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NOTE.

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REPORT

OF THE

Indian Fiscal Commission

1921-22



SIMLA
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TABLE OF CONTENTS.

Summary of Recommendations	page xv
----------------------------------	---------

CHAPTER I.

Introductory.

	<i>Para.</i>
Events leading to the appointment of the Commission ..	1
The resolution on the appointment of the Industrial Commission	1
The Montagu-Chelmsford Report	2
Recommendation about fiscal autonomy by the Joint Select Committee	3
The principle of fiscal autonomy for India accepted by the British Government	4
Necessity of examining the tariff policy	5
Appointment, composition and terms of reference of the Commission	6
Procedure and tour	8
The evidence	10
Acknowledgments	11
Services of the Secretary and Assistant Secretary ..	12

CHAPTER II.

The History of the Tariff in India.

The tariff in the Moghal Empire	13
The Company's administration	14
The tariff after the Mutiny	15
The abolition of the general customs duties	16
Export duties	17
Reimposition of customs duties accompanied by the cotton excise	18

CHAPTER II—*concl'd.*

	<i>Para.</i>
General character of the tariff before the war	19
Recent enhancements	20
Character of the present tariff	23
New export duties	24
Increasing reliance on the customs revenue	25

CHAPTER III.

The Economic Position in India.

Importance of agriculture	26
The principal crops, and the extent to which they are exported	27
Agricultural production	28
Indian industries	30
The industrial position	31
Power resources	32
Labour	33
General conditions	34
Foreign trade	35
Balance of trade	36
Analysis of imports and exports	37
Distribution of foreign trade	39

CHAPTER IV.

The Importance of Industrial Development.

Inadequate industrial development in India	41
Advantages of development of industries	42
Development of capital resources	43
More advantageous employment of labour	45
Increase in wages	46
Effect of industrial development—	
(i) on agricultural conditions	47
(ii) on the public revenues	49
(iii) on the national character	50
Theory that industrial development will reduce the food supply	51

CONTENTS

CHAPTER IV—concl'd.

	<i>Para.</i>
Possible consequences of aggregations of population in towns	52
Such aggregations to be discouraged	53
Conclusion	54

CHAPTER V.

The Choice between Free Trade and Protection.

The tariff policy recommended	55
Strong feeling in favour of protection	56
Its causes	57
Example of other countries	58
Conditions in England	59
Public sentiment considered	61
The propositions of free trade	62
Their qualifications	63
Circumstances in which protection is justifiable	67
The burden of protection arising from increased prices	68
Gradual diminution of the burden	69
Application of general theories to Indian conditions	70
Causes of industrial backwardness mentioned by the Industrial Commission	71
Industrial aptitude in the past	72
Differences in natural aptitude diminishing	73
Industrial development requires to be stimulated by protective duties	74
The gain protection will bring	75
Necessity of deriving a high revenue from the tariff	76
A high revenue tariff inevitably leads to protection	77
The loss protection will involve	78
The probable burden on the poorer classes	79
Effect of protection—	
(i) on the agricultural classes	80
(ii) on the middle classes	81
Indiscriminate protection not contemplated	82
Certain disadvantages of protection taken into account	83
The balance of advantage	84

CONTENTS

CHAPTER VI.

**Some Disadvantages of Protection and the Need for
Discrimination.**

	<i>Para.</i>
Danger of political corruption	85
Combinations of manufacturers	86
Inefficient methods of production	87
The principle of discrimination	88
Discrimination will—	
(i) restrict the rise of prices	89
(ii) curtail the period of the burden	90
(iii) serve the best interests of industries	91
(iv) minimise the effect on the balance of trade	92
Summary of arguments for applying protection with discrimination	93

CHAPTER VII.

Outlines of the Scheme of Protection.

The tariff to consist partly of revenue, partly of protective duties, to be clearly distinguished	94
A Tariff Board an integral part of the scheme	96
General conditions to be satisfied by industries before protec- tion can be granted	97
Additional factors strengthening a case for protection	98
Conflicts of interest between industries	99
Stages of development at which protection may be required	100
Tariff protection not as a rule to be granted to new industries	101
Determination of the rate of protection	103
Consideration of the location of industries	105
Industries essential for national defence or of special military value	106
Treatment of basic industries	108
Treatment of machinery	109
Machinery worked by manual or animal power	111
Electrical transmission gear	112
Raw materials	113
Coal	114
Partly manufactured goods	115

CONTENTS

CHAPTER VII—concl.

	<i>Para.</i>
The duty on cotton yarn	116
Precautions to secure the reduction or withdrawal of protection, when the circumstances justify this ..	117
Taxation of articles not requiring protection ..	119
Treatment of industries in the period intervening before the . complete establishment of the system ..	121

CHAPTER VIII.

Supplementary Measures

A more industrial bias in primary education	122
Training of apprentices	123
Increased mobility of labour	125
The railway rates policy and its effect on Indian industries ..	126
Principles which should govern the policy of railway rates ..	128
Proposed Rates Tribunal	129
Improvement in railway facilities	130
Lowering of coastal shipping rates	131
Shipping rebates	132
Measures against dumping	133
Definition of dumping	134
Its causes	135
Its effects	136
Difficulty of proving the existence of dumping	137
Legislation in other countries	138
Suggested legislation for India	139
Imports from countries in which the exchange is seriously depreciated	140
Countervailing duties against export bounties	141

CHAPTER IX.

The Principles of Excise Duties.

The nature of excise duties and the commodities on which they are levied	142
Incidence of excise duties	144

CHAPTER IX—*concl.*

	<i>Para.</i>
Their economic justification	145
Conditions in England make a cotton excise inappropriate ..	146
The limitations of excise duties	147
Effect on home industries	150
Summary of conclusions	151

CHAPTER X.

The Indian Cotton Excise.

Necessity for historical treatment	152
The controversy of 1875-6	153
Origin of the agitation the apprehension of the Lancashire trade for its own interests	154
The importance of the duties exaggerated	155
Political dangers arising from the controversy	157
Duties attacked as inconsistent with free trade	158
Views of the Government of India	159
The resolution of the House of Commons, July 1877	160
First steps in the repeal of the cotton duties	161
Complete repeal of the cotton duties	162
Reimposition of customs duties	163
Reimposition of cotton duties accompanied by an excise on Indian yarn	164
The excise transferred from yarn to cloth	165
Increase of the import duty without any increase of the excise	167
Feeling in India	168
Action recommended	169
Effect on the handloom industry of the abolition of the cotton excise	171

CHAPTER XI.

Export Duties.

Export duties in India	172
Incidence of an export duty	173
Tendency to fall on the home producer	173

CHAPTER XI—*concl'd.*

	<i>Para.</i>
Monopolies of varying degrees of strength, but always con- ditional	174
Conclusion regarding incidence of export duties	175
Effect on the balance of trade	176
Protective export duties	177
Their unpopularity in foreign countries	178
Injury caused to the home producer	179
Tendency of protective export duties to be high	180
Protective export duties on monopolies	181
Export duties should be imposed for revenue purposes only ..	182
General principles to be applied	182
Danger that a trade may be ruined by an export duty ..	183
The case of saltpetre	183
No objection to small cesses	184
The duty on jute	185
Proposed duty on raw cotton condemned	186
The duty on tea	187
The duty on rice	188
Suggested duty on wheat	189
The duty on raw hides and skins—	
(i) a wrong principle	190
(ii) injury caused to the producer	191
(iii) possible effect on cattle slaughter	192
(iv) possibility that a small revenue duty on skins might be justified	193
Proposed duty on oilseeds condemned	194
Use of manures not likely to be promoted by export duties ..	195
Small cess on export of manures might be imposed ..	195
Differential export duties generally inadvisable	196
Use in exceptional cases for purposes of retaliation	197
Preferential export duty on hides and skins condemned ..	198

CHAPTER XII.

Restrictions on the Export of Food Grains.

Contention that India's production of food is insufficient for her population	199
--	-----

CHAPTER XII—*concl'd*

	<i>Para.</i>
The real problem is one of poverty and prices	200
Effect on agricultural interests of artificial depression of the price of food grains	201
Probable substitution of other crops	202
Importance of the exportable surplus	203
Increased production the true remedy	204
No restriction on the export of food grains in normal times	204
No export duty to be imposed on wheat even for revenue purposes	205
Abnormal conditions—	
(i) failure of rains	206
(ii) high world prices	207
Desirability for Government action in spite of disadvantages ..	208
Prohibition of export	209
Government control	210
Temporary export duty the least objectionable measure ..	212
Some loss of profit to the agriculturist must be faced ..	213

CHAPTER XIII.

U Imperial Preference.

