No. 49. Read the following letter from the Secretary to the Government of India, Department of Agriculture, Revenue, and Commerce, (Forests,) to the Secretary to the Government of Madras, dated Simla, 28th June 1872, No. 740-8 :—

THE attention of the Government of India has of late been directed to the failure of the Forest Department to show an increasing surplus.

2. In reviewing the financial results of the department for the last five years, it is observed that (excluding Madras and Bombay) the total forest-revenue stood in 1866-67 at Rs. 21,93,901; in 1867-68 it rose to Rs. 24,70,913; in 1868-69 to Rs. 30,32,108; in 1869-70 to Rs. 32,90,606; and in 1870-71 to Rs. 36,50,612, thus showing an increase of fourteen lakhs and-a-half of Rupees in five years. This would have been increased to upwards of seventeen lakhs had all the accounts of the department for work done for the State Railways been adjusted.

3. But at the same time the surplus which in 1866-67 stood at Rs. 9,38,344, and rose in 1868-69 to Rs. 12,08,189, fell again in 1869-70 to Rs. 8,38,648, and last year, owing to the non-adjustment of the railway accounts, to Rs. 5,54,974.

4. The cause of this falling surplus in the face of the rising revenue is, of course, increased expenditure. In the five years under review the establishment charges rose from Rs. 4,35,096 to Rs. 8,23,017, or, in round numbers, three and-a-half lakhs of Rupees, which is just equivalent to the decrease in the surplus. At the same time the expenditure on works rose from Rs. 8,20,461 to Rs. 22,72,621; and though this was accompanied by a corresponding increase in revenue, yet there was no addition to the net profits. It is at once apparent that since little else is left than distant and exhausted forests, no large profits can be expected to be derived from the sale of timber. In reviewing the figures of 1870-71 it is observed that the revenue for the year amounted to Rs. 36,50,612, of which nearly a moiety, or Rs. 17,48,409, was derived from the sale of timber. But a reference to the expenditure account shows that no less than Rs. 16,55,162 was spent during the same year on timber-works, so that the net profit to the department, derived from this branch of its revenue, was less than a lakh of Rupees. Nor is the expenditure on establishments, roads, and other works of improvement included in this account, but merely the actual out-going on the felling, sawing, and transport of timber. At the same time all the rest of the working expenditure of the department (*minus* establishment charges) amounted, in the same year, only to Rs. 6,17,459, while the revenue from all other sources amounted to Rs. 19,02,203. It is evident then that, if the Forest Department was compelled to rely for a net revenue on timber-works only, its profits would be almost *nil;* nor is this to be wondered at when it is remembered that all the best and most accessible forests were either cut down or given away previous to the formation of the department.

5. But other causes, not altogether within the control of the Forest Department, have of late years conduced to a failure in the amount of surplus revenue. The receipts represent for the most part the value of work done for the service of the State, while the cash receipts from private persons, as well as from the general public, are not as yet considerable. The recent decision of Government that all deliveries of sleepers and timber should be made to the State Railways at little

more than cost price also operates unfavourably in respect to the revenue of the department; the services of many of the most experienced officers being exclusively devoted to these works, and a great portion of the best timber, which would otherwise be sold for cash in the open market, being devoted to them.

6. Furthermore, the sudden cessation of the scheme for building large barracks for troops in the plains, as well as the practice now obtaining of employing iron in the construction of large buildings wherever railway transport renders it possible at a reasonable cost, has, in some provinces, thrown a heavy stock of valuable timber on the hands of the department, for which there is no demand in the market, and the consequence is that it represents so much dead stock producing no revenue.

7. It appears to the Governor-General in Council that an effort should now be made by the Forest Department to increase its surplus revenue, and that this might be done—

1*st*, by the development of the revenue itself;

2*nd*, by controlling the expenditure, and especially by checking waste.

