

**JOINT/SELECT COMMITTEE
REPORTS OF LEGISLATIVE
ASSEMBLY - 1934**

**The Indian Iron and Steel
Duties Bill**

List of Reports of Select or Joint Committees
presented to the Legislative Assembly in 1934.

Serial No.	Short title of the Bill.	Date of presentation.	Remarks.
1.	The Indian Tariff(Amendment) Bill.	5. 2.34.	
2.	The Indian States(Protection) Bill.	14. 2.34.	
3.	The Negotiable Instruments(Amendment)Bill.	26. 2.34.	
4.	The Factories Bill.	27. 2.34.	
5.	The Indian Tariff(Textile Protection) Amendment Bill.	2. 4.34.	
6.	The Sugar (Excise Duty) Bill.	10. 4.34.	
7.	The Matches (Excise Duty) Bill.	14. 4.34.	
8.	The Indian Dock Labourers Bill.	16. 7.34.	
9.	The Mechanical Lighters(Excise Duty) Bill.	23. 7.34.	
10.	The Indian Carriage by Air Bill.	25. 7.34.	
11.	The Indian Aircraft Bill.	25. 7.34.	
12.	The Hedjaz Pilgrims(Muallims) Bill(<u>Second Report of the Select Committee</u>)	2. 8.34.	
13.	The Indian Army (Amendment) Bill.	7. 8.34.	
14.	The Indian Iron and Steel Duties Bill.	13. 8.34.	
15.	The Indian Petroleum Bill.	14. 8.34.	
16.	The Indian Income-tax(Amendment) Bill by Sir Hari Singh Gour.	22. 8.34.	
17.	The Indian Navy (Discipline) Bill.	25. 8.34.	

LEGISLATIVE ASSEMBLY.

We, the undersigned, members of the Select Committee to which the Bill to provide for the modification and continuance of the protection afforded to the iron and steel industry in British India, and to impose an excise duty for revenue purposes upon certain steel 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. We have considered in detail the various duties proposed in the Schedule, both severally and in relation to the excise duty which it is proposed to levy upon steel ingots by clause 4 of the Bill. Subject to certain modifications set forth hereafter we accept the scheme embodied in the Bill.

3. The modifications we propose are—

- (1) that the operation of the new duties proposed by the Bill should be postponed until the 1st day of November, 1934, the day subsequent to that to which the existing duties were extended by the Steel and Wire Industries Protection (Extending) Act, 1934,
- (2) that structural steel and iron and steel plates of British manufacture assessable under the first entry in sub-head (a) (i) of Items No. 143 and No. 147, respectively, of the Tariff Schedule should be subject alternatively to a revenue duty of 10 per cent *ad valorem*, and
- (3) that the countervailing duty leviable upon tinplates and tinned sheets under Item No. 154 should be increased from $1\frac{1}{2}$ to $1\frac{1}{2}$ times the excise duty on steel ingots in view of the wastage of steel incurred in manufacture.

The manner in which effect has been given to these proposals is set forth in our comments upon the clauses of the Bill which have suffered alteration.

4. In the third entry in the Schedule relating to Item No. 144 of the Tariff Schedule, we have added as an alternative the normal revenue duty of 20 per cent. *ad valorem* to the duty specified against sub-head (ii) in view of the possibility of the importation of highly priced alloy steel bars.

5. We considered the possibility that the inauguration of steel manufacture in Indian States might bring into existence circumstances prejudicial to the interests of manufacturers in British India. We have received an assurance that any development of this kind will be carefully watched by Government and that steps will be taken, if the necessity arises, to safeguard the interests of manufacturers in British India.

6. We have also received an assurance that Government will use their powers under the Indian Tariff Act in accordance with the following principle expressed at page 36 of the Report of the

Indian Delegation to the Imperial Economic Conference, Ottawa, 1932:—"We regard it as indispensable that, as soon as the Government of India are satisfied that the price (*i.e.*, of imported articles) has been cut, the additional duty should be imposed promptly without the delay inevitably occasioned by a Tariff Board inquiry. The amount of the additional duty need not be limited to the amount of the price reduction, but should be of such an amount as to make clear the intention of the Government of India to make the agreement effective."

7. We debated the advisability of inserting in the Bill a definition of "steel ingots" in view of an apprehension which was voiced that molten metal might be cast into small masses which would not be known as ingots and might so evade the excise duty. We are satisfied that the term has a clearly recognised trade connotation which makes any statutory definition unnecessary. Should the imposition of the excise result in an increased tendency among manufacturers to omit the ingot stage in the manufacture of steel with the object of evading the excise duty, a contingency which is for economic reasons improbable, we have been assured that Government will address itself to meeting the situation.

