9641

Mal Dey:
The Indian tariff problem.
SERVANTS OF INDIA SOCIETY'S LIBRARY,
POONA 4

Cl. No
Ac No.

Date of release for loan

This book should be returned on or before the date last mentioned below.

An overdue charge of 5 paise will be levied for each day the book is kept beyond this date.

12 AUG 1966
15 FEB 1971
5 MAR
26 FEB 1971
27 APR 2000
THE INDIAN TARIFF PROBLEM
THE INDIAN TARIFF PROBLEM

IN RELATION TO

INDUSTRY AND TAXATION

by

HIRENDRA LAL DEY

D Sc (Econ) (London), M A.

Lecturer in Economics, University of Lucknow

LONDON

GEORGE ALLEN & UNWIN LTD

MUSEUM STREET
FIRST PUBLISHED IN 1933

All rights reserved
PRINTED IN GREAT BRITAIN BY
UNWIN BROTHERS LTD., WOKING
PREFACE

The object of the present volume is a critical review of the policy and administration of Protective Tariffs, on which India embarked on the attainment of Fiscal Autonomy in 1921. The existing literature on the subject of Indian tariffs deals either with the evolution of the customs tariff through successive stages, with special reference to the fiscal autonomy controversy of the last quarter of the nineteenth century, or with general arguments along well-known, orthodox, lines on the merits and demerits of a policy of protection for India. So long as India had no right to regulate her tariff policy in accord with the wishes and opinions of her people, there was a pronounced, natural, tendency not only to emphasise her right to the exercise of fiscal autonomy, but also to assume that a policy of protection was the only, or at any rate the best, cure for many of her industrial weaknesses. Now that she has attained the long desired fiscal autonomy and freely exercised that right for a decade, the time has come when we should begin to ask how far the assumptions of the protective policy have been justified by the facts of experience. It is with the finding of an answer to that question that this book is largely concerned.

Perhaps a few words may be added on the scope and plan of the work. Since a protective tariff is, first and foremost, a machinery for taxation and redistribution of the National Dividend, the implications, reactions, and limitations, of the Indian tariff as an engine for a reallocation of the national resources and income, both with reference to the general interest on the one hand and important sections of specific interests on the other, are examined and set out in Chapter I. The succeeding seven chapters are devoted to a detailed, realistic, study of India's tariff policy and administration with specific reference to three of the typical major industries of the country—the cotton, the steel, and the sugar industries. The conclusions regarding the necessity, efficacy, and relevancy, of
THE INDIAN TARIFF PROBLEM

The protective tariff as a remedy for the present competitive weakness of these industries are stated in each case separately. The last chapter contains a résumé of the arguments and conclusions, and ends with a plea for formulating the tariff policy on more rational lines, and improving the technique of tariff administration with the aid of fuller and better data than have been used in the past.

I am deeply indebted to Professor A. J. Sargent for being good enough to read patiently through the whole book in MS., and for advice and criticisms which have been of the utmost value to me in improving the argument at many points.

I wish to express my thankfulness to my teacher and friend Sir Jehangir Coyajee, Member of the Indian Fiscal Commission and the Royal Commission on Indian Currency and Finance, Sir Padamji Ginwala, lately President of the Indian Tariff Board, Dr. Vera Anstey, Professor J. Coatman, and Professor Harold J. Laski for encouragement and helpful suggestions at different stages of the work.

I am under obligations to the Librarians of the British Museum, the India House, the India Office, and, in a special sense, to Mr. B. M. Headicar of the School of Economics and Political Science, for their unfailing courtesy and assistance.

My grateful acknowledgements are also due to my friends Dr. P. Datta and Mr. M. L. Bhatia for the drawings of the graphs.

