

Notes by Major F.I. Roberts, I.A. deputy Commissioner, Myitkyina, on the Burma Jade Industry and the Government Royalty of 33% ad valorem on Jade stones.

Written about April 1925.

The area wherein is found the only green Jadeite which has up to date been discovered in the world lies in the Myitkyina District.

All the Jadeite throughout the world which is known as Chinese Jade comes from this area.
2 – From Mogaung Station on the Sagaing- Hyityina Branch of the Burma Railways it is 57 miles by road to Lonkin on the west bank of the Uyu River which flows into the Chinwin River near Homalin.

The road during the rains and for some time after the rain until the rains water has dried up, is very bad and will remain so until it has been metalled. There is a possibility that the first 25 or 31 miles will be metalled if the opening up of the Hukawng Valley is decided on, and it would not be very expensive to continue the metalling to 4 miles beyond Manyaseik.

3. Since His Excellency the Governor's Tour to the Hukawng Valley in January and February 1925 the first 35 miles to Nayaseik can be traversed by motor car when the road is dry.

25 miles North-west from Mogaung on this road is Kamaing, the Headquarters of the Kamaing Subdivision. From Kamaing the road changes direction to the west. From Nanyaseik, 12 miles from Kamaing, to Lonkin, 20 miles from Nanyaseik, the road is a well graded mule road passing over a range of hills which is part of the Chindwin-Irrawaddy watershed.

4. 9 miles from Lonkin (altitude 869 feet) is Htawmaw (altitude 2,755 feet) at the centre of a plateau where the Jadeite-Albite Dyke is being mined.

The Uyu river runs from North-East to South around the foot of the hills which form this plateau and there is no doubt that the Jade stones in the (eluvial) alluvial deposits which occur in the Uru River as well as on the slopes of the plateau are the disintegrated portions of this mother dyke at Htawmaw.

5. A brief history and description of the Jade trade and the Jade workings (up to 1911) in this area will be found from page 104 to page 130 of Volume A of the Gazetteer of the Myitkyina District,

6. . At present (March 1925) 2 mines are being worked at Htawmaw: The Kadon Mine and the Dwingyi mine which lie alongside of each other.

The former is being scientifically worked, by up-to-date methods and machinery, by Mr C.W. Chater of the Burchin Syndicate in which Messrs Liberty & Co. of Regent Street, London, the well-known Jade experts are interested.

There are said to be a number of claims in the Dwingi Mine, these seem to be only spasmodically worked. Only 3 or 4 of these are being worked at present and the methods employed by the Kachin, Chinese and Burmese proprietors are completely primitive excepting that they employ for pumping the mine dry a boiler which was purchased second hand and installed in 1910. The Boiler Inspector reports that it will last for another 2 years and I am informed that a new boiler will be obtained to replace it.

7. At present the largest Alluvial workings are around Hpakan 9 miles from Htawmaw on the Uyu River and 6 miles South-west by road from Lonkin. But the centre of interest is very apt

to change when a valuable stone is found. It is estimated that between 6,000 and 10,000 persons come from China and all-over Burma annually to the Jade area in connection with the winning of Jade.

I have inspected these workings. They are extremely primitive. Now, in the dry season, they have here and there narrowed the river channel by building bunds of boulders, gravel and sand. Starting early in the mornings numbers of workmen pump out the river water which has percolated through these bunds. As pump cylinders they use long bamboos cut from the surrounding jungle. Into each of which they fit a plunger also made of bamboo, 4 or 6 feet long, with a piece of leather tied on to the end to form a valve. By about 1 or 2 p.m. the water inside the bunds is sufficiently low to enable the water worn boulders to be removed and examined to see if they are Jade.

There are other workings along the Uyu River bank above the water level and also in the more or less dry beds of streams flowing into the Uyu River from the plateau. There are pits which are dug down until the bed in which the Jade boulders occur is reached. Some pits are about 30 feet deep. When pits are situated in places to which mountain stream water is led, artificial channels are constructed down which the water flows in the rainy season and sluices away the soil in which the Jade boulders occur.

8. In brief the history of a piece of Jade is as follows. It is either sold to a buyer in the Jade area, or the winner elects to keep it. In either case the stone has to be valued and the owner has to pay 5% as commission to a Valuation Committee.