8. We have also been assured that Government will, after such enquiry as Government may consider desirable, take steps to protect the interests of re-rollers in the event of a shortage of Indian produced billets at a fair price as calculated by the Tariff Board; and for that purpose will, if necessary, remove some or all of the revenue duty leviable on semi-finished steel.

9. On the clauses of the Bill we append the following comments:—

Clause 1.—We have omitted the superfluous word "Indian" from the short title of the Bill.

In order to give effect to the decision to postpone the operation of the duties imposed by the Bill until the 1st day of November, 1934, it is necessary that clause 10 of the Bill should take effect before 31st October, since if sub-section (3) of section 2 of the Steel Industry (Protection) Act, 1927, is left to its operation the whole of Part VII of the Second Schedule to the Indian Tariff Act, 1894, in which occur most of the items affected by this Bill, would cease to exist on 31st October.

The Schedule entries Nos. 2, 3, 8 and 16.—The changes here made in Items Nos. 143, 144, 147 and 154 of the Tariff Schedule have been referred to above. The amendments made involve increase in taxation and therefore require for their validity the previous sanction of the Governor General under section 67 (2) (a) of the Government of India Act. That sanction has been obtained.

10. The Bill was published in the Gazette of India, dated the 28th July, 1934.

11. 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

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F. NOYCE.

P. G. GRIGG.

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* S. K. MAHAPATRA.

* B. DAS.

RAMESHWAR PD. BAGLA.

R. S. SARMA.

H. S. GOUR.

H. P. MODY.

L. S. HUDSON.

* A. RAMASWAMI MUDALIAR.

* MD. MUAZZAM.

MOHD. YAMIN KHAN.

* ABDUR RAHIM.

SIMLA :

The 10th August, 1934.

* Subject to a minute or minutes of dissent.

MINUTES OF DISSENT.

About the close of the proceedings in the Select Committee, it was brought to our notice that so far as billets were concerned, the Tata Iron and Steel Company were not in a position by reason of their commitments to supply the requirements of the re-rolling mills and that, as such, any decrease in the duty on imported billets was a matter of little or no concern to the Tata Industry. It was also pointed out in this regard that England which was not a manufacturer of billets was much in the same position as Jamshedpur and that, as such, any manipulation of the tariff in so far as billets were concerned, was immaterial to the British industry. One is therefore led to the irresistible conclusion that the re-rolling industry of India will, in the coming years, have to be at the mercy of the Continental producers of steel billets—a position wholly untenable when we are out to protect a basic industry of the magnitude of Tata's.

While on this question, it strikes me that I cannot do better than quote the words of the Honourable the Commerce Member—see page 805 of the Legislative Assembly Debates, dated 31st July, 1934—in support of Tata's claim for the grant of further protection. He said, 'If the Tata Iron and Steel Co., desire to be regarded as a great national industry and as a great national asset, if they desire this country to make substantial sacrifices over a substantial period of time to set them securely on their feet, then I say it is up to them to realise and to implement their obligations to the smaller ancillary industries of the country.'

Here is a clear indication of the basis on which is founded the claim of Tata's Iron and Steel Co., to protection against foreign competition for a substantial period of time but if during this very period,

that company should shirk its primary obligation to the ancillary industries, then I am afraid its claim to the grant of further protection has been entirely misjudged, inasmuch as the obvious result of such a grant would be to tax a number of ancillary industries and the consumer generally for the sole purpose of benefiting the Tata Steel Co., by allowing it to make the most of an opportune moment in utter disregard of the requirements of the re-rolling mills—a state of affairs which, I am sure, neither the Executive nor the Legislature would for a moment countenance. I maintain that if the Legislature imposes a burden on the consumer in the shape of a protective duty, it is up to that body to realise and to implement the obligations of the basic industry to the ancillary industries of the country and indirectly to the country at large. To my mind, the grant of protection to an industry designed to act, among other functions, as a feeder to the re-rolling industry implies necessarily a corresponding control by the Executive and the Legislature over the operations of the basic industry in the sphere of its usefulness to the ancillary industry.

