M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1583 Press ~~Mis.~~

105-110.

Dated 8 8 1861.

Not to be folded or roughly handled

No. 109. Read the following Proceedings of the Board of Revenue, dated 8th July 1861, No. 3,593 :—

Read the following Reports on the effect of the present duty of 2 Rupees per Maund on the Export trade of the Presidency in Saltpetre :—

From Chairman of the Chamber of Commerce,	dated	8th	in Cons.	10th May 1861,	No. 2,855.
,, Collector of Sea Customs, Madras,	No.	149,	,, 8th	in Cons. 8th April	,, 2,177.
,, do.		192,	,, 26th	in Cons. 29th ,,	,, 2,624.
,, Collector of Nellore,		157,	,, 19th	,, 22nd June	,, 3,793.
,, Offg. ,, of Cuddapah,		46,	,, 25th	,, 29th April	,, 2,665.
,, Collector of Bellary,		66,	,, 2nd	,, 6th April	,, 2,129.
,, ,, of South Arcot,		87,	,, 25th	,, 28th June	,, 3,943.
,, ,, of Trichinopoly,		61,	,, 6th	,, 13th May	,, 2,928.
,, ,, of Madura,		125,	,, 6th	,, 13th May	,, 2,940.
,, ,, of Salem,		81,	,, 17th	,, 20th May	,, 3,108.
,, ,, of Coimbatore,		76,	,, 17th	,, 20th April	,, 2,455.
,, Messrs. Fischer and Co.			26th March	,, 3rd April	,, 2,040.

1. Resolved that the above papers be submitted to Government with reference to their Proceedings, No. 514, dated 6th March 1861, forwarding for report copy of a Despatch from the Secretary of State received from the Government of India regarding the effect of the present duty of 2 Rupees per maund on the export trade in Saltpetre.

2. The following abstract of the statement furnished by the Collector of Sea Customs exhibits the export trade of the Presidency in the above article for the past ten years, viz., from 1851-52 to 1860-61 up to the end of February, or two months less than the complete official year.

Years.	United Kingdom.			France.			Indian French Ports.			Calcutta.			Other Ports.			Total.		
	Tons.	Cwt.	Value.	Tons.	Cwt.	Value.	Tons.	Cwt.	Value.	Tons.	Cwt.	Value.	Tons.	Cwt.	Value.	Tons.	Cwt.	Value.
			Rs.			Rs.			Rs.			Rs.			Rs.			Rs.
1851-52.....	1,132	4	1,52,218	27	1	3,636	48	17	6,567	...	4	24	...	5	36	1,208	11	1,62,481
1852-53.....	564	13	75,889	233	5	32,019	1	11	231	...	...	... ...	2	19	432	802	8	1,08,571
1853-54.....	916	0	1,23,221	152	9	20,796	...	...	.....	...	...	... ...	1	3	170	1,069	12	1,44,187
1854-55.....	586	19	78,896	34	14	4,666	...	...	.....	...	...	... ...	...	2	15	621	15	83,577
1855-56.....	515	12	69,456	...	...	.....	...	...	.....	...	...	... ...	...	...	.....	515	12	69,456
1856-57.....	602	12	80,925	...	...	.....	...	...	.....	2	5	175	10	1	1,353	614	18	82,453
1857-58.....	437	4	58,759	6	18	926	...	...	.....	204	5	28,988	11	16	1,607	660	3	90,280
1858-59.....	659	13	88,595	137	1	18,421	...	...	.....	4	7	779	4	4	563	805	5	1,08,358
1859-60.....	105	11	14,190	85	2	11,438	...	...	.....	...	...	... ...	...	8	80	191	1	25,708
1860-61 to the end of February.	195	5	26,509	...	...	.....	...	...	.....	...	...	... ...	...	...	.....	195	5	26,509

3. It thus appears that the largest quantity exported in any one year was 1,208 tons 11 cwts. in the first year of the series, that the exports in the following seven years before the passing of Act X of 1860, which raised the duty to its present amount, fluctuated from 1,069 tons 12 cwts. to 515 tons 12 cwts.; and that the average annual export for the first eight years was 787 tons 5 cwts. In the year of the above Act coming into operation, the exports fell to 191 tons 1 cwt., and in the ten months of the following year they amounted to 195 tons 5 cwts.

4. The Chamber of Commerce and the Collector of Sea Customs, Madras, attribute this falling off to the high duty now levied, a continuance of which they believe will in a short time cause the native manufacture of the article for export to cease altogether, and their apprehensions appear, from the Reports of the Collectors of Nellore, South Arcot, and Salem, as well as from that of Mr. Fischer who is believed to be much concerned in the trade, to be well founded.

5. The restrictions on the transport, sale, &c., of saltpetre in consequence of the mutiny have probably had effect on its manufacture for export in Districts where the trade existed, as appears to have been the case in Nellore*, nevertheless, the decrease since the duty has been raised is marked as appears in the margin†. In Coimbatore, Bellary, Cuddapah, Trichinopoly, and Madura the Collectors report no falling off, but it must be observed that the manufacture in these Districts, with the exception of that belonging to Mr. Fischer in the last mentioned one, being intended for Home consumption, is not affected by a change in the rate of export duty.

