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QUESTIONNAIRES FOR WITNESSES.

The following Questionnaires were issued by the Tariff Board:—

I.—GENERAL.

(Issued to Engineering Firms and Associations.)

Letter, dated 29th August 1923.

I am directed to enclose a copy of a short questionnaire drawn up by the Tariff Board in connection with their enquiries into the steel industry.

2. The Tata Iron and Steel Company have put forward their claims to protection and have asked that the rates of duty on imported steel should be raised from 10 to 33⅓ per cent. An important aspect of the case is the effect which the imposition of duties at that rate would have upon other industries for which steel is an important raw material. It is from this point of view that the questions have been framed. The Board are most anxious to ascertain the views of the firms interested in iron and steel, and the questions are intended to indicate the main points on which they desire information. At the same time the Board would like to make it plain that the questionnaire deals with only one aspect of the case and is not intended to be exhaustive. It is, of course, open to any one to adduce evidence to show that protection for steel is unnecessary or that the amount proposed is either excessive or insufficient. Apart from that your firm may wish to direct the attention of the Board to other aspects of the case which are important to you. But for the present the proposal put forward by the Tata Iron and Steel Company holds the field and it is the duty of the Board to ascertain as far as possible what the consequences are likely to be if effect were given to it.

3. I am to ask that if you intend to lay any representation before the Board full information may be given on the points brought out in the questions. It is important that all such representations should be sent in with the least possible delay. Unless they are received by the 15th September it will be difficult for the Board to complete their work by the date when it will be necessary for them to submit their recommendations to the Government of India. If you desire to adduce oral evidence the Board will fix a date after receiving the written statement of your views. I am to add that if you put forward proposals for the protection of any articles manufactured by your firm, it is desirable that the question of the cost of production should be dealt with as fully as possible.

4. It is the intention of the Board to take evidence as far as possible in public in accordance with the recommendations made in paragraph 303 of the report of the Fiscal Commission. If, however, you are unwilling to publish part of the information you desire to lay before the Board, they will be prepared to treat it as confidential. It is to be remembered, however, that the Board may find themselves unable to base their recommendations on information which cannot be made public and it may, therefore, be important from your point of view that the main facts should be brought out in public evidence.

5. I am to request that, if possible, 6 spare copies of all documents placed before the Board may be sent.

6. All communications should be addressed to me at the office of the Board at No. 1, Council House Street, Calcutta.

QUESTIONNAIRE.

1. The proposal which has been put forward by the Tata Iron and Stee Company, is that the duties on imported steel should be raised from 10 t 33⅓ per cent. Do you consider that the adoption of this proposal woul adversely affect the operations of your firm and if so to what extent?

2. What are the principal products manufactured by your firm for which steel is a necessary raw material?

3. State approximately the kinds of steel, and the quantity of each kind, required by the firm annually for the manufacture of their products.

4. What proportion does the cost of the steel bear in the case of each product to the total cost of the finished article?

5. What is the approximate Indian consumption of each product, and what proportion of that consumption is (*a*) imported or (*b*) manufactured in India?

6. What was the actual outturn by your firm during each of the last five years in the case of each product and what is the maximum outturn of which your plant, as at present organised, is capable?

7. Who are the principal consumers of the articles produced by your firm and for what purposes are they used? Are any of these products exported from India at present and if so to what extent?

8. Are any of the products of your firm used as the raw material for any other industry, and if so of what industries?

9. What foreign competition (including for this purpose competition from the United Kingdom or other parts of the Empire) do the products of your firm have to meet—

(*a*) in the Indian market,

(*b*) elsewhere?

10. Do you consider that, in accordance with the principles laid down by the Fiscal Commission in paragraph 97 of their report, the circumstances justify the grant of protection to any of the products (of which steel is the principal raw material) produced by your firm—

(*a*) if the duties on steel were to remain unaltered, or

(*b*) if the rate of duty were to be increased to 33⅓ per cent.?

11. If protection is considered necessary in the case of any product at what rate and in what form do you consider it should be granted?

12. Does the industry in which your firm is engaged ever suffer from dumping so far as those products are concerned for which steel is a principal raw material?