Should, at any time hereafter, the policy pursued by the Tata Iron and Steel Co., in relation to the re-rolling industry, present a picture as above visualised, it should be the paramount duty both of the Executive and of the Legislature immediately to come to the rescue of the ancillary industry by entirely abolishing, if need be, the duty levied on billets though such a step would nevertheless fail to cure the pernicious effects of a policy whose end and aim is but to divert the wealth of the vast lot of consumers into the pockets of a few industrialists.

MD. MUAZZAM.

1. *Protection to British steel and not to Indian steel.*—It is high time for Indian industrialists to stop their agitation for further protection to Indian industries, as each such demand fetters the industry concerned with hurdles and obstacles that the industry would never withstand. At the same time, newly forged humiliating conditions are imposed on the people of India that reminds India at every stage that she has no entity of her own and that India's economic development must be subordinated to suit prosperity and economic development of the United Kingdom. Under the guise of protection to steel industries, the present Bill imposes humiliating and differential conditions on Indian steel, which savours of the White Paper spirit. The Bill is a misnomer. It ought to have been worded "A Bill to provide for the protect on to the British iron and steel industry". It must not be forgotten that it was the Steel Protection Act of 1927, that first introduced Imperial Preference into the fiscal system of India. The present Bill which, let me hope, would be the last protective measure in India, perpetuates that much hated "Imperial Preference principle" with vengeance. What

was a dream to British Government in 1919 is now accomplished fact in 1934. No longer does the principle of *granting discriminating protection* to Indian industries with a view to foster and develop such industries govern the action of the Government. Ottawa spirit vitiates the report of the Tariff Board and the Ottawa spirit guides the Government policy today. Yet, the Government ignore the salutary advice of the Ottawa delegates. They anticipated such an eventuality. They wanted to safeguard the same in the following way :

"To concede a preference by reducing these rates to a lower figure in favour of British steel would impair the protection intended by the Legislature to be afforded to the Indian industry and to raise the duties on foreign steel to a higher point than was required in India's own interest would have been a grave departure from the fundamental principle of the policy of Discriminating Protection."

2. *Indo-British Trade Agreement.*—Unfortunately such fundamental principles are ignored to-day not only by the Government of India but by the British Government. The demand of the National Federation of Iron and Steel Manufacturers of the United Kingdom has been that

"the balance of the Indian market for both tested and untested steel should be supplied by the steel industry in the United Kingdom at prices corresponding to the fair selling prices fixed for the Indian Industry." Such a demand would be considered fair if the proposed Indo-British Agreement materialises and over which the British Government are in negotiation with the Government of India. The Indo-Japanese Trade Agreement gave the British textile goods a preference of 25 per cent. over all other countries and naturally the United Kingdom Government is anxious to enter such advantageous trade agreement with India for other British goods. India is still in dark if such an agreement has been concluded. But that spirit pervades the present steel Bill and the recommendations of the Tariff Board. In any note of dissent on the Report of the Select Committee on the Cotton Textile Protection Bill, 1934 (The Indian Tariff Act Amendment Bill, 1934) I referred to this Indo-British Agreement, which I take this opportunity to quote here —

"The Secretary of State has already foreshadowed negotiations between the Government of India and the Government of Britain for an official Indo-British Trade Agreement.—Such negotiations will be most welcome for one particular reason namely that it will fill up the lacuna left out in the non-official Indo-Lancashire Pact. This Mody-Lees Pact, in Mr. Mody's own words, is meant to foster spirit of mutual good-will with a view to solve economic problems by mutual adjustments. But Mr. Mody adjusted nothing, demanded no quota for the Indian cotton but in fullness of heart gave certain concessions to operate immediately and others a year hence. The underlying feature of the Indo-Japanese Trade Agreement is the well-known principle of trade by barter and that Japan should buy so much cotton and India will buy so much piecegoods. This essential principle, namely, exchange of commodities on quota basis did not find a place in the Mody-Lees Pact and therefore it has met such wide condemnation. I do hope the official negotiations between India and Britain will recognize this essential element of trade negotiations and incorporate in the agreement compulsory obligations on Lancashire to buy Indian cotton. Even in certain British quarters it is held that Lancashire must buy a minimum of one million bales of cotton. I will welcome such an agreement and I do hope it will fructify at an early date."

If India and the United Kingdom come to agree to trade by exchange of commodities, let it be incorporated in an agreement and, if required, let us have separate legislation for it. Thereafter let British steel be given advantages in India as British steel producers desire. The present Bill ought to have been a purely protective measure. India is yet to know what trade bargains she will secure by giving this preference to British steel.

