

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1938

Press
Mis.

91-92

Dated

7. 10 - 1861.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
7th October 1861.*

No. 91. Read the following letter from Captain H. R. MORGAN, Officiating Conservator of Forests, to J. D. SIM, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated Madras, 18th June 1861, No. 514:—

SIR,

1. In accordance with the Order of Government, No. 1,013 of 10th May 1861, I have the honor to report on the general condition of the Trenomallay jungles, and the effect, which compliance with the application of the Iron Company is likely to have on them.
2. The demand for wood by the Iron Company is equal to 3,000 bandy loads monthly, a tax of 5 Annas a bandy load would be equal to nearly 12,000 Rupees annually.
3. The effect of the cutting has been to leave nothing but scrub jungle for a radius of six miles around Trenomallay, all trees of any size having been cut, and year by year the radius is increased.
4. The wood cut is not of a valuable kind, in fact only suitable for firewood, and as there is no great general demand, I would recommend, that the Iron Company compound for their firewood by an annual payment of Rupees two thousand.
5. A small Establishment similar to the one already established at Sheally for replanting certain favourable sites with quick growing trees might be kept up by the Collector.

No. 92. ORDER THEREON, 7th October 1861, No. 1,938.

1. The Governor in Council is pleased to grant the Iron Company the privilege of cutting fuel in the Trenomallay Taluq of South Arcot, on the terms specified in paragraph 5 of G. O. 24th December 1860, No. 2,511.
2. The Agents of the Company will be requested to state when the Company are likely to be in a position to fulfil the promise made at the end of paragraph 6 of Mr. Burgess' letter to Mr. Magla, dated 3rd October 1860.
3. Captain Morgan will state whether he can provide for the small Establishment recommended in paragraph 5 of his letter out of his Budget allotment.

(Signed) J. D. SIM,
Secretary to Government.

Maylor

... their opinion was also

Memorandum.

Indian Iron and Steel Company.

(1825)

Page 1 of Blue Book

* It would appear ^{however} that he re-
signed the service, before, or
about the time, he embarked
on the undertaking. Mr. Rost
Mr. Gul, Surgeon General of the
Infirmary, and even members
of the Civil Service were per-
mitted to hold shares.

Page 3. (Sept/33).

1. From the papers printed in
the Parliamentary Blue Book, it would
appear that the Indian (or Porto Novo)
Iron and Steel Company originated with
a Mr. J. M. Heath of the Madras Civil
Service, who submitted his scheme for
establishing iron works in this country,
for the purpose of manufacturing iron
of that description which is required for
making steel, in the beginning of 1825.
A committee composed of Lt. Col. Cullen,
Mr. J. Dent (the Principal Clerk of S. Arcot) and
Lt. Col. Walpole, associated with Mr. Heath
himself and Mr. J. Braddick (the Survey
Master), repaired to Porto Novo to examine
and report upon the iron works which
Mr. Heath had experimentally established,
and they found after instituting two ex-
periments that there was every probability
of success, their experiments having been
conducted on a large scale, embracing the
process of smelting, puddling, and beating
out into bars. Their opinion was also favorable

as to the practicality, of obtaining a sufficiency of material (Ore & Fuel) at a reasonable rate. The deposits of Ore in the Salem district, within a few miles of the Cauvery, whence these supplies were drawn, and which furnished water carriage to the works during 6 months, were said to be liberally inexhaustible, while there was no reason to apprehend that supplies of fuel would fail for years to come. As to the manufacture, Mr. Heath was confident he could turn out bar iron equal to Swedish steel iron, to the extent of 4000 tons yearly, and at an expense of 12£ sterling per ton deliverable in England; and supposing that the article realized only 25£, or even 18£ per ton, a clear profit of 100 per cent or 40,000 was expected in the former case, or 50 per cent or 20,000 in the latter case. As to capital, the Govt was to contribute 3,00,000 Rs, which with the money to be subscribed by private individuals aggregated a total of 5,20,000 Rs, exclusive of the 1,50,000 Rs laid out on the lands, premises, and stock at Porto Novo.