(i) *History and Meaning.*

The first step	214
Imperial Preference becomes a policy	215
The principles of Imperial Preference	216
Its extension	217
The position of India in relation to Imperial Preference ..	218
The general position	219
The effects of the war	220
Further preferences. The United- Kingdom adopts the policy	221
India examines the policy	223

CHAPTER XIII—*contd.*

<i>(ii) Economic Principles.</i>	<i>Para.</i>
Economic effect of preferential duties	224
Effect depends on the relative importance of the sources of supply	225
Conditions under which the foreign manufacturer may benefit without the domestic consumer suffering	226
Analogy between arguments for preference and for protection	227
The revenue aspect	229
Home industries may support preference, if it increases protection	230
Possible advantage to the country which grants a preference in the market of the country which receives it	231
 <i>(iii) The Economic Limitations of Preference in India.</i> 	
Sources and destination of Indian imports and exports ..	232
Indian exports not of a kind to benefit appreciably from preference	233
Indian exports receiving preference in the United Kingdom ..	234
Tea	235
Coffee	236
Tobacco	237
Actual and possible gain to India from preference is small ..	238
India cannot grant extensive preferences without serious loss to herself	239
Indian fear that preference must diminish protection not justified	240
Apprehensions of loss through retaliation by foreign countries exaggerated	241
Real economic loss to India from preference would be the increased cost to the consumer	243
Disadvantage of granting preference on an article protected in India	244
Conditions in which the grant of preference might be justifiable	245
Nature of foreign competition in the Indian market ..	246
Requests of British manufacturers for preference ..	247

CHAPTER XIII—*concl'd.*

	<i>Para.</i>
Dyes	248
Motor Cars	251
Machinery	252
Cigarettes	253
Preference to be regarded as a voluntary gift, and not as part of a bargain	254

(iv) *Conclusions.*

Causes of Indian hostility to preference	255
(i) fear that it may diminish protection	256
(ii) burden on Indian consumer	257
(iii) fear that it will affect India's fiscal autonomy	258
The assurance of the British Government regarding fiscal autonomy	259
The Imperial aspect	260
The sentiment of Empire	261
Decision must rest with the Legislature	262
Principles which should govern any application of the policy	262
Suggested enquiry by Tariff Board	263
Policy to be adopted towards the Dominions and Colonies	264
The question a practical one	265
Mauritius sugar	265

CHAPTER XIV.

The Form and Application of the Tariff.

Specific and <i>ad valorem</i> duties	266
Advantages and disadvantages—	
(i) administrative	267
(ii) the interest of the importer	268
(iii) stability of rate and absence of ambiguity	269
(iv) Government revenue	270
(v) adequacy of protection	271
Natural limitations on the imposition of specific duties	272
<u>Tariff valuations</u>	273

CHAPTER XIV—*concl'd.*

	<i>Parā.</i>
Alternative principles for fixing a tariff valuation ..	274
The automatic valuation preferred	274
The effect of automatic tariff valuations on protective duties ..	275
Specific duties and tariff valuations to be extended. cautiously	276
Necessity for elaboration of the tariff—	
(i) to remove ambiguities	277
(ii) to enable protection to be given with discrim- ination	278
Definitions not to be based on intended use	279
Double tariffs	280
Unsuitable to India	281
Penal duties might be employed in cases of necessity ..	282
Procedure for imposing penal duties	283
Injurious effects of tariff wars	284
Customs duty should be charged on goods belonging to Government	285
Except in the case of articles not likely to be manufactured in India by private enterprise	286
Objections to this proposal not of great importance ..	287
Import duty on railway materials	288
(i) revenue effect	288
(ii) protective effect	288

CHAPTER XV.

Foreign Capital.

The use of foreign capital to develop India regarded with suspicion	289
Economic advantages of the use of foreign capital ..	289
Causes of distrust of foreign capital	290
Special regulations which have been proposed for non-Indian joint stock industrial or shipping companies	291
Stipulations which should be made in the case of Government concessions, etc.	292
No further differentiation advisable	293
Present feelings not likely to be permanent	294

CHAPTER XVI.

Indian States and the Tariff.

	<i>Para.</i>
Indian States concerned in the tariff policy	295
Allocation of customs revenue not within our purview ..	296
Indian States favour discriminating protection ..	297
How the interests of Indian States will be safeguarded—	
(i) consumers	298
(ii) producers	299
Representation on Tariff Board impracticable	301

CHAPTER XVII

The Tariff Board.

The Tariff Board must be a permanent body of high standing	302
Tariff Board not to take decisions, but to make recommendations	303
Importance of publicity	303
Disadvantage of public discussion of proposed changes in the tariff cannot be avoided	304
Functions of the Tariff Board	305
Similar Boards in the United States and Australia, and their functions	307
Composition of the Board—	
(i) number	308
(ii) qualifications	309

CHAPTER XVIII.

Conclusion.

No real antagonism between the interests of India and of Britain	310
Not even in the cotton trade	311
The aim of the policy	313

	<i>Page.</i>
Minute of Dissent	175

CONTENTS

xii

					<i>Page.</i>
Appendix A.	..	..	..	32	215
" B.	..	..	..	..	227
" C.	..	..	..	..	229
" D.	..	..	..	..	231
" E.	..	..	..	..	232
Index	..	..	..	..	233

SUMMARY OF RECOMMENDATIONS.

Reference.

“ To examine with reference to all the interests concerned the Tariff policy of the Government of India, including the question of the desirability of adopting the principle of Imperial Preference, and to make recommendations.”

Preliminary Conclusions.

That the industrial development of India has not been commensurate with the size of the country, its population, and its natural resources, and that a considerable development of Indian industries would be very much to the advantage of the country as a whole. (Chapter IV).

Principal Recommendations.

1. (a) That the Government of India adopt a policy of Protection to be applied with discrimination along the lines indicated in this Report. (Chapter V).
- (b) That discrimination be exercised in the selection of industries for protection, and in the degree of protection afforded, so as to make the inevitable burden on the community as light as is consistent with the due development of industries. (Chapter VI).
- (c) That the Tariff Board (see below) in dealing with claims for protection satisfy itself :—
 - (i) That the industry possesses natural advantages ;
 - (ii) That without the help of protection it is not likely to develop at all, or not so rapidly as is desirable ;
and
 - (iii) That it will eventually be able to face world competition without protection. (Chapter VII).
- (d) That raw materials and machinery be ordinarily admitted free of duty, and that semi-manufactured goods used in Indian industries be taxed as lightly as possible. (Chapter VII).

- (e) That industries essential for purposes of National Defence, and for the development of which conditions in India are not unfavourable, be adequately protected if necessary. (Chapter VII).
 - (f) That no export duties be ordinarily imposed except for purely revenue purposes, and then only at very low rates (Chapter XI) ; but that when it is considered necessary to restrict the export of food grains, the restriction be effected by temporary export duties and not by prohibition. (Chapter XII).
2. That a permanent Tariff Board be created whose duties will be, *inter alia*, to investigate the claims of particular industries to protection, to watch the operation of the Tariff, and generally to advise Government and the Legislature in carrying out the policy indicated above. (Chapter XVII).
3. (a) That no general system of Imperial Preference be introduced ; but
- (b) That the question of adopting a policy of preferential duties on a limited number of commodities be referred to the Indian Legislature after preliminary examination of the several cases by the Tariff Board.
 - (c) That, if the above policy be adopted, its application be governed by the following principles :—
 - (i) That no preference be granted on any article without the approval of the Legislature.
 - (ii) That no preference given in any way diminish the protection required by Indian industries.
 - (iii) That preference do not involve on balance any appreciable economic loss to India.
 - (d) That any preferences which it may be found possible to give to the United Kingdom be granted as a free gift.
 - (e) That in the case of other parts of the Empire preference be granted only by agreements mutually advantageous. (Chapter XIII).
4. That the existing Cotton Excise Duty in view of its past history and associations be unreservedly condemned, and that Government and the Legislature start again with a "clean slate," regulating their excise policy solely in the interests of India (Chapter X).

Subsidiary Recommendations.

5. That the proviso to Section 20 of the Sea Customs Act be repealed, and that Customs Duty be ordinarily levied on goods belonging to Government (paragraphs 285-288).

6. That difficulties in the shape of shipping rebates (paragraph 132), or unfair advantages like dumping (paragraphs 133-139), depreciated exchanges (paragraph 140), bounty-fed imports from abroad (paragraph 141), be investigated and, where possible, removed.

7. That industrial development be promoted by giving a more industrial bias to primary education (paragraph 122), and providing opportunities for training apprentices (paragraphs 123-124), and organisations for increasing the mobility of labour (paragraph 125).

8. That no obstacles be raised to the free inflow of foreign capital, but that Government monopolies or concessions be granted only to companies incorporated and registered in India with rupee capital, such companies to have a reasonable proportion of Indian Directors, and to afford facilities for training Indian apprentices. (Chapter XV).

9. That the Tariff be not ordinarily employed for retaliation, or as a means of aggression (paragraphs 280-284).

10. That the Tariff be elaborated with a view to remove ambiguities, and that the system of specific duties and tariff valuations be cautiously extended (paragraphs 266-278).

APPENDIX A.

**List of questions for witnesses giving written evidence for the
Indian Fiscal Commission.**

EXPLANATORY NOTE.

The following questions have been framed with a view to indicating the main aspects of the enquiry to be undertaken by the Fiscal Commission, so far as the President and those Members of the Commission whom he has been able to consult can at present judge of them. Sections A. and B. are intended to cover the general problems which will arise for consideration in determining the future direction of fiscal policy and in deciding whether India should adopt a policy of Imperial Preference. The remaining sections contain questions designed to elicit not only the opinions but the definite experience of those engaged in the various branches of industry and commerce. In the case of answers to these questions the Commission will naturally attach special importance to conclusions resting on a solid foundation of facts and figures.