3. *Our Exports to European countries will vanish.*—On the other hand India will lose her advantageous position in exports to many of these Continental steel producing countries. Some of these happen to be our best customers in Europe. Surely, the occasion does not warrant such unprecedented action. It has to be remembered that most of the Continental steel producing countries are on the Gold Standard, British steel already enjoys an advantage of 33% due to exchange alone over continental steel. It is not price-cutting on the part of continental steel producers, but rationalised production, which British and Indian

steel manufacturers have yet to learn. It is most surprising that Tariff Board took no note of these factors.

4. *Excise Duty opposed.*—I oppose the present levy of excise duty on Indian steel ingots. It is deliberately imposed to give an advantage to British steel. It is true that Government plead that they must recover Rs. 30 lakhs they lose by the present Bill and the excise duty will go the first thing if Government receipts improve. So many promises have been made in the past over removal of surcharges or low level of income-tax or restoration of salary cuts, one often wonders if such pledges are of any value. Government must wait till the next budget time if revenue deteriorates due to the present protection Bill. Government cannot dispel the suspicion that they are deliberately putting a handicap on Indian steel.

5. *Revenue Duty preferred to Protection.*—I would therefore oppose the present Bill and advise my colleagues to throw out the Bill. Thereby the revenue duties will come into operation. In most cases it would be 15 5/8% on British steel and 25 5/8% on non-British steel and in a few cases it would be 10% on British and 20% on non-British. I am prepared to concede Ottawa spirit on all steel goods. I am further prepared to change the *ad valorem* duties to specific duties *pro rate* at British rate. This would not satisfy the British steel producers nor would it satisfy the Indian steel producers. The Indian steel manufacturer is placed between the devil and the deep sea. They cannot compete with continental steel and dread the capture of Indian market and the competition through British steel if the provisions of the Bill become law. What guarantee is there that the British steel cartel will not sell at cut throat prices their steel in India at the same time purchasing continental steel for British consumption. This is not a new economic price cutting war. This very moment we have the exhibition of rate war between British shipping and Indian shipping interests. Although the Tariff Board brought out the mischief of no revenue duty on certain steel articles, through excessive Ottawa spirit of reciprocity, they were modest enough to observe. "The Board makes no recommendations as to what rate of revenue duty should be fixed for such articles." Yet the Government, either through cussedness of their subordinated position, or through excessive spirit of reciprocity design the Bill with a revenue duty of 10%. As if economic prosperity has returned and Government can afford to lose the revenue on that head, not to speak of obligations and pledges ignored through such action.

6. *The Inequities of the Bill.*—The Tariff Board itself admits of substantial preference to British galvanized sheets. We could not persuade Government to recognise this glaring fact in the case of galvanized sheets, nor could I persuade the Government to agree that the so-called differential tariff is indeed preferential tariff to British steel. That British untested steel would come at the same rate as tested British steel is another glaring act of British preference. There may be occasion when continental steel will be exported to India from the United Kingdom at British rate of tariff.

7. *Bait of purchase of Pig Iron and Manganese.*— The bait that the United Kingdom will purchase 90,000 tons of pig iron and certain quantity of manganese ore is, in no way, part of the principle of discriminating protection to which the Government are supposed to be wedded. If exchange of certain quantity of pig iron or manganese ore becomes a practical proposition, it arises out of spirit of reciprocity of Indo-British Trade Agreement and until that agreement is examined as a whole, I am opposed to adopt or accept piecemeal a portion of any such negotiations. Indian iron and steel producers must face the heavy losses that India will incur in

losing her customers in the continental market. Will not losses on export of other Indian produces to the continent be of such magnitude that it would bring disaster to most of our agricultural produces? Such tremendous sacrifice is not worthwhile in spite of the iron and steel industries' claims that they are key industries. What they want is protection through high tariff wall and not attenuated existence to foster British steel trade in India.

B. DAS.

The 13th August, 1934.

In our opinion clause 2(a) of the Bill as it stands is open to serious objection. It empowers the Executive Government to increase or reduce duty on any article to any extent they consider necessary or expedient and at any time either for the entire period covered by the Act, or for any portion of that period without obtaining the approval of the Legislature. The Legislature may reasonably be asked to confer on the Governor-General in Council power to make the necessary adjustments in the duties in order to meet an emergency, but such action must be limited in its operation to a brief period of time in accordance with the principle underlying the safeguarding of the Indian Industries Acts XIII of 1933. We therefore propose that after the words "British manufacture" in clause 2(a) the following be inserted "and provided further that every noti-

fication issued under sub-clause (a) (4) of clause 2 shall be laid before both Chambers of the Indian Legislature as soon as may be after it is made and shall cease to have effect on the expiry of two months from the date on which it has been laid before either Chamber unless in the meantime it has been approved by a resolution of each Chamber".