2. To carry out the enterprise, the Govt ^{granted} the Iron Company the exclusive privilege

* Of this sum 1 lac was to be ^{to compensate} appropriated to Mr. Heath's debt with the firm of Alexan. & Co of Calcutta, and was to liquidate certain urgent private debts, to be repaid hereafter by the Iron Company with interest.

Page 6 (1834).

* Subject to the payment of rent or royalty.

page 9 (1837).

of raising iron ores within the districts of Salem, Cinnabatur, S. Arcot, Malabar, and Canara, and Chrome ores within the district of Salem, and exporting the same therefrom (saving the existing rights of the natives) and of the exclusive privilege of cutting fuel in certain Taluqs of Tanjore, Trichinopoly, and South Arcot. In 1837, however, we find that in consequence of unexpected difficulties, the anticipation of the shareholders of large returns had been entirely disappointed; and that altho' they had overcome every obstacle, and demonstrated the perfect feasibility of their undertaking, their capital had long been exhausted, and they were languishing in a state of extreme embarrassment; in consequence of which, the Govt remitted the 40 per cent on the cost of articles procured from the Iron Company, which was hitherto appropriated to the liquidation of Mr. Heath's debts. At this time however, the Company had set up another station 40 miles from Porto Novo for the manufacture of pig iron; and subsequently they had even extended their operations to Mysore.

3. From 1837 the Blue Book Com-

page 61 (1847)

trans correspondence between the directors
(in England) of the Iron Company and
the Honble Court of Directors, regarding the
pecuniary difficulties of the former, which
ended in the formation of a new Company
in 1857 and the engagement to compound for the
debts of the former company by the pay-
ment of £11,000*, the old leases being re-
newed to the new Company for the re-
maining years they had to run, renewable
however for a further period of 21 years, sub-
ject to ^{the} approval of the Home Govt and the
payment of a fine. From the papers
published in the Blue Book, it does not
appear that the expectations formed of the
speculation were ever realized, even altho
the Govt ~~was~~ ^{directed the Military Board - other} ~~was~~ ^{Public Establish-}
ments requiring iron, and iron & steel cas-
ings, ~~should~~ ^{to} apply to the Porto Novo works,
provided the ~~required~~ articles were suited
to the purpose, even not dearer than could
be ~~procured~~ ^{procured} in the market. And
this appears to be confirmed by the re-
cent papers which have come before
Govt, where the Company's Agents have
protested against the import of even 4 car-
was a bundle, load of fuel, as the it was a

Page 71 to 79.
(see Resolution of Ch. of Dir.
16 Oct/51).

* The entire claims ^{of Govt} against
Mr. Beath amounted to Rs.
5,71,000, viz
Due to the Govt Bank - 76,000.
Due on default in a
Cotton Contract - 1,35,000.
Paid to Alexander &
Co of Calcutta - 1,00,000
Advanced for other debts - 1,00,000
4,11,000
Add advanced to the
undertaking - 1,60,000
5,71,000
Accepted by the Comrs
in full of all demands,
19,000 Rs. @ 25 1/2 d - 97,954.
Written off to Profit & loss 4,73,041

Orders issued in /36 and
approved by the Ct in
/39. ^{also} see page 8 of Blue Book.

* vide accountant Genl's
letter 12th March/61, no
436. and Pro. of Govt, 16th
idem, no 618 - both pub. up.

See Mr. Mayler's letter of 5th
April in our Pro. 10 May/61,
no 1013.

deathblow to the success of the spe-
culation. The instance in point is that
of their station at Trivandrum in S. Arcot,
the produce of which "has been hitherto ex-
ported to England in the shape of pig-
iron; but with a small production and
expensive establishment, the result of
our operations has been far from favorable."
And again, Mr. Mayler says, "it is a great
mistake to cripple our operations at the
present time, when, by the introduction
of some of the discoveries of modern science
and a curtailment of expenditure, there is
at least a prospect that our shareholders
may reap some well merited reward for
their long continued perseverance. Under
any circumstances, such a tax would
yield but a trifling revenue to Govt, but it
will be fatal to the interests of ~~the~~ ^{this}
Company."