2. It is not intended that those who are engaged in industry and commerce should confine themselves to the special sections dealing with their particular business. On the contrary, there are many questions in Sections A. and B. which require for their adequate consideration an intimate acquaintance with business conditions, and it is hoped that those who have such special knowledge will give the Commission the benefit of their general views on the important and difficult problems that arise.

3. As explained above, the questions are designed to cover the whole field of the enquiry, so far as it can be outlined at this stage. It is not therefore expected that each witness should attempt to answer all the questions. If a witness wishes to give his views on any points relevant to the enquiry which have not been included in the questionnaire, it would be convenient that such points should be dealt with in a supplementary statement.

4. The Commission is inviting either directly or through Local Governments various associations and individuals to forward in writing their replies to the questionnaire. The Commission will also be glad to receive replies from any associations or individuals not so invited who may wish to represent their views. Copies of the questionnaire can be obtained from the Secretary, Indian Fiscal Commission, Simla, on application.

5. The Commission assembles in the first half of November and the early receipt of written replies to the questions would greatly facilitate its work. After perusal of the replies the Commission will select certain witnesses for oral examination. To give adequate time for this, it is requested that replies may be despatched so as to arrive at least three weeks before the date on which the witness is likely to be examined. The provisional programme of the tour of the Commission indicating the approximate dates on which oral evidence will be taken at each centre is as follows :—

Assemble Bombay early in November 1921. No evidence will be taken at Bombay at this time.

Depart ...	...	Bombay	...	24th November.	
Arrive ...	..	Karachi	...	26th November.	
Depart ...	...	"	...	2nd December.	
Arrive ...	..	Lahore	...	3rd December.	
Depart ...	...	"	...	9th December.	
Arrive ...	...	Delhi	...	10th December	} Delhi evidence will be taken at this time and not in March.
Depart ...	...	"	...	15th December	
Arrive ...	...	Cawnpore	...	16th December.	
Depart ...	...	"	...	21st December.	
Reassemble	...	Calcutta	...	5th January 1922.	
Depart ...	..	"	...	20th January.	
Arrive ...	...	Rangoon	...	23rd January.	
Depart ...	...	"	...	27th January.	
Arrive ...	...	Madras	...	30th January.	
Depart ...	...	"	...	7th February.	
Reassemble	..	Bombay	...	20th February.	
Depart ...	...	"	...	6th March.	
Arrive ...	...	Delhi	...	8th March.	

QUESTIONS FOR WITNESSES.

A.—GENERAL.

The existing Indian import tariff is based primarily on revenue considerations. But it has been modified with a view to admitting free or at the favourable rate of $2\frac{1}{2}$ per cent. articles the cheap import of which was considered desirable in the interests of the country. Thus certain raw materials, manures, agricultural implements, dairy appliances and cotton yarn are admitted free. Machinery, iron and steel and railway plant and rolling stock pay only $2\frac{1}{2}$ per cent. *ad valorem*. The general rate, under which come the bulk of imports, is 11 per cent. *ad valorem*, while certain articles such as motor cars, jewellery and silk goods have been specially subjected from revenue considerations to a duty of 20 per cent. Sugar is charged at a special rate of 15 per cent. and high duties are imposed for revenue purposes on tobacco and liquors. An excise duty at the rate of $3\frac{1}{2}$ per cent. is levied on all woven cotton goods manufactured in power mills in British India.

Export duties imposed for revenue purposes are at present levied on raw and manufactured jute, rice and tea. In 1919 an export duty was also imposed on raw hides and skins, with a rebate of $\frac{2}{3}$ of the duty on hides and skins exported to any part of the Empire. The object of the duty was partly to foster the Indian tanning industry and partly to maintain a key industry within the Empire.

1. Do you generally favour a policy of free trade or protection ?

A Revenue Tariff. If the former, have you any objection to the imposition of customs duties for the purpose of obtaining revenue ?

2. Do you consider that a tariff provides a more or a less suitable form of taxation for India than direct taxation ? If fresh taxation were necessary would you prefer an increase in customs to an increase in direct taxation ?

3. If you accept the principle of imposing a tariff for revenue purposes would you suggest any change in the list of articles taxed or in the rate of taxation ?

4. Do you consider that the tariff should continue to be based on existing principles ? If so, please explain your views as to the advantages of this policy.

5. What effect do you consider the existing tariff policy has had on Indian industries in the past, and what effects on Indian industries would you anticipate from a continuance of this policy in the future ?

6. When a duty is imposed on an article imported from abroad do you approve in theory or in practice of imposing an excise duty on the same article manufactured in India ?

7. If you favour the imposition of excise duties is it on the ground that no protection of any kind should be afforded to the home manufacturer as against the foreign manufacturer ?

8. Can such duties be imposed without raising the price to the consumer ?

9. Do you consider that the tariff should be framed primarily with the object of fostering Indian industries ?
 A Protective Tariff. If so, please explain the advantages anticipated.

10. Do you look forward to India becoming in time independent of other countries in regard to all her requirements of manufactured goods, or do you consider that there are certain manufactured goods for which she is always likely to be dependent on other countries ? If you hold the latter view can you furnish a list of articles for which India will have to depend on other countries ?

11. Would you, for the purpose of developing Indian industries, favour the imposition of protective duties on all imported manufactures or only on some ?

12. If you favour the protection of some industries only, which would you select for protection and on what principles ?

13. Do you consider it desirable to establish new industries by protection ? If so, on what principles would you select them ?

14. Would you confine protection to industries which are likely after a period to be able to face foreign competition without such assistance, or would you contemplate the establishment of industries which would be likely to require continuous assistance ?

15. Would you grant special protection against foreign goods favoured by such measures as dumping, bounties, subsidies or transport concessions ? If so, what means would you suggest for ascertaining the exact facts and what measures would you advocate to afford the necessary protection ?

16. What is your attitude towards hand industries and in particular towards the cotton handloom industry ? Do you wish them to be maintained or not ?

17. Is there any danger in India of protection leading to combination among the protected manufacturers in order to maintain a quasi-monopoly price ? If so, what safeguards would you suggest to counteract the effect of such a combination ?

18. Do you think that, if a protective policy is adopted, it is likely that British or foreign industrial firms will endeavour to establish themselves in India in order to get the benefit of the protective tariff ? If so, what would be your attitude towards such a movement ?

19. In countries under a protective system it sometimes happens that producers of raw material ask for protection, while manufacturers who use the raw material oppose them, wishing to get their raw material as cheaply as possible. In the same way a demand of the spinning industry for protection is sometimes opposed by the weaving industry whose interest lies in cheap yarn. Do you think that conflicts of interest of this nature would be likely to arise in India and that if they did arise there would be any difficulty in adjusting them ?

20. When an import duty is imposed do you consider that ordinarily
 Effect of Protection on prices the whole or any part of it is passed on to
 and on the consumer. the consumer in a rise of price ?

21. If a protective duty causes a rise in price, is that rise likely to be permanent or not ?

22. Would you be willing to accept an increase in price to the Indian consumer for the sake of developing Indian industries ?

23. In considering the above question would you have regard to the point whether the protected article was a necessary of life ? If so, what articles would you class as necessaries ?

24. If you hold that an increase in the tariff rates would tend to increase the cost of living in India do you think the increased cost would be covered wholly or in part by a rise in wages or salary for :—

- (a) the industrial wage earner,
- (b) the agricultural wage earner,
- (c) the middle classes:-

25. What effect do you consider a policy of protection would have on the foreign trade of India and on the general commercial position and prospects of the country ?
 Effect of Protection on Foreign Trade.
26. Do you consider that the existence of a tariff which could be used as an instrument for bargaining with other countries would be advantageous to India ?
 Use of Tariff for bargaining.
27. If so, would you recommend the adoption of general and special tariffs, the special being applied to countries from which India receives favourable treatment ?
28. If the tariff is to be used in this way, would it be necessary to make it more detailed than it is at present ?
29. If a policy of protection were adopted would you recommend any kind of permanent organization for investigating the claims of various industries to protection from time to time and for the periodical readjustment of tariff rates ?
 Organization for investigating the claims of industries.
30. What is your view of the proper function of export duties ? Do you think that they should be imposed only for the purpose of raising revenue or do you think that they may be utilised for other purposes also ?
 Export duties.
31. What do you consider generally is the effect of export duties on the export trade ? Can they in certain circumstances be imposed without injury to the trade ? If so, in the case of what trades in India could this be done, and to what extent ?
32. Would you consider it advisable to impose an export duty on a raw material in order to encourage its retention in India either for purposes of manufacture or for any other purpose ? If so, please examine instances in which you would recommend such action and consider whether it would have any effect on the producers of the raw material and the amount they would produce.
33. Do you consider that it would be of advantage to India to impose an export duty on foodstuffs with a view to controlling their export and thereby lowering Indian prices and the cost of living ? What effect do you consider such action would be likely to have on the agricultural interests and on the quantity of foodstuffs produced in India ?