If the stone is worth Rs. 100 and over 10% of its value has to be paid as Manhumanta Tax to the Kansu Duwa in whose jurisdiction the Jade area lies.

In sales and valuations, price are not mentioned openly but indicated by a conventional system of finger pressures under a cloth.

The stone is then taken away to Mogaung either by coolies or on mules and the transporter has to pay toll of Rs. 1/- per cooly and Rs. 3/- per mile to the Kansu Duwa.

The stone can not leave Mogaung, until 33% of its value has been paid as Government Royalty.

9. The right to collect Government Royalty is leased out by Government, It has been customary to sell it by auction to the highest bidder.

The present licensee Mr. Chantahin obtained the lease in October 1919 for 3 years at Rs. 1,39,000 per annum (about £9750 per annum), but his lease was extended at the same rate and for special reasons (vide letter No. 255/5G-86, dated 12th December 1921 from the Revenue Secretary to the Government of Burma, to the Commissioner, Mandalay Division) for a further period of 3 years which expires on 31st October this year.

He is pressing strongly for a further extension for 3 years from 1st November 1925, but it is evident from 2 applications from others requesting the lease to be put up for auction that more than Rs. 1,30,000 per annum could be obtained by again putting up the lease for auction.

I would quote from one of the applications alluded to above: "My syndicate, the Tai Shin Fu Company of Mandalay held the lease for 4 years 1912-13, 1913-14, 1914-15 and 1915-16 but latterly lost it owing to the formation of a combine which they were unable to break or defeat, except with loss of large sums of money. My syndicate however, now decided to get back the lease once again and in common with other firms, societies and syndicates, is desirous that the lease be auctioned in fairness to them, as has been done in past years. This suggestion if approved by Government will not only be equitable and just to all concerned but is certain of

bringing in a much larger sum of revenue than Ts. 3, 90,000/- the amount obtained from Kyan Ta Hin, the present lessee for 1922-25”

10. Healthy rivalry is good but here we find instead an indication of the prevailing attitude in the industry viz: factions combining to break other factions with small regard to the cost to themselves and in the case of the Royalty licensee merely bringing in a higher revenue to Government without in any way developing the Jade industry but rather retarding it because the profits of the eventual licensee are thereby decreased and he has to contend during the period of his lease with constant opposition from his unsuccessful rivals.

From the time the Jade is won in the Jade area until it leaves Mogaung in the rough for cutting there is much that is underhand, tortuous and complicated, and much unprofitable antagonism. In my opinion the whole business requires cleansing, straightening and the light of day thrown on it. Further as far as this province is concerned the whole industry is a cul de sac ending in the Chinese merchants who buy practically the whole out-put and ship it to China where it is cut into ornaments by expert craftsmen and immense profits are made. Much dealing goes on in this district amongst Burmese, Chinese and others but this is all a form of gambling because the stones are not cut across until after Government Royalty has been paid on them and therefore their real value is guess work. Real values are governed by the prices which the shippers to China will pay and it is on these shipping buyers that the Jade winners and dealers in this district are dependent for the disposal of their Jade.

11. I therefore submit a proposal which I think would result in co-operation for the betterment of the conditions attending Jade winning, for the expansion of the industry and for the enjoyment of the profits in Burma instead of China, viz:

That the Jade industry Royalty Licensee be permanently held by a Private Limited Liability Company to be formed under roughly the following rules:—

- (1) Shares to be allotted pro rata with the number applied for to desirable persons connected with the Jade industry who either reside in the province of Burma, or in the main, conduct business in this province with special reservation for the admittance of applicants connected with the Jade industry who can only afford small holdings and who are wholly or mainly dependent on the Jade industry for their livelihood (e.g. persons who hold and work concessions in the Jade area..)
- (2) All shares to be of equal value, say Rs. 1,000/- Total capital say Rs. 6,00,000
- (3) Each direct or to represent a holding of say Rs. 50,000/-
- (4) Accounts to be kept by a Government Accountant paid by the Company
- (5) Valuation Committee to be elected from the Directors who could be empowered to appoint others to represent them with the approval of the Board of Directors
- (6) 1/3 of the value of a stone as assessed by the Company's Valuation Committee's to be paid to the Company as Royalty by the owner.
- (7) The Company to buy all stones at the Valuation Committee's valuation if the owner so desires
- (8) Government to receive 2/3 of the Royalty paid.

