigger presses have got foundries attached to them.

*President.*—The demand for loose types may be smaller now than before because some of the bigger newspaper presses are using Linotypes and Monotypes.

*Mr. Dhirajlal.*—I admit, that because of their great facilities newspapers are now buying Linotype and Monotype machines. If the Linotypes had not been in existence newspapers would not have been published with the present rate and in the present style. On the other hand, there is more literature that is published and there is more demand for printing of books and things of a general nature, advertisements and so on. Even the ordinary shop-keeper who never used to dream of printing now comes to us to get his books and papers printed.

*President.*—That is true, but the foreign imports have not increased so that it only shows that the increased demand has been met by increased Indian supply. The whole point is that if your output has gone down it may be due to that fact that more foundries have been established in the country than the increase in the demand.

*Mr. Dhirajlal.*—It could be explained partly in that way.

*President.*—Or it may be that foreign imports have increased; but as I said, foreign imports have not increased and, therefore, it must be that the production of types in the country has increased in a bigger proportion than the demand.

*Mr. Dhirajlal.*—I would like to mention one thing that these imports have affected mainly the foundries established in Bombay, Calcutta and partly Madras. Firstly it has affected Bombay, then Calcutta and then Madras. They have not affected the smaller local and mofussil foundries so much as they have affected us.

*Dr. Matthai.*—That does not alter the case because it would be at the ports that foundries would be started. If we take your output in 1924 as 1,240 cwts., according to your figures, we find that it went down to 500 cwts.

in 1925, and supposing it is suggested in answer to that, that your loss in sales is to be accounted for by the increase in Bombay in the number of foundries you would not be able to meet it?

*Mr. Dhirajlal.*—It would not be entirely correct. It may be one of the reasons.

*President.*—In India there is a tendency to overproduction where industries can be started with small capital. A few thousand rupees may enable a man to start a foundry and he brings down prices and against that you have to compete.

*Mr. Dhirajlal.*—I agree with you there.

*President.*—It is the difficulty of selling your product that affects the price. Other people come into the field and want some business; they try to get hold of the market which was formerly held by you. That is the trouble with our Indian industries; whenever an industry gets started with a small capital there is a tendency to overproduction. A few thousand rupees may enable any man to start a foundry.

*Dr. Matthai.*—And you can make very cheap metal out of scrap!

*Mr. Dhirajlal.*—It is not always so.

*Dr. Matthai.*—The small man who brings down the price is the man who would be likely to use scrap.

*Mr. Dhirajlal.*—Just likely, but then, in this case, the standard that we have to go by is the average type made by a reputed type foundry.

*President.*—You are getting a price somewhere between the English price and the German price.

*Mr. Dhirajlal.*—Yes.

*President.*—That is what is happening now and the tendency would be for you to get either that price or a little higher price and for the smaller fellows to get more or less the German price. That is what is happening at present, that the price in the country would be determined more or less by the price that these small founders are prepared to accept.

*Mr. Dhirajlal.*—That is true, but price cutting is not restricted alone to Germany.

*President.*—You have got your connections; you have got your reputation; but look at the small fellow who starts with say Rs. 10,000 or Rs. 5,000.

*Mr. Dhirajlal.*—So far as we are concerned, in view of this, in order to keep our hold on the market, we have decided to bring down our prices but we know and we feel that by bringing down the price we are not making any profit; it is rather the other way.

*President.*—All of you have cut down prices?

*Mr. Dhirajlal.*—The Gujrati Type Foundry have not cut their price so far but the others have.

*President.*—So far as they (other two foundries) are concerned it is really a side line?

*Mr. Dhirajlal.*—Yes, to a certain extent. The same is the case with the Hindustani Type Foundry. More than half of their types is used in their own press.

*President.*—This Gujrati Type Foundry, how old is that?

*Mr. Dhirajlal.*—About 28 years old.

*Dr. Matthai.*—How much of your type is absorbed by your press?

*Mr. Dhirajlal.*—We have not got a press.

*Dr. Matthai.*—How much of your types is used by your Press, Mr. Shedge?

*Mr. Shedge.*—About 5,000 lbs. a year.

*Dr. Matthai.*—That is to say about 1/15th of your total output in a year?

*Mr. Shedge.*—Yes.

*President.*—I think I must tell you now that our difficulty lies in the fact that we have not got the materials and perhaps we may state in the report

that if circumstances arise which jeopardize the industry then it will be time for the industry to apply and for Government to take such steps as may be necessary. Our terms of reference only refer to tariff inequality but, as I said, we would have been prepared to go further, though the terms of reference do not enable us to do so, if we were satisfied on the materials now available that there was a case for protection. We are glad that you take a sensible view and feel as we do, and therefore it is no use making our recommendation unless we can support it by actual facts and figures. We would make such recommendations as we can as regards inequality of tariff and if circumstances arise that would put the industry in difficulty, it will be time for you to apply and Government will no doubt take such steps as they think fit to assist you.