H. L. D.

LONDON SCHOOL OF ECONOMICS

October, 1931
CONTENTS

CHAPTER I

INTRODUCTION: TAXATION AND TARIFFS IN INDIA  
(1) Comparison and contrast between the Indian and the British systems of taxation in the light of the principle of progression. (2) Further analysis of the taxational system of India to show its extreme regressiveness. (3) The nature, proportion and effects of the consumption taxes in India as contrasted with those in the United Kingdom. (4) The effects of the protective import duties in India on the redistribution of the National Dividend. (5) The arguments for protective import duties in India as given by the Indian Fiscal Commission. (6) Examination of the argument that an accelerated industrial development will provide an effective remedy against the hardships of famines in India. (7) Examination of the assumption that a rapid promotion of Indian industries through protection will develop her capital resources along appropriate lines. (8) Examination of the claim that an intensive policy of industrialisation will assist the building up of a strong national character. (9) Examination of the special arguments for the protection of military and basic industries. (10) The promotion of industries and other alternative lines of national economic and social development. Different methods of assisting industrial progress. (11) Bounties versus Import Duties. (12) Principles of discriminating Protection.

CHAPTER II

THE COTTON TARIFF: BRIEF HISTORY AND RECENT DEVELOPMENTS  

CHAPTER III

THE COTTON INDUSTRY AND THE TARIFF


CHAPTER IV

THE INDIAN IRON AND STEEL INDUSTRY

CONTENTS

CHAPTER V

FACTORS AFFECTING THE COMPETITIVE EFFICIENCY OF THE STEEL INDUSTRY IN INDIA


CHAPTER VI

THE PROTECTION OF THE INDIAN STEEL INDUSTRY

(1) Reasons for the special support of public opinion. (2) The sequence of events that led to the demand for, and grant of, protection. (3) The formula for the tariff rate. (4) The 'fair selling price' of Indian steel in 1921-22. (5) The limit of 'fair selling price' during the period of protection. (6) Critical examination of the Tariff Board's estimate of 'fair selling price.' (7) Estimated import prices. The extent and form of protection. Provision for a flexible tariff. (8) Supplementary protection for steel.

CHAPTER VII

THE PROTECTION OF THE STEEL INDUSTRY

(continued)

CHAPTER VIII

THE TARIFF IN RELATION TO THE SUGAR INDUSTRY

(1) Reasons for the recent change of policy with regard to the sugar tariff. (2) Statement of the case for protection to the Sugar Industry. (3) White sugar: Costs and 'fair selling price.' (4) Import prices and the amount of protection. (5) Examination of the avowed objects of protection: Sugar-cane cultivation and intensive agriculture. (6) A tariff is not the best instrument for protecting and promoting the manufacture of gur (jaggery) in India. (7) The protection of the 'khandasari' or the 'bel' sugar industry is neither necessary, nor desirable, nor again likely to be effective in the long run. (8) The protective tariff will be a clumsy, extravagant, and ineffective, method for promoting the white sugar industry. Need for a Central Sugar Board to plan, guide, and co-ordinate, policy and research.

CHAPTER IX

CONCLUSION

(1) The principal competitive weaknesses of Indian industries to be remedied through 'planning' or 'rationalisation.' (2) Superiority of bounties over import duties as a method of state aid. (3) The aggravation of the inequalities of wealth by consumption taxes in general, and protective duties in particular: Effects on the agriculturist. (4) Fuller and more precise and reliable data essential to testing the validity of the assumptions of the tariff policy and refining the technique of tariff administration. (5) The case for an Economic Advisory Council to formulate and co-ordinate a rational policy of national economic and social development.

BIBLIOGRAPHY

INDEX
LIST OF GRAPHS

I. PROGRESS OF THE COTTON-MILL INDUSTRY OF INDIA, 1913-14 TO 1928-29 97

II. VARIATIONS IN THE CONSUMPTION OF IMPORTED AND INDIAN MILL YARN, 1913-14 TO 1929-30 103

III. VARIATIONS IN THE CONSUMPTION OF IMPORTED AND INDIAN PIECE-GOODS, 1913-14 TO 1929-30 107
INDIAN COINAGE, WEIGHTS AND MEASURES

The unit of the Indian currency is the silver rupee. At the present rate of exchange, the rupee is equal to 18. 6d. sterling. The rupee is divided into 16 annas, and the anna into 12 pies.

The method of numerical notation in India differs from that prevalent in Europe. Large numbers are not punctuated in hundreds of thousands and millions, but in lakhs and crores. A lakh is one hundred thousand and written out as 1,00,000. A crore is one hundred lakhs and written out as 1,00,00,000.

