

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	96 A.	~~Press~~	
		~~Mis.~~	<i>Plt</i>
Dated	February 18 61.		

Not to be folded or roughly handled

SEPARATE REVENUE.

No. 1.

FROM

THE RIGHT HON'BLE SIR CHARLES WOOD, *Bart., M.P.,*
Her Majesty's Secretary of State for India,

TO

HIS EXCELLENCY THE RIGHT HON'BLE EARL CANNING,
Govr. Genl. of India in Council.

MY LORD,

Dated London, the 9th January, 1861.

I TRANSMIT herewith, for the information of your Excellency in Council, copies of letters which have been addressed to me by the East India and China Association of Liverpool, and by Messrs. Brandram, Brothers, and Company, forwarding a Memorial signed by a considerable number of Merchants of London interested in the trade in Saltpetre, representing that injurious results have followed the increase of the Export duty under Act X of 1860, and soliciting that it may be reduced to its former amount; and also a letter from Messrs. Teschemacher and Smith, on the subject of the manufacture of artificial Saltpetre.

2. I have to request that you will take the matter into your consideration, and report to me the result with the least practicable delay.

I have, &c.,
(Signed) C. WOOD.

From L. M. WINKING, Esquire, Chairman to the East India and China Association, to the Right Hon'ble Sir CHARLES WOOD, M.P., &c. &c., dated Liverpool, the 14th December, 1860.

I AM requested by the Committee of this Association to bring under your notice, previous to the departure of Mr. Laing for India, the injurious effects which are likely to arise from the continuance of the high Export duty now imposed upon Saltpetre in India, amounting to 20 per cent on its first cost of production there;—the immediate consequence of which has been to check its production in Bengal, and to enhance the value in this country to an extent which offers a premium to its manufacture from the cheaper articles of Nitrate of Soda and Sulphate of Pot-Ash: and already contracts have been made in France where the substitute has been manufactured to supply large quantities at rates even lower than it can now be imported from India into this country, and which, if encouraged by the continuance of the existing Export duty, will probably supersede its production in India altogether.

The obvious effect of which will be to deprive the Merchant in this country of an important item of returns for British manufactures sent out to India; the Importer of the advantages of dealing in an article of such considerable consumption; and the Shipowner of a valuable amount of freight.

Under these circumstances, the Association respectfully submit for your favorable consideration, the policy and necessity of reducing the present Export

article, and which they think may assist the Council when giving their consideration to the matter.

COPY of a letter from Messrs. E. F. Teschemacher and J. Denham Smith, the Assayers of Saltpetre, regarding the position of manufactured Saltpetre, now so greatly coming into use, as compared with that of the Native product of India.

16, PARK TERRACE,
Highbury, London,
20th December, 1860.

MESSRS. BRANDRAM, BROTHERS, & CO.

GENTLEMEN,

PERMIT us to thank you for the opportunity you have given us of considering your letter to the Secretary of State for India.

It seems to us that the Memorialists occupy an unassailable position. They are running a race with the foreigner weighted with an impost, whether of export or import matters not, upon a raw material, from which the latter is free.

Had not this export duty on Saltpetre from India been levied, and had the foreign manufacturer been then enabled to compete successfully with the British Importer and Refiner, you would have had no just ground for complaint or remonstrance; then the competition would have been fair and equal; but if an export duty is to be paid in India, and no equivalent export duty on Saltpetre of foreign make is to be levied in our Ports, we maintain that the Indian and Home trade is subjected to an unjust surcharge upon a product, the regular and constant supply of which is essential to the defence of the empire.

Were Bengal or the Indian Peninsula the sole known sources of Saltpetre, duties might doubtless be levied on the raw material either at Calcutta and Bombay, or London and Liverpool, and the result would simply be a check to the consumption to the extent of the excess, and as India has hitherto been the principal source of Saltpetre, we can readily understand that Government, in sanctioning the levy of the existing export duty on this product, has acted on the belief that to India, and to India alone, the world can look for a supply of Saltpetre; whereas, as you point out, not only do other sources, and those foreign to the empire, exist in nature, but also that the result of levying a duty on, and thus raising the price of Saltpetre, apart from its cost of production and merchants' profits, is to create a new trade in the artificial article on the continent, and by the stimulus given to this trade by the imposition of the Indian duty injure, if not destroy, the trade in Saltpetre between this country and India.

To manufacture artificial Saltpetre, here or abroad, with Nitrate of Soda, as formerly at 17s. to 22s. per cwt. and Potash Salts at ordinary prices, with Bengal Saltpetre ruling at 23s. to 30s. per cwt., would not pay, or at any rate, be too close a trade for any to follow.