ABDUR RAHIM.

A. RAMASWAMI MUDALIAR.

B. DAS.

SATISH CHANDRA SEN.

S. K. MAHAPATRA.

On the Select Committee Report of the Iron and Steel Duties Bill 1933

Imposition of an excise duty on production of steel ingots is due to the fact that on account of reduction in the level of import duties reduction in revenue has resulted. This reduction in revenue has been roughly estimated at 30 lakhs which may be an overestimate. But in view of the facts that revenue duty on structurals and plates of British manufacture has been restored, duties on tin plates and Continental High class steel bars have been increased, some increase in revenues is expected.

Further all these 30 lakhs are proposed to be earned from the production of steel ingots in Tatas alone, at the present rate of production which is roughly 740,000 tons. But there is every chance of Tattas producing more steel ingots and there is chance also of Indian States and other firms in India producing steel ingots. Therefore, I believe, there is every scope of reducing the incidence of excise from Rs. 4 per ton to Rs. 3 per ton without any loss of Government Revenue. If this is not

possible, now, it is desirable to review the position of excise incidence per ton with reference to revenue derived, every year.

There have been in the past occasions of dispute between the Tatas which is a monopolistic concern and small firms. Provision, therefore, should be made for reference to a third person in case of disputes between big firms like the Tatas and small firms. In the matter of inequitable or differential treatment the referee, who should be empowered with all powers in enforcing his decisions, may be a person or an officer commanding general confidence in the matter. Such a referee, may for instance, be the chief Controller of Stores, Indian Stores Department.

Representing as I do purely a consuming constituency, I reserve to myself the right of supporting any amendment to the bill which may be moved in the interest of consumers.

S. K. MAHAPATRA.

The 13th August, 1934.

We think that levying an excise duty for revenue purposes in a Bill to afford protection to a basic industry is wrong in principle and should not have found a place in this Bill. The reason why this has been insisted on as suggested by the Government is to recoup the loss which the Government expects to sustain by reason of the diminution of protection, but a time may come when no protection may be needed. What will the Government then do? Will they insist on retaining the Excise duty for revenue purposes. We think that this will be against the whole theory of protection. It is difficult to avoid the impression that one of the objects of the Bill is to allow an advantage to British steel in India.

We object to clause 9, sub-section 3 being retained in the Bill. We object to this clause as we do not like the Executive to be armed with a power to create new offences by means of rules. Clause 8 of the Bill provides for punishment for breach of the provisions of the Bill. This may be enlarged and particularized if further evasion of the Bill is anticipated.

SATISH CHANDRA SEN.

B. DAS.

S. K. MAHAPATRA.

Simla, the 13th August, 1934.

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

A

BILL

TO

*Provide for the modification and continuance of
the protection afforded to the iron and steel
industry in British India, and to impose an
excise duty for revenue purposes upon certain
steel.*

WHEREAS it is expedient to provide for the modification and continuance of the protection afforded to the iron and steel industry in British India, and to impose an excise duty for revenue purposes upon certain steel; It is hereby enacted as follows:—

1. (1) This Act may be called the * Iron
Short title, extent and and Steel Duties Act,
commencement. 1934.

(2) It extends to the whole of British India.

(3) *This section and section 10 shall come into
force at once; the remaining sections shall come
into force on the 1st day of November, 1934.*

2. In section 3 of the Indian Tariff Act,
Amendment of section 3, 1894,—
Act VIII of 1894.

VIII of 1894

(a) for sub-sections (4) and (5) the following
sub-section shall be substituted, namely:—

“(4) If the Governor General in Council is satisfied, after such inquiry as he thinks necessary, that any duty imposed on any article by Part VII of the Second Schedule has become ineffective or excessive for the purpose of securing the protection intended to be afforded by such duty to a similar article manufactured in India, he may, by notification in the Gazette of India, increase or reduce such duty to such extent as he thinks necessary either generally or in respect of such article when imported from or manufactured in any country or countries specified in the notification:

Provided that the duty leviable on any such article shall in no case be less than the duty leviable on a like article of British manufacture.”

and

(b) sub-section (6) shall be renumbered as sub-section (5).