The standard unit of weights in India is the maund. The maund is divided into 40 seers, and the seer into 16 chhattacks. The maund is equal to 82.28 lb. Av.
SELECT BIBLIOGRAPHY

[In the case of books which have passed through several editions, the date given is that of the latest edition.]

I. TARIFFS: THEORY AND PRACTICE

(a) BOOKS
BASTIAT, FREDERICK. Economic Sophisms. Translated by P. J. Sterling. Edinburgh, 1873. Shows up the absurdities of protectionism with irresistible logic and sallies of wit and humour.
BEVERIDGE, SIR WILLIAM, and Others. Tariffs: The Case Examined. A stimulating treatment of the advantages of Free Trade and criticism of the arguments and proposals of the Neo-Protectionists. A valuable contribution to public judgment on Free Trade versus Tariffs as a political issue of the day in the United Kingdom. London, October, 1931.
CULBERTSON, WILLIAM SMITH. Commercial Policy in War Time and After, 1919, New York.
An authoritative treatise on the technique of tariff administration.
THE INDIAN TARIFF PROBLEM


LIST, FRIEDRICH. The National System of Political Economy. Translated by S. S. Lloyd, London, 1885. May be regarded as the Bible of the Protectionist Movement.


Page, Thomas Walker. Making the Tariff in the United States, New York, 1924. The author was the first Chairman of the U.S.A. Tariff Commission, and makes an authoritative and suggestive review of the tariff administration of the U.S.A.


SELECT BIBLIOGRAPHY

VINER, JACOB. Dumping: A Problem in International Trade, Chicago, 1923.
Articles on "The Tariff Question and the Economist" in the Nation and Athenaeum, February 7 and 14, 1931.
WRIGHT, P. G. Sugar in Relation to the Tariff, New York, 1924.
A realistic study.

(b) OFFICIAL PUBLICATIONS AND REPORTS
The Australian Tariff: An Economic Enquiry, Melbourne, 1929.
U.S.A. Bureau of Foreign and Domestic Commerce. Tariff Systems of South American Countries. Tariff Series No. 34.
European Commercial Policies Since the War. Trade Information Bulletin No. 228.
Colonial Tariff Policies, 1922.

II. TAXATION AND TARIFFS IN INDIA
GENERAL AND HISTORICAL

(a) BOOKS
BANERJEE, PRAMATHANATH. Fiscal Policy in India, Calcutta, 1922.
Historical and critical.
SHAH, N. J. History of Indian Tariffs, Bombay, 1924.
Sixty Years of Indian Finance, London, 1927.
Wealth and Taxable Capacity of India, London, 1924.
With special reference to India.
VAKIL, C. N. Financial Developments in Modern India, London, 1924.

(b) OFFICIAL PUBLICATIONS AND REPORTS
Government of India's Despatch on Proposals for Constitutional Reform, 1930, Sections on Commerce and Taxation, London.
Indian Council of State and Legislative Assembly Debates on the Annual Finance Bills.

III. INDIAN INDUSTRIES IN RELATION TO TARIFFS

POLICY AND ADMINISTRATION

(a) books

Coyajee, Sir J. C. The Indian Fiscal Problem, Patna, 1924. The author was a member of the Fiscal Commission and signed the Majority Report. The book is in large part an able defence of that Report.
Harris, F. R. Life of J. N. Tata, London, 1925. An account of the early history of the Steel Industry in India.
Solomon, F. G. Protection of Indian Steel, Calcutta, 1924.
SELECT BIBLIOGRAPHY

(b) OFFICIAL REPORTS AND PUBLICATIONS


Debates in the Governor-General's Legislative Council (up to 1920), Legislative Assembly and Council of State on Tariff Bills.

Reports of the Director of Industries in each Province in India. Annual.


Monthly Statistics of Cotton Spinning and Weaving in India, Calcutta.


Indian Tariff Acts and Tariff Schedules, Calcutta.


THE INDIAN TARIFF BOARD. Report regarding the grant of Protection to the Steel Industry, 1924, with three volumes of evidence, Calcutta.

Report regarding the Increase of Duties on Steel, 1924, Calcutta.

