

REPORT

OF THE

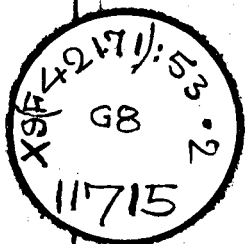
Indian Tariff Board

REGARDING THE

GRANT OF PROTECTION TO THE

MAGNESIUM CHLORIDE
INDUSTRY

(including the evidence recorded
during the enquiry)



DELHI: MANAGER OF PUBLICATIONS
1938

Price Rs. 1-6 or 2s.

No.....

LIBRARY

REPORT

OF THE

Indian Tariff Board

REGARDING THE

GRANT OF PROTECTION TO THE MAGNESIUM CHLORIDE INDUSTRY

(including the evidence recorded
during the enquiry)



DELHI: MANAGER OF PUBLICATIONS
1938

List of Agents in India from whom Government of India Publications are available.

(a) PROVINCIAL GOVERNMENT BOOK DEPOTS.

MADRAS :—Superintendent, Government Press, Mount Road, Madras.
BOMBAY :—Superintendent, Government Printing and Stationery, Queen's Road, Bombay.
SIND :—Manager, Sind Government Book Depot and Record Office, Karachi (Sadar).
UNITED PROVINCES :—Superintendent, Government Press, Allahabad.
PUNJAB :—Superintendent Government Printing, Punjab, Lahore.
CENTRAL PROVINCES :—Superintendent, Government Printing, Central Provinces, Nagpur.
ASSAM :—Superintendent, Assam Secretariat Press, Shillong.
BIHAR :—Superintendent, Government Printing, P. O. Gulzarbagh, Patna.
NORTH-WEST FRONTIER PROVINCE :—Manager, Government Printing and Stationery, Peshawar.
ORISSA :—Press Officer, Secretariat, Cuttack.

(b) PRIVATE BOOK-SELLERS.