8. It is not possible for the Government of India to do more than indicate the general principles which should guide Local Governments in these matters. The details, as well as the means of carrying them out, must remain in the hands of those who alone can really know how the work can best be done, that is, the local authorities. First, then, with a view to increasing the revenue, I am directed to suggest that the Conservator of Forests should be directed to keep a constant and vigilant watch in order to meet the requirements of the timber market. Some few officers in the department habitually attend to this duty; but, as a general rule, it is believed that far too little thought is bestowed on it. Nevertheless, it is the first thing that would strike any mercantile man anxious to push his own interests in a new market, and public officers must do the same, if they are placed in a position which brings them into competition with private traders. To this end constant visits should be paid by the Conservator, as well as by all officers on whom the duty of selling timber devolves, to the various towns and markets where sales are likely to be effected. These may be managed at times when work in the forests is slack, or ceases altogether; for it is essential that forest officers should become acquainted not only with the timber-dealers and traders, but also with the civil officers and others, from whom they may learn how and through what sources each district or large town obtains its supply of house-building wood and bamboos, as well as the sorts and sizes of wood most in demand, and the prices which rule in different markets throughout the country; and this knowledge, which is essential to the conduct of their business, can only be acquired by personal intercourse with those concerned both in the timber-trade and in the general management of the country. There can be no doubt that the forest officers who pay most attention to the current wants of the market will also be the most successful in raising the revenue.

9. The difficulty to be met with at the outset is that, if the consumption of a large amount of timber at a low price be encouraged, the Forest Department will be open to the charge of wasting instead of conserving the property of the State, which it is its first duty to protect; in fact, of paying a dividend out of

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its capital; and on this point the Chief Commissioner of the Central Provinces has recently written in the following terms, which have the full concurrence of the Governor-General in Council: "It is true that at present the income is large and the revenue is collected by a small and inexpensive establishment; but with the increasing prosperity of the country, the unreserved forest-tracts near the centres of population are steadily decreasing in value, and some years hence a diminished revenue from the exhaustion of the forest-lands will be found to be the result of the economy practised at present. Any attempt at conservancy must necessarily result in an immediate falling off in the revenue."

10. But though the destruction of the forests in order to increase the annual revenue would be a very mistaken policy, the fact should not be lost sight of that the unnecessary reservation of saleable wood is equivalent to the unnecessary hoarding of capital, and that every tree which grows in the forest *only to wither and die* is so much unrealized interest lost to the State. Trees not felled for reasons of forest-conservancy, or for producing seed, must not be included in the category of hoarded trees, for their value is recouped in other ways; but after allowing for such, if justice be done to the State domain, the whole value of its available timber ought to be realized. The point, then, to be decided is, where, in felling the forests, is the legitimate annual interest being drawn from them, and where is a commencement made of trenching upon capital.

11. For correctly ascertaining this point the responsibility of course rests with the staff of the Forest Department. The means are maps, estimates, and working plans. In dealing with large tracts of forest, it is true that accurate estimates are not possible with the means at present at disposal; but no province need or should be allowed to remain without its working plan, by which is meant a defined and business-like system of rotation, well considered and planned beforehand, according to which certain tracts of forest are set apart for felling in certain years, thus ensuring a period of rest for all in turn, during which the timber may recruit itself, and the trees may be allowed to grow up in peace.

12. The next point to be observed is the necessity of strict carefulness as to the quality of the wood offered for sale in the Government timber depôts.

13. Too often timber is allowed to lie year after year deteriorating in the depôts with a high price fixed upon it, and without the smallest prospect of sale. This stock of rotting wood not only tends to bring the Government depôts into disrepute, but its presence is actually injurious, as it becomes a breeding nest for myriads of insects, which are deleterious to timber. To prevent its accumulation clearance sales should be held periodically before the commencement of each hot weather (when the insects begin to breed), at which all such wood as is not worth keeping on stock should be put up and sold outright. Inspecting officers and conservators should take care that this rule is strictly observed. It is further suggested that the inferior sorts of timber should be generally disposed of as quickly as possible while the wood looks fresh; no timber of the lower classes will bear prolonged exposure with impunity. Moreover, all lots of wood offered for sale should be of an average quality throughout. It seldom answers to mix sound and inferior timber with a view to effect a sale for the latter.

14. The judicious disposal of the stock is another important point as affecting forest revenue. It may be taken for granted that, as a general rule, it will be advisable to trust to the local retailers to distribute the wood over the country, but in certain cases it may be necessary for the Forest Department to take the initiative, even without much hope of present profit. For instance, house-building materials are almost unprocurable in many of the purely agricultural parts of Northern and Central India, and it would probably answer for the Forest Department to open depôts for small timber (such as sâl kurries, teak poles, and bamboos) at railway stations frequented by cartmen bringing cotton, indigo, and other agricultural produce to the line, who, it may be presumed, would avail themselves of their empty carts to carry back wood for house-building purposes to their villages, provided it was ready on the spot and offered at a reasonable price. In this way the sâl forests of the Kosi and Ramganga might supply the whole of the North-West and Oudh with kurries and bamboos, while the jungles of Baitúl, Hoshangabad, and Nimar, in addition to the local demand, could give a large stock of teak poles for sale in Berar and Khandesh.