II.—RAILWAYS.

(a) Steel Castings.

Letter No. 271, dated 19th September 1923.

In connection with the enquiries of the Tariff Board into the steel industry two commercial firms producing steel castings in India have put forward a request for protection. Complete statistics of the import of steel castings into India are not available in the Trade Returns, but the Board understands that the Railways are the chief consumers and I am, therefore, directed to ask whether you will be good enough to inform the Board of—

(*a*) the weight and value of steel castings imported as such by your Railway during the last 2 official years;

(*b*) the chief purposes for which these castings were used;

(*c*) the approximate weight and values, if ascertainable, of steel castings imported as parts of wagons, locomotives, carriage underframes or other important articles during the last 2 years;

(*d*) whether you expect that the annual requirements of your Railway will increase during the next five years.

2. If steel castings are produced for your own purposes in your own workshops, it would help the Board if you would state the amount of your output during the last 2 years.

3. One of the firms referred to above makes its castings entirely from steel scrap and the question has been raised whether the supply of raw material of this kind would be adequate for the manufacture of steel castings on a large scale. In order that they may satisfy themselves on this point the Board would be glad to know the average amount of steel scrap which your Railway can place on the market for sale annually.

(*b*) General.

Letter No. 272, dated 19th September 1923.

The Tariff Board have been directed to examine the question of protection to the steel industry and an important branch of their enquiry is the effect which the imposition of protective duties on steel would be likely to have on the Railways in India. I am directed to enclose a set of questions which have been drawn up on certain points regarding which the Board would be glad to have information from your Railway. I am to request that, if possible, the replies may be sent so as to reach the Board not later than the 1st November.

2. In my letter No. 271, dated the 19th September 1923, the Board have also addressed you regarding the requirements of your Railway in respect of steel castings, and another communication will be sent shortly on the subject of the claims which have been placed before the Board by the wagon building firms. Apart from the special problems, the Board will be glad to receive any expression of the views of your company on the general question of protection to the steel industry as affecting Railways which you may care to submit.

3. [To Companies other than (1), (2), (3) and (4).] If you desire that oral evidence on behalf of your Company should be taken, the Board will endeavour to arrange for this either at Calcutta before the 10th November, or at Bombay between the 12th and the 23rd November.

3. [To (3) and (4) only.] The Board would be glad, if possible, to examine a representative of your Railway orally at Bombay between the 12th and the 23rd November.

3. [To (1) and (2) only.] The Board would be glad to examine a representative of your Company orally at Calcutta. If possible this might be

done before the 12th October, but if the answers to the questions are not ready in time the Board will endeavour to fix some date after the Puja holidays and before the 10th November 1923.

General Questionnaire.

1. What do you estimate as the probable annual consumption during the next five years by your Railway of the kinds of steel included in the enclosed statement* which has been supplied by the Tata Iron and Steel Company?

2. To what extent would the annual capital or revenue expenditure of your Railway be increased if the import duty were raised from 10 to 33⅓ per cent., assuming that customs duty was payable on all imported materials and that the price was increased to the full extent of the additional duty?

3. What further increase of expenditure would result if the higher import duty were extended also to structural steel imported in a fabricated condition?

4. Would the increase of expenditure be of such magnitude as to render an increase of rates and fares necessary or to prevent a reduction in rates and fares which otherwise might have been possible?

5. Do you consider that the increase in the price of steel resulting from the raising of the import duty to 33⅓ per cent. would be likely to retard the construction of Railways in India?

6. Do you consider that the establishment of the steel industry in India is desirable in itself from the Railway point of view putting aside for the moment the question of the means by which that result is to be attained?

7. Assuming that the industry cannot be established without protection, in what form do you consider it should be given?

(c) Wagons.

Letter No. 313, dated 26th September 1923.

In connection with the enquiries of the Tariff Board two firms manufacturing wagons in India have put forward a claim for protection. I am directed to enclose a set of questions which have been drawn up with reference to this claim and I am to request that the Board may be favoured with the replies of your Company to these questions not later than the 1st November next, if possible.

Questionnaire concerning Wagons.