**Linotype and Machinery, Limited, Calcutta.***Letter dated 24th August 1927.*

We import metal solely for use in a Linotype. While the machine itself is imported at 2½ per cent. duty, the duty on metal is 15 per cent. To enable the machine to function, this metal is absolutely necessary, and therefore we think it should be assessed for duty at the same rate as the machine.

The composition of the metal is as follows:—

	Per cent.
Lead . . . . .	86
Antimony . . . . .	12
Tin . . . . .	2

Normal working temperature is 550°F.

The metal is imported in ingot form, illustration of which we attach.

We should be glad if you would place this before the Tariff Board for consideration.

**Calcutta Linotype Users' Association.***Letter dated 25th August 1927.*

It was reported at a meeting of the above last evening that the Tariff Board had had referred to them an application asking for the reduction of duty on type metal.

We wish to support this, as linotype metal is an absolute essential on the working of a Linotype—the machine is useless without it. The metal is imported in ingots and is a mixture of lead, antimony and tin in the proportion of 86 per cent., 12 per cent. and 2 per cent.

Seeing, therefore, that this metal is the raw material for the production of books and newspapers, we support the application for a reduction in duty.

**Messrs. Stephenson, Blake and Company, Limited, Sheffield.***Letter dated 16th September 1927, to the Under Secretary of State for India Economic and Overseas Department, India Office, London, S.W.1.*

We are informed that the Indian Type Founders have made application to the Government of India for legislation increasing the duty on British Type imported into India or alternatively decreasing the duty on imported type metals.

We have the honour to enclose a memorandum regarding such application signed by the Chairman of our Company and to ask that our views may be brought to the notice of the proper authority.

Enclosure.

*Copy of letter dated 15th September 1927, from Messrs. Stephenson, Blake & Co., Ltd., Sheffield, to the Under Secretary of State for India, Economic and Overseas Department, India Office, London, S.W. 1.*

**APPLICATION BY INDIAN TYPE FOUNDERS TO GOVERNMENT OF INDIA TO EITHER INCREASE THE DUTY ON IMPORTED TYPE OR DECREASE THE DUTY ON IMPORTED TYPE METAL**

*Memorandum by Stephenson, Blake & Co., Ltd.*

The above application amounts to an admission of the inferiority of printing type produced in India as compared with that produced in England.

and that in spite of the fact that Indian-made type is sold at about one-third of the price of the type made in England, the former is unable to compete with the latter without special protection. If such protection were granted, it would merely have the effect of stabilizing or increasing this inferiority in quality of Indian-made type by making prohibitive the use of type of superior quality imported from England. The result would be that the printers of India would be compelled to use home-made supplies of type so inferior in quality that the standard of excellence of printing in India would inevitably deteriorate. Moreover, the Indian type foundry with the assistance of the protection applied for would not even be obliged to produce type of as good quality as at present, so that things would grow bad to worse. The best way to increase the standard of excellence both as regards type founding and printing is to encourage the use of the best materials by granting facilities for the entry of goods from England, and preventing the import of cheap supplies from the Continent of Europe. So far from the Indian type foundries suffering from this course, the spur of competition would oblige them to improve the quality of their product, which would be to the advantage of the printing industry in India as a whole.

The position is not dissimilar to that regarding steel. In this matter, the Government of India in order to prevent the use of inferior material and the deterioration of all classes of work into which steel entered, deemed it advisable to revise the tariff in favour of British supplies. Similar action would be found beneficial in the case of type and printers' materials.

### **The Indian Merchants' Chamber, Bombay.**

*Copy of the letter No. 2534, dated 8th November 1928.*

I am directed by my Committee to submit their views regarding the claim of the Indian Type Foundry Industry for protection against the inroads of foreign manufacturers, specially Continental, as under:—

The Indian Type Foundry Industry has been making satisfactory progress in the country, and there are about 88 factories manufacturing Types, both English and Vernacular. A large portion of the raw materials used in that Industry like lead, antimony and tin is found in the country in good quantity; and there is an ample supply of cheap labour for the same.

The total production of types in India is estimated approximately to be 16 lakhs lbs., worth about Rs. 16 lakhs; and thus the indigenous Industry is in a position to supply the requirements of the country.

The import of foreign types is valued at about Rs. 3 lakhs and the import in quantity is about 44.75 tons from England and 45.65 tons from Germany. The English types are being sold at about Rs. 2 per lb. The German types are selling at about Re. 0-9-6 per lb. and thus are underselling other and indigenous types to a very material extent.

One of the anomalies of the present position, as it appears to my Committee is, that while there is only a duty of 2½ per cent. on manufactured products like types, the duty on raw materials used in that Industry is 15 per cent. My Committee have reasons to believe that the Indian Type Industry is hard hit by such an anomalous import duty.

I am, therefore, directed by my Committee to express strongly their sympathy with the suggestion for protection of the Type Foundry Industry on the grounds above set forth, and hope that the Tariff Board will be pleased to consider the claim of the Industry favourably and sympathetically.