M.R.O. 1—77,006—8-6-37.

(1) Number of pages 12

(2) Date of repair

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1140 Press / Mis.

Dated 21. 3. 1879.

Not to be folded or roughly handled

India Office,
London, 26th August 1875.

Revenue,
No. 43

To His Excellency The Right Honourable The Governor General of India in Council.

My Lord,

Para. 1. I forward herewith, for the consideration of your Excellency, a copy of a letter, dated the 28th of June last, from Mr. J. W. B. Money, in which he complains that, by the action of the Government of Madras, he and his partners have sustained substantial injury in their business as Cinchona growers on the Neilgherry hills, and offers "to "take over the existing Government gardens on the Neilgherries at the "amount of the unrecouped Government outlay thereon, on the terms "of the Neilgherry fee simple rules."

2. The object with which Her Majesty's Government undertook the introduction of the Cinchona plant into India, and encouraged its cultivation was, as your Excellency will be well aware, to place a cheap febrifuge within the reach of the people of the country, not to make a commercial profit by the sale of bark.

3. In a letter dated the 9th March last, the Madras Government, reviewing the results obtained from the manufacture of alkaloid at the Neilgherry plantations, state their opinion that it has been "conclu- "sively shown that the manufacture is being carried on at a very serious "loss to the public revenue," and they have accordingly directed that, for the present, it shall be wholly discontinued. I am aware that the officers charged with the management of the Cinchona plantations in Bengal are also making experiments in the manufacture, but I have not been yet informed of the result.

4. So far as an opinion can now be formed from the experience at Madras, and the general conditions under which the manufacture of alkaloids fit for medical purposes must be conducted, it seems at least possible that it will be found to be the most economical system to send the bark to England, and to have the manufacture conducted there. As regards the Madras plantations, this point is still under my consideration.

5. But, whatever the conclusions eventually come to as to the proper course to follow in dealing with the manufacture of alkaloids, it is a further question whether the knowledge of the conditions of climate, exposure, and culture, which are best adapted to develop the production of the alkaloids in the bark of growing plants, has been carried to such a point that it would be desirable to withdraw the plantations from the supervision of a chemist capable of ascertaining the results of varying methods of cultivation, &c., and to offer them for sale to private persons.

6. Under these circumstances, such a proposal as that made by Mr. Money must be carefully examined.

7. The information at my command is not sufficient to admit of my judging how far the free action of the Government is restricted, as he suggests, by any promise, express or implied, that it will not compete with private growers in the European market. In the absence of any obligations arising from such a cause, I have no ground for concluding that the time has yet come for selling the Government plantations.

8. I have, therefore, to request that, bearing these views in mind, your Excellency, after consultation with the Madras Government, will inform me, in the first place, whether, in your opinion, the Madras Government has entered into any such express or implied understanding as that suggested by Mr. Money, and further whether, in any part of the country, the growth of Cinchona may be considered to have passed beyond the reach of experiment, and to have attained a position in which it can be safely left to private enterprise. I should also be glad to receive your opinion on the particular proposal made by Mr. Money.

9. In adopting any conclusions on these matters, you should not fail to take into account the provisions of the Charter Act of 1833, so far as they relate to transactions that may come within the designation of commercial business.

I have the honour to be,

My Lord,

Your Lordship's most obedient humble Servant,

Signed Salisbury

ENCLOSURE.

6, Jermyn Street, London,
28th June 1875.

My Lord,

As I had the honour of personally explaining to you on the 10th instant, my partners and I are the only large private Chinchona growers on the Neilgherry Hills.

We were induced to buy the large tracts of land so planted from the Madras Government by their express public assurance that the Government Chinchona gardens on those hills would never be allowed to compete with private growers in the European market. The reasons given for that assurance were, the Government desire to see the beneficent Chinchona culture established permanently on the Neilgherries, independent of the Government enterprise, the admitted length of time before the culture could pay, and the fact that bark was, unlike tea or coffee, of but small consumption, the supply of which could soon exceed the demand.

It was announced, therefore, that the Government gardens on the Neilgherries would be exclusively employed in growing bark for the local preparation of a cheap febrifuge for the Indian dispensaries, and that private growers might profit by the Government experiments, but need not fear the competition of the Government bark in the open markets of Europe.

Up to the end of 1874 the Madras Government employed a quinologist, "Mr. Broughton," and a laboratory in working up, for the Madras dispensaries, the bark from the Government gardens.

In 1873 a moderate shipment was indeed sent to London for public sale. This, however, was admittedly for the purpose of ascertaining the value of Neilgherry bark in the English market as against the South American bark, for the information of private growers as well as of Government, and before there was yet any private Neilgherry bark in the European market. This exceptional shipment thus came within the rule of experiments for the benefit of the private as well as the Government growers, caused no injury to any one, and therefore led to no complaint or protest.

In 1874, however, the Madras Government, on inquiry, found that the febrifuge prepared from their bark by their quiniologist was not cheap, but really cost more than the best febrifuge bought in England and delivered in India. The quinologist was accordingly dismissed in December 1874, his establishment and works were broken up, and the buildings given over to the Government Superintendent for the general purposes of the culture and for drying the bark.

This cessor of the Government Factory led to fears that the Madras Government might infringe the assurances on which my partners and I had invested, in the ten years since 1864, about 40,000*l.* (forty thousand), without as yet obtaining any return whatever. Our first small crop of 1873 did not pay the expenses of 1873. Our second and larger crop of 1874 was our first chance of covering the 1874 expense, and of perhaps getting a small surplus for a tiny dividend on our 40,000*l.* of capital.