3. (1) The amendments specified in the Schedule
to this Act shall be made
Amendment of Schedule in the Second Schedule to
(I. Act VIII of 1894. the Indian Tariff Act,
1894, and shall have effect only up to the 31st day
of March, 1941. VIII of 1894.

(2) Notwithstanding anything contained in section 4 of the Indian Finance (Supplementary
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and Extending) Act, 1931, the additional duties imposed by that section shall not be levied or collected on any article chargeable with duty under Item No. 142, 143, 144, 145, 145A, 146, 146A, 147, 148, 149, 149A, 150, 153 or 154 of the **VIII of 1894.** Second Schedule to the Indian Tariff Act, 1894, as amended by this Act.

4. A duty of excise shall be levied at the rate of **Excise duty on steel** four rupees per ton on all **ingots.** steel ingots produced in British India after the commencement of this Act, and shall be payable by the manufacturer thereof.

5. (1) If any duty payable under section 4 is **Recovery of duty with** not paid within the time **penalty.** fixed by rules made in that behalf under this Act, it shall be deemed to be an arrear, and the authority to which such duty is payable may in lieu thereof recover any sum not exceeding twice the amount of duty unpaid which such authority may in its discretion think it reasonable to require.

(2) An arrear of duty or any sum recoverable in lieu thereof under this section shall be recoverable as an arrear of land revenue, and shall be recoverable in addition to and not in substitution for any other penalty incurred under this Act.

6. The Governor General in Council may, **Application of the provisions of Act VIII of 1878 to the duty on steel ingots.** by notification in the **Gazette of India,** declare that any of the provisions of the Sea Customs Act, 1878, relating to the levy of and exemption from customs duties, drawback of duty, warehousing, offences and penalties, confiscation, and procedure relating to offences and appeals shall, with such modifications and alterations as he may consider necessary or desirable to adapt them to the circumstances, be applicable in regard to like matters in respect of the duty on steel ingots imposed by section 4.

7. When steel ingots on which the duty of excise imposed by this **Act has been paid,** or **articles of iron or steel manufactured in British India** from such ingots, are exported out of India, there shall be payable to the exporter of such ingots or articles, subject to such conditions as the Governor General in Council may prescribe, a refund at the following rates, namely :—

on ingots, blooms and billets—a refund at the rate of four rupees per ton ;

on other manufactures of iron or steel—

(a) not fabricated—a refund at the rate of five and one-third rupees per ton.

(b) fabricated—a refund at the rate of six rupees per ton.

8. Whoever evades or attempts to evade the **Penalty for evasion of** payment of any duty of **duty or failure to supply** excise payable by him **information.** under this Act, or fails to supply any information which he is required by any rules made under this Act to supply, or knowingly supplies false information, shall be punishable with imprisonment which may extend to six months, or with fine which may extend to two thousand rupees, or with both.

9. (1) The Governor General in Council may, by notification in the Gazette of India, make rules to carry into effect the purposes and objects of this Act.

(2) In particular and without prejudice to the generality of the foregoing power such rules may—

- (a) provide for the assessment and collection of the duty payable under section 4 and the authorities by whom functions under this Act are to be discharged, the issue of notices requiring payment, the manner in which and the time at which the duty shall be payable, and the recovery of arrears ;
- (b) impose on manufacturers of steel ingots the duty of furnishing information, keeping records and making returns, and prescribe the nature of such information, and the form of such records and returns, the particulars to be contained therein and the manner in which they shall be verified ;
- (c) authorise and regulate the inspection of any premises used for the manufacture of steel ingots ;
- (d) authorise and regulate the composition of offences against or liabilities incurred under the Act and rules ; and
- (e) prescribe the conditions under which the refunds referred to in section 7 shall be payable.

(3) In making any rule under this section the Governor General in Council may provide that a breach of the rule shall be punishable with fine not exceeding two thousand rupees.

10. Sub-section (3) of section 2 of the Steel Industry (Protection) Act, 1927, is hereby repealed.

THE SCHEDULE.

(See section 3.)

Amendments to the Second Schedule to the Indian Tariff Act, 1894.

1. For Item No. 142 the following item shall be substituted, namely :—

" 142	COAL TUBS, tipping wagons and the like conveyances designed for use on light rail track, if adapted to be worked by manual or animal labour and if made mainly of iron or steel; and
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component parts thereof made of iron or steel—	
(a) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India; or 10 per cent. <i>ad valorem</i> , whichever is higher.
(b) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 40 per ton; or 20 per cent. <i>ad valorem</i> , whichever is higher."

