

**JOINT/SELECT COMMITTEE
REPORTS OF LEGISLATIVE
ASSEMBLY - 1932**

**The Wire and Wire Nail Industry
(Protection) Bill**

List of Reports of Select or Joint Committees
presented in the Legislative Assembly in 1932.

Serial No.	Short title of the Bill.	Date of presentation.	Remarks.
1.	The Indian Partnership Bill.	26.1.32.	
2.	The Wire and Wire Nail Industry (Protection) Bill.	15.2.32.	
3.	The Bamboo Paper Industry (Protection) Bill.	16.2.32.	
4.	The Bengal Criminal Law Amendment (Supplementary) Bill.	22.2.32.	
5.	The Sugar Industry (Protection) Bill.	23.2.32.	
6.	The Foreign Relations Bill.	29.2.32.	
7.	The Indian Air Force Bill.	10.3.32.	
8.	The Ancient Monuments Presentation (Amendment) Bill.	5.4.32.	
9.	The Port Haj Committees Bill.	5.9.32.	
10.	The Tea Districts Emigrant Labour Bill.	5.9.32.	
11.	The Code of Criminal Procedure (Amendment) Bill.	12.9.32.	
12.	The Children Pledging of Labour Bill.	19.9.32.	
13.	The Criminal Law Amendment Bill.	7.11.32.	
14.	The Indian Merchant Shipping (Amendment) Bill.	14.11.32.	
15.	The Indian Tariff (Ottawa Trade Agreement) Amendment Bill.	12.12.32.	

LEGISLATIVE ASSEMBLY.

WE, the undersigned, Members of the Select Committee to which the Bill to provide for the fostering and development of the wire and wire nail industry in British India was referred, have considered the Bill and have now the honour to submit this our Report, with the Bill as amended by us annexed thereto.

2. The object of the Bill is to give the wire and wire nail industry a reasonable time in which to shew whether it can satisfy one of the principal conditions laid down by the Indian Fiscal Commission, namely, ability to supply itself from indigenous sources with the raw material it requires. This condition the Indian Steel Wire Products proposes to satisfy by importing and installing a mill for the manufacture of wire rod from steel billets produced in India. If the Bill is passed we consider that Government should satisfy themselves on the point whether the industry has taken definite steps to put itself in a position to manufacture wire and wire nails from indigenous material and, if it has not done so, should bring the matter to the notice of the Legislature at its next Session.

We consider that a provision should be added to the Bill to exempt the proposed duty on wire and wire nails from the operation of the surcharge imposed by the Indian Finance (Supplementary and Extending) Act, 1931. We have done this by adding a new clause 3.

We recommend that Government should have the question examined whether during the period before a mill is erected in India for the manufacture of wire rod, it would be possible without detriment to the industry to exempt by notification under section 23 of the Sea Customs Act certain kinds of wire from the protective duty. In making this recommendation we have particularly in mind the larger sizes of wire used as electrical conductors.

3. The Bill was published in the Gazette of India, dated the 6th February, 1932.

4. We think that the Bill has not been so altered as to require re-publication, and we recommend that it be passed as now amended.

R. K. SHANMUKHAM CHETTY.

G. RAINY.

EDGAR WOOD.

SATISH CH. SEN.

L. V. HEATHCOTE.

G. MORGAN.

*B. DAS.

S. C. MITRA.

MOHD. AZHAR ALI.

B. V. JADHAV.

HARI RAJ SWARUP.

R. S. SARMA.

NEW DELHI ;

The 13th February, 1932.

*Subject to a minute of dissent ~~(which has not yet been submitted)~~.

**MINUTE OF DISSENT BY MR. B. DAS ON THE REPORT OF THE SELECT COMMITTEE
ON THE WIRE AND WIRE NAIL INDUSTRY (PROTECTION) BILL.**

I differ from my colleagues and feel that no case has been established for giving additional protection to the wire and wire nail industry. The industry at present receives the concession of exemption of imported rod from duty and the Tariff Board has recommended continuance of this exemption. With this part of the recommendation I entirely agree.

The Tariff Board further recommends a protective tariff of Rs. 45 per ton on imported wire and wire nails which my colleagues endorse and from which I dissented. The Tariff Board bases its recommendations on suppositions, presumptions and speculations which even weighed with the majority as to recommend that "Government should satisfy themselves on the point whether the industry has taken definite steps to put itself in a position to manufacture wire and wire nails from indigenous material and if it has not done so, should bring the matter to the notice of the Legislature at its next session."