Report regarding the Grant of Supplementary Protection to the Steel Industry, 1925, Calcutta.

Statutory Enquiry on the Protection of the Steel Industry, 1927, 8 volumes.

Report on Steel Rails, 1931.

Report on Additional Protection for Galvanised Sheets, 1931.
Report on the Grant of Protection to the Wire and Wire-nail Industry, 1926.
Report on the Spelter and Galvanised Hardware, 1926.
Report on the Cement Industry, 1925, with two volumes of evidence.
Report on Heavy Chemical Industries, 1929, with two volumes of evidence.
Report on Manila Rope, 1929.
Report on the Match Industry, 1928, with four volumes of evidence.

(c) OTHER ANNUAL AND PERIODICAL PUBLICATIONS
The Investor's India Year-Book, Calcutta, from 1911 onwards. An indispensable volume for the study of the movements in the market for securities, and the general financial position of principal banks, railways, mining companies, large industrial establishments, etc.

IV. MISCELLANEOUS
(a) BOOKS
SALTER, SIR ARTHUR. A scheme for an Economic Advisory Organisation in India, Delhi, 1931.
SELECT BIBLIOGRAPHY

(b) OFFICIAL REPORTS AND PUBLICATIONS


Report of the Committee on Finance and Industry, United Kingdom, London, 1931. An authoritative exposition of the operation of the mechanism of the gold standard in the United Kingdom, with reference to its influence on banking, finance and credit, and with proposals for improvements.


Factors in Industrial and Commercial Efficiency, 1927.

Further Factors in Industrial and Commercial Efficiency, 1928.

Survey of Metal Industries, 1928.

Survey of Textile Industries, 1928.
INDEX

Agricultural distress, methods of relief, 259-60
Agriculturist and protectionism, 29-32, 286
Ahmedabad cotton mills and compulsory arbitration, 126-27
   treated as private property, 146
Ahmedabad Mill-owners' Association and cotton excise, 57
   and protection, 110n.
American Civil War and Cotton-mill Industry, 91
Australia, Sugar Industry in, 280-81n.
Balfour Committee on over-capitalisation, 115n.
Barakar Iron Works, 152
Basic industries and conflicting interests, 37
   definition of, 37
Berglund, Abraham, on flexible tariffs in U.S.A., 209
Bombay cotton mills, comparative costs, 127f.
   concentration of control, 144
   co-operation of labour, 138-39
   Directors' lack of technical qualifications, 145
   and exports, 141-43
   extravagant dividends, 113-14
   financial position, 111f., 147
   grievances of labour, 125-26
   inelastic wages, 132-34
   labour costs, 133-35
   labour unrest, 123-27
   lower efficiency, 122
   machinery of mediation, 126
   managing agency system, 143-46
   markets, 140-43
   merger scheme, 118, 118-19n.
   need for efficiency measures, 136-37
   plurality of Directorships, 144-45
   rationalization, 117-18, 118n., 119n.
   raw materials, 140-41
   relative decline, 120-22
   spinning costs, 129
   Tariff Board on, 113n., 114
   and trade unions, 123, 127
   weak selling, 116, 117n., 118
   weaving costs, 130-36
Bombay Mill-owners' Association and cotton excise, 57-58
   and protection, 59-60, 63-64,
   70-71, 110, 148
INDEX

Bose, P. N., and discovery of Iron Belt, 152
Bounties, 40, 205, 207–8, 211–12, 234–36, 285
Budgetary deficits and heavy taxation, 53–54
and increase of customs duties, 54

Chadbourne sugar restriction scheme, 251 n., 252–53 n.
Coking coal, need for economy, 176
quality of, 175
supply of, see Steel Industry
Colwyn Committee and incidence of import duties, 84 n.
Consumers, burden on, and import duties, 83–90, 211
Consumption of steel in India, 177–79
taxes, see Taxes

Cotton Excise duty, abolition of, 55–59
and Ahmedabad Mill-owners' Association, 57
and Bombay Mill-owners' Association, 57–58
and cotton mills, 58, 95, 98
and Fiscal Commission, 56–57
and Governor of Bombay, 58
historical origin, 49–50
imposition of, 50
and public agitation, 57–58
and public opinion, 55, 56
and Sir Charles Innes, see Innes
as a taxational measure, 55–57