2. For Item No. 143 the following item shall be substituted, namely :—

"143	IRON or STEEL angle, channel, tee, flat, beam, zed, trough and piling—	
	(a) not fabricated—	
	(i) of British manufacture— not coated with other metals.	1½ times the excise duty leviable for the time being on steel ingots produced in British India; or 10 per cent. <i>ad valorem</i> , whichever is higher.
	coated with other metals.	1½ times the excise duty leviable for the time being on steel ingots produced in British India; or 10 per cent. <i>ad valorem</i> , whichever is higher.
	(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 43 per ton.
	(b) fabricated—	
	(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 40 per ton
	(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 40 per ton."

3. For Item No. 144 the following item shall be substituted, namely :—

"144	IRON or STEEL BAR and ROD—	
	(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.
	(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 30 per ton; or 20 per cent. <i>ad valorem</i> , whichever is higher."

4. For Item No. 145 the following item shall be substituted, namely :—

" 145	IRON OR STEEL BOLTS and NUTS, including hook-bolts and nuts for roofing but excluding fish bolts and nuts—	
	(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India ; or 10 per cent. <i>ad valorem</i> , whichever is higher.
	(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India <i>plus</i> Rs. 1-9-0 per cwt.
	IRON OR STEEL FISH BOLTS AND NUTS—	
	(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India ; or 10 per cent. <i>ad valorem</i> , whichever is higher.
	(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India <i>plus</i> Rs. 4-5-0 per cwt."

5. For Item No. 145A the following item shall be substituted, namely :—

" 145A	IRON OR STEEL RIVETS—	
	(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India ; or 10 per cent. <i>ad valorem</i> , whichever is higher.
	(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India <i>plus</i> Rs. 1-14-0 per cwt."

6. For Item No. 146 the following item shall be substituted, namely :—

" 146	IRON OR STEEL PIPES and TUBES and fittings therefor, if riveted or otherwise built up of plates or sheets—	
	(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India <i>plus</i> Rs. 12 per ton ; or 10 per cent. <i>ad valorem</i> , whichever is higher.
	(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India <i>plus</i> Rs. 35 per ton."

7. After Item No. 146 the following item shall be inserted, namely :—

" 146A	CAST IRON PIPES and TUBES : also cast iron fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like—	
	(i) of British manufacture.	10 per cent. <i>ad valorem</i> .
	(ii) not of British manufacture.	Rs. 57-8-0 per ton.'

8. For Item No. 147 the following item shall be substituted, namely :—

" 147	IRON OR STEEL plates, excluding cast iron plates—	
	(a) not fabricated—	
	(i) of British manufacture—	
	not coated with other metals.	1½ times the excise duty leviable for the time being on steel ingots produced in British India ; or 10 per cent. <i>ad valorem</i> , whichever is higher.
	coated with other metals.	1½ times the excise duty leviable for the time being on steel ingots produced in British India ; or 10 per cent. <i>ad valorem</i> , whichever is higher.
	(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 25 per ton.
	(b) fabricated—	
	(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 40 per ton.
	(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 40 per ton."

9. For Item No. 148 the following item shall be substituted, namely :—

" 148	IRON OR STEEL sheets—	
	(a) not fabricated—	
	(1) not galvanized—	
	(i) of British manufacture.	1½ times excise duty leviable for the time being on steel ingots produced in British India plus Rs. 11 per ton ; or 10 per cent. <i>ad valorem</i> , whichever is higher.
	(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 32 per ton.

(2) galvanized—	
(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.
(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 40 per ton.
(b) fabricated—	
(1) not galvanized—	
(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 12 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.
(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 35 per ton.
(2) galvanized—	
(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 11 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.
(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 44 per ton."

10. Item No. 148A shall be omitted.

11. For Item No. 149 the following item shall be substituted, namely :—

149	IRON or STEEL wire, other than barbed or stranded wire, wire-rope or wire netting; and iron or steel wire nails—
(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 25 per ton.
(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 60 per ton."

12. For Item No. 149A the following item shall be substituted, namely :—

149A	IRON or STEEL, the original material (but not including machinery) of any ship or other vessel intended for inland or harbour navigation which has been assembled abroad, taken to pieces and shipped
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for reassembly in India—	
(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India; or 10 per cent. <i>ad valorem</i> , whichever is higher.
(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India <i>plus</i> Rs. 27-8-0 per ton; or 20 per cent. <i>ad valorem</i> , whichever is higher.
Provided that articles dutiable under this item shall not be deemed to be dutiable under any other item."	

