

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 2692

Press
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244.245

Dated 14-11-1918

Not to be folded or roughly handled

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Proceedings of the Madras Government, Revenue Department,
14th November 1867.

No. 244. Read the following letter from W. ARBUTHNOT, Esq., to the Secretary to Government, Revenue Department, Fort St. George, dated Madras, 29th October 1867 :—

Adverting to the Order of Government, No. 203, under date 11th September last, to the effect that "Government regretted being unable to assist the project "referred to in the Order in the manner proposed," I have now the honor to request that you will favor me by re-submitting the application for temporary assistance in regard to the undertakings in course of establishment at Rajahmundry on the following modified terms, which are such as I think Government will not be indisposed to accede to, seeing that there is no possibility of loss attaching to the State, while, on the other hand, all efforts of an industrial character tend to benefit the country. I beg to solicit the advance of Rupees 30,000 on the security of Government paper to the same amount, re-payable by instalments of Rupees 300 per mensem, beginning from the month of January 1869. Interest to be charged on the advance at five per cent. per annum. This is putting the transaction on a simpler basis than would be done by the conveyance of the houses to Government, and the deposit of the paper merely as collateral security. I presume that there will be no objection to my bonds being returned to me gradually, as the liability decreases.

I calculate that the loan will be adjusted in full in about ten years.

No. 245. ORDER THEREON, 14th November 1867, No. 2,692.

Miscellaneous.

Ordered that the above paper be referred, through the Board of Revenue, to the Collector of the Godavery District for report, as to the prospects of the undertaking in question proving generally beneficial to the district and neighbouring country.

(True Extract.)

(Signed) W. HUDLESTON,
Secretary to Government.

To the Board of Revenue.
To W. Arbuthnot, Esq.

Exd. S. T. Augustin.

2-
Madras, 29th October, 1867

The Secretary to Government
Revenue Department.

Sir,

Adverting to the order of Government N^o 203. under date 11th September last to the effect that "Government regretted being unable to assist the project referred to in the order in the manner proposed." I have now the honor to request that you will favor me by resubmitting the application for temporary assistance in regard to the undertakings in course of establishment at Rajahmundry on the following modified terms, which are such as I think Government will not be indisposed to accede to, seeing that there is no possibility of loss attaching to the State. while on the other hand all efforts of an industrial character tend to benefit the country. I beg to solicit the advance of Rupees 30,000 on the security of Government Paper to the same

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Have not some
official business
of this?

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would be done by the Conveyance of the
houses to Government and the deposit
of the paper merely as Collateral
Security. I presume that there will
be no objection to my Bonds being
returned to me gradually, as the liability
decreases.

I have the honor to be,

Sir,

Your most Obedient Servant,

William Arbuthnot.

I calculate that the loan will be
adjusted in full in about
ten years.

W.A.

W. Arbuthnot

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The Govt. are asked to lend money
at 5% on the security of Company's
paper, & a departing member of
the leading mercantile firm of Madras.

The bail held out to secure the
accommodation is the "benefit to
the country" which to arise from the
"undulations in course of establishment"
at Rajamundry.

As a former letter to the 18th Nov,
Mr. W. A. mentioned as a precedent for
the wisdom of this Govt. in aiding him,
that the Govt. of Pondicherry had
originally agreed to establish
the "Edutone" at that place.

I believe it was so. but I also believe
that there are few public undertakings
in the French settlements in which
the principal Govt. officers have
not, in some way or the other, a
distinct personal interest.

Mr. W. A. might have quoted the
pretext of his advice to the Govt.
of Sir Charles Godefray would have
made to Monsieur Montclar, had
he been able to furnish security.
In that case, however, the Govt.
 knew from paper on record, that
M. Montclar's project was a very

substantiated our undoubted
uncalculated confidence in
system of cultivating Sugar cane
and of using up the cane to the
ground. Plant of value was in the
spot - House had been built - and
before Mr. A. had shown their
estimate of the Dutchman's Place
to large advances of funds.
In the present case, we have
before us only the statement -
truthful no doubt - but perhaps
over- sanguine of Mr. A. A. himself;
that immense pecuniary
advantages are to follow in the
establishment of a Company on
Company of which he is promoting
the promoter.

If the people, who are at present
borrowing money for irrigation
works, determine to lend 30,000 Rs.
to Mr. Warburton, I consider the
first step towards it is to call on
the Govt. of the District; they & the
Board of Revenue, to submit a
report of what may be the known
plans & projects of the District.
Govt. Mr. A. & Mr. B. then scope &
tendency should be explained. The
Committee should also state the their
the cultivation of our own
districts is likely to be increased
or whether this deficiency & to a
supply will be supplemented by

by the material from within the ¹⁴hospitals
themselves. We must have something
beyond Mr. A's own application to submit
a heavy draft on the poor funds and
Lutherists that - what we get from our
local officers & the Gov. of New York
should be very favorable to Mr. A's appeal
before we meet it. -

I personally, as a prudent informant
 I feel that Mr. W. A. Thomas have
 gone far to loan into the open money
 market. Either to the Treasurer of the
 to the Credit Foncier - and that it
 is not the proper duty of this body
 to lend money for an undertaking which
 seems for its success to rest on so
 uncertain and an advance as
 3000000
 3000000

I cannot think that the application
made by his 2d. Lieut. for
an advance from the Public
Treasury of Rs 30000 to the
Company which has been found
in the following details for
the establishment of spinning
mills and of a jenny (both
factories) is one which should
be Government ought to support.