That Tariff Board assumes that the Indian Steel and Wire Products will buy in the near future a rod mill. Yet it observes, "The rod mill in question, on which the case for protection depends, is still only a possibility, however reasonable that possibility may appear." The application for protection was confined to one firm—a private proprietary concern, on whose fair promises the protection has been given. Yet I was surprised to find that my colleagues do not wish to endorse one of the fundamental recommendations of the External Capital Committee embodying the main principles of protection as have been laid down by the Indian Fiscal Commission.

"Where the investment carried with it the control of an undertaking, we consider it reasonable that when Government grants particular concessions to the industry of which that undertaking forms part it should exercise such control over the undertaking as will ensure that the benefits of the concession accrue primarily to the country."

This should be equally true in case of investment of Indian capital. The question is whether the well-being of the community is being served by giving protection of an industry which belongs to one person only and on whom the State

exercise no control in granting this protection. In the case of the Indian Steel and Wire Products the proprietor is already receiving and will continue to receive a bounty in the shape of exemption of duty on imported rod. It should be laid down by legislation that firms or persons receiving such concessions or bounties must conform to certain rules and conditions such as, maximum use of Indian raw materials and Indian stores, employment of Indians, and safeguarding the interest of workers, and also converting themselves into joint stock concerns at actual cost and selling shares to the public without premium. The Legislature will have to face these problems sooner or later in view of the insistent demand by capitalists for more and more protection.

Protection must be discouraged where it gives a firm monopoly or where it presupposes installation of new plant and machinery. The party here intends to invest money on a wire rod plant if protection will be granted. I further understood that a firm in Karachi also wants to instal a similar plant. I could not have access to evidence before the Tariff Board which has not yet been published. From informations supplied I am not satisfied that the firm is in a position to meet the requirements of the public at an early date. In 1980-81 India's import of wire has been 12,300 tons and wire nails 12,400 tons. The total output of the firm of hard bright wire in 1980-81 was 1,819 tons and nails 1,554 tons. Again, the firm purchased the present plant at a very low price from its original owners and if this protection to wire nail industry be given, it would mean sole monopoly to this particular party.

No case, in my opinion has arisen to give protection to wire rod industry as the plants have not been purchased and as the present manufacturers depend entirely on foreign rod for manufacture of wire nails and wire. I therefore reiterate my recommendations above that the Indian Legislative Assembly should only exempt imported wire rod from duty for this industry and also take steps to enunciate obligations to the State and community for concessions received by applicants for protection.

B. DAS,—16-2-32.

[As amended by the Select Committee.]

[Words printed in italics indicate the amendments suggested by the Committee.]

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BILL

TO

Provide for the fostering and development of the wire and wire nail industry in British India.

WHEREAS it is expedient, in pursuance of the policy of discriminating protection of industries in British India with due regard to the well-being of the community, to provide for the fostering and development of the wire and wire nail industry by increasing the import duty leviable, with certain exceptions, on wire and wire nails, for the period of two years; It is hereby enacted as follows:—

1. This Act may be called the Wire and Wire Nail Industry (Protection) Act, 1932.
Short title.
2. (1) In Schedule II to the Indian Tariff Act, 1894, there shall be made ^{VIII of 1894.} the amendments specified in the Schedule to this Act.
Amendment of Schedule II, Act VIII of 1894.
- (2) The amendments made by sub-section (1) shall have effect up to the 31st day of March, 1934.
3. *Notwithstanding anything contained in section 4 of the Indian Finance (Supplementary and Extending) Act, 1931, the additional duty of customs imposed by that section shall not be levied or collected on iron or steel wire or wire nails comprised in Item No. 149 of Schedule II of the Indian Tariff Act, 1894, as inserted VIII of 1894, by Item No. 2 of the Schedule to this Act.*

THE SCHEDULE.

(See section 2.)

Amendments to be made in Schedule II to the Indian Tariff Act, 1894.

1. In Item No. 61,—
 - (a) for the sub-item—
“IRON OR STEEL nails and washers, all sorts”
the following sub-item shall be substituted, namely:—
“IRON OR STEEL nails and washers, all sorts, not otherwise specified.”;
and
 - (b) for the sub-item—
“IRON OR STEEL wire, including fencing-wire and wire-rope but excluding wire-netting”
the following sub-item shall be substituted, namely:—
“IRON OR STEEL barbed or stranded fencing-wire and wire-rope.”
2. In Part VII, after Item No. 148, the following item shall be inserted, namely:—

“149	IRON OR STEEL—	<ol style="list-style-type: none"> (a) wire, other than barbed or stranded fencing-wire, wire-rope or wire-netting; and (b) wire nails. 	}	Rs. 45 per ton.”
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GOVERNMENT OF INDIA.
LEGISLATIVE ASSEMBLY
DEPARTMENT.

Report of the Select Committee on
the Bill to provide for the fostering
and development of the wire and
wire nail industry in British India
with the Bill as amended.