Cotton Import duties, and Budgetary deficits, 79
and burden on consumers, 83–90
controversy regarding, 45–48
differential, 79–82
elements of protection, 52
and Fiscal Autonomy, 80
and Home Government, 51
and Imperial Preference, 80
incidence of, 84 n.
increases in, 51, 52
and Manchester Chamber of Commerce, 45–4
and producers' bonus, 90
and progress of Cotton-mill Industry, see Cotton Mills
repeal of, 48
and Secretary of State for India, 46, 59

Cotton-mill Industry, and American Civil War, 91
and the boom, 99–100
causes of Atrophy, 108 n.
and China, 91–92
and Chinese competition, 93
and closure of Indian mints, 93
and cotton excise, see Cotton Excise
THE INDIAN TARIFF PROBLEM

Cotton-mill Industry, and Davar, C. N., 91
  depression in, 57, 71, 100
  export selling organisation, 142–43
  foreign competition, 46, 119
  foundation of, 91
  and import duties, 92–93, 95, 101, 108–9, 147
  and Japanese competition, 60–61, 62–63, 72–77,
    79–80, 93
  and Japanese exchange dumping, 149n.
  object of protection, 111
  Protection Act, 80–82
  protection and consumers, 149
  and Government of India, 62, 63, 64, 148
  and political unrest, 148
  and Rainy, Sir George, 110
  and Schuster, Sir George, 110
  and Tariff Board, 80–82
  transition from spinning to weaving, 95, 98–99
  and war, 98–99

Cotton piece-goods, and Coubrough, A. C., on, 85–86
  exports of, 106, 108n., 141–43
  external competition in, 70–71
  and Indian Trade Mission, 142–43
  valuation of, 84–85

Cotton yarn duty, and Government of India, 63–64
  and hand-loom industry, 61, 63, 64
  incidence of, 86n.
  and provincial opposition, 65
  reimposition of, 54
  and Tariff Board, 61–62

Cotton yarn, exports of, 102, 104
  production of, 101–5

Cultivator and economic self-interest, 265–66

Curzon, Lord, and mining regulations, 155

Customs duties, Herschell Committee on, 49
  and war finance, 51
  tariff, principles of, Sir John Strachey on, 47

Dalton, Hugh, on Economic Welfare, 27n.

Daniels, Professor, and Jewks, J., on weak selling in Lancashire,
  117n.

Davar, C. N., founder of Cotton-mill Industry, 91

Differential duties and Imperial Preference, 78–82, 221–26

Discriminating Protection, and failure in application, 286–88
  principles of, 41–42
INDEX

Discrimination against foreign goods, 44
and foreign shipping, 44
Dolomites, supply of, 171

Economic Advisory Council, case for, 283
Intelligence, need for, 285, 288
Provincialism, 261-62
Exchange dumping and protection, 149n.

'Fair selling price,' and criticism of Tariff Board's estimate, 195, 200-4,
215-21, 232-33
definition of, 190
of Indian steel, 191 f., 215 f., 222

Fire-bricks, see Steel Industry
Fiscal Autonomy, convention, 53 n.
and Imperial Preference, 80
Fiscal Commission and arguments for protection, 27-28
and cotton excise duty, 56-57
and Tata Iron & Steel Company, 164

Flexible tariff rates, and Tariff Board, 208-9
defects in administration, 209, 233-34
in U.S.A., 209

Fluorspar, supply in India, 171
Fox, Dr. C. S., on Iron Belt, 168-69

Galvanised sheets, additional protection for, 226-27
Government and protection of Cotton-mill Industry, 62-63, 64, 148
and Steel Industry, 159-60, 162-63, 186, 227-28
Government finances and steel production, 227-28
Gur, wastage in manufacture, 267-70

Hand-loom industry, condition of, 64-65
and cotton yarn duty, see Cotton Yarn
importance of, 64 n.