<p>Advani Brothers, P. O. Box 100, Cawnpore. Aero Stores, Karachi.* Banthiya & Co., Ltd., Station Road, Ajmer. Bengal Flying Club, Dum Dum Cantt.* Bhatia Book Depot, Saddar Bazar, Rankhet. Bhawnani & Sons, New Delhi. Bombay Book Depot, Charni Road, Girgaon, Bombay. Book Company, Calcutta. Booklover's Resort, Taikad, Trivandrum, South India. Burma Book Club, Ltd., Rangoon. Butterworth & Co. (India), Ltd., Calcutta. Careers, Mohini Road, Lahore. Chatterjee & Co., 3, Bacharam Chatterjee Lane, Calcutta. Chakraverty, Chatterjee & Co., Ltd., 13, College Square, Calcutta. City Book Club, 98, Phayre Street, Rangoon. Das Gupta & Co., 64/8, College Street, Calcutta. Dastane Brothers, Home Service, 456, Raviwar Peth, Poona 2. Delhi and U. P. Flying Club, Ltd., Delhi.* English Book Depot, Ferozapore. English Book Depot, Taj Road, Agra. English Bookstall, Karachi. English Bookstores, Abbottabad, N.-W. F. P. Fakir Chand Marwah, Peshawar Cantt. Fono Book Agency, Simla. Gautama Brothers & Co., Ltd., Meston Road, Cawnpore. Higginbothams, Madras. Hindu Library, 137/F, Balaram De Street, Calcutta. H. L. College of Commerce, Co-operative Stores, Ltd., Almedabad. Hyderabad Book Depot, Chaderghat, Hyderabad (Deccan). Imperial Book Depot and Press, near Jama Masjid (Machhli-walan), Delhi. Indian Army Book Depot, Dayalbagh, Agra. Indian Book Shop, Benares City. Indian School Supply Depot, Central Avenue, South, P. O. Dharamtala, Calcutta. Insurance Publicity Co., Ltd., Lahore. International Book Service, Poona 4. Jacques & Co., Kamptee Road, Nagpur, Messrs. Neston. Jaina & Bros., Mori Gate, Delhi and Connaught Place, New Delhi, Messrs. J. M. Kamala Book Depot, 15, College Square, Calcutta. Karnataka Publishing House, Bangalore City. Keale & Co., 65, Britto Road, Karachi (Sadar). Keehao Bookstall, Khadibazar, Belgium. Kitabistan, 17-A, City Road, Allahabad. Krishnaswami & Co., Teppakulam P. O., Trichinopoly Fort, Messrs. S. Lahri & Co., Calcutta, Messrs. S. K. Local Self-Govt. Institute, Bombay. London Book Co. (India), Arbab Road, Peshawar, Murree, Nowahera and Rawalpindi.</p>	<p>Mackwin & Co., Booksellers, Stationers and News Agents, Inverarity Road, off Elphinstone Street, Karachi (Sadar). Malhotra & Co., Post Box No. 94, Lahore, Messrs. U. P. Malik & Sons, Sialkot City. Mathur, B. S., Book-seller, Civil Lines, Jodhpur. Minerva Book Shop, Anarkali Street, Lahore. Modern Book Depot, Bazar Road, Sialkot Cantonment and Napier Road, Jullunder Cantonment. Mohanalal Dossabhai Shah, Rajkot. Mohendra Bros., Laskar, Gwalior State, Messrs. Nandkishore & Bros., Chowk, Benares City. New Book Co. "Kitab Mahal", 192, Hornby Road, Bombay. Newman & Co., Ltd., Calcutta, Messrs. W. Oxford Book and Stationery Company, Delhi, Lahore, Simla, Meerut and Calcutta. Parikh & Co., Baroda, Messrs. B. Pioneer Book Supply Co., 20, Shib Narayan Das Lane, Calcutta, and 219, Cloth Market, Delhi. Popular Book Depot, Grant Road, Bombay. Punjab Religious Book Society, Lahore. Raghunath Prasad & Sons, Patna City. Ram Krishna Bros., Opposite Bishrambag, Poona City. Ram Narain Lal, Katra, Allahabad. Rama Krishna & Sons, Book-sellers, Anarkali, Lahore. Ramesh Book Depot & Stationery Mart, Kashmir Gate, Delhi. Ray & Sons, 43, K. & L. Edwardes Road, Rawalpindi, Murree and Peshawar, Messrs. J. Roy Chowdhury & Co., 72, Harrison Road, Calcutta, Messrs. N. M. Saraswati Book Depot, 15, Lady Hardinge Road, New Delhi. Sarcar & Sons, 15, College Square, Calcutta, Messrs. M. C. Sarkar & Co., Ltd., 6, Hastings Street, Calcutta, Messrs. P. C. Sharsada Mandir, Ltd., Nai Sarak, Delhi. Standard Book Depot, Lahore, Dalhousie and Delhi. Standard Bookstall, Karachi. Standard Bookstall, Quetta. Standard Law Book Society, 69, Harrison Road, Calcutta. Tara & Sons, Rasmak (India), Messrs. B. S. Taraporevala Sons & Co., Bombay, Messrs. D. B. Thacker & Co., Ltd., Bombay. Thacker, Spink & Co., Ltd., Calcutta and Simla. Tripathi & Co., Book-sellers, Princess Street, Kalbadevi Road, Bombay, Messrs. N. M. University Book Agency, Kachari Road, Lahore. Upper India Publishing House, Ltd., Literature Palace, Ammuddaula Park, Lucknow. Varadachary & Co., Madras, Messrs. P. Venkatasubban, A., Law Book-seller, Vellore. Wheeler & Co., Allahabad, Calcutta and Bombay, Messrs. A. H. Young Man & Co., Egerton Road, Delhi.</p>
--	--

* Agents for publications on Aviation only.

X9(F42171): 53 . 2
G8
11715

Personnel of the Board.

President . Sir Geoffrey Bracken, K.C.I.E., C.S.I., I.C.S.
Member . Mr. Fazal Ibrahim Rahimtoola.
Secretary . Rai Sahib H. C. Sen.