But let Alkali (Soda Ash) be comparatively dear, and wood, the chief fuel of the country, a state of things affording an abundant supply of Potash Salt from

the wood and sea-weed ashes (barilla, sal-de-varec, &c.), and which exists in France, the Channel Islands, and some parts of Germany, and add to this supply of the potash basis, Nitrate of Soda at 12s. to 15s. per cwt. with Bengal Saltpetre ruling from 36s. to 45s. per cwt., and you at once obtain the conditions under which the artificial production of Saltpetre becomes a most profitable trade. It so happens that this trade can be more profitably pursued on the continent than in these Islands, since not only has the foreign manufacturer from the wood and sea-weed ashes a much larger supply of the potash basis available for his use than can be procured by the English maker; but he has not, like his English rival, to contend to the same extent with another manufacture, that of Alum, for this potash basis, a trade which consumes large quantities of potash salt, and which is carried on in this country on a very large scale. Alum being the principal mordant used by the Calico Printers and Dyers.

Again, were a further and additional duty to be levied on Bengal Saltpetre, a corresponding rise in price must take place here followed by a gradual cessation of imports since it could no longer be profitably imported. Under such additional stimulus to the artificial production of Saltpetre, the produce of the Canadian and Russian forests, potashes and pearl ashes could be profitably employed in this manufacture, and the Indian production and trade in Saltpetre thus be utterly extinguished.

Thus, the Saltpetre duty not only tends to produce an artificial increase of the price of Saltpetre, and to disturb regular mercantile action, but it also acts as a direct bounty to the foreign maker of artificial Saltpetre in his favor, and against the Indian or English producer, importer and refiner, and this to the exact amount of the duty levied in India.

(Signed) E. F. TESCHEMACHER, AND
J. DENHAM SMITH.

BRANDRAM, BROTHERS, and COMPANY present their respectful compliments to Sir Charles Wood, and beg to send him an extract of a letter received by the last Mail from Calcutta, in reference to Saltpetre:—

Extract of letter dated Calcutta, 22nd November, 1860.

"Notwithstanding the advance in prices at home advised by Telegraph *via* Bombay, and the diminished shipments afloat, we still think that prices here are higher than circumstances appear to warrant, for it must be borne in mind that although the exports of Saltpetre to America have somewhat increased, the exports to France have virtually ceased. Not a maund has been shipped to that quarter since May. We are told and have reason to believe it to be the fact that the French Government now exclusively employ in their Powder Manufactories Saltpetre made from Nitrate of Soda and Sulphate of Potash,

"and that such can be produced much cheaper than Bengal Saltpetre. All this however, if true, is doubtless known to you already. But with this fact known as it appears to be in Calcutta, and the production of the article in this country going on as usual, we repeat that the prices now being paid are higher than the surrounding circumstances would seem to warrant.

"We may add here that we have brought under the notice of the Board of Revenue, the serious falling off in the exports to France, and the cause to which we attribute it, which seemed to be new to them, and it is not at all improbable that the enhanced rate of export duty, which was levied under the belief that India alone was the only source of supply of Saltpetre, will soon be modified if not entirely abolished."

They also beg to hand him an extract of a letter from Paris in reply to their inquiries respecting the contracts made by the French Government last month, for manufactured Saltpetre, and they at the same time obtained reliable information that the Manufactories, which had exclusively supplied the Government with Saltpetre by the old method of refining, have almost, if not entirely, ceased working.

Extract of a letter, dated Paris, 12th December, 1860.

"The contracts for the Government have just been taken here, and I believe the Contractors are Mr. Lemarchand of Lille for 800 tons, and Messrs. Boyer and Company of Javel for 500 tons."

They also beg to hand him statistics of Nitrate Soda.

Nitrate Soda, imported into the United Kingdom to 30th November, compared with same periods 1859 and 1858:

	Tons
In 1860	35,013
" 1859	23,593
" 1858	19,897

independent of Floating Cargoes, sold for the continent, amounting to about 3,000 tons during the last two months alone, showing the increase of consumption, and confirming the opinion as to the unlimited capability of production of this article in South America and at very small cost, as the price is less than one-third that of India Saltpetre. Present price in Warehouse £13 to £13-10 per ton.

General Department
N^o 239

Chief Office of the
Inspⁿ Genl M. Police
Madras, 26 Feb 1861

From, Lieut M W Carr
Personal Apt to the Inspⁿ
General Madras Police

To, C. G. Master Esq^r
Deputy Secretary to Govt.
in the Revenue Department

Sir, I shall feel obliged, if you will
furnish me with 2 copies more of the
Proceedings of Government of 7th
December 1860 N^o 2330.

I have the honor to be,

Sir,
Your most Obedt Serv^t

M. W. Carr Lieut
Per. Apt to the Inspⁿ Genl M. Police

Revenue 1861 Department
No: of Govt for February
from No 534

The Personal Agent to
the Chief Genl of the India

To The Deputy Secretary
to Government

Revenue Department

Dated 26th February 1861

Recd 27th Feb 1861

No 239

Applied for 2 Copies
of the Proceedings of Govt
No 2330 dated 7th Dec 1860

Wm. G. G. G.