4. The agreements entered into by
the Iron Company for the privilege of raising
ores in Canara, S. Arcot, Malabar, Coimbatore
and Salem, will be found at pages 329 to
337 of the Blue Book. These leases were to
continue ~~from the~~ for 19 years from the
1st January 1841 - They consequently expired on

* General Manager, S. I. Co.

the 31st Dec/60-; and the conditions were that the Company must be exempt from the payment of any land ~~tax~~ rent, land customs, or tax on account of the iron raised, received, or taken by the Company, for the first three years, after which they were to pay as rent or royalty, to the Govt.

1841
19
1860

From 4th to 8th year, 1R upon every ton of pig iron or castings of any form.
9th to 13th do. 1½ R upon - do - do.
14th to 18th do. 2 R upon - do - do.
For the further period of 21 years, if the lease were renewed under fine of one year's royalty calculated on the last 5 years average - 3 R upon - do - do.

5. The lease for cutting fuel in the jungles of S. Arcot, Tanjore, and Trichinopoly, will be found at pages 314 to 316 of the Blue Book. The grant of the privilege was for 21 years, rent free for the first 5 years, after which the Company were to pay 500 Rs a year for the second 5 years, 1000 Rs a year for the third 5 years, and 1500 Rs for the remaining 6 years; ~~and~~ ^{renewable} however under a fine of 2000 Rs ^{and} an annual rent of 2000 Rs.

6. These leases also expired on the 31st December last, and as respects ^{and S. Arcot,} Trichinopoly, the Company declined to renew their leases under the supposition that they

P.O. 15 March/60, No 384.
23rd April/60, No 1476
7 June/60, No 941.

1841
19
1860

P.O. 18 July/60, No 1183.

* the sum they had actually paid for the last 6 years of their lease.

P.O. 24 Dec/60, No 2571.

would be allowed to supply themselves gratuitously, with fuel from the jungles, in common with the village woodcutters. The Govt at first rejected the claim of the Company, and decided that 4 annas should be levied on every bundy load of fuel cut by them, or by any other parties not belonging to the village communities. The Govt next offered the Company a renewal of their lease in Trichinopoly and S. Arcot in payment of 1500 Rs per annum, resubmitting altogether the price of 2000 Rs, but when it was represented that even these liberal terms would press heavily on them, the Govt were finally induced, in consideration of the ^{direct} Company had in view of the large sums expended by them in purchase of fuel, and of their present circumstances, to grant them, free of charge, the privilege of cutting fuel in the jungles hitherto rented by them in the two districts above named; this concession however being revocable at any time, and the Company subject to the general rules of the Forest Conservancy.

7. These proceedings were reported

to the Home Govt in an order of the 30th Jan^y last, No 5; and in reply we have now received a letter from the Home Govt to the effect that they do not object to the concession; and that, although in such cases, it is generally desirable to require some annual payment, however small, by way of more distinctly asserting the right of Govt, such a precaution was perhaps unnecessary, as the grant is revocable at any moment. It is further presumed that the grant will be revoked as a matter of course, whenever an improvement in the Company's affairs shall allow a dividend to be declared, as the directors have intimated that they will then be prepared to pay a pro tanto rate.

2. Another matter now before the Govt is the Company's right to cut wood in the Tirumalaiah jungles in S. Arcot. They possessed the right in Sheally also in Tanjore, which as I have explained in the 31st Dec^r last, and when, in consequence of having been represented by the Board that the Iron Company had ~~the~~ over-

From Sec^y of State
16 May/61, No 10.

Handwritten notes in margin, partially illegible.

Handwritten notes in margin, partially illegible.

No. 1st Feb/61, No 250.