34. Would you consider it advisable to impose an export duty on a raw material in retaliation for an import duty imposed by a foreign country on the manufactured article ? If so, please examine cases in which you would recommend such action.

B.—IMPERIAL PREFERENCE.

At present reduced duties are levied by Canada, Australia, South Africa and New Zealand on a number of articles imported from the United Kingdom. In Canada, Australia and New Zealand the preferential duties are usually about $\frac{2}{3}$ of the full duty, though the fraction varies considerably both above and below this figure. The South African preference is a small one and is usually only a rebate of 3 per cent. *ad valorem*.

The United Kingdom has recently established preferential rates which are granted to the whole Empire on nearly all articles on which import duties are levied in the United Kingdom. The preferential rate is as a rule either $\frac{2}{3}$ or $\frac{1}{2}$ of the full rate.

A number of the smaller colonies grant preferential rates to the United Kingdom, and there are also various agreements between different parts of the Empire for mutual preference.

The countries which at present levy a lower rate of duty on certain goods imported from India as compared with the general duty levied on imports from foreign countries are the United Kingdom, Canada and New Zealand.

The articles of interest to India on which such lower duties are levied in the United Kingdom are tea, coffee and tobacco. These are all charged $\frac{2}{3}$ of the full rate. In the case of Canada the only Indian imports of any account are tea, jute cloth and raw hides. There is no duty on raw hides or jute cloth. On Indian tea the rate is 7 cents per lb. as against the rate of 10 cents on tea imported from countries outside the Empire. New Zealand imports from India a small quantity of tea which pays 3*d.* per lb. as against the rate of 5*d.* charged on tea imported from outside the Empire, and a small quantity of candles which are charged 1½*d.* per lb. instead of 2¼*d.* Other imports from India into New Zealand are for the most part either free or receive no special treatment.

35. Are you on general grounds favourable to the idea of Imperial Preference ? If so, do you think that India would be justified in risking any appreciable economic loss for the sake of Imperial Preference ?

36. Would you differentiate between the policy to be adopted towards the United Kingdom and towards other parts of the Empire ?

37. Do you anticipate any material loss or gain to India from a system of Imperial Preference ? In particular, do you apprehend any likelihood of retaliation by foreign countries against India ?

38. If you are in favour of preference, can you give a list of articles imported into India and exported from India to which the policy of preference might be applied ? What would you consider a reasonable average rate of preference ?

39. What principles would you apply in selecting articles to which preference might be given on import into India ? Would you give preference in the case of goods which India hopes in time to manufacture mainly or entirely for herself, or only in the case of goods for which India is likely to have to depend on other countries ?

40. If preference were given by raising the import duties on goods coming from foreign countries, the existing rates being maintained for British goods, do you anticipate that this would raise the price to the consumer or not ?

41. Do you think that a system of Imperial Preference is likely to increase or diminish the total volume of Indian imports or exports, or to alter appreciably the proportion between them and thus affect the balance of trade ?

42. Do you consider that the partial or complete diversion of trade from foreign countries which might result from Imperial Preference would have any effect on India's general trade position ?

C.—MANUFACTURES.

43. Are you interested in any industry and if so in what capacity ?

44. Do you consider that there are natural advantages for the industry in India ? If so, please enumerate them.

45. Do you consider that the industry is essential to the national security or of substantial importance to the economic prosperity of India ?

46. What is the state of organization and equipment of the industry in India as compared with that in other countries ?

47. On what markets does the industry depend for the sale of its output ?

48. What foreign competition (including for this purpose competition from the United Kingdom or other parts of the Empire) does

the industry have to meet—

(a) in the Indian market

(b) elsewhere ?

Does this competition extend to all or only to particular classes of goods, and does it vary with different classes of goods ?

49. Apart from questions of organization and equipment are there any special circumstances, natural or artificial, which give the competing country an advantage ?

50. Do you think that the industry needs protection ? If so, what rate of duty do you consider it is necessary to impose ? Please give in detail the facts and figures on which you base your conclusions.

51. Do you think it likely that if protection is granted, the industry will eventually reach a level of development which would enable it to face foreign competition without the aid of protection, or do you think the industry will always remain to a greater or less degree in need of protection ?

52. Does the industry ever suffer from dumping ? If so, do you wish to suggest any remedy ?

53. Is competition from other countries accentuated by depressed exchanges in those countries ?

54. If so, is this phenomenon likely to be temporary ?

55. Do you consider that any remedy is required ? If so, what would you suggest ?

56. Has the industry received any benefit from the successive enhancements of the tariff beginning in 1916 ? Can you describe the effects, so far as yet apparent ?

57. Do you think the industry has suffered in any way from export duties ? If so, please give in detail the facts and figures from which this conclusion is drawn.

58. Is the finished product of the industry used as the raw material for any other industry ? If so, to what extent ?

59. Does the industry use as its raw material the finished product of any other industry which is established or is likely to be established in India ?

60. Would you prefer a system under which all industries would receive a more or less uniform protection, or one under which industries receive varying amounts of protection in accordance with their needs ?

D.—EXPORT TRADE.

N.B.—These questions are intended not only for actual exporters, but also for those who produce for export.

61. What articles do you export and to what countries ?
62. Are you interested in any of the articles on which export duties are levied ? If so, what do you consider has been the effect of these duties ?
63. Do you recommend the increase, reduction or abolition of any of the existing export duties ?
64. Is the Indian export trade in any way hampered by high import duties imposed in certain countries ? If so, do you consider any action feasible or desirable ?
65. Do you think the export of any articles in which you deal would be stimulated by a preferential rate granted by the United Kingdom or any of the Dominions or Colonies ? If so, what would you consider the minimum rate of preference for each article which would exercise an appreciable effect ?
66. Do you consider that the lower duties at present levied on certain imports from India into the United Kingdom or Canada or New Zealand, as compared with the general duty levied on imports from countries outside the Empire, have had or are likely to have any beneficial effects on the Indian trade in those articles ?
67. Do you think that any foreign country whose trade might suffer by a system of Imperial Preference would be able, without injury to itself, or would be likely even at the cost of injury to itself, to penalise the Indian export trade to that country ? If so, what are the Indian exports that might suffer ?
68. If owing to a system of Imperial Preference the imports from certain foreign countries diminished, do you consider that this would tend to have any effect on the volume of Indian exports to those countries ?
69. If so, would there be an alternative outlet for these exports, without economic disadvantage, within the British Empire or in other foreign countries ?

E.—IMPORT TRADE.

70. What articles do you import and from what countries ?
71. Have you observed any effects on your trade in particular articles from the year 1916 up to date, which can be ascribed in part or in whole to the changes in the rates of import duty ?

72. Do you consider that an appreciable increase in the present tariff rates would seriously diminish the volume of imports? Can you give instances of any important commodities in which such a result is likely to occur?

73. What would you expect to be the effect on the import trade of a preference given to British goods—

- (a) if the preference were given by maintaining the existing rate for foreign goods and reducing it for British goods;
- (b) if the preference were given by maintaining the existing rate for British goods and enhancing it for foreign goods; and
- (c) if the preference were given by a combination of (a) and (b), *i.e.*, raising the rate for foreign goods and reducing it for British goods?

74. If Imperial Preference were introduced would you recommend that the same preference on the same goods should be granted to all constituent parts of the Empire, or would you treat each part of the Empire separately, taking into account the question of what reciprocal benefits India would receive?

75. Do you think it likely that a system of Imperial Preference would diminish or increase the total import of any class of goods, or would it merely tend to alter the proportion in which that total is derived from foreign and British countries?

76. Would any undesirable results follow from diverting the source of Indian imports from foreign to British countries?

77. If you are favourable to Imperial Preference, to what articles would you be prepared to extend a preference if imported from the Empire or particular parts of the Empire, and what would you suggest as the amount of that preference?

78. Do you approve of the system of *ad valorem* customs duties, or would you prefer that the duty should be specific, *i.e.*, a fixed charge for a given weight or measure? If you prefer the latter system, what are your views on the necessity of readjusting the duties from time to time?

F.—RETAIL TRADE.

79. What are the principal imported goods in which you deal?

80. To what extent can changes in the retail prices of imported goods from 1916 onwards be attributed to the increases in the import

duties during that period? Can you give details of any such changes in retail prices with which you are familiar?

81. In the case of any important classes of imports can you give any figures showing to what extent demand diminishes as prices rise?

82. Have the increases in the tariff since 1916 affected your trade in any way?

83. What would you expect to be the effect on your trade if imports from the United Kingdom or from the whole Empire were taxed at existing rates, while the duty on imports from foreign countries was raised?

APPENDIX B.

Value (in lakhs of rupees) of Imports, Private Merchandise, according to four main classes and subdivisions thereof.