I would submit

1st that it is altogether
opposed to the practice of the
Government to advance money
to companies formed for purposes
of mercantile speculation, and
that a compliance with the present
application might prove to be a very
inconvenient precedent.

2nd that if the project contains
in itself the elements of success, the
company ought to have no difficulty
in obtaining in the open market
the comparatively small sum which
the Government desire to
lend to advance.

3rd that the fact of this application
having been made tends to show
that the project is not one which
commends itself to the judgment of
the mercantile community or of local
capitalists.

4th that if the project were to meet
with any marked success, that part
of it which relates to the manufacture
of thread is an object to which we
may feel sure that the Home Govt.
would not desire the Govt. of husbandry
to accord any special encouragement.

5th in as much as the extension of
such textile factories which would
probably result from an well
established source of one
might seriously interfere with
the Home manufacture.

Lastly that the application
could not be complied with
without either obtaining the
previous sanction of the Govt.
of India, which it is not
probable that the Govt.
would grant, or infringing
the Budget vote, because
the provision made under
the vote of the Budget
from which the expenditure
could properly be defrayed
viz "Grant 20 Miscellaneous"
is manifestly insufficient to
admit of a disbursement
for this purpose of Rs 30000
without exceeding the total
grant. I enclose herewith
a copy of the Budget
1st Nov: 1857. L. A. -

The beautiful and useful handloom loom manufactures of this country have been in great part ruined by the importation of machine made fabrics of inferior quality and lower price for Europe. Some castles and claps of people have been secured, impoverished and the knowledge of the manual arts, an element of civilization, has been impaired.

In Europe itself a process of the same kind has taken place but there it has happened with the compensatory feature that a new industry has been substituted for the old one, the factory has been raised in lieu of the industrial cottage.

In this Presidency as far as I know no factory has been attempted though the raw material is at the ground, the market at hand and labour cheap.

We have, however, now at least a proposal for a substantial overstatement merchants to give a snare measure of God's aid in helping the establishment.

of a manufacture which would have the
double advantage: 1. of encouraging the
growth of cotton 2. of employing a
redundant population. -
We are asked to advance £3000. at 5 per
cent - the irreproachable security of
Govt Paper and with a provision for the
redemption of the Capital of the debt as
well as for the liquidation of the
interest.

I think the proposal deserves the
consideration of Govt and that we shall
do well to afford some encouragement
to the institution of a new branch of
industry in our country, without any
risk. I am not deterred from advising
it either by the proposal being unprecedented
or by the fear of creating a precedent
for the future. I would simply look to
the good of the country without reference
to the past and without fear of the
future. If other proposals of the same
nature be made I would judge of

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each proposal on its merits. -
We need not be deterred by the reflection that
the establishment of cotton factories in this
country might be detrimental to the same
industry in England. The people of India
have a right to make their own clothes and
work up their own material and this
Govt an Indian Govt may very properly
employ Indian money in advancing a
scheme for the benefit of Indians.

This is the basis on which the recent
Govt appears to have acted at Pondicherry.
The cotton factory there is a very prosperous
and useful undertaking which would
probably never have existed without
the fostering protection of authority. It
is indeed consistent with the example
of all Govts in all times to assist a
nascent industry.

Whether the cotton which may be
produced for the supply of the proposed
factory be grown in the District of
Rayasamudry or in the interior Province
does not much matter to me. It will be
grown in British India. I do, however,

think with Mr Phillips that the
Collector might very properly be called
upon to give his opinion as to the
local utility of such a project and
if his opinion is favorable we may
ask for the sanction of the Govt of
India which Mr Arthur points
out to be requisite, with better chance
of success.

I would refer the paper to the
Collector as ask him whether the
establishment of such a factory
would be generally beneficial to the
Province.

Revenue Department
Proceedings of the Madras Government
Under date the 11 November 1867
87-2692.

Read the following resolution from the Resolution
of the Government.

of the 29 Oct 67.

acting for a loan of
Rs 20000 & loan to
the Cotton Spinning
Factory proposed
& established
at Rajahmundry.

Ordered that the
above paper be
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Sd. of Sec. & the
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N.
Phil
W.D. seen
by

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Revenue Department
Proceedings of the Madras Government
Under date the 11 November 1867
87-2692.

Read the following resolution from S. Robinson
Esq.

J. T. Arthur.

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N.
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by

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 question proving
 General Campbell
 & the district - and
 neighboring country

L.R.

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 1 Copy - Mr. Arbutnot Page 11

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 8th November 1857
 1st Nov 1857 19 Aug 1858
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Revenue 1857 1858
 Govt for Nov