Below will be indicated business of the Company other than the collection of royalty which should result in further profits. I do not suggest that the Government should participate in these profits by being a share-holder in this company but this participation might be considered,

As regards the suggested payment of 2/3 of the Royalty to Government I submit that until the company has been functioning for a sufficient period the amount to be paid should depend on the state of its finances.

12. The present lessee Mr. Chan Ta Hin pays Rs. 1,30,000/- per annum for the Royalty license. Only he could state the amount of his gross annual takings. I have been told they are as much as Rs. 5,00,000 but this is no doubt much exaggerated, There is no doubt that his profits have been much decreased by rivals trying to break him by not accepting his valuation of their stones and forcing him, under the rules, either to buy up such stones or pass them through free if he can not afford to buy them, and further by being unable, through boycott. So he alleges, to sell these stones. Merely for calculation purposes, I think Rs. 2,25,000/- may safely be taken as the gross Royalty takings. Under the proposal put forward Rs. 1,50,000/- of this amount would go to Government and of the remaining Rs. 75,000 after deducting say Rs. 25,000 for expenses Rs. 50,000 would remain for distribution amongst the share holders giving them a dividend of $8\frac{1}{3}\%$ from the Royalty alone.

13. I understand that a very little Jade is cut into ornaments at Mandalay but that the bulk of it is shipped to Canton and Shanghai where it is cut into ornaments. The Chinese Jade cutter is a very highly skilled craftsman who does his work by hand and with primitive apparatus; but Mr.C.W. Chater is of opinion that the Jade cutter could be partly substituted with very great advantage with the aid of modern machinery and tools that he and others have designed such implements and hopes to start work with at Mandalay within a few months and make ornaments etc., of designs which would be acceptable in Europe, America, etc.

The company could import and pay skilled cutters from China who would advise what designs are suitable to pieces of Jade and where necessary put the finishing touches on ornaments preparatorily cut in the rough by machinery. The Company to start with could have its catalogues and its sale rooms in Rangoon and elsewhere in Burma, it could then have its travellers to foreign countries and its sale rooms in big foreign cities thus doing its own marketing and making profits instead of the profits going to China.

14. Last December, a Persian curio &c. dealer arrived in Mogaung without bedding, cook or food expecting to find a hotel there and also Jade for sale. As he came at the wrong time of year, through being unable to get any information on the subject, he went away empty handed. If the proposed company had been in existence he could have found out from their Rangoon office that there was no hotel in Mogaung and that Mandalay and not Mogaung is the best place to go in Burma to buy Jade with ones eyes open as it is not cut across until it gets there. If the company had been in existence for some time it might have had a sale room in Rangoon and he could have made his purchases or placed his orders there; or if the Company had its catalogues and travellers he need never have left Paris.

16.- The advice of gentlemen such as Messrs H.C.J. Swinhoe, H.C.Noyce and C.W. Chater, etc. and of such firms as Pauk Lon Chan, U Chet Si, U Set Pu, etc should, I think be obtained as regards the prospects of success of such a company after the Royalty paying stage has been passed. To obtain information about conditions etc.in the Jade winning area and the dealing which takes place up to the Royalty paying stage the following are some who might be consulted.

Maung Po Myit (Mawok of the area in which the alluvial working is done) Maung Po La Mr Chamberlain's agent in the alluvial area (speaks English fluently); Maung Hla Aung Secretary Jade Trading Association, Mogaung, Maung Ba; Sinwa Nawng. Kansi Duwa to whom as Duwa 1/10 of the value of Jade stones in the Jade area is due as "Manhumanta and who apparently in addition claims ownership, as a private person, of portions of the mines at Htawmaw.

17. – As I have indicated above there is no general co-operation in the Jade industry. There is no body to whom one can refer. I have been trying hard to raise money for a badly wanted hospital in the mining area (The nearest hospital is 40 miles away) but have found it extremely hard to succeed as there is no general association to which I could go for help. The proposed company could allot money for this and other important necessities.