	Average of five pre- war years 1909-10 to 1913-14.	Average of five war years 1914-15 to 1918-19.	1919-20.	1920-21.	1921-22.
I.—FOOD, DRINK AND TOBACCO.					
Sugar	13,18	14,70	22,90	18,50	27,50
Grain, pulse and flour ...	20	53	3,09	5	9,34
Provisions and oilman's stores	2,05	2,15	2,91	3,61	2,71
Liquors	1,72	2,04	2,91	4,21	3,37
Other food and drink ...	84	1,89	2,32	2,44	1,70
Spices	1,55	1,97	2,27	1,91	1,93
Tobacco	71	1,32	2,02	2,96	1,65
Fruits and vegetables ...	1,08	1,10	1,90	1,68	1,68
Tea	22	47	54	40	56
Fish (excluding canned fish) ...	31	20	19	21	19
Total Class I ...	21,85	26,39	41,13	35,97	50,63
II.—RAW MATERIALS AND PRODUCE AND ARTICLES MAINLY UNMANUFACTURED.					
Oils	3,95	4,24	9,44	8,76	7,56
Silk	1,17	1,10	1,77	1,63	1,32
Seeds	8	58	1,26	52	17
Wood and timber ...	71	85	1,25	1,08	86
Gums, resins and lac ...	26	23	72	48	41
Cotton	1,02	44	68	1,69	3,45
Tallow, stearine, and wax ...	17	18	24	49	21
Hides and skins, raw ...	14	16	20	10	10
Coal, coke and patent fuel ...	81	30	13	80	5,85
Metallic ores and scrap iron or steel for remanufacture.	4	3	8	18	9
Wool	16	18	7	7	9
Textile materials, other than cotton, silk and wool (raw).	6	17	6	13	12
Miscellaneous	1,47	1,05	1,47	1,68	1,79
Total Class II ...	10,03	9,52	17,37	17,11	22,01

APPENDIX B—*contd.*

	Average of five pre-war years 1909-10 to 1913-14.	Average of five war years 1914-15 to 1918-19.	1919-20.	1920-21.	1921-22.
III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED.					
Yarns and textile fabrics—					
Cotton	52.18	52.48	59.08	1,02.12	56.93
Silk	2.77	2.82	5.92	5.59	2.99
Wool	3.08	1.82	1.60	5.53	1.23
Haberdashery and millinery	1.37	1.02	97	3.02	63
Others	50	85	1.52	2.06	65
Metals—iron and steel, and manufactures thereof.	11.16	9.59	16.29	31.24	21.16
Machinery of all kinds, includ- ing belting for machinery.	5.80	5.77	9.58	24.09	35.49
Cutlery, hardware, implements (except machine tools), and instruments.	5.02	4.87	7.15	16.16	11.94
Metals, other than iron and steel and manufactures thereof.	4.59	2.78	6.40	9.35	5.05
Railway plant and rolling- stock.	6.11	1.42	4.59	14.13	18.91
Carriages and carts, including cycles and motor cars.	1.56	3.48	4.54	14.08	3.54
Chemicals, drugs and medicines	2.13	3.43	3.74	5.16	3.75
Dyes and colours	2.07	2.09	3.23	5.72	4.49
Paper, pasteboard and station- ery.	1.85	2.67	3.13	9.12	3.25
Glassware and earthenware ...	2.16	1.76	2.74	4.28	3.00
Apparel	2.03	1.85	1.97	4.32	1.28
Hides and skins, tanned or dressed, and leather.	45	36	54	1.29	66
Furniture, cabinetware and manufactures of wood.	30	32	46	96	54
Arms, ammunition and mili- tary stores.	34	33	37	64	70
Miscellaneous	6.34	8.87	11.54	16.12	13.29
Total Class III	1,11.80	1,08.56	1,45.35	2,74.98	1,89.47
IV.—MISCELLANEOUS AND UNCLASSIFIED.	2.16	3.33	4.12	7.55	4.32
Grand Total	1,45.85	1,47.80	2,07.97	3,35.60	2,66.43

APPENDIX C.

Value (in lakhs of rupees) of Exports, Private Merchandise, according to four main classes and subdivisions thereof.

	Average of five pre-war years 1909-10 to 1913-14.	Average of five war years 1914-15 to 1918-19.	1919-20.	1920-21.	1921-22.
I.—FOOD, DRINK, AND TOBACCO.					
Grain, pulse and flour ...	45,82	37,42	15,15	25,65	29,99
Tea	18,07	17,55	20,56	12,15	18,22
Spices	86	1,03	1,57	83	1,01
Tobacco	37	56	93	75	71
Provisions and oilman's stores	46	60	62	74	71
Fruits and vegetables ..	47	57	63	60	63
Sugar	16	22	54	95	25
Fish (excluding canned fish)...	39	43	51	56	60
Liquors	1	...	...	...	...
Other food and drink (coffee and salt).	1,39	1,19	1,73	1,43	1,39
Total, Class I ...	62,97	59,57	42,23	43,67	53,51
II.—RAW MATERIALS AND PRODUCTS AND ARTICLES MAINLY UNMANUFACTURED.					
Cotton	33,28	33,63	58,65	41,63	53,97
Jute	22,20	12,80	24,70	16,36	14,05
Seeds	24,37	12,17	16,27	16,83	17,41
Hides and skins, raw ...	10,32	9,88	23,41	5,25	5,93
Wool	2,68	3,90	4,01	2,26	2,54
Oils	92	1,87	3,22	1,78	1,02
Gums, resins, and lac ...	2,29	2,66	7,42	7,68	7,94
Metallic ores and scrap iron or steel for re-manufacture.	1,15	1,91	1,50	2,47	1,70
Hemp	78	1,18	1,89	86	89
Textile materials, other than cotton, jute, wool, and hemp.	43	45	1,40	90	82
Wood and timber ...	98	69	1,43	1,24	59
Coal, coke, and patent fuel ...	76	48	83	1,50	16
Tallow, stearine, and wax ...	9	8	9	11	9
Miscellaneous	2,28	3,25	5,01	4,56	3,11
Total Class II ..	1,02,53	84,96	1,59,83	1,03,43	1,09,73

APPENDIX C—*contd.*

	Average of five pre-war years 1909-10 to 1913-14.	Average of five war years 1914-15 to 1918-19.	1919-20.	1920-21.	1921-22.
III.—ARTICLES WHOLLY OR MAINLY MANUFACTURED.					
Yarns and textile fabrics—					
Jute	20,25	40,19	50,02	52,99	30,00
Cotton	11,41	11,73	27,41	18,27	15,65
Wool	26	21	67	84	71
Silk	7	6	6	5	3
Others	1	2	3	2	5
Hides and skins, tanned or dressed, and leather.	4,30	7,19	12,71	3,30	4,03
Chemicals, drugs and medi- cines.	10,53	3,37	3,04	3,79	2,86
Dyes and colours	1,18	2,42	2,66	1,11	1,33
Metals other than iron and steel and manufactures thereof.	22	47	58	1,19	1,23
Metals, iron and steel and manufactures thereof.	32	34	47	59	56
Apparel	18	12	27	30	31
Cutlery, hardware, implements (except machine tools) and instruments.	6	4	8	10	9
Paper, pasteboard, and station- ery.	1	2	4	2	3
Furniture, cabinetware, and manufactures of wood.	7	4	12	9	12
Railway plant and rolling- stock.	1	2	3	11	7
Glasware and earthenware ...	2	1	3	2	2
Machinery of all kinds, includ- ing belting for machinery.	...	1	2	...	...
Carriages and carts, including cycles and motor cars.	...	...	1	...	...
Miscellaneous	3,00	3,12	5,01	4,10	4,50
Total Class III	51,88	69,40	1,03,25	86,91	61,67
IV.—MISCELLANEOUS AND UNCLASSIFIED.	2,12	2,04	3,71	4,29	4,64
Total	2,19,50	2,15,97	3,09,02	2,38,30	2,29,55

APPENDIX D.

Percentage share of the principal countries in the total trade in merchandise only.

