

GOVERNMENT OF MADRAS.
REVENUE DEPARTMENT.

21st May 1881, No. 818.

READ THE FOLLOWING PAPERS :—

No. 352. From Captain E. A. CAMPBELL, to the Secretary to Government, Revenue Department, Madras, dated Madras, 25th February 1881.

ABSTRACT.—Specifying the conditions in the Government Notification on the grant of gold-mining leases which in practice have been found prohibitive of the development of the enterprise.

No. 353.

No. 354. The Memorial of the Members of the Nilgiri Planters' Association, the Kótagiri Planters' Association, and other gentlemen interested in Mining operations on the Nilgiri Hills and Wynaad, to His Excellency the Right Honorable WILLIAM PATRICK ADAM, Governor of Madras.

HUMBLY SHOWETH,—That your petitioners are land-owners and coffee-planters on the Nilgiri Hills and Wynaad, possessing large tracts of land held under different tenures.

That the development of the mining enterprise has led your petitioners to examine their titles, especially with reference to mining rights, and having in many cases found that they are pronounced at home to be unsatisfactory and uncertain, your petitioners have determined to represent their grievances to your Excellency's Government with the earnest prayer that this memorial may receive your Excellency's favorable and very early consideration.

As there are several matters upon which your petitioners wish to address your Excellency, they respectfully beg your forbearance should this memorial be somewhat tedious.

Your petitioners will now proceed to discuss these matters *seriatim*.

I. Government Notifications, dated 19th October 1880, *re* Mining Leases—

The terms laid down in this notification have already been found to be prohibitive of business. Several sales of properties have been hindered by the restrictive terms, thereby causing loss to proprietors and a complete block to enterprise. The rule restricting applicants to blocks not exceeding 30 acres is impracticable, considering that the flatness of most of the Indian reefs gives so small an area of stone to be depended upon for the large expenditure of machinery, even if the lode be present under the whole 30 acres of surface. Added to this is the risk of the stone, from such small blocks, being worked out before the great expense attached to the erection of such costly machinery can be recouped, adjoining blocks being in the meanwhile probably allotted to other applicants.

The following conditions laid down in the notification are also rendering the proper development of the reefs on Government land impossible :—

Condition 3.—“That within three months from the date of the execution of the lease, not less than five laborers per acre shall be regularly employed during the ordinary hours of labor on *bonâ fide* mining operations on each block, in such manner as the Government may approve. Returns of the number of laborers employed per diem shall be sent in to the Collector or Commissioner at the expiration of each month.”

This seems to allow only three months for prospecting, which is altogether insufficient, and after this period it is stipulated that not less than five men per acre are to be employed on *bonâ fide* mining operations. Until shafts are sunk, tunnels and galleries driven, no mine can be considered opened, and it would be almost impossible to place five men per acre at actual mining work within so short a time. Moreover with present modern appliances and machinery, such as pneumatic borers, &c., any stipulation regarding employment of labor will tend to hinder the industry.

Condition 4.—“That the lease shall not be sublet or assigned without the consent of Government being previously obtained.”

The object of this condition your petitioners fail to discern, as the result can only be to put a stop to all mining operations on Government land. With such a condition it is useless for private persons to prospect, seeing that the right to transfer their claims is uncertain. No private individual can risk or afford the capital necessary to work a mine, and no Company will purchase concessions where the right to transfer has first to receive the sanction of Government. Your petitioners would therefore respectfully suggest that this condition may be expunged.

It has occurred to your petitioners that terms somewhat as follows might be found much more advantageous to Government and tend to the development of the industry by encouraging private enterprise:—

- (1.) That prospecting grants be given over a considerable area, say 1 square mile, for a period of at least six months. This will enable the prospector to learn the strike and dip of the reef on the land he has selected and whether it is continuous; and it will enable him to secure such portions as he may have found of value without the fear and risk of his losing the reward of his labor by his neighbors taking advantage of his knowledge.
- (2.) That a mining lease may be given on the whole or such portion of the area granted for prospecting as the applicant may select, within the above stipulated period of six months.
- (3.) That there be no restrictions regarding employment of labor.
- (4.) That if an applicant has satisfactorily provided for the working of any block either by transfer to a Company or otherwise, he may be allowed to apply for and take up another.