TABLE OF CONTENTS.

REPORT.

PARA.	PAGE.
1. Terms of reference	1
2. Application for continuance of protection	1
3. Previous enquiries	2
4. Uses of magnesium chloride and derivative products	3
5. Magnesium chloride factories	3
6. Cost of production at Kharaghoda factory	4
7. Cost of production at Okha Salt Works	8
8. Export of magnesium chloride	9
9. Quality of Indian magnesium chloride	10
10. Future costs	10
11. Fair selling price	10
12. Market for magnesium chloride	11
13. Foreign competition	12
14. Measures of protection required	14
15. Burden on the consumer	14
16. Possibility that protection may ultimately be dispensed with	14
17. Conclusion	15

APPENDICES.

APPENDIX A.—Note on the process of manufacture of Magnesium Chloride	16
APPENDIX B.—Note on the products obtainable from "Bitterns"	18

EVIDENCE.

1. Government of India, Department of Commerce, Resolution No. 199-T. (1)/37, dated the 18th December, 1937	21
2. Press communiqué issued by the Tariff Board on the 29th December, 1937	22
3. Questionnaire issued by the Tariff Board	23
4. Pioneer Magnesia Works—	

A.—WRITTEN.

(1) Letter dated the 3rd January, 1938, inviting attention to two important matters, referred to, in the informal conversations	29
(2) Letter dated the 7th January, 1938, from the Tariff Board enquiring the names of importers and other manufacturing works	30
(3) Letter dated the 10th January in reply to Tariff Board letter dated the 7th January, 1938	30
(4) Circular letter No. 64, dated the 13th January, 1938, to all manufacturers and importers, forwarding a copy of the Questionnaire	31
(5) Letter dated the 2nd February, 1938, forwarding replies to Questionnaire	31

	PAGE.
(6) Letter dated the 22nd February, 1938, forwarding copies of correspondence with the Engineer, Public Works Department, Bombay and Superintendent, Government Test House, Alipore	72
(7) Letter dated the 15th March, 1938, forwarding further information and supplementary statement	73
(8) Letter dated the 25th March, 1938, submitting supplementary statements asked for during oral evidence	76
(9) Test certificates given by the Government Test House, Alipore, to the Pioneer Magnesia Works	82
(10) Letter dated the 25th March, 1938, from the Pioneer Magnesia Works to the Government Test House, Alipore, regarding Test Certificates and use of magnesium chloride for oxy-chloride composition flooring	85
(11) Letter dated the 7th April, 1938, from the Tariff Board enquiring the cost figures of Okha Factory for 1937	85
(12) Letter dated the 9th April, 1938, enclosing a letter from the utilisation officer of the Forest Research Institute, Dehra Dun, regarding a new possible use of magnesium chloride as a fire-proof paint and further correspondence with the Government Test House, Alipore, regarding the Oxy-chloride Composition Flooring problem	85
(13) Letter dated the 13th April, 1938, from the Tariff Board requesting to send the Balance Sheet for 1937	88
(14) Letter dated the 13th April, 1938, from the Tariff Board regarding the production of the Kuda Salt Works	88
(15) Letter dated the 19th April, 1938, forwarding the production figures of Kuda Salt Works from 1932 to 1937	88
(16) Letter dated the 19th April, 1938, from the Tariff Board requesting to furnish the Board with the price realised for Magnesium Chloride at Bombay, quantity proportion of Magnesium Chloride sent to Bombay in wagon loads and in lose lots, average net realised price ex-Mill for 1937 and the combined cost of both the Works for 1937	89
(17) Letter dated the 20th April, 1938, submitting information required in Tariff Board letter dated the 19th April, 1938	89
(18) Letter dated the 22nd April, 1938, from the Tariff Board inviting attention to the apparent discrepancy in the charges for railing to mills in Bombay	89
(19) Letter dated the 25th April, 1938, explaining the details required in Tariff Board letter dated the 22nd April, 1938	90
(20) Letter dated the 27th April, 1938, from the Tariff Board inviting attention to the apparent discrepancy in the cost of transport and handling in Bombay	90
(21) Letter dated the 29th April, 1938, explaining the point raised in Tariff Board letter dated the 27th April, 1938	90
(22) Letter from the Pioneer Magnesium Works, to the Superintending Engineer, Public Works Department, regarding the use of Magnesium Chloride for dust laying and road watering purposes	91
(23) Letter dated the 3rd May, 1938, submitting the quantities of magnesium sulphate and magnesium carbonate manufactured in the two factories since manufacture started	92

