M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 514	Press ~~Mis.~~
93-94	
Dated 6-3-1861.	

Not to be folded or roughly handled

No. 93. Read the following letter from W. GREY, Esq., Secretary to the Government of India (Home Department, Separate Revenue), to J. D. BOURDILLON, Esq., Secretary to the Government of Fort Saint George, dated Fort William, 18th February 1861, No. 335 :—

SIR,

I am directed to forward to you the accompanying copy of a Despatch from the Secretary of State and its enclosure, and to request that His Excellency the Governor in Council, after consultation with the Customs authorities and the Chamber of Commerce, will be so good as to furnish an early report as to the effect of the present duty of Rupees 2 a maund on the export trade in Saltpetre, and the expediency of any modification.

No. 1 of 1861, dated 9th January.

From the Right Honorable Sir CHARLES WOOD, Bart., M. P., Her Majesty's Secretary of State for India (Separate Revenue), to His Excellency the Right Honorable Earl CANNING, Governor General of India in Council, dated London, 9th January 1861, No. 1.

MY LORD,

1. 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.

From L. M. WINKING, Esq., Chairman to the East India and China Association, to the Right Honorable Sir CHARLES WOOD, M. P., &c. &c., dated Liverpool, 11th December 1860.

SIR,

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 duty on Saltpetre to the moderate rate at which it stood previous to the late augmentation by the Government of India.

Brandram, Brothers, and Company present their respectful compliments to Sir Charles Wood, and beg to hand him the enclosed document, with Statistics regarding Saltpetre from

India; which he will find has been signed by many most influential Merchants and others in London.

No. 17, *Sise Lane, E. C.*

To the Right Honorable Sir CHARLES WOOD, Bart., G. C. B., M. P.,
Secretary of State for India.

RIGHT HONORABLE SIR,

We, the undersigned Refiners, Consumers, Importers, and Exporters of Saltpetre, the produce of India, think it necessary to acquaint you that the consumption of this article is being materially interfered with, in consequence of the high price, which is largely brought about by the Export duty recently imposed upon it in India, and by the rumour that there is to be a further increase.

Under these circumstances, we beg to point out to you the fact that the French and other Governments have, for some time past, been using as substitute an artificially manufactured article; consequently interfering with this staple from India, and a very important trade here; and, at the same time, giving encouragement to the produce of South America, to the loss of our own Colonies. This matter has been prominently brought before our notice at the present moment by the actual purchase of 460 tons of this manufacture by the Sardinian Government, from a French house in Paris, which would otherwise have been drawn from the supplies from India.

We therefore beg to submit to you the necessity of an immediate reconsideration of the subject of the duty, as we are certain that this Indian staple cannot maintain its position in the face of this increasing new process of manufacture.

In presenting these facts to your notice, and to which we could add much in detail, we should be glad to wait upon you at any time you might appoint, which, we venture to suggest, might be desirable before the departure of the Right Honorable the newly appointed Minister of Finance for India.

We have the honor to be,
Right Honorable Sir,
Your most obedient,
and humble Servants,
(Signed) BRANDRAM, BROTHERS & Co.,
AND 40
Other Firms of London.

No. 17, SISE LANE, E. C.
15*th December* 1860.

Statistics of Saltpetre.

Imports into London to 5th December.

1860	1859	1858	1857	1856
11,810	17,330	9,360	16,328	14,651 tons.

Consumption including Exports, to December 5th.

1860	1859	1858	1857	1856
11,949	16,349	13,148	11,607	15,913 tons.

Total Exports from Calcutta, 12 months ending November 30th.

1859	1858	1857	
18,804	13,768	15,183	To Great Britain.
494	1,318	1,780	France.
7,235	6,402	8,903	America.
26,533	21,488	25,866 tons.	

Total Exports from Calcutta first 9 months of this year as compared with last year.

1860	1859	
8,589	13,597	To Great Britain.
20	529	France.
6,114	5,978	America.
857	1,476	China.
15,780	21,580 tons.	

The foregoing statistics show that the consumption, notwithstanding the war in Italy this year, has fallen off to the extent of 4,100 tons, although the price has ruled on the average £2 and £3 per ton lower.

It will also be observed that the exports from Calcutta to France, which in 1857 amounted to 1,780 tons, and in 1858 to 1,318 tons, fell off in 1859 to 494 tons, and this year the quantity shipped is only 20 tons, while the total exports to all parts for the first nine months of this year, exhibit a falling off of 5,800 tons, as compared with the same period last year.

The quantity also from Bombay has been less than half, while from Madras the export has almost entirely ceased.

A small shipment has come in from Japan of very good quality, and more may be expected. It is also stated on good authority that Saltpetre may be looked for from the Brazils on the completion of one of the railways now in progress, samples of very good quality having been already received and analyzed.

These facts all tend to prove the injurious effects of the new duty in enhancing the price, and thereby encouraging the manufacture of the new substitute.

17, *Sise Lane*, 31*st December* 1860.

Brandram Brothers, and Company present their respectful compliments to Sir Charles Wood, and beg to acknowledge the receipt of his letter of the 28th instant, informing them of the safe receipt of the document on the subject of Saltpetre, and they beg now further to send him a copy of a letter they have received from Messrs. Teschemacher and Smith, the well known Assayers of the 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,
20*th 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 17*s.* to 22*s.* per cwt. and Potash Salts at ordinary prices, with Bengal Saltpetre ruling at 23*s.* to 30*s.* 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 12*s.* to 15*s.* per cwt. with Bengal Saltpetre ruling from 36*s.* to 45*s.* 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 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 manufature, 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 *vid* 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 Contrac-"tors 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.

No. 94. ORDER THEREON, 6th March 1861, No. 514.

Referred to the Board of Revenue for early report after communication with the Chamber of Commerce.

(Signed) C. G. MASTER,
Deputy Secretary to Government.

From
W. Grey Esq.
Secy to the Govt of Ceylon
To
J. D. Bourdillon Esq.
Secretary to the Govt of
Sc. St George
Dated Fort William the 18 February
1861

Home Dept
Sept 6 Rec.
No 10/1861 of 9 Jany

Sir, I am directed to forward to you the accompanying copy of a despatch from the Secretary of State and its inclosure, and to request that His Excellency the Governor in Council, after consultation with the Customs authorities and the Chamber of Commerce, will be so good as to furnish an early report as to the effect of the present duty of 1/2 a maund on the Export trade in Salpetre, and the expediency of any modification.

I have the honor to be,
Sir,
Your most obedt Servt

Secy to the Govt of Ceylon

Revenue 1861 Sept.
Pro: of Govt for March.
No 534

From

The Secy to the Govt of India —

Dated 18th February
Rec'd 27th " 1861 —
1 Inclosure — No 335.
× not sent to Revn Office

Forward copy of a Home Despatch and call for an early report as to the effect of the present duty of 10 p. 2 a Maund on the Export trade in Saltpetre and the expediency of any modification

His Ov. 13. April 1861 No 7.
Vide Mems 705 of 61.
No 514. 6th March
Mem order

From Bd of Revn 8 July 61
No 1623 in Prov. 8. Aug.
No 1583

No 93 & 94.

No 514

Reported to the Board of Revenue for early Report after communication with the Chamber of Commerce

Fort St George, 6th March 1861. C of CD

13 Copies
To the Board of Revenue. Dis 27