Countries.	AVERAGE OF FIVE PRE-WAR YEARS 1909-10 TO 1913-14.			AVERAGE OF FIVE WAR YEARS 1914-15 TO 1918-19.			1919-20.			1920-21.			1921-22.		
	Imports.	Exports, in- cluding re- exports.	Total.	Imports.	Exports, in- cluding re- exports.	Total.	Imports.	Exports, in- cluding re- exports.	Total.	Imports.	Exports, in- cluding re- exports.	Total.	Imports.	Exports, in- cluding re- exports.	Total.
BRITISH EMPIRE.															
United Kingdom ...	62.8	25.1	40.0	56.5	31.1	41.2	50.5	29.6	37.7	61.0	21.9	44.1	56.7	19.7	39.0
Ceylon ...	.5	3.7	2.4	1.1	4.3	3.0	1.2	3.4	2.6	.6	4.6	2.3	.5	5.1	2.7
Straits Settlements ...	2.1	3.4	2.9	3.0	2.7	2.8	2.9	2.3	2.5	1.4	3.6	2.3	1.5	3.1	2.3
Australia...	.7	1.4	1.1	.8	2.2	1.7	1.6	1.0	1.2	.4	2.4	1.3	2.6	1.7	2.6
Hongkong ...	.7	4.1	2.7	.9	2.0	1.6	1.3	2.8	2.2	.7	2.8	1.7	.6	2.7	1.6
Mauritius and Dependencies ...	1.8	.6	1.1	1.1	.6	.8	.6	.4	.5	.3	.7	.5	.8	.9	.8
Total (including other British possessions).	69.8	41.9	52.9	65.4	51.7	57.1	61.0	44.0	51.0	66.0	43.0	56.0	66.6	37.3	52.6
FOREIGN COUNTRIES.															
Japan ...	2.5	7.5	5.5	10.4	11.2	10.9	9.2	14.3	12.3	7.9	9.5	8.6	5.1	15.8	10.2
United States of America ...	3.1	7.5	5.8	7.0	11.9	9.9	12.1	14.9	13.8	10.5	14.8	12.4	8.1	10.5	9.1
Java ...	6.4	1.3	3.3	7.8	1.1	3.8	9.4	.6	4.0	4.6	1.2	3.2	8.9	1.7	5.5
France ...	1.5	6.6	4.6	1.3	4.5	3.2	.8	4.8	3.3	1.1	3.1	2.0	.8	4.0	2.4
Italy ...	1.0	8.2	2.3	1.2	3.9	2.8	.6	2.4	1.7	1.2	2.6	1.8	.8	2.4	1.5
China (exclusive of Hongkong and Macao).	1.1	3.9	2.8	1.3	2.0	1.7	1.8	3.4	2.8	.9	3.3	1.9	1.0	4.5	2.7
Persia ...	.4	.5	.5	.6	1.6	1.2	1.1	1.6	1.4	.4	1.5	.9	.6	1.4	1.0
Russia ...	1	.9	.6	1	1.2	.8	1	...	...	1	...	.04	...	...	.01
Holland ...	.9	1.5	1.3	.6	.2	.3	.5	.9	.5	.9	.5	.7	.9	.9	.9
Belgium ...	1.9	5.3	3.9	.3	.5	.4	.3	3.1	2.0	1.6	5.0	3.1	2.0	3.3	2.6
Germany ...	6.4	10.0	8.6	.7	.9	.8	...	.4	.3	1.4	3.4	2.3	2.7	6.6	4.6
Austria-Hungary ...	2.2	3.5	2.9	.2	.4	.3	.1	.1	.1	.2	.3	.3	.1	.3	.2
Total (including other foreign countries).	30.2	58.1	47.1	34.6	48.3	42.9	39.0	56.0	49.0	34.0	57.0	44.0	33.4	63.7	47.4

APPENDIX E.

Table showing the effect of Tariff Valuations as compared with *ad valorem* Duties if the valuation is taken as the average of the prices of the three preceding years.

Prices are considered to vary during the three years from Re. 1 to Rs. 3 and the duty is taken as 20 per cent. for ease of calculation.

If the prices for the three years are respectively	Then the average will be	IF THE PRESENT PRICE IS 1.		IF THE PRESENT PRICE IS 2.		IF THE PRESENT PRICE IS 3.	
		Cost plus <i>ad valorem</i> duty.	Cost plus tariff valuation duty.	Cost plus <i>ad valorem</i> duty.	Cost plus tariff valuation duty.	Cost plus <i>ad valorem</i> duty.	Cost plus tariff valuation duty.
1, 1, 1	1	1'2	1'2	2'4	2'2	3'6	3'2
1, 1, 2 or 1, 2, 1 or 2, 1, 1.	1'33	1'2	1'266	2'4	2'266	3'6	3'266
1, 2, 2 or 2, 1, 2 or 2, 2, 1 or 1, 3, 1 or 1, 1, 3 or 3, 1, 1.	1'66	1'2	1'334	2'4	2'334	3'6	3'334
1, 2, 3 or 1, 3, 2 or 2, 1, 3 or 2, 2, 2 or 2, 3, 1 or 3, 2, 1 or 3, 1, 2.	2	1'2	1'4	2'4	2'4	3'6	3'4
1, 3, 3 or 2, 3, 2 or 2, 2, 3 or 3, 2, 2 or 3, 3, 1 or 3, 1, 3.	2'33	1'2	1'466	2'4	2'466	3'6	3'466
3, 3, 2 or 3, 2, 3 or 2, 3, 3.	2'666	1'2	1'534	2'4	2'534	3'6	3'534
3, 3, 3	3	1'2	1'6	2'4	2'6	3'6	3'6

When the present price is low, the consumer pays a higher duty and the manufacturer gets a greater protection. When the present price is high, the consumer pays a lower percentage duty and the manufacturer gets a lower percentage protection.

INDEX.

(The references are to paragraph numbers).

- ACKNOWLEDGMENTS**, of evidence, 10; of assistance, 11; of services of Secretary and Assistant Secretary, 12.
- Ad valorem* duties, definition of, 266; not favoured in most advanced countries, 266; disadvantages of, 267-8; advantages from point of view of Government revenue, 270; Indian tariff based for most part on, 273.
- Agriculture**, evidence representative of, 10; importance of, 26, 80; population employed in, 26, 47, 51; production of Indian, 27-9; excessive dependence on, 42; capital employed in, 44; indirect benefits to, from industrial development, 47-8; improvement of, is real remedy for famines, 43; industrial development not a danger to, 51; protection of, 59, 113; effect of industrial protection on, 80; effect on, of artificial depression of price of food grains, 201-2, 213.
- Ammonia**, 107.
- Apprentices**, technical training of Indian, by industrial concerns in India, 123, 290-1; by foreign firms, 124; by companies enjoying Government concessions, 292.
- Australia**, tariff legislation in, 139, 140; exports of tea to, 187; imports of wheat from, 209; imperial preference in, 217, 219, 222; preference on tea in, would be advantageous, 235; Tariff Board in, 307-9.
- BALANCE** of trade, see 'Foreign trade.'
- Belgium**, trade with, 39, 246.
- Bounties**, to new industries, 103; to industries essential for national defence or of special military value, 107; to basic industries, 103; for manufacture of machinery, 109; to partly manufactured goods, 115.
- Burma**, rice trade, 188, 211.
- CANADA**, anti-dumping legislation in, 137-9; imperial preference in, 214, 219, 264-5; preference granted by, to Indian tea, 235; preference on motor cars would be advantageous to, 265.
- Capital**, industrial development will attract foreign, 2, 44, 289, 293-4; difficulty of finding Indian, decreasing, 34; resources will be improved by industrial development, 43-4; industrial development not likely to diminish agricultural, 44; shyness of, 71, 74, 91, 293; use of foreign, regarded with suspicion, 289, 290, 294; economic advantages of using foreign, 289, 293-4; restrictions on foreign, 291-2; rupee, 291-2.
- Cattle slaughter**, 192.
- Cement**, alleged dumping of, 137.
- Cesses**, on imported sugar, 90; on exports of tea and lac, 184; on export of manures, 195.
- Ceylon**, export duty on tea in, 187; rice consumers in, 211; receives preference on tea, 235.
- Cigarettes**, preference on, 253.
- Coal**, industry, 30-1; resources, 32; protection of, not recommended, 114; import duty on, 114.
- Coffee**, preferences on, 234, 236.
- Combinations** of manufacturers, 83, 86, 306.
- Conference**, Paris Economic, 133, 220, 258; Colonial, 1902, 215; Colonial, 1907, 217; Imperial War, 1917, 221.

- Conflicts of interest, 99, 108, 113, 115.
- Consumption taxes, 143-4.
- Copper, 107.
- Copra, import duty on, 113.
- Cotton, production and export of, 27-29, 38; export duty on, 17, 186; exports to Japan of, 186.
- Cotton duties, abolition of, 16, 153-162; reimposition of, 18, 164-5.
- Cotton mill industry, 30, 116, 123, 153-170, 311.
- Cotton piecegoods, import duty on, 15-6, 18, 20-2, 153, 161-2, 164-5, 167; excise duty on, 18, 20-2, 25, 144, 146, 152, 165-171; imports of, 38, 246, 311; competition between Indian, Lancashire and Japanese, 246, 311.
- Cotton yarn, import duty on, 15-6, 18, 22, 116, 171; excise duty on, 18, 116, 164-5; imports from Japan of, 246.
- Customs duties, in the Moghal Empire, 13; enhanced after the mutiny, 15; abolished in 1882, 16, 162; reimposed in 1894, 18, 163; recent enhancements in, 20-2; character of present, 23; as a source of revenue, 2, 25, 76-7, 94-5; differential, on goods imported in foreign ships, 14; preferential, on British goods, 14, 247-253; on goods belonging to Government, 285-8; on cotton piecegoods, 15-6, 18, 20-2, 153, 161-2, 164-5, 167; on cotton yarn, 15-6, 18, 22, 116, 171; on iron and steel, 18-20, 22, 288; on kerosene, 16, 22, 144; on liquors, 19-22; on luxuries, 15, 21-2, 120; on machinery, 18-22, 109-111, 288; on matches, 21-2; on motor cars, 21-2; on railway materials, 18-20, 22, 288; on sugar, 20-2; on tobacco, 19-21; see also 'Ad valorem duties,' 'Specific duties,' 'Tariff valuations.'
- DISCRIMINATION, protection to be applied with, 55, 69, 80, 82, 84, 87, 93, 297; the principle of, 88; will restrict rise of prices, 89; will curtail period of burden, 90; will serve best interests of industries, 91; will cause minimum disturbance to balance of trade, 92.
- Division of labour, principle of international, 62, 66.
- Dumping, fear of, 133; definition of, 134; causes of, 135; effects of, 136; difficulty of proving existence of, 137; legislation against, in other countries, 137-9; suggested legislation against, in India, 139.
- Dyes, imports from Germany of, 246, 248-9; preference on, 248-250.
- EDUCATION, necessity for a more industrial bias in primary, 122.
- Electrical transmission gear, 112
- Engineering, mechanical, 30-1.
- Exchange, effect of protection on, 92; imports from countries with depreciated, 140; effect of export duties on, 176.
- Excise duty(ies), nature of, 143; as means of raising revenue, 95, 143, 145, 148-151; in other countries, 143; incidence of, 144; economic justification of, 145; limitations of, 147-9; effect of, on home industries, 150; on cotton piecegoods, 18, 20-2, 25, 144, 146, 152, 165-171; on cotton yarn, 18, 116, 164-5; on kerosene, 22, 143-4; on sugar in England, 60; on alcohol, opium and hemp drugs, 143; on motor spirit, 143; on salt, 143-4, 149; on cotton cloth in the United Kingdom, 146; effect on handloom industry of abolition of the cotton, 171.
- Export duty(ies), an integral feature of early tariff policy, 17, 172; reversion to, 24; incidence of, 173, 175; on monopolies, 173-5, 181-2, 197; prohibition of, in United States, 173; effect of, on balance of trade, 176; effect of, on home producer, 179; protective, 24, 177-182, 190, 194; danger of, 183; preferential, 24, 196, 198; objections to differential, 196; for purposes of