	Page.
(24) Letter dated the 4th May, 1938, submitting in amplification of the previous remarks the production figures of magnesium sulphate and magnesium carbonate at both factories	92
(25) Letter dated the 3rd September, 1933, from Messrs. J. C. Engineer & Co., to the Pioneer Magnesia Works inviting attention to the low price at which the Japanese material is offered	93
(26) Letter dated the 26th September, 1933, from Messrs. Khatan Valabhdas & Co., to the Ahmedabad Jupiter Spinning, Weaving and Manufacturing, Ltd., regarding the cheap price at which magnesium chloride was offered	93
(27) Letter dated the 21st May, 1938, acknowledging receipt of all confidential and original letter submitted to the Tariff Board for information	94
 B.—ORAL. 	
Evidence recorded on the 17th March, 1938	95
 5. Local Governments—	
(1) Circular letter enclosing a copy of the questionnaire dated the 12th January, 1938, from the Tariff Board, to all Local Governments for an expression of their views	112
(2) Letter dated the 5th March, 1938, from the Government of Bengal, Agriculture and Industries Department, submitting their views on the effect of the protective duties on Magnesium Chloride on other industries	112
(3) Letter dated the 7th March, 1938, from the Government of the United Provinces, Industries Department, regarding manufacture and consumption of magnesium chloride in the United Provinces	112
(4) Letter dated the 5th February, 1938, from the Secretary to Government, Punjab, Electricity and Industries Department commenting on the consumption and uses of Magnesium chloride in the Province	112
(5) Letter dated the 5th February, 1938, from the Government of Bombay, General Department, forwarding a note explaining the importance of the industry	113
(6) Letter dated the 5th March, 1938, from the Chief Secretary to the Government of Sind, submitting their views on the protective duties on magnesium chloride	114
(7) Letter dated the 26th February, 1938, from the Government of Madras, Development Department, enclosing a note prepared by the Director of Industries	115
(8) Letter dated the 7th March, 1938, from the Tariff Board to the Collector of Salt Revenue, Bombay, requesting to submit figures of total production of Magnesium Chloride and other by-products for the last six years	116
(9) Letter dated the 11th March, 1938, from the Collector of Salt Revenue, Bombay, submitting information asked for in Tariff Board letter dated the 7th March, 1938	116

	PAGE.
6. Director General of Commercial Intelligence and Statistics—	
(1) Letter dated the 7th January, 1938, from the Tariff Board requesting to supply with information regarding manufacture of Magnesium Chloride in foreign countries and the quality and price of Indian Magnesium Chloride imported into the United Kingdom as compared with the Magnesium Chloride imported from other countries	117
(2) Letter dated the 24th January, 1938, forwarding a note on the Magnesium Chloride industries in foreign countries and its prices	117
(3) Letter dated the 25th April, 1938, forwarding a copy of memorandum regarding the manufacture of Magnesium Chloride in the United States of America, and an extract from the letter received from the Director of Customs Excise and Trade, Haifa, Palestine in regard to the industry in that area	118
7. High Commissioner for India, London—	
(1) Letter dated the 6th January, 1938, from the Tariff Board requesting to supply with information regarding manufacture of Magnesium Chloride in foreign countries and the quality and price of Indian Magnesium Chloride imported into the United Kingdom as compared with the Magnesium Chloride imported from other countries	119
(2) Letter dated the 24th February, 1938, forwarding a note prepared by the Mineral Adviser to the High Commissioner on the subject mentioned in Tariff Board letter dated the 6th January, 1938	120
8. Collectors of Customs—	
(1) Letter dated the 6th April, 1938, from the Tariff Board, to the Collectors of Customs, Calcutta, Bombay, Madras and Karachi, requesting to furnish the Board with information as to the c.i.f. prices of Magnesium Chloride	121
(2) Letter dated the 29th April, 1938, from the Collector of Customs, Calcutta, furnishing information with regard to c.i.f. prices of Magnesium Chloride	121
(3) Letter dated the 21st April, 1938, from the Collector of Customs, Bombay, furnishing information with regard to c.i.f. prices of Magnesium Chloride	121
(4) Statement showing the imports and c.i.f. prices of Magnesium Chloride, submitted by the Collector of Customs, Madras	122
(5) Letter dated the 26th April, 1938, from the Collector of Customs, Karachi, furnishing information with regard to import and c.i.f. price of Magnesium Chloride	122
(6) Letter dated the 25th April, 1938, from the Tariff Board to the Collector of Customs, Bombay, requesting to furnish with the information regarding landing charges of the imported articles and the charges incurred in transporting to Mills in Bombay if delivery is given free at the Mills	122