II. Your petitioners would now address your Excellency with reference to land held on putta tenure—

From the notification above referred to, it appears that the rules and conditions apply only to Government waste lands hereafter to be taken up and not yet leased to planters, as it is distinctly addressed to “persons desirous of obtaining permission to mine for gold on Government waste lands in the Wynaad or Nilgiris.” It is therefore evident that the orders passed in the notification cannot have reference to any but Government waste lands, and that the position of holders of land on putta tenure has not yet been defined by Government. Your petitioners would urge that inasmuch as the tenure of land held under putta title is of a permanent nature, as regards the term for which the land is held, Government should, if it is intended to claim any mining rights, specify distinctly the grounds on which they purpose to

do so. They submit that as the majority of such lands were held by private individuals prior to the assumption of rights by the British Government, it is necessary that Government should show that these lands were formerly held with some reservation of mining rights. Your petitioners urge that the right to mine or wash for gold was not withheld even by jemmies, but a tax was imposed on such operations, and that mining was carried on many years ago in Nanjanaad and elsewhere.

Your petitioners therefore pray that an order may be passed by Government, speedily, distinctly declaring their policy as regards this question, and your petitioners beg further to refer your Excellency to a reputed despatch of the Government of India, No. 7, dated 7th September 1879, to the Secretary of State, which your petitioners have been led to understand distinctly says, “that acting under the opinion of legal advisers it has been determined that the Crown has no prerogative rights over gold mines outside the Presidency Towns.”

III. The next matter to which your petitioners would draw your Excellency's attention concerns Escheat Lands—

In the Wynaad some lands have been declared by Government to be escheat, but no formal notice has been given of the fact or of what lands are intended to be affected by this declaration. Your petitioners therefore request that Government will at once assert and establish their title to all such lands, and also that they will publish a map or otherwise distinctly specify what lands are so claimed. At present the Government title is not admitted by the former claimants, who are the lessors of the land, and such claimants have in one case actually taken proceedings against their lessees who were prohibited by Government from recognising them as their landlords.

In this case Government, though aware of the suit, avoided their proper responsibility and made no attempt to establish the title they had voluntarily asserted. Some of your petitioners have been in undisturbed possession of their estates for over 20 years, Government having never in any way exercised their rights as landlords; and they cannot help feeling it a great hardship that, through no fault of their own, their rights should in any way be disputed; they would therefore earnestly beg your Excellency to grant them the relief asked for, by declaring at once what lands are escheat in the Wynaad, and what is the policy of Government with reference to them as regards mining rights. Your petitioners would further maintain that if Government asserts and establishes its claim to these lands, occupants should not be placed in a worse position than those who hold land under the Waste Land Rules.

IV. Roads and Telegraphic communication.

Your petitioners embrace this opportunity of bringing to the notice of your Excellency the growing needs of the Gold District in Wynaad. Telegraphic communication is urgently required, and this has already been represented to the Madras Government, but no steps appear to have been taken to meet this great want.

It is difficult to form statistics of the probable returns, but there is no doubt it would amply repay the outlay, each Company in Devála (now about 16 in number) would probably spend at least Rs. 100 a month, and there would be a large amount of business apart from the mining enterprise. The roads, your petitioners would also urge, demand the immediate attention of Government. In the transport of heavy machinery to the mines, great difficulty has been experienced, and your petitioners would respectfully request that the roads may be put in thorough order and bridges strengthened between Ootacamund and Naduvatam, thence to Devála and to Beypore via the Carcoor Ghât.

V. Gold Commissioner.

In view of the rapid extension of the gold-mining industry during the past year, your petitioners would respectfully request that a Gold Commissioner be appointed to secure practical and uniform policy as regards gold mining generally.

And your petitioners will, as in duty bound, ever pray.

On behalf of the Nilgiri Planters' Association,

(Signed) R. STANES,
President.

(„) J. B. MINCHIN,
Hony. Secy.

On behalf of the Kótagiri Planters' Association,

(Signed) W. L. EDMISTON,
Hony. Secy.

On behalf of all others interested in mining operations in Wynaad and Nilgiri Hills.

(Signed) H. R. MORGAN,
Major-General, Chairman
of the Public Meeting held in
Ootacamund on 30th March 1881.

(True Copy.)

(Signed) R. STANES.

COONOR,
20th April 1881.

No. 355. Reply of the Right Honorable the Governor to Memorial, dated 20th April 1881, from Nilgiri and Kótagiri Planters' Associations and other Gentlemen interested in mining operations on the Nilgiris and in Wynaad.

