

Sir Gordon Fraser: Is it not a fact that the value of raw hides has increased nearly 100 per cent. during the past 18 months, and that this result is entirely due to the legitimate laws of supply and demand, the main demand being for export, and that the export duty of 15 per cent. on the export of raw hides can very well be reintroduced?

The Honourable Sir Charles Innes: I believe that it is a fact that the price of raw hides has gone up in the last few months. But if that is so, I welcome that increase of price, because it shows that the trade, which had almost been killed, is beginning to revive; and as regards the Honourable Member's second part of the question, I suggest that the whole question was discussed in this House last March, and that the Honourable Member could have been present had he so desired.

Mr. R. K. Shanmukham Chetty: Are Government aware of the fact that, as a result of this reduction in the export duty, there is very great danger of the tanning industry in India being exterminated?

The Honourable Sir Charles Innes: I am not at all aware of that fact, Sir.

Mr. R. K. Shanmukham Chetty: I give it to the Honourable Member as a fact.

The Honourable Sir Charles Innes: I am afraid I cannot accept it from the Honourable Member.

Mr. R. K. Shanmukham Chetty: But whether the fact is correct or not, will the Honourable Member inquire?

EXPORT TRADE IN RAW HIDES AND SKINS.

896. ***Haji S. A. K. Jeelani:** (a) Is it a fact that Madras Presidency is the chief seat and centre of the tanning industry?

(b) Are the Government aware that those who are interested in the export business of raw hides and skins are foreign traders?

The Honourable Mr. A. C. Chatterjee: (a) The Madras Presidency is one of the chief centres of the tanning industry.

(b) No. Many Indian merchants are large shippers of raw hides and skins.

Sir Gordon Fraser: Are Government aware of the fact that the export trade in raw hides benefits only the middleman and the foreign consumer, to the very great detriment of an old established indigenous Indian industry?

The Honourable Mr. A. C. Chatterjee: No, Sir, I do not think that is exactly the fact.

Mr. R. K. Shanmukham Chetty: Are Government aware of the economic law that as far as possible, if raw products can be turned into manufactured articles in the country, they ought not to be allowed to be exported to other countries?

The Honourable Mr. A. C. Chatterjee: I think the statement of the Honourable Member is a little too wide.

Sir Gordon Fraser: Are Government aware of the fact that the only market in the world open to the tanning industry of Indian tanners of hides is Great Britain, and that all the other countries which import raw hides from India put a prohibitive duty on the tanned article to prevent importation into their countries?

The Honourable Sir Charles Innes: I am quite aware of those two facts, Sir, and that is one of the reasons why we put this export duty on raw hides, with a rebate in favour of Empire countries, and the result was that the English tanner took no greater proportion of our raw hides than before, and that, when the trade in our raw hides began to revive, Germany and the other continental countries again came into the market.

Sir Gordon Fraser: Is it not a fact that the reduced exports of raw hides during the year 1920-21 and 1921-22 were due not to the export duty but to the disorganization of the European markets?

The Honourable Sir Charles Innes: I agree, Sir, that the reduction in the export of raw hides was mainly due to the stagnation of the hide trade.

Sir Gordon Fraser: Is it not a fact that the reduction in the shipment of tanned hides during those years was due to the fact that the Home Government placed on the market a stock of something like 120,000 bales of tanned hides, and hence it was impossible for the Indian tanners to find a market in Great Britain for the output of their tanneries?

The Honourable Sir Charles Innes: I agree, Sir, that the stocks held by the British Government at the end of the war were the main cause why the Madras tanning industry was not in a flourishing condition in 1921-22; but I think if the Honourable Member will examine the statistics, he will find that the exports of tanned hides or semi-tanned hides (because the industry in Madras only half tans) are very nearly reaching the pre-war level, while exports of raw hides are still a long way below the pre-war level.

Mr. A. Rangaswami Iyengar: Are we to take it that the Government of India refuse to give the Madras tanning industry another chance of revival by the reimposition of this duty on export of hides?

The Honourable Sir Charles Innes: The Government of India at present, Sir, have no intention of making any proposals to the Legislature for increasing the export duty on raw hides.

EXPORT DUTY ON RAW HIDES AND SKINS.

897. ***Haji S. A. K. Jeelani:** (a) Will the Government be pleased to state on whose suggestion or with what aim an export duty of 15 per cent. *ad valorem* on the export of raw skins and hides began to be levied from the year 1921?

(b) Are the Government aware that after the imposition of that duty there had been a vigorous revival of the tanning industry in the Madras Presidency, specially in low class hides?

The Honourable Sir Charles Innes: (a) The export duty on raw hides and skins was imposed in 1919 in the hope of encouraging the tanning industry in India and of retaining within the Empire a key industry.

(b) If the Honourable Member will examine the statistics on this subject in the sea-borne trade returns which are in the Library, he will find that they do not bear out his contention; I will just give those statistics in view of what Mr. Shanmukham Chetty has said: The export of tanned hides in 1921 was 5,449 tons, and in 1922, 8,354 tons. In those two years, the export duty on raw hides was 15 per cent. In 1923 the export of tanned hides was 13,592 tons, and in nine months of that year the export duty was only 5 per cent.