13. For Item No. 150 the following item shall be substituted, namely :—

" 150	IRON or STEEL RAILWAY TRACK MATERIAL—	
	A. Rails (including tramway rails the heads of which are not grooved)—	
	(a) 30 lbs. per yard and over, and fish-plates therefor—	
	(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India; or 10 per cent. <i>ad valorem</i> , whichever is higher.
	(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India; or 20 per cent. <i>ad valorem</i> , whichever is higher.
	(b) under 30 lbs. per yard and fish-plates therefor—	
	(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India <i>plus</i> Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.
	(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India <i>plus</i> Rs. 39 per ton.
	B. Switches and crossings including stretcher bars and other component parts, and switches and crossings including stretcher bars and other component parts for tramway rails the heads of which are not grooved—	
	(a) for rails 30 lbs. per yard and over—	
	(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India; or 10 per cent. <i>ad valorem</i> , whichever is higher.
	(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India; or 20 per cent. <i>ad valorem</i> , whichever is higher.

(b) for rails under 80 lbs. per yard—	
(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 11 per ton ; or 10 per cent. <i>ad valorem</i> , whichever is higher.
(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 43 per ton.
C. Sleepers and sleeper bars, other than cast iron—	
(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India ; or 10 per cent. <i>ad valorem</i> , whichever is higher.
(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India ; or 20 per cent. <i>ad valorem</i> , whichever is higher.
D. Spikes (other than dogspikes) and tie-bars—	
(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 10 per ton ; or 10 per cent. <i>ad valorem</i> , whichever is higher.
(ii) not of British manufacture—	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 39 per ton.
E. Dogspikes—	
(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus 7 annas per cwt. ; or 10 per cent. <i>ad valorem</i> , whichever is higher.
(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 2-15-0 per cwt.
F. Gibs, cotters, keys (including tapered key bars), distance pieces and other fastenings for use with iron or steel sleepers—	
(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus 7 annas per cwt. ; or 10 per cent. <i>ad valorem</i> , whichever is higher.
(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 2-15-0 per cwt."

14. Item No. 151 and Item No. 152 shall be omitted.

15. For Item No. 153 the following item shall be substituted, namely :—

" 153	IRON or STEEL STRUCTURES, fabricated partially or wholly, not otherwise specified, if made mainly or wholly of iron or steel bars, sections, plates or sheets, for the construction of buildings, bridges, tanks, well curbs, trestles, towers and similar structures or for parts thereof, but not including builders' hardware (see Item No. 185) or any of the articles specified in Item No. 59A, 59D, 64, 87, 182 or 230—	
	(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 40 per ton.
	(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 40 per ton."

16. For Item No. 154 the following item shall be substituted, namely :—

" 154	STEEL, tinplates and tinned sheets including tin taggers and outtings of such plates, sheets or taggers—	
	(i) of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 38 per ton
	(ii) not of British manufacture.	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 59 per ton."

17. For Item No. 235 the following item shall be substituted, namely :—

" 235	IRON ALLOYS, viz., ferro-manganese, ferro-silicon, ferro-chrome, spiegeleisen and the like as commonly used for steel making.	Ad valorem ..	20 per cent.	10 per cent
	Iron, pig.			
	Iron rice bowls.			

18. In Item No. 236, in the second column,—

- (a) the seventh and eighth entries shall be omitted ;
- (b) in the ninth entry, for the word " FENCING WIRE " the word " WIRE " shall be substituted ; and
- (c) the following entry shall be added, namely : — " CAST IRON PLATES ".

19. Item No. 236A shall be omitted.

20. For Item No. 237 the following item shall be substituted, namely:—

" 237	<p>STEEL INGOTS. IRON or STEEL blooms, billets and slabs, provided that no piece less than 1½ inches square or thick shall be included in this item.</p>	<i>Ad valorem</i> ..	<p>The excise duty leviable for the time being on steel ingots produced in British India; or 20 per cent. <i>ad valorem</i>, whichever is higher.</p>	<p>The excise duty leviable for the time being on steel ingots produced in British India; or 10 per cent. <i>ad valorem</i>, whichever is higher.</p>	.."
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GOVERNMENT OF INDIA.
LEGISLATIVE ASSEMBLY
DEPARTMENT.

Report of the Select Committee on the Bill to provide for the modification and continuance of the protection afforded to the iron and steel industry in British India, and to impose an excise duty for revenue purposes upon certain steel ; with the Bill as amended.