Act 28 of 1857, G. O. Judicial Department, No. 1,540, dated 24th November 1857.

	Tons.	Cwt.	Qrs.
* Annual average from 1851-52 to 1855-56.	439	0	0
Do. do. from 1856-57 to 1860-61.	206	0	0
† Nellore 1859-60	253	0	0
,, 1860-61	79	0	0
South Arcot 1858-59	7	3	4
,, 1859-60	4	1	3
,, 1860-61	0	0	0

Salem, July 1859 to January 1860, No. of Licenses issued for the transport of saltpetre—254.
Salem, February 1860 to August 1860, No. issued—82.

6. From the Report of the Chamber of Commerce it appears that the backward state of the saltpetre trade of this Presidency in comparison with that of Bengal is to some extent owing to the very inferior article produced in this Presidency by the native process of manufacture, and that the high duty now imposed will certainly lead to destroy the trade altogether.

		Rs	A.	P.
At 2 Rupees per Indian Maund, 1 Ton	=...	54	7	1
,, 12 Annas Cwt. do.	=...	15	0	0
Old Tariff.				
At 14 Annas 5 Pice per Candy, 1 Ton	=...	4	0	0

7. The Collector of Sea Customs, Madras, recommends that the duty be reduced to 12 Annas per cwt. which is a little more than a quarter of the present rate and about four times that levied under the old tariff.

8. The considerations upon which the present rate was adopted could have had but little if any reference to the state of the trade here, for even had the exports stood at the average given in paragraph 3 above, the difference of Revenue gained would have been only Rupees 39,724, per annum as shown in the margin,* while that estimated for Bengal and Bombay appears to have been Rupees 16,43,000.

* Tons. Indian Maunds.	Rs.	Rs.
787 = 21,424,	× 2	=42,848
	A. P.	
787 = 21,424,	× 2 4	= 3,124
		39,724

9. Under the above circumstances, and as far as this Presidency is concerned, the Board cannot but deprecate the continuance of the present high duty which threatens to stop altogether the development of one of the natural resources of the country.

(A true Extract.)

(Signed) W. HUDLESTON, *Secretary.*

Ordered that the following letter be despatched.

No. 110. From J. D. SIM, Esq., Secretary to the Government of Fort Saint George, to the Secretary to the Government of India, Home Department, dated 8th August 1861, No. 1,583.

SIR,

1. With reference to your letter of the 18th February 1861, No. 335, I am directed by the Governor in Council to forward the accompanying report from the Board of Revenue regarding

Proceedings of the Madras Government, Revenue Department,
8th August 1861.

the effect of the recent enhancement of the rate of Customs duty on the export of Saltpetre from this Presidency.

2. The Board's letter is accompanied by reports from the Chamber of Commerce, the Collector of Sea Customs, a private Firm largely engaged in the manufacture of Saltpetre, and the Collectors of the Districts in which that article is chiefly made.

3. The restrictions on the transport, &c., of Saltpetre, consequent on the Mutiny, complicate the question under consideration, but the Governor in Council sees no reason to doubt the conclusion at which the Revenue Board have arrived, viz., that the present rate of duty threatens to destroy the export trade of Madras in this article.

4. It will be observed that the exports during the eight years previous to the change in the duty, ranged from about 1,200 to 500 tons, the average being 780 tons, and that on the imposition of the present duty they fell immediately below 200 tons. It will also be remarked that in the Districts of Salem, Nellore, and South Arcot, the production of the article is reported to have greatly fallen off, while little or no change has occurred in the other Provinces. The former are the Districts where the manufacture is chiefly for export, and the reduced production in them is very significant and can be attributed only to the high customs' duty. If the restrictions imposed since the Mutiny on traffic in Saltpetre were the sole or even chief cause of the falling off in the trade of this Presidency, their influence would have been felt equally in the Districts which manufacture for Home consumption, and not, as is now the case, in those only which produce for a Foreign market.

5. The Saltpetre manufactured in this Presidency is said by the Chamber of Commerce to be generally much inferior to that of Bengal, and hence the existing duty falls more heavily on the trade of Madras, being in the ratio of 33 per cent. on the value of the article.

6. The Governor in Council believes that a material reduction in the duty is necessary as regards this Presidency, and probably the rate proposed by the Collector of Sea Customs, viz., 12 Annas per cwt., is as much as the trade can bear. I am to add that this Government prefer a reduction of export duty to the indirect concession proposed by the late Mr. Wilson as an equivalent for the increase in that duty, viz., permission "subject to paying the duty, to turn "to profit the Salt which is necessarily made in the process." Any arrangement of this nature in this Presidency would be attended with considerable difficulty and expense in realizing the duty and preventing smuggling, and the simpler and better plan would obviously be to reduce the export duty itself.

Salt petre

Statement shewing the Quantity and Value of Salt Petre Exported from Fort Saint George during the last 10 Official Years.