Hardy, G. S., on external competition in piece-goods, 71-77

Heath, Josiah Marshall, and iron manufacture, see Iron Manufacture
Hoarding, industrialisation as a cure for, 33-34

Hobhouse, Professor, and Jamshedpur town-planning, 157 n.
Home market and monopoly, 179
for steel, 177-79

Imperial Preference and differential duties, see Differential Duties
Import duties, burden on consumers, 83-90, 211
Indian Industries, causes of weakness, 283
and Economic Intelligence, 285
and rationalisation, 283-84
and the State, 284
THE INDIAN TARIFF PROBLEM

Indian Tariff (Cotton Yarn) Act of 1920, 65-68
and burden on consumers, 66-67
and hand-loom weavers, 66, 68
and nature of competition, 66
and Rainy, Sir George, 66-67
rate of duties, 65
and safeguarding, 68-70

Indian Trade Mission and exports of cotton piece-goods, see Cotton Piece-goods
and export selling organisation, 142-43

Industrialisation, different methods of, 39-41
and growth of capital resources, 32-34
and national character, 34-36
and national development, 38-39
obstacles to, 39-40
public expenditure on, 39
and rationalisation, 39
as a remedy for famines, 29-32
and unemployment, 29-31

Innes, Sir Charles, on cotton excise duty, 57-58

Intensive agriculture and sugar-cane cultivation, 243, 253-67
Iron Belt, 152-53, 168-69
Iron manufacture, early attempts, 151
modern history, 152-53
Iron ores, supply in India, 168-70
Iron-smelting, indigenous process of, 150-51
Iron and Steel Industry, 150 f.

Jamshedpur, 157

Japanese competition and Cotton-mill Industry, see Cotton-mill Industry
and exchange dumping, see Cotton-mill Industry

Java Sugar Industry, technical equipment in, 280

'Khandasari' sugar, process of manufacture, 271-72
and protection, 274
reason for survival, 273-74
Sugar Committee on, 272

Lancashire Cotton Industry and weak selling, 117 n.
Land Revenue in India, nature of, 20-21
Licht, Messrs F. O., on advantages of sugar-beet, 254 n.
Limestones, supply in India, 170-71
Literacy in India, 38 n.

Mahon, General R. H., on steel production, 155-56
Managing Agency, see Bombay Cotton-mills and Steel Industry
INDEX

Manchester Chamber of Commerce, see Cotton Import Duties
Manganese, production in India, 181-82
Mutiny, effects on customs duties, 44-45

Party alliances and protection, 149
Pig-iron, production and exports, 153, 170
Political unrest and protection, see Protection
Propaganda and protection, 28, 57, 58, 63, 70-71, 148, 149
Protection, arguments for, 27-28
of Cotton-mill Industry, objects of, 111
and distribution of national dividend, 25-26, 31
and exchange dumping, 149 n.
and inefficiency, 118 n.
and party alliances, 149
and political unrest, 148
and propaganda, 28, 57, 58, 63, 70-71, 148, 149
of steel and bounties, 205, 207-8, 211-12, 234-36
of steel, supplementary, 209-12
of Sugar Industry, case for, 243 f., 253-54
Protectionism and the agriculturist, 29-32, 286
and nationalism, 28
and vested interests, 28

Rainy, Sir George, on Cotton-mill Industry protection, 110
on Indian tariff (Cotton Yarn) Act of 1927, 66-67

Samuel, Sir Herbert, on incidence of import duties, 84 n.
Sanitation in India, 38 n.
Sayer, Mr. Wynne, on cane supply, 279 n.
Schuster, Sir George, on Cotton-mill Industry protection, 110
on sugar tariff, 240
Schwarz, Ritter von, on Iron Industry, 155
Staple exports, index numbers for, 268
Steel, Indian, 'fair selling price,' see 'Fair Selling Price'
import duties and consumers' burden, 211
manufacturer's profit, 193, 219-20
and overhead charges, 192-93, 218-19
works costs, 191-92, 215-17
Steel Industry, and absentee management, 231
branches of, 165-66
case for protection, 186-90
climatic handicap, 183
and coking coal, 174-76
comparative disadvantages, 181-84
economical plant, 177
effect of war, 159 f.
factors affecting, 167 f.
THE INDIAN TARIFF PROBLEM