Sheally taluk
1 Manager — 7
2 watchmen @ 3 — 6
13

4. The same also for Point Calimere.

Chidambaram.
Virdichellum.
Yelavarasur.
Baramashiri
Cuddalore.

worked the jungles almost to destruction, the Govt have sanctioned a small establishment of 3 Rs a month for conserving and planting, and approved the Board's arrangements for fixing a surcharge of 4 annas per bundy load of 750 lbs of firewood removed from the jungles, villagers however being free to cut for their own personal use. But in respect to Tirumalaiah in South Arcot, the Govt refused to allow the Iron Company to cut wood free of tax, because the permission given to them by Govt only extended to the taluqs embraced in their old leases; they are named in the margin. Mr. Marglin, the General Manager of the E. I. Iron Company, has remonstrated against this, saying that the Company cannot afford to pay the tax, and that he has instructed the Tirumalaiah Manager to suspend all operations until the tax is removed. He says the proposed tax of 4 annas per bundy load of 740 lbs of firewood is equal to ^{a tax of} 10 Rs per ton of crude iron produced, because the ore is smelted with charcoal, each ton of which requires 5 or 6 tons

of wood. The fort having, upon this, called
on the Conservator of Forests, to report
on the general condition of the Trinid.
malai jungles, and the effect ^{on them} of compli-
ance with the application of the Iron Com-
pany, the Off^r Conservator, in his
letter now awaiting orders, states that
the demand of the Company for wood is
equal to 3000 bulky loads a month, repre-
senting 12,000 Rs a year at a tax of 5 annas
a bulky load; that the effect of the cutting
has been to leave nothing but scrub jungle
for a radius of 6 miles around Trinid.
malai, all trees of any size having been
cut, while the radius is year by year in-
creased. Capt ^{Morgan} recommends that, as the
wood is not very valuable, except for fire-
wood, the Company compensate for their
firewood by agreeing to pay 2000 Rs a
year, and that Govt grant a small es-
tablishment, as in S. Healy, for replanting
certain favorable sites with quick grow-
ing trees to be kept up by the Colr.

Re: 10 May/61, No 1013

From the Off^r Conservator
of Forests, 18 June/61, No 514.

* It will only be 9000 Rs
at the rate of 4 annas ap-
proved by Govt for Surinam,
formerly for Trinidad
and S. Arad co.

+ 13 Rs a month.

Please see proposed
draft order on back of
Conservator's letter.

Memo:

Indian Iron and Steel
Company. Prepared for

Home Sec: P. W. 18 of 1861.

Cons^r letter, 18 June/61, No 514 (R. 11)

R 1444/61

7 Oct 18 1938

+ of page 6 of
 the original letter
 of 30th June 1861
 to the Hon. Secy
 of the Govt. of Madras

No 514.
 From

Office of Conservator of Forests
 Madras 18th June 1861

Captain H.R. Morgan
 Officiating Conservator of Forests

To
 J. D. Sim Esq^r
 Secretary to Government
 Revenue Department
 Fort Saint George.

Sir In accordance with the Order of Government
 No 1013 of 10th May 1861, I have the honor to report on the
 general condition of the Tirnamally jungles, and the effect
 which compliance with the application of the Iron Company
 is likely to have on them.

but the tax is not a
 heavy one if the rule
 in cutting is strictly
 in force - then

3000
 12
 36000
 4
 144000
 144000
 90000 @ 4 annas = 36000

2. The demand for wood by the Iron Company is
 equal to 3000 bandy loads monthly, a tax of 5 annas a
 bandy load would be equal to nearly 12,000 Rupees annually.

3 The effect of the cutting has been to leave nothing but
 scrub jungle for a radius of 6 miles around Tirnamally.
 all trees of any size having been cut, and year by year the
 radius is increased

4. The wood cut is not of a valuable kind, in fact only
 suitable for firewood, and as there is no great general demand,
 I would recommend, that the Iron Company compound for
 their firewood by an annual payment of Rupees Two Thousand

5 A small Establishment similar to the one already established at Sheally for replanting certain favourable sites with quick growing trees might be kept up by the collector.

I have the honor to be

Sir

Your most obedient servant

W. Morgan Capt.

Officiating Conservator of Forests.

Note: The concession to the Iron Co in A.O. 24 Decr 1860 was limited to the 5 Taluqs included in their previous rent. They subsequently commenced operations in another Taluq - Trimonally - and wish there also to cut wood without any payment.

The Company agree to pay anything for fire-wood - declaring themselves unable now - but willing hereafter to do so when their undertaking is more sure.