15. In other cases, where private enterprise has failed to develop a trade in timber, the requirements of the country may possibly justify the Forest Department in making the attempt without regard to the profit likely to be derived from it, and any cases where this principle may be usefully carried out should meet with careful consideration at the hand of the local authorities.

16. Furthermore, a ready supply of timber at moderately easy rates would tend, in a great measure, to remove the present unpopularity of the department, which must always be a source of more or less difficulty to Government in the work of forest-conservancy. There can be no doubt that a very general belief is prevalent in the country that the Forest Department, while it does not utilize the forest itself, prevents others from doing so; and as no reform is likely to prosper which is much in advance of the popular intelligence, it is very desirable that people in general should be brought to look upon an easy and cheap supply of building-timber as the main consequence of the establishment of the Forest Department, instead of, as at present, regarding that department as the direct cause of their being unable to procure the wood which they require for domestic purposes.

17. As regards the second head, *viz.*, the control of the expenditure, this may be exercised in several ways, *viz*:—

(a.) By not collecting in depôt, except on special requisition, any large quantity of timber which involves heavy cost in transport from the forests. Timber of large scantling is seldom wanted; and, except where water-carriage is available, much cost may generally be avoided by converting it in the forests into pieces of convenient dimensions.

(b.) By a careful study of the whole question of timber-transport as applied to local circumstances. At present by far the greater portion of the timber expenses are debitable, either directly or indirectly, to the cost of transport to points where the wood is saleable. Attention should be paid to every possible reduction under this head by using

slides and other mechanical contrivances, as well as by taking advantage of opportunities for carting when the ordinary carriage of the country is not otherwise employed,

(c.) By not taking up costly experiments without due consideration. Vast sums have been spent at different times on saw machinery which has never been worked, and on plantations which have never grown.

(d.) By taking care that heavy engineering works, requiring professional skill or practical knowledge, are entrusted only to competent persons.

(e.) By utilizing, whenever it is possible, all butts and ends of logs lying in the forests, for which a sale, even at the smallest profit, can be obtained.

18. In certain cases expenditure must not be stinted where it is clearly shown that it will be remunerative. This may be done not only directly by timber and other forest-works, but by the opening and repair of roads, and by generally facilitating the means of transport from the forests; also by taking care that the effective strength of establishments, especially in the more unhealthy provinces, is sufficient for the works required of it. Numerous instances may be cited of officers falling ill and being obliged to quit their divisions, while the paucity of officers, or their want of experience, has prevented others from being sent to supply their places, so that forest divisions have been left for considerable periods to themselves to the manifest detriment both of the forests and of the revenue. Indeed, attention to the health of forest officers will always repay the outlay as well as the solicitude bestowed on it by Government, and in all distant and unhealthy forests huts for their shelter should be erected, which will save them from much trying exposure, and, moreover, ensure them remaining near their works.

19. With the above remarks this important subject is confided to the careful consideration of all Local Governments and Administrations.

No. 50. ORDER THEREON, 6th July 1872, No. 1,034.

Forests, No. 5.

COMMUNICATED to the Board of Revenue and to the Conservator of Forests for any remarks which they may desire to offer.

(True Extract.)

(Signed) W. HUDLESTON,
Secretary to Government.

To the Board of Revenue.
„ the Conservator of Forests.

Exd. F. R. Bantleman.

No. 2236

Revenue 1872. Department

DEPARTMENT OF AGRICULTURE,
REVENUE, AND COMMERCE.

[Forests.]

To

Local Governments and Administrations.

No. 8

Dated 28 June 1872.

Rec'd July 5th/72

SUBJECT.

FAILURE of the Forest Department to show an increasing surplus, and suggestions as to the best means by which it might be increased.

No 1034

Transmits for Report & the Govt. Resolution of Govt. of Bombay dated 4th May 1872

for Secy of State

Lieut

No 49—50