I AM glad to have had an opportunity of discussing with you the terms of the Government Notification of October 1880, and also the other questions relating to the holding of land and escheat lands in the Wynaad.

2. These matters have been brought to my notice and to the notice of Government in several ways since my arrival in the Presidency, and I have formed my own opinions upon them. As, however, most of them are not within the power of the local Government, but will require the sanction of the Government of India and the Secretary of State in Council for their alteration, I am unable to give any final deliverance on them to-day or to do more than indicate the course we shall pursue and to undertake on the part of the Government of Madras that all points shall be carefully considered and, when possible, dealt with with as little delay as the importance of the subjects will admit of.

3. I will now very shortly deal with the subjects touched in your memorial in their order.

First as regards the restriction of areas to reefs of 30 acres. This is a point which is laid down by the Government of India and Secretary of State and with which this Government cannot deal independently, but they are fully aware of many of the difficulties which arise from the uncertainty as to the application of this rule, and they will make application to the Government of India to ascertain accurately what is the exact meaning of it, and how the many anomalous cases which arise under it are to be dealt with.

As to the rule requiring five laborers to be employed for every acre this Government again have no power to deal independently; but they are aware of the impossibility of obtaining the necessary labor and of the difficulty of working it fairly, and they would be willing to see some modification of it, always bearing in mind that as this rule was framed with the view of preventing speculators from

taking up blocks of land not for the purpose of working but for re-sale, some restriction of this nature is absolutely requisite whether it take the form of so many laborers per acre or not. I can see, however, the hardship of enforcing this rule at so early a date as three months after the execution of the lease, and as this is a point with which the Government of Madras can deal, we propose to relax that rule and allow nine months to elapse after the execution of the lease before the rule shall apply in its stringency.

The condition that the consent of Government shall be obtained before a lease is sublet or assigned has been reconsidered, and Government are willing that this condition should not be insisted upon.

The question of prospecting grants has already been considered by Government, and acknowledging as they do the inconvenience and unfairness of the present state of matters where a *bonâ fide* prospector may lose the reward of his labor by another person stepping in and obtaining a lease, they have resolved, while leaving ordinary prospecting free as it is at present, to allow prospectors to apply for "proving leases" for a limited time over a limited area, say for six months or a year over half a square mile or possibly more if required, with option to the "proving lessee," if satisfied of the mining capabilities of the ground, to apply for a regular lease of 30 acres after the expiration of the period.

As to the question in your memorial whether an applicant after providing satisfactorily for working any block by transfer to a *bonâ fide* Company, may apply for another block of land, I can see no objection to this if the words "or otherwise" are limited to Company or an individual.

As to the question of land held on putta tenure, the whole subject which is of great importance and involves many difficult points is now under discussion by Government, and every effort will be made to come to a decision, upon it speedily. In the mean time if any cases arise requiring immediate decision, they can be brought under the notice of the proper authorities and considered on their merits.

The rights of Government in the lands in the Wynaad declared to be escheat is also under serious consideration, and the matter will be decided as quickly as is compatible with the importance and intricacy of the subject.

Telegraphic communication to the Gold District in the Wynaad is no doubt of great importance, and if, as stated in the memorial, so great an influx of business may be expected, it is hoped that a guarantee may be entered into by those interested which will enable the Government to take the matter up with a view to establishing such communication. The repair and reconstruction of roads and bridges do not depend solely on the action of Government; the Local Fund Boards will have to be consulted; but Government are desirous, as far as funds at their disposal will admit, to perform their share of the work. It can hardly be expected however that it should fall altogether on Government or Local Fund Boards so to alter roads and bridges which are constructed for the ordinary light traffic of the country as to bear the enormous weights of heavy machinery without some contribution from those who are primarily interested. It must be borne in mind that even at Home where roads and bridges are constructed of more solidity than in India, steam engines and other exceptionally heavy traffic are either not allowed to pass or are subjected to extra heavy tolls. Any proposition for carrying this out will be favorably considered by Government.

The question of the appointment of an officer as Gold Commissioner or Inspector of Mines will be carefully considered.

4. In conclusion I can say that the Government is fully alive to the importance of all the questions which you have brought forward, and will take care that every thing is done which is in their power to foster and encourage the important industry which you represent.

OOTACAMUND,
23rd April 1881.

No. 356.

ORDER THEREON, 21st May 1881, No. 818.