- retaliation, 196-7, 282; on tea, 17, 24, 172, 187; on raw hides and skins, 17, 24, 172, 190-3, 198; on rice, 17, 24, 172, 188, 197, 205; on jute, 17, 24, 172, 174, 185, 197; on saltpetre, 17, 183; on lac, 174, 181; on cotton, 186; on oil-seeds, 174, 194-5; on myrabolams, 174; on manures, 195; on wheat, 189, 205; on food grains, 199-213.
- Exports, of principal crops, 27, 29, 233; of manufactured goods, 38, 60, 91, 233, 281; protection will tend to reduce, 92; bounties on, 141; effect of Imperial Preference on, 233-8.
- FAMINES, industrial development cannot directly mitigate effects of, 48; real remedy for, lies in improvement of agriculture, 48.
- Fiscal autonomy, necessity of, urged, 1, 3, 4; recommendation about, by Joint Select Committee on Government of India Bill, 3, 169, 259; principle of, accepted by British Government, 4, 259; in relation to Imperial Preference, 258-9.
- Fiscal Commission, appointment of, 6; composition of, 6; terms of reference of, 6; questionnaire of, 8; tour of, 9.
- Food grains, production of, 27, 29, 199, 202-4; export of, 27, 29, 38, 199-213; import duty on, 113; price of, 200-2, 206-213; prohibition of export of, 206, 209; export duty on, 212.
- Foreign capital, *see* 'Capital.'
- Foreign trade, expansion of, 35; balance of, 36, 92, 176; nature of, 37-8, 233, 246; distribution of, 39-40, 232.
- France, trade with, 39; protection in, 53; excise duties in, 143; state monopolies in, 143.
- Free Trade, believed responsible for India's poverty, 57-8; conditions in England which favour, 59, 60; the propositions of, 62-6; present Indian tariff not consistent with, 77; cotton duties held to be inconsistent with, 158; strong feeling for, in the United Kingdom, 310.
- GERMANY, trade with, 39, 40, 246; protection in, 58, 77, 86; customs receipts in, 94; imports of dyes from, 246, 248-9.
- Glycerine, refined, 107.
- Government concessions, stipulations to be made in case of, 292.
- Government stores, customs duties on, 285-8.
- HANDLOOM, industry, 30-1; weavers' poverty, 43, 116; import duty on, 111; duty on cotton yarn as affecting, industry, 116, 171; competition of, with power looms, 116; effect on, industry of abolition of cotton excise duty, 171; methods of assisting, industry, 171.
- Hides and skins, raw, exports of, 38; export duty on, 24, 172, 190-3, 198.
- Hydro-electric schemes, 32, 114.
- IMPERIAL Preference, examination of, in India, 5, 218, 223, 232, 234, 241-3; by means of export duties, 24, 196, 198; resolution of Colonial Conference 1902 regarding, 215; the principles of, 216, 258; as a free gift, 216, 219, 254, 261; by negotiation, 219, 264-5; no interference with protection as result of, 219, 240, 244, 256; economic effect of, 224-231; benefit to country receiving, 225-7, 245; effect on prices in country granting, 225-8, 230, 235, 243-5, 257; analogy between arguments for protection and for, 227-8; as affecting the revenue, 229; Indian exports not likely to benefit appreciably from, 233-8; general system of, would involve serious loss to India, 239, 243-5, 254, 257; retaliation by foreign countries as result of, 241-2; advantage of, to the United Kingdom, 239, 245-253; requests of British manufacturers for, 247-253; causes of Indian hostility to, 255-9; principles which should govern application of policy of, 256-7, 259, 262; in

- relation to, fiscal autonomy, 253-9 ; the Imperial aspect of, 260-1 ; examination of, by Tariff Board, 263 ; policy of, towards Colonies and Dominions, 264 ; in Canada, 214, 219, 264-5 ; in Australia, 217, 219, 222 ; in New Zealand, 217, 219, 222, 264-5 ; in South Africa, 217, 219 ; in the United Kingdom, 217, 219, 222, 234-8, 254 ; in Crown Colonies, 219, 222 ; on hides and skins, 24, 198 ; on tea, 234-5 ; on coffee, 234, 236 ; on tobacco, 234, 237-8, 253 ; on dyes, 248-250 ; on motor cars, 251, 265 ; on machinery, 252 ; on sugar, 265.
- Imports, of manufactured goods, 37-8, 127, 233, 310-2 ; protection will tend to diminish, 92.
- Indian States, evidence of, 9, 295-7 ; concerned in the tariff policy, 295, 298-300 ; claim of, to receive share of customs revenue, 296 ; favour discriminating protection, 297 ; representation of, on Tariff Board impracticable, 301.
- Industrial Commission, tariff policy not considered by, 1, 74 ; resolution on appointment of, 1 ; conclusions of, regarding industrial development, 41 ; causes of industrial backwardness mentioned by, 71 ; recommendations of, not by themselves sufficient, 74 ; recommendations of, regarding railway rates, 126-9.
- Industrial development, will attract foreign capital, 2, 44, 239 ; position of, in India, 31 ; inadequate, in India, 41 ; advantages of, in India, 42-50, 54 ; effect of, on capital resources, 43-4 ; effect of, on economic employment of labour, 45 ; effect of, on wages, 46 ; effect of, on agricultural conditions, 47-8, 51 ; in relation to famines, 48 ; effect of, on the public revenues, 49 ; effect of, on national character, 50 ; aggregations of population in towns as a result of, 52-3 ; aptitude for, 71-3 ; requires to be stimulated by protective duties, 74.
- Industrial workers, numbers of, 30.
- Industries, Indian, 30-1 ; new, 101-2 ; location of, 105 ; essential for national defence or of special military value, 106-7 ; basic, 108, 114-5.
- Inefficient methods, risk of, 83, 87 ; in sugar industry, 90.
- Iron and steel, import duty on, 18-20, 22, 288 ; industry, 30-1, 107-8 ; imports of, 38, 246 ; importance of, for national defence, 107 ; different conditions prevailing in the, industries, 107 ; alleged dumping of English steel, 137.
- JAPAN, trade with, 39, 40, 246 ; protection in, 57-8 ; consumption taxes in, 143 ; excise duties in, 143 ; exports of Indian cotton to, 186 ; imports of cotton yarn and piecegoods from, 246 ; competition with, 246, 249, 311.
- Java, trade with, 39, 40 ; tea, 187, 235 ; sugar, 28, 90, 246.
- Joint Select Committee, on Government of India Bill, 3, 4, 169, 259.
- Jute, raw, 27, 29, 38 ; export of, manufactures, 38 ; export duty on, 17, 24, 172, 174, 185, 197.
- Jute mill industry, 30, 109.
- KEROSENE, import duty on, 16, 22, 144 ; excise duty on, 22, 143-4.
- LABOUR, supply of, for industries, 30, 33, 45, 74, 91, 97 ; deficiencies in housing of industrial, 33, 45 ; surplus agricultural, 33, 45 ; skilled, 33, 123-4 ; emigration of, 45 ; wages of, 46 ; importation of foreign, 107, 123 ; education of, 122 ; organisations for increasing the mobility of, 125.
- Lac, export duty on, 174, 181 ; export cess on, 184.
- Lancashire cotton industry, opposition of, to Indian cotton duties, 16, 153-162 ; insistence of, on Indian cotton excise, 18, 163-8 ; protected in its infancy, 59 ; competition of, with Indian cotton industry, 159, 311-2.
- Leather, 107 ; see also 'Tanning Industry.'