	PAGE.
(7) Letter dated the 27th April, 1938, from the Collector of Customs, Bombay, in reply to Tariff Board letter dated the 25th April, 1938	123
(8) Statement showing total imports and value of Magnesium Chloride during 1935-36, 1936-37 and during the period April, 1937, to February, 1938, supplied by the Collector of Customs, Bombay	123
9. Railway Board, New Delhi—	
(1) Letter dated the 8th January, 1938, from the Tariff Board requesting to supply the Board with information about the suitability of Magnesium Chloride for (1) composition flooring, (2) and (3) basement floors and flooring of railway wagons	123
(2) Letter dated the 4th March, 1938, from the Deputy Director, Railway Board, forwarding a letter dated the 24th February, 1938, from the Agent, Great Indian Peninsula Railway, with regard to basement of floor and flooring of railway carriages and wagons	124
10. Chambers of Commerce and Textile Associations—	
(1) Letter dated the 12th January, 1938, from the Tariff Board enclosing a copy of the Questionnaire for an expression of the views of the Associations concerned	125
(2) Letter dated the 24th February, 1938, from the Indian Chamber of Commerce, Calcutta, offering their comments on some of the Questionnaire	125
(3) Letter dated the 22nd March, 1938, from the Marwari Chamber of Commerce, Calcutta, setting forth the reasons for the continuance of protection to Magnesium Chloride industry	125
(4) Letter dated the 10th February, 1938, from the Indian Merchants' Chamber, Bombay, expressing the views of the Committee on the question of protection to Magnesium Chloride industry	126
(5) Letter dated the 17th February, 1938, from the Association of Indian Industries, Bombay, setting forth the reasons for the continuance of protection to Magnesium Chloride industry	127
(6) Letter dated the 28th January, 1938, from the United Provinces Chamber of Commerce, Cawnpore, regarding the continuation of protection to Magnesium Chloride industry	128
(7) Letter dated the 7th February, 1938, from the Bengal Millowners' Association, Calcutta, submitting their views on the continuance of protection to Magnesium Chloride industry	128
(8) Letter dated the 1st February, 1938, from the Millowners' Association, Bombay, submitting their views on the continuance of protection to Magnesium Chloride industry	129
(9) Letter dated the 4th February, 1938, from the Millowners' Association, Ahmedabad, expressing their general views on the question of further protection to the Magnesium Chloride industry	129

	Page.
(10) Letter dated the 7th March, 1938, from the Tariff Board, to the Millowners' Association, Bombay, Ahmedabad and Calcutta, enclosing a statement showing the various chemicals used in the manufacture of certain cloths and inviting an expression of their views whether these estimates may be treated as reasonable under present conditions	130
(11) Letter dated the 7th April, 1938, from the Millowners' Association, Bombay, in reply to Tariff Board letter dated the 7th March, 1938	130