What
The E. I. Co
they are
in the
The E. I. Co
they are
in the

1000
at 3 each

The Company cleared the jungles of Sheally in Trimonally and worked these jungles, almost to destruction in the course of the Board of the
consolidation of the Conservator of the Forests, the Govt sanctioned a small
establishment of 13 Rs per year for recovering the firewood for the
serving and planting. The same establishment was also sanctioned
for the Conservator of the Forests, 2000 Rs.

cessful. The character of their operations will be seen from the above report.

The Home Govt have approved of the concession already made, though they think some payment however small should always be exacted in recognition of the right of Govt.

Orders requested as to the Trimonally jungles

J. D. S.

For the other forests the Iron Company declared themselves unable to pay the contract rent of Rs 1500 & therefore it would be useless to offer them the privilege of cutting fuel in Trimonally for Rs 2000 annually as Capt Morgan proposes - If the ordinary seigniorage of 4 per hundred load

No. 1938

Read the following
letter from the offg. con-
servator of Forests.

(Here enter 18th June
1867 12 514.) -

Reporting on the ge-
 = rural condition of the Dist-
 = ramaia jungles: recom-
 = mending that the Iron Com-
 = pany compound for their
 firewood by an annual
 payment of 2,000 Rs. and
 that a small Establish-
 = ment - be kept up by the
 collector for replanting cer-
 = tain favorable sites.

The Governor in
Council is pleased to grant
the Iron Company the privi-
lege of cutting fuel in
the Penomallay Saline of
South Arcot, on the terms
specified in para 5 of L.O.
24th December 1800, No 2511-

The Agents of the Com^y
-pany will be requested to
state when the company are
likely

W. H.

Em

Q. 3. No. 10th May 1860 No. 41-72.

The price 39/10

21 Oct 1880

2511-41 Reel with 1000 ft. film

16 April 1971

the blue vase

Fig. 1.

1. ¹ October 22. 2

Received 1861. Oct 1st
of Post for Deloitte
\$1444

The fluctuating com.

Senator of District

The Secretary to Governor

Went to
Book 91

Mr George

Recd June 1861

No 514
Aug 38. 7th October

100
Enclosed find
note for \$25.00

Reporting on the
General Council 174

St. Ann's Church - Boston

understanding that the Iron Com-

many to be used for their fire.

2,000 Road & a small

Establishment - be kept up by
the Collector for 500 Rs. p. a.

unwarrantable sides?

is not to be enforced (as it has been waived elsewhere)
the next best course seems to me to ^{the priority} ~~rescind~~ the seigniorage
altogether - This shows that Govt. surrenders its right to give
encouragement to an experiment of importance & allows
the privilege to be withdrawn at any moment without
difficulty - I therefore propose this course here, but of course
the Company are to be under the Conservancy rules in
all points except paying the seigniorage & are to be dis-
tinctly informed that Govt. can exercise the right of
withdrawing the privilege at its discretion -
In order that the subject may not be lost sight of
the Iron Company should be asked when they expect
to be in a position to pay for wood, or make any dividend.
Can the Estimate proposed in P. 5 of Capt. Maclellan's letter be
provided for out of the general Conservancy Budget in I. West?
If so it should be granted. The

likely to be, in a position
to fulfil the promise made
at the end of para 6 of
Mr. Burgess' letter to Mr.
Morgan dated 3rd October
1860. —

Captain Morgan will
state whether he can provide
for the small establishment
recommended in para 5 of
his letter out of his Budget
allotment.

7 The Board of Revenue
14 Copies. Board of Revenue
4 " Conservation of Forests.
1 " Collection of South Africa.
1 Mr. J. P. H. H. H.

32 10

5

Respecting the cutting of
fuel in the Tirumala
Talug by the Iron Forest.

612-1901
33/10

Tirumala 1861 Dec 14th
No. of fuel for Det.

24. 1938

No. of the Madras Govt.
Dy. Det. 1861.

Tirumala 1861 Dec 14th
Det. 1861 (No. 2529) (No. 2529)

No. of fuel for Det. 1861.
No. of fuel for Det. 1861.

Respecting the cutting of
fuel in the Tirumala
Talug by the Iron Forest.
No. of fuel for Det. 1861.

No. 1892.
H. H.