Years	United Kingdom		Ceylon		France		Malacca Straits		Pegue		New South Wales		Hamburg		Calcutta		Mauritius		Rangoon		Indian French Ports		Travancore		Total	
	Tons.	Cst. Value	Tons.	Cst. Value	Tons.	Cst. Value	Tons.	Cst. Value	Tons.	Cst. Value	Tons.	Cst. Value	Tons.	Cst. Value	Tons.	Cst. Value	Tons.	Cst. Value	Tons.	Cst. Value	Tons.	Cst. Value	Tons.	Cst. Value	Tons.	Cst. Value
1851/52	1132	4 152218	5	33 27	1	3636															48	17 6567	3	1208	11	162481
1852/53	564	13 75889	2	13 390	233	5 32019									6	42							1	11 231		802	8	108571
1853/54	916	123221	8	65 152	9	20796									6	46	9	59								1069	12	144187
1854/55	586	19 78896			34	14 4666																	2	15		621	15	83577
1855/56	515	12 69456																								515	12	69456
1856/57	602	12 80925	5	32													9	16 13212	5	175						614	18	82453
1857/58	437	4 58759			6	18 926.1	13	241									10	3 1366204	5	28988						660	3	90280
1858/59	659	13 88595	4	2 548	137	1 18421									2	15					4	7 779				805	5	108358
1859/60	105	11 14190			85	2 11438																	8	80		191	1	25708
1860/61 To the end of Feby 1861	195	5 26509																								195	5	26509

Sea Customs House
Madras 8th April 1861
W E Oxon

J Mohan
Collector Sea Customs

Sydney 21st Feb 1856

Inclosure 2 in Desp 16

Statement
shewing the Quantity
and Value of Salt=
Petre Exported from
Fort St. George
during the last 10
official years—

R.D.

R.A. Copy Dft.
to Pbtt Ft. St. 8
by Boat. 8.

No. 1583.

I.

The Secretary to the Govern-
-ment of India
Home Dept.

Sir

With reference to
your letter of the 18th February
1861 No. 335 I am directed
by the Governor in Council
to forward the accompanying
report from the Board of
Revenue regarding the
effect of the recent en-
-hancement of the rate of
customs duty, on the
Export of saltpetre from
this Presidency.

2 The Board's letter
is accompanied by reports
from the Chamber of
Commerce

Commerce, the Collrs of Sea Customs, a private firm largely engaged in the manufacture of Saltpetre and the Collrs of the Districts in which that article is chiefly made.

3 The restrictions on the transport of Saltpetre, consequent on the Monopoly, complicate the question under consideration, but the Govt. sees no reason to doubt the ~~decision~~ conclusion at which the Revenue Board have arrived, viz that the present rate of duty threatens to destroy the export trade of Madras in this article.

4 It will be observed that the exports during the 8 years previous to the change in the duty ranged from about 1200 to 300 Tons – the average being 780 Tons – and that on the imposition of the present duty they fell immediately below 200 Tons. It will also be remarked that in the Districts of Salem, Nellore and South Arcot the production of the article is reported to have greatly fallen off, while little or no change has occurred in the other Provinces. The former are the Districts where the manufacture

is

is chiefly for ex-
port and the
reduced produc-
tion in ~~xx~~ these is very
significant and
can be attributed
only to the high
customs duty. If
the restrictions
imposed since
the mutiny on
traffic in salt-
petre were the
sole or even
chief cause
of the —

falling

falling off in the trade of
this Presidency, their
influence would have been felt
equally in the Districts
which manufacture
for home consumption
and not, as is now the
case, in those only which
produce for a foreign
market.

5 The salt petre
manufactured in this
Presidency is said by
the Chamber of Commerce
to be generally much
inferior to that of
Bengal and hence the
existing duty falls more
heavily on the trade
of Madras - being in
the ratio of 33 per cent
on the value of the
article

articles.

The Governor in Council believes that a material reduction in the duty is necessary as regards this Presidency and probably the rate proposed by the Collector of Sea Customs viz^h 12 annas per cwt. is as much as the Treaty can bear. The exports from this Presidency are however so small in comparison with those from Calcutta and Bombay, that other than local considerations must be regarded in determining the rate of duty.

I am to add however that this Government

Shall then be so

7

prefer a reduction of export duty to the indirect concession proposed by the late Mr Wilson as an equivalent for the increase in that duty - viz^h permission "subject to paying the duty, to turn to profit the salt which is necessarily made in the process" ~~and which hitherto has been wasted.~~

Any arrangement of this nature in this Presidency would be attended with considerable difficulty and expense in realising the duty and preventing smuggling and the simpler and better plan

plan would obviously
be to reduce the expor
duty itself. —

J. D. S

Fort St. Geo.
8 August 1861.

Revenue 1861 Departt.
Pro: of Govt. for August.

No. 1583.

To
The Secretary to the
Government of India
Home Departt.
Dy 8th August 1861.

From Dr. Dr. 29 April/62
C. No. 1383 in 29 May - 533/7

Forwarding to the Govt. of India a letter recommending a reduction in the rate of the Customs duty on the export of Salt petre from this Presidency.

No. 109 & 110.