Steel Industry, financial crisis, 164
and fluxes, 170–72
high labour costs, 182–84
and home market, 177–79
labour, 180 f.
lack of technical skill, 230
and London Finance Houses, 156
and Managing Agents, 229–31
and metallurgical training, 182–83
post-war expansion, 162 f.
and Protection, 159
Protection Act, 167
and protectionist pleas, 186–87
and public opinion, 185–86
and refractory materials, 172–74
and subsidiary industries, 166
and Swadeshi, 157
and Tata Iron and Steel Company, 157 f.
technical skill, 181–82
and Tinplate Company, 164
Steel manufacture, absence of, and economic weakness, 186
Steel production, beginnings of, 153 f.
causes of early failures, 154
and Government finances, 227–28
at Jamshedpur, 164–65
and Tata, J. N., 154–56
Steel protection, and bounties, 205, 208–9, 221–27, 233–34
and depreciating exchange, 210
and differential duties, 224–26
and import prices, 210
and rail contracts, 207–8
and rail purchases, 227–28
supplementary, 209–12
Steel trades, slump in, 188
Strachey, Sir John, see Customs Tariff
Sugar Board, functions of, 282
Sugar-cane cultivation, and artificial encouragement, 265–67
and Government finances, 244, 259–60
and improvement in quality, 278–79
and intensive agriculture, 243, 253–67
and relief of agricultural distress, 243–44, 259–60
sucrose content, 278
and sugar-beet, advantages of, 253–54
yield, 276–77
INDEX

Sugar Committee and Sugar Industry, 241-42
  and 'khandasari sugar,' 272
  cost of production, 250
  'fair selling price,' 247 f.
  export restriction scheme, 251 n., 252-53 n.
  and price of cane, 247
Sugar Industry, in Australia, 280-81 n.
  case for protection, 243 f., 253-54
  conditions of success, 24
  as a cure for slump in gur prices, 244-46
  economical unit of production, 248
  and Governmental activities, 241-42
  in Java, 280
  object of protection, 246
  period of protection, 243, 247-48, 281
  results of protection in other countries, 280-81
  and South Indian cane cultivation, 260-65
  and the Sugar Committee, 241-42
  and the tariff, 240-43

Swadeshi and the Cotton-mill Industry, 93, 95
  and the Steel Industry, 157

Tariff Board, on bounties, 205, 235-36
  on cotton-mill dividends, 113-14
  on Cotton-mill Industry, 59-62
  on differential duties, 226
  on 'fair selling price,' see 'Fair Selling Price'
  on flexible tariff rates, 208-9
  guiding principles, 42
  on objects of steel protection, 229
  and rate formula, 190, 213
  on Sugar Industry, 242 f.
  on technical management of Steel Industry, 232-33

Tariff-making, difficulties of, 41

Tariff rate, and depreciating exchange, 149 n., 205
  flexible, 208-9, 233-34
  and foreign costs of production, 231-33
  formula for, 190-213
  and import prices, 205, 208-9, 223-27, 233-34, 252-53
  for steel, 204-7, 223-27

Tata Iron and Steel Company, cause of financial crisis, 164
  dividends, 161-62
  financial position of, 161-62
  and Fiscal Commission, 164
  formation of, 157
  and greater extensions, 162 f.
  and protection, 159
THE INDIAN TARIFF PROBLEM

Tata, J. N., a household word in India, 185
and steel production, 154–56
Taxation, progressive, in practice, 18
regressive, in India, 21
Taxes on consumption, 22–23
effects of, 24, 285
Taxes, direct and indirect, 18–22
on means of production, 25, 285
Times of India on the Steel Industry, 231n.

Uniform duties and steel protection, 223–24
United Kingdom, competition in piece-goods, 72–77
Urwick, Professor and Jamshedpur town-planning, 157n.

Visweswaraya, Sir M., on the Steel Industry, 230n.

War finance and customs duties, 51 f.
Webb, Sydney and Beatrice, and Jamshedpur town-planning, 157n.
White sugar, and cane supply, 277, 278
and central factories, 276
limiting conditions of success, 276 f.
and protective tariffs, 275–81
and refining from jaggery, 275
technical equipment, 280