

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	207	Press ~~Mis.~~
416-417		
Dated	24-1-	1868.

Not to be folded or roughly handled

No. 416. Read the following Proceedings of the Board of Revenue, dated 17th January 1868, No. 378.

Read the following letter from the Collector of the Godavery District, to the Secretary to the Board of Revenue, dated Cocanada, 2nd December 1867, No. 342:—

* 14th November 1867, No. 2,692.

1. I have the honor to acknowledge receipt of Proceedings* of Madras Government, desiring me to report “as to

“the prospects of the undertaking in question (namely, Mr. W. Arbuthnot’s,) “proving beneficial to the district and neighbouring country.”

2. In reply, I beg to state that, from inquiries I have made here, it seems doubtful whether these undertakings, for there are two of them, can be established with a fair prospect of success, that is, of a good and remunerative return on the outlay.

3. The undertakings proposed are two—A Cotton Spinning Mill, and a Gunny Weaving Establishment; both to be under one roof, or rather in the same block of buildings; viz., that lately occupied by Messrs. Arbuthnot & Co., near Dowlaisheram, as a Sugar Refinery and Rum Distillery. The capital proposed for each is 2,50,000 Rupees, in 1,000 shares of 250 Rupees each.

4. I am informed that Mr. Arbuthnot has retained for himself 200 shares in the Cotton Mill, and 140 in the Gunny Mill project. That both are to be worked by steam-power, and with imported coal as fuel.

5. The Cotton Mill project is not looked on with much favor by the residents in this district, because they do not consider the proposed site the proper one. This would be doubtless Cocanada. The proposed site has been selected because there is a building there ready to put up the machinery in. But as it is intended to work this by steam, and with imported fuel, the outlay on this account, and of management, must be heavy. The native merchants in the district have taken but few shares, (eleven persons have taken among them twenty-five shares, and no one of them more than eight.) In all 106 shares have been taken in the district.

6. Their price is payable by five instalments of 50 Rupees each. Three calls have been made and fully responded to by only thirty-seven shareholders as yet. On sixty-nine shares taken nothing has as yet been paid.

7. I am further told that competent judges entertain grave doubts whether the Cotton Mill, if started, can produce the only kind of mule twist for which there is a demand here. This is for Nos. 40 and 50, chiefly the former. It is believed that, whether from the fault of the machinery procurable, or of the cotton to be had here, yarn of this texture cannot be made; and that to make it, cotton from Southern or Western India must be imported.

8. With regard to the Gunny Weaving project—Only ninety shares have been taken in this district; the holders of forty of these intend to withdraw their names, I am informed, so that we may assume fifty only as actually taken here. On these fifty shares, calls have been paid on thirty-two only.

9. The meeting with respect to the establishment of these schemes was held here on 9th October. I attended it merely as a spectator, and sundry resolutions were passed, for copy of which I would refer the Board to Mr. Arbuthnot.

10. It was also resolved that a second meeting was to hold that day month to elect Directors, but none has been held, nor any Directors elected here.

*Proceedings of the Madras Government, Revenue Department,
24th January 1868.*

11. If the Cotton Mill can be established so as to weave yarn of Nos. 40 and 50, as good as and cheaper than imported yarn, doubtless it will benefit this and neighbouring districts much; for all the yarn it could produce would be at once sold. If also the Gunny Mills can produce gunnies as good as, and cheaper than, those now imported from Calcutta, and these constitute our chief supply, and are now sold in the bazaar here at 6 Annas each, a great benefit would be conferred on this and neighbouring districts.

12. I may add as a postscript, some information I have this moment received from Mr. W. Arbuthnot's agents here—

Registered shares in Cotton Mills taken in the Presidency	817
On which unpaid amount at this date	1,91,450 Rupees.

Registered shares in Gunny Factory in Presidency	398
On which unpaid amount at this date	49,600 „

I think this speaks in unmistakeable terms as to the probability of the financial success of these undertakings.

1. Submitted to Government, with reference to their Order, dated 14th November 1867, No. 2,692.

2. The projects appear to be the establishment of Cotton Mills and Gunny Bag manufacture, and the capital required is £ 50,000 to be raised in 2,000 shares of £ 25 each.

3. The assistance first sought by Mr. W. Arbuthnot, the projector, was the purchase by Government, for £ 3,000 of some houses of his, which were then to be rented by Government to the employes of the Company, when formed.

4. His last request is a simple loan of the same amount on the security of Government paper; the loan to bear interest at five per cent., and be re-payable in instalments of £ 30 per mensem beginning from January 1869, or in about ten years.

5. The project, from the Collector's report, does not command local confidence, and it certainly seems strange that such a project should, if sound, need such aid as is sought. There are several firms, and many wealthy natives who would lay down far more on speculation, without security if they deemed the project likely to succeed, and the Board do not think Government should, under the circumstances, depart from the sound principle of not entering into commercial undertakings.

6. The Board cannot, therefore, recommend compliance with Mr. Arbuthnot's request.

No. 417.

ORDER THEREON, 24th January 1868, No. 207.

Miscellaneous.

To be recorded, as the Government understand that Mr. Arbuthnot no longer desires to press any request for pecuniary aid from Government.

(True Extract.)

(Signed) W. HUDLESTON,

Secretary to Government.

To the Board of Revenue.

Exd. S. T. Augustin.

14th November 1867 No 244/45

Handwritten notes:
No 207.
Sole endorser. as the Govt.
understand that Mr. Arbuthnot
no longer desires to press any request
for pecuniary aid from Govt.
24th Jan 1868.
14th April 1868. Mr. W. Arbuthnot's request.

Rev. 1868. Department
No. 190.

PROCEEDINGS OF THE BOARD OF REVENUE,

Dated 17th January 1868.

Handwritten:
Dep 20/1/68
Rev. 21st Jan 1868
No. 378.

Submitting to Government, report from Collector of the Godavery District on the prospect of cotton spinning Mill and a Gunny Wearing establishment proposed to be established near Dowlaseveram and declining to recommend compliance with the projector Mr. W. Arbuthnot's request, that a loan of £ 3,000 be given by Government on the security of Government paper.

Handwritten:
No 207-24 Jan 1868
With order
Sole endorser that the
Govt. should not
be bound to give
the loan of £ 3,000