NOTE 1.—Quantities, weights and costs of the wheels and axles required for the wagons dealt with should be eliminated from the figures given in reply to this questionnaire.

NOTE 2.—Where possible figures should be given for (*a*) 1922-23, (*b*) 1923-24 and (*c*) probable average for the 4 years 1924-25 to 1927-28.

1. What is the total number of wagons used by your Railway? How many are of each of the main types?

2. What are the annual requirements of new wagons of each of the main types?

3. Do you build wagons in your own workshops? If so, please give details of costs for the main types.

4. How many wagons have been bought in India?

5. What have been the costs of each of the main types of imported wagons (*a*) c.i.f. Indian port *plus* landing charges and duty; (*b*) finally erected and ready to run, not including cost of wheels and axles, firstly, if erected in your

* *Vide* Statement 2 (*a*) in the statements and notes received from the Tata Iron and Steel Company, Limited.

own works, and secondly, if erected by private firms. If erected in your own works please give details of costs.

6. For each of the main types of wagon what are the weights of the following per wagon?

(*a*) Total wagon.

(*b*) " B " Class steel used in manufacture of wagon.

(*c*) " D " Class steel used in manufacture of wagon.

(*d*) Steel castings used in manufacture of wagon.

(*e*) Spring steel used in manufacture of wagon.

(*f*) Steel plates and sheets used in manufacture of wagon.

(*g*) Structural steel (angles, channels, etc.) used in manufacture of wagon.

(*h*) Wrought iron used in manufacture of wagon.

(*i*) Iron castings used in manufacture of wagon.

If any other class of steel is used to an important extent please give information.

7. Have you adopted, or are you considering the adoption, for wagon axles, tyres and springs the alternative British Standard Specifications (Report 24, Nos. 3a, 5a, 6a) or any other specifications which permit the use of basis open-hearth steel for these purposes? If not, why not?

8. Do you consider that the establishment of a wagon building industry in India is desirable in itself from the Railway point of view putting aside for the moment the question of the means by which that result is to be obtained?

9. Do you think that it would be more economical in the long run for the Railways to develop their own wagon works?

10. The wagon companies in India are asking for assistance to an extent which would bring the price paid to them for an A-1 type broad gauge wagon to about Rs. 4,600 while the price of steel in India is as at present. They have also asked that if protective duties are imposed on steel they may be compensated for the resulting increase in their cost of production. They estimate that for each increase of 10 per cent. in the duty the cost of the finished wagon would go up by about Rs. 220. Assuming that assistance to the extent asked for is necessary and advisable, in what form do you consider it should be given?

11. If assistance were given in a form which would increase the cost of wagons to the Railways do you think that the increase would be of such magnitude as to render an increase of rates and fares necessary or to prevent a reduction in rates and fares which might otherwise have been possible? And do you consider that the increase would be likely to retard the construction of Railways in India?

III.—LOCAL GOVERNMENTS.

(*a*) Quantities of steel consumed in the mufassal.

Letter, dated 27th September 1923.

The appointment of the Tariff Board was announced in the Resolution of the Government of India in the Department of Commerce, No. 3748, dated the 10th July 1923, and at the same time the question of protection to the steel industry was referred to them for report. The Board have been able to obtain information regarding the major industries for which steel is a principal raw material, but so far they have not been able to collect much regarding the consumption of steel in the mufassal generally or regarding the minor industries dependent on steel. The main points on which the Board desire

information are covered by the enclosed questionnaire and it would be of great assistance to the Board if a note could be prepared on these points by the local Director of Industries and supplied to them. Any observations which the Government of may care to make on some or all of the points will, of course, be welcomed by the Board.

2. I am to add that, if possible, the note now ask for should reach the Board by the 15th of November. The time within which the Board have to submit their recommendations to the Government of India is limited, and if the information is to be of use it must be received by the date indicated.

Questionnaire regarding quantities of steel consumed in the mufassal.

1. What articles made of steel are in common use in villages and small towns in ?

2. To what extent at present are the articles enumerated in the reply to (1) imported and to what extent are they manufactured in India?

3. Where the articles are locally manufactured to what extent are they made from steel bars (either imported or manufactured in India) and to what extent from steel scrap?