Miscellaneous

G.O., 1st October 1880, No. 1,263, Revenue Department, and Notification appended.

THE papers read above relate chiefly to objections which have been raised to the conditions upon which leases for gold-mining may be obtained.

2. The objections are to—

- (a) the limit of 30 acres;
- (b) the requirement to employ regularly five laborers per acre within three months from date of execution of the lease;
- (c) the prohibition to assign or sublet without prior sanction of Government;
- (d) the omission to allow exclusive rights to prospect for specified time over fixed areas.

3. The Right Honorable the Governor in Council has given the representations made to him his very careful consideration, and, so far as it is in his power, is prepared to modify the existing conditions. He observes, however, that (a) the area of lots, and (b) the labor requirement are prescribed by the Secretary of State, and any alteration in the terms thus sanctioned must be approved by the authority which settled them. The memorialists' remarks on these points will be forwarded accordingly.

4. In one respect, however, this Government can deal with the labor requirement, viz., by allowing a longer period to elapse after the execution of the lease before the rule shall apply in its stringency, relying on the manifest interest of the lessee to develop the value of the lease as rapidly as possible. They resolve, therefore, to substitute *nine* for *three* months in condition (3) in the notification under consideration.

5. The Right Honorable the Governor in Council is satisfied that no evil will result from the abandonment of condition (4), which prescribes that a lease shall not be sublet or assigned without the consent of Government being previously obtained. He recognizes the force of the arguments which have been adduced against its continuance and resolves to cancel it. The provisions of the Registration Act and the requirements of the Revenue Regulations will suffice to protect the public and the State.

6. In the matter of "prospecting," the Government have already taken action and propose to grant "proving" leases for six months or a year over half a square mile or more. They await the report of the Revenue Board on the question.

G.O., 7th April 1881, No. 609.

7. The Right Honorable the Governor in Council proceeds to remark on the remaining points referred to in the memorials.

8. The questions relating to mining rights in putta lands and to the escheat lands in the Wynaad are under close consideration and will be dealt with as speedily as possible.

9. With reference to the remarks and suggestions relative to roads and telegraphic communications, the Right Honorable the Governor in Council observes that (1) the repair and construction of roads and bridges do not depend solely on the action of Government as the Local Boards must also be consulted, and it has also to be borne in mind that even in England where such constructions are of more solidity than in India, steam engines and other exceptionally heavy traffic are either not allowed to pass or are subjected to extra tolls. It appears therefore to His Excellency in Council that in the circumstances some contributions should be

made by those primarily interested in the transport of heavy machinery, and it will be for them to indicate the form in which this contribution can best be arranged. It will be the object of Government, in the Public Works and Financial Departments, to take care that every thing in their power is done to improve communications, the particular attention of the executive authority being drawn to the *minor* bridges which are represented especially as defective in strength.

10. The remarks of the memorialists on (2) telegraphic communications will be dealt with in the Public Works Department, and as the subject is undoubtedly of great importance and an influx of business most probable, it is hoped that a guarantee may be entered into by those interested, which will enable the Government to take the matter up with a view to the early extension of the line.

11. The suggestion to appoint a Gold Commissioner or Inspector of Mines will be remitted for the early consideration of the Board of Revenue. It may be desirable in the event of the industry proving a success that an officer should be specially appointed to see that Government conditions are complied with, and that no unnecessary delay takes place in the disposal of applications for land or mining rights; but at the present stage the necessity is scarcely apparent.

(True Extract.)

(Signed) C. G. MASTER,
Secretary to Government.

To the Board of Revenue.
 „ the Financial Department.
 „ the Public Works Department.
 „ the Nilgiri Planters' Association.
 „ the Kōtagiri do. do.
 „ Captain E. A. Campbell.

Exd. W. H. French.

170 Copies.

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Gobt. of 1881 Madras.
REVENUE.

To

THE BOARD OF REVENUE,

&c., &c., &c.

Mrs.

Dated May 21st.

Printed June 13th.

Recd.

Encl.

G.O., 21st May 1881, No. 818.

40.16424 2-7-81

MAY.

Nos. 352—356.

*Chief not used in the Revenue
of 1881 with
C No 250522*

SUBJECT.

Gold-mining Leases in the Wynad and on the Nilgiris.—Passing orders on certain correspondence upon the hindrances to the development of the gold industry which have been represented as found in actual working to arise from the wording of some of the conditions.