- List, Friedrich, 65, 67.
- MACHINERY**, import duty on, 18-22, 109-111, 288; imports of, 38, 246; free import of industrial, desirable, 109-111; encouragement of manufacture of, by bounties, 109; worked by manual or animal power, 111; preference on, 252.
- Manufactured goods, imports of, 37-8, 127, 233, 310-2; exports of, 38, 60, 91, 233, 281.
- Manures, export duty on, 195; export cess on, 195.
- Marine, Indian mercantile, 131.
- Matches, import duty on, 21-2; a state monopoly in France, 143.
- Mauritius, preference on, sugar, 265.
- Mill, John Stuart, 64, 67.
- Mineral jelly (vasolino), 107.
- Monopolies, state, 143; export duties on, 173-5, 181-2, 197; always conditional, 174.
- Montagu-Chelmsford Report, 2, 42.
- Motor cars, import duty on, 21-2; duty in United Kingdom on, 60; imports of, 246; preference on, 251, 265.
- NATIONAL** defence, industries essential for, 66, 106-7; importance of dye industry for, 248.
- OIL**, mineral, 30-2; lubricating, 103. *See also* 'Kerosene.'
- Oilseeds, production and export of, 27, 29, 38; import duty on, 113; export duty on, 174, 194-5.
- PAPER**, manufacture of, 99; alleged dumping of, 137.
- Partly manufactured goods, 99, 115-6, 119.
- Pigou, Professor A. C., 65, 74.
- Political corruption, danger of, 83, 85.
- Prices, effect of protection on, 68-9, 79-81, 89, 90, 98; rise of, restricted by discrimination, 89.
- Printers, interests of, 99.
- Printing ink, 115.
- Protection, adoption of a policy of, 55-84; public feeling in favour of, 56-61; in other countries, 58; in England, 59, 60; circumstances in which, justifiable, 67; effect of, on prices, 68-9, 79-81, 89, 90, 98; will give confidence to capital, 74; will stimulate industrial development, 74; high revenue tariff leads to, 77; gain produced by, 75, 84; loss arising from, 78-81; effect of, on agricultural classes, 80; effect of, on middle classes, 81; effect of, on balance of trade, 92; conditions to be satisfied by industries claiming, 97; factors strengthening a case for, 98; difficulty of reducing rate of, 98, 117; stages of development at which, may be required, 100-2; rate of, 103-5; location of industries as affecting, 105; time limit for, not practicable, 117; reduction and withdrawal of, 117-8; grant of, before establishment of Tariff Board, 121; by means of export duties, 177-182; effect of Imperial Preference on, 219, 230, 240, 244, 256, 281.
- RAILWAYS**, need for improvement in, 34, 114, 130; effect of, on coal industry, 114.
- Railway Board, views of, on railway rates, 9, 127.
- Railway Committee, 127, 129.
- Railway materials, import duty on, 18-20, 22, 287-8; imports of, 38; protection of, 288.
- Railway rates, concentration of industries at ports encouraged by, 53; effect of, policy on industries, 126-7; principles which should govern policy of, 128; Rates Tribunal to decide, 129.
- Raw materials, ample supply of, 34, 74, 97; should ordinarily be admitted free of duty, 113, 119.
- Retaliation, by means of export duties, 196-7; by foreign countries improbable, 241-2; by means of penal duties, 282-3; disadvantages of, 284.
- Revenue, tariff as a source of, 2, 25, 76-7, 94-5; effect of industrial

- development on, 49 ; high, tariff leads to protection, 77 ; excise duties as a source of, 95, 143, 145, 148-151 ; principles for levy of, duties, 119, 120 ; export duties as a source of, 182, 185-9, 193, 205 ; Imperial Preference as affecting, 229 ; effect on, of *ad valorem* and specific duties, 270 ; effect on, of taxing railway materials, 288 ; claim of Indian States to receive share of customs, 296.
- Rice, export duty on, 17, 24, 172, 188, 197, 205 ; production of, 27-8 ; exportable surplus of, 203, 211 ; restrictions on export of, 207, 211.
- Rubber, goods, 107 ; raw, 113.
- SAFEGUARDING of Industries - Act, 60, 108, 138, 140, 302.
- Salt, 143-4, 149.
- Saltpetre, export duty on, 17, 183.
- Sandalwood oil, 299.
- Sea Customs Act, 161, 267, 285-6.
- Sewing machines, 111.
- Shipping, complaints regarding coastal, rates, 131 ; rebates, 132.
- Silk, 21, 113, 299.
- Specific duties, definition of, 266 ; favoured in most advanced countries, 266 ; advantages of, 267-8 ; disadvantages of, 269-272 ; articles subject to, 273 ; system of, to be extended cautiously, 276.
- Steel, *see* 'Iron and steel.'
- Sugar, production of, 27-9 ; Java, 28, 90, 246 ; import of, 38 ; beet industry in England, 60 ; industry in India, 90 ; excise duties on, 143 ; Mauritius, 265.
- Sugar Committee, 28, 90.
- Sulphur, of military value, 107 ; import duty on, 113.
- TANNING industry, protection of, 24, 191, 198 ; *see also* 'Leather.'
- Tariff, high revenue, leads to protection, 77 ; form of, which will be created by adoption of protection, 94-5 ; definitions in the, not to be based on intended use, 112, 279 ; necessity for elaboration of, 272, 277-8 ; double, system, 280-1 ; public discussion of changes in, 304 ; *see also* 'Customs duties.'
- Tariff Board, will minimise danger of political corruption, 83, 85 ; to investigate combinations of manufacturers, 83, 86 ; will mitigate risk of encouraging inefficient methods, 83, 87 ; an integral part of scheme of protection, 96, 298, 302 ; will investigate claims to protection, 96, 303, 306, 309 ; points in regard to industries to be considered by, 97-108 ; to enquire into necessity of protecting steel, 107 ; to investigate effect of duty on cotton yarn, 116 ; to review periodically protection given to industries, 117-8 ; to be consulted regarding taxation of raw materials and partly manufactured goods, 119 ; railway rates not a matter for, 128, 307 ; to enquire into existence of dumping, 139, 306 ; to enquire about imports from countries with depreciated exchange, 140, 306 ; to examine the claims of the cotton mill industry to protection, 170 ; to enquire into possibility of revenue export duty on raw skins, 193 ; to enquire into commodities on which preference might be given, 250, 263, 265 ; to examine desirability of extended use of tariff valuations, 274 ; to examine relationship of duties on machinery, railway materials and iron and steel, 288 ; to consider representations from Indian States, 298-300 ; representation of Indian States on, impracticable, 301 ; constitution of, 301, 302, 308-9 ; functions of, 303, 305-6 ; publicity of enquiries and reports of, 303-4.
- Tariff policy, revision of, demanded by public, 1, 2, 56 ; exclusion of, from terms of reference to Industrial Commission, 1, 2, 74 ; necessity of examining, 2, 3, 5 ; belief that India's, dictated in interests of trade of Great Britain, 2, 3, 57 ; in days of East India Company, 14 ; after the mutiny, 15 ; general character of, before the war, 19 ; character of present,

- 23; Indian States concerned in, 295, 298-300.
- ariff valuations, principles of, 273-4; advantages of, 273-4; affect of, on protective duties, 275; system of, to be extended cautiously, 276.
- Taussig, Professor F. W., 117, 309.
- Taxation, Indian opinion opposed to direct, 76; material increase in direct, not feasible, 76, 146.
- Tea, export duty on, 24, 187; exports of, 29, 38, 187, 235; export cess on, 184; Ceylon, 187, 235; Java, 187, 235; Imperial Preference in United Kingdom on, 234-5; preference on, granted in Canada, 235; preference on, in Australia would be advantageous, 235.
- Tobacco, a state monopoly in France, 143; Imperial Preference in United Kingdom on, 234, 237-8; imports of, 246; preference in Indian market on, 253.
- Typewriters, 111.
- UNITED Kingdom, trade with, 39, 40; industrial conditions in, 59, 60; protection in, 59, 60; importance of export trade of, 60, 260; anti-dumping legislation in, 138; excise duties in, 143, 146; export of wheat to, 205; Imperial Preference in, 217, 219, 222, 234-8, 254; articles on which preference might be advantageous to, 247-253; strong feeling for free trade in, 310; comparative advantage of, in manufactures, 310; no real antagonism between interests of India and of, 310.
- United States, trade with, 39, 40, 246; protection in, 58, 86, 100, 117; Tariff Commission, 117, 224, 284, 307-9; anti-dumping legislation in, 138-9; excise duties in, 143; prohibition of export duties in, 173; import of motor cars from, 251, 265; import of cigarettes from, 253.
- WAGES, industrial development will increase, 46; earned in factories affect economic conditions in villages, 46, 80.
- Wheat, production of, 27-8; export duty on, 189, 205; restrictions on export of, 201, 207; exportable surplus of, 203-5.
- Wood pulp, manufacture of, 99.
- Wool tops, 113.
- ZINC, 107.

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