Our 1874 crop arrived in London from March till May 1875. A portion of that crop was sold at fair prices, and the remainder would probably have fetched similar rates, but that, at the beginning of May 1875, an advertisement appeared of the early sale of about 26,000 lbs. of Neilgherry bark from the Government gardens, and our bark at once became virtually unsaleable. The Government gardens being three or four years older than ours, their bark is riper and better than ours, and the quinine manufacturers' wants being already nearly supplied, this extra and unlooked-for quantity of superior bark was at once counted on to meet all deficiencies. Our agents' efforts to sell the rest of our

bark at adequate prices were useless, and we have since been obliged to sacrifice it at about half the former rate to avoid having to keep it, at heavy expense, till next winter.

Thus this infringement by the Madras Government of their assurances has caused us substantial injury.

The admitted necessity for Government to establish Chinchona gardens in India arose from the impossibility of expecting private enterprise to supply an adequate remedy against the speedy destruction of these beneficient trees in South America. It was then believed that Chinchona trees did not contain the febrifuge alkaloids in their bark till after they were 40 years old, and it was therefore not to be expected that the tree could be cultivated for private profit. This mistaken notion arose from the fact that in South America, where the tree grows wild in the tropical forests, it takes 40 years before the tree can pierce the dense canopy above it, and thus reach the open air and light. It is by the action of these on the leaves that the alkaloids are produced in the sap, before the sap on its return down the tree deposits them in the cellular tissue of the bark.

But on the Neilgherries, where the tree was cultivated in the open light and air from the beginning, the Government experiment soon showed that the alkaloids were already in the bark at six months old, and that the profitable produce therefore would be delayed, not for 40 years, but only till the tree at eight or nine years old was strong enough to bear the fatigue of being barked without injury.

Then, for the first time, it became likely that private enterprise might take up the culture, and, to encourage it, the Madras Government went even beyond the specific assurance above mentioned. It was intimated that, if the object were attained of ensuring mankind against the loss of this main remedy for the chief evil of tropical and uncultivated countries, Government would withdraw from the cultivation in favour of the private growers, as they did with the Government Assam tea cultivation, so far as this could be done without detriment to India, and with as little loss as possible to the public purse.

If the Government had succeeded in making their gardens supply India with a cheap febrifuge, this advantage to the suffering millions would not only have justified, but perhaps have required their retention of these gardens. In that case, however, they would not be competing with us in the European market.

But since this local cheap febrifuge is now admitted to be hopeless, and as our Chinchona area of about 1,200 acres makes it certain that the Neilgherries will yearly supply more and more febrifuge for humanity at a gradually decreasing price, all politic reasons are against the Madras Government any longer retaining these gardens as mere trading adventures, and to the injury of the private growers.

At the same time the practical effect on us of the Government competition makes any feasible sacrifice advisable to escape it.

I am willing to take over the existing Government gardens on the Neilgherries at the amount of the unrecouped Government outlay thereon. Much of that outlay was on unsuccessful experiments, and is therefore already lost, but this may be set against the interest on that part of the outlay which, as expended on successful experiments, has left useful results. I would take over the gardens on the terms of the Neilgherry fee simple rules.

Government thus has now an opportunity of closing this most glorious and successful effort for the good of mankind, with perfect certainty of having secured its continuously beneficial operation, and that without loss to the public purse.

I have, &c.,
(Signed) J. W. B. MONEY.

The Secretary of State
for India.

Ceu his 21 March 79

No 1140

No 1140

with reference to

letter to the Government of Ceylon

dated 14 March 79 No. 40

21 March 79.

403-79

Rev. Letters

Letter from Govt. India
Dept of Revenue
No 394 of 13-10-75:

It is believed that the enclosed printed Precis – which was written by the Under Secy, Mr Lowe Campbell, will place all be required in form for before he Govt – to enable it to come to a conclusion on the points mentioned by the Secy of State.

27/1/6

· Cinchona
Mr Money's Memorial.

I have already stated my opinion on this matter. The Secretary of State has no obligation to call for the offer made in simply invidious. The planters may sell their own 2/10 of the trees on unleased land

2/6

Better let me write to Mr Nash Mr Hulton

Revenue 1875 – Depte
No 4100
From
The Govt of India
Revenue &c Dept.

Dated 13th Oct 1875
Recd 20th.
No 394

Forwarding copy of a despatch from the Secretary of State & enclosure on the subject of Mr Money's representation regarding the injury caused to his business as Cinchona Planter on the Neilgherry Hills by the action of the Madras Govt.

Department of Revenue, Agriculture and Commerce,
Simla, the 13th October 1875.

No. 394 (Agriculture)

Copy of the Despatch and enclosure mentioned in the margin, forwarded to the Government of Madras for information.

By Order,

Under Secretary to the Govt of India.

Revd. 20 Oct.

c. w. July 77 R. H. Mar 77
Lt. to Mr. R. 30 Sept & R 2nd July

26-7-40 II

Endorsed on back of Letter

Letter of Remand
to the Georgia State.

Revenue Dept

Rec'd 21-3-79 with 1140.

No 1140

c.4: Lab/22 R.11: Brand/29
28/11/56 W.C. 11/12/56 R.C. 30: May 1756. R. 23 July 1772