4. How far would an increase in the duty on imported steel from 10 to 33⅓ per cent. involve increased expenditure to the ordinary cultivator or to the resident in a small town?

5. What minor industries exist in for which steel is a principal raw material?

6. How would these industries probably be affected by an increase in the duty on steel from 10 to 33⅓ per cent.?

(*b*) Quantities of Steel purchased by Local Governments.

Letter, dated 3rd October 1923.

In the representation addressed to the Tariff Board by the Tata Iron and Steel Company the proposal has been made that the customs duty on imported steel should be raised from 10 to 33⅓ per cent. Under the existing rules customs duties are not payable on Government stores and an increase in the duty would not affect Government expenditure on imported steel although under the operation of the stores rules, it might lead to larger purchases in India at a higher price. It has, however, been urged by witnesses who have given evidence before the Board that customs duties on all imported stores should actually be paid by all purchasing Departments of Government. If this proposal were adopted Local Governments would be affected by an increase in the duty on steel to the same extent as other consumers, and the Board are anxious to ascertain, if possible, what the result would be so far as Provincial Governments are concerned.

2. I am directed to request that, if there is no objection, the Tariff Board may be furnished with information on the following points:—

(*a*) What was the average quantity of steel, whether fabricated or unfabricated, used annually by the Government of for public works during the last 3 years?

(*b*) Can this quantity be taken as an approximate estimate of their average annual requirements for the next 5 years?

(*c*) To what extent would the cost of the steel used by the Local Government be increased if the import duty on steel were raised from 10 to 33⅓ per cent. as proposed by the Tata Iron and Steel Company and duty were payable on Government importations of steel?

The Board will welcome any observations which the Government of may care to make on the basis of the facts disclosed.

3. I am to add that if possible the information asked for should reach the Board by the 15th of November next. The time within which the Board have to submit their recommendations to the Government of India is limited and if the information is to be of use it must be received by the date indicated.

IV.—SPECIAL.

Letter, dated 27th September 1923, (1) The Bengal Iron Company, (2) The Indian Iron and Steel Company, (3) The United Steel Corporation of Asia.

The Tata Iron and Steel Company in their representation addressed to the Tariff Board, have argued that, if adequate protection is accorded to the manufacture of steel, it is probable that other firms will also commence to manufacture and that before many years have elapsed the price of steel in India will be affected by internal competition and will eventually be brought down by this means to the world level. This question is of great importance in connection with the enquiries the Board are now carrying on, for so long as the manufacture of steel is carried on in India by a single firm only the danger of monopoly prices always exists.

2. To (1). The Board understand that some years ago your Company commenced the manufacture of steel but eventually abandoned the experiment, and the experience then gained will render your opinion of special value.

To (2). The Board understand that when the Indian Iron and Steel Company was formed it was intended to manufacture both pig iron and steel but that the scheme for steel manufacture has been dropped for the present.

To (3). The Board understand that the object in view when the United Steel Corporation of Asia was formed was to manufacture both pig iron and steel, but they do not know whether the manufacture of steel still forms part of the Corporation's plans.

3. (To all.) I am directed to enquire whether you would be prepared to assist the Board by furnishing them with a written statement of your views on the subject indicated in paragraph 1 above. The claim put forward on behalf of the Tata Iron and Steel Company is that the rate of duty on imported steel should be raised from 10 to 33⅓ per cent., and the question on which the Board would be glad to have the opinion of

the Bengal Iron Company

the Indian Iron and Steel Company

the United States Steel Corporation of Asia

is whether the imposition of that rate of duty would induce other firms to enter on the manufacture of steel. If you consider that the rate of duty proposed is (*a*) excessive or (*b*) inadequate to secure the object in view the Board will be glad to have your opinion.

To (2) only. Any information that can be given as to the reasons which led to the Indian Iron and Steel Company to modify their original plans for the manufacture of steel will be useful to the Board.

To (3) only. If, as things stand at present, the United Steel Corporation do not intend to proceed with their plans for the manufacture of steel, any information you can give as to the reasons underlying the decision of the Corporation will be useful to the Board.