M.R.O. 14—10,000—21-4-12.

# MADRAS RECORD OFFICE.

## Government of Madras.

Revenue DEPARTMENT.

G.O. No. 25-11 Press
Mis.

452-453

Dated 24-12- 1860.

**Not to be folded or roughly handled**

*Proceedings of the Madras Government, Revenue Department,*
*24th December* 1860.

No. 452. Read the following letter from Messrs. PARRY & Co., Agents to the East Indian Iron Company, to J. D. BOURDILLON, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated Madras, 12th November 1860.

SIR,

1. With reference to our communication of 18th September last, we have the honor to enclose copy of a letter to our address from the General Manager of the East Indian Iron Company, and of one addressed to him, by the Secretary of said Company in London, and to request the consideration of Government of the subject therein referred to.

2. We shall feel obliged by a reply as early as may be convenient.

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From W. MAYLOR, Esq., General Manager East Indian Iron Company, to Messrs. PARRY & Co., Madras, dated Beypoor, 5th November 1860.

DEAR SIRS,

I enclose copy of a letter I have just received from our Secretary, respecting the Proceedings of the Madras Government, dated 18th July 1860, No. 1,183, with reference to the renewal of the leases of jungles required to carry on our Porto Novo Establishment, and I request that you will be so good as to forward the enclosure for the further consideration of the Madras Government. I shall be glad to know the result as speedily as possible, because, as you are aware, our Porto Novo work is quite at a stand still pending the settlement of this question, and if the decision should be unfavorable it will be unnecessary for me to retain the services even of our present small official staff.

(True Copy.)

(Signed) PARRY & Co.,
*Agents to the East Indian Iron Company.*

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From E. J. BURGESS, Esq., Secretary East Indian Iron Company, to W. MAYLOR, Esq., General Manager East Indian Iron Company, dated London, 3rd October 1860, No. 11.

DEAR SIR,

1. The Directors of this Company have again had under consideration the communication from the Madras Government, dated 18th July 1860, No. 1,183, respecting the renewal of the Jungle leases, they fully appreciate the more liberal terms now offered, but feel it incumbent, that some further observations should be made upon a matter of such vital importance to the interests of the concern.

2. If the Government had granted exclusive leases: that is, if they had absolutely leased to us, the *sole right* of *entry*, and cutting fuel in any portion of the forests or jungles comprised in the old leases, no objections might have been raised to their renewal; but the facts are far otherwise, the natives continued to enjoy the privilege of cutting and taking away fuel, large quantities of which have been daily removed for sale: the various manufacturers in the surrounding Districts paid neither rent, nor royalty for any of the fuel cut and used by them, while the right reserved by Government itself, of cutting fuel "*to any extent*," so completely overwhelmed us, that the advantages hoped to have been obtained by the leases were rendered almost nugatory, the large quantities of fuel cut by Government in those parts of the jungle most convenient to us, not only seriously interfered with our smelting operations, but compelled us to suffer almost ruinous losses, while the jungles have been rendered scanty, and more remote, and we have had to continue paying heavy rents for which no corresponding advantage was obtained.

3. Under these circumstances, the Directors felt that they would not be justified in renewing an engagement of so onerous a character, and from which, judging by experience, such little benefit had been derived, they accordingly instructed you to decline the renewal of the leases upon the terms indicated, assuming that the privileges granted to other manufacturers, and for

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sent the President proposes to concede to

which this Company has already paid so much, would now, without objection be extended equally to them.

4. The effect of the levying of a tax of four Annas on every 750lbs. of fuel would be to compel us to abandon the undertaking we have so long struggled to establish, and to do this at the present moment, when success is almost within our grasp, and assistance is being granted to other industrial enterprises of a similar nature, would be painful in the extreme.

5. The Directors have fully discussed the more liberal terms now offered by the Government, viz., that the Company shall have the option of renewing the lease of the jungles from year to year, at the rate of Rupees 1,500 per annum, the stipulated fine to be dispensed with—the engagement to commence from 1st January 1860, being terminable at the end of any Calendar month, by either party, on written notice of not less than six months, and that the Company also have the option of renewing the South Arcot jungle leases on the same terms.

6. The amount of the proposed rental is a mere nothing to Government, but a heavy tax upon our produce, we therefore hope the Government will be induced to reconsider the proposal last made, and bearing in mind the very heavy losses we have sustained by the exercise of the Government rights, the more especially as such serious results could not by any means have been anticipated, when the leases were first drawn, that the Government will waive any claim for rental, and permit us the privilege of cutting fuel, free of any charge, say for five years from 1st January 1860, or until a dividend is declared, when rent *pro rata*, may be arranged for.

7. If, however, the Government insist upon a renewal of the leases, upon the terms before mentioned, at a rental of Rupees 1,500 per annum, we trust they will consent to date the renewal from 1st September, the commencement of our present mercantile year, instead of the 1st January last: and this we consider we are justly entitled to, because from the difficulty of obtaining fuel, our Porto Novo works have only been in operation about 38 days, during a period of upwards of eight months, and the quantity of Pig Iron then produced being only 166 tons, the result would be to levy a heavy tax upon this small out-turn.

8. You are therefore fully authorized to make the best arrangement in your power with the Government, based upon the foregoing observations: it may perhaps be convenient for you to forward a copy of this letter to the Government, and the Directors will be glad to hear the result of your negotiation at as early a date as practicable.

(True Copy.)

(Signed) W. MAYLOR,
*General Manager of the East Indian Iron Company.*

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No. 453. ORDER THEREON, 24th December 1860, No. 2,511.

1. The Governor in Council cannot admit that the facts of the case are correctly represented in the letter of the Secretary of the East Indian Iron Company, forwarded by Messrs. Parry & Co.

2. The Iron Company had a lease of certain Jungles in the South Arcot and Trichinopoly Districts for 21 years, paying nothing during the first five years, Rupees 500 annually for the next five, Rupees 1,000 yearly for the third period of five years, and Rupees 1,500 yearly for the last six years. The lease was declared renewable for a further period of 21 years, subject to a fine of Rupees 2,000 and an annual payment during the whole period of Rupees 2,000.

3. On the expiry of the original lease in December 1859, the Government offered the Company the option of renewing it on the contract terms. The Company however declined it, and they were then placed on the same footing as the Ryots and others of the District, *i.e.* required to pay Government a seignorage of 4 Annas for every 750 lbs. of fuel cut by them in the Government Jungles. The Company remonstrated against this, and Government then offered them a renewal of the lease on Rupees 1,500 (the rate actually paid by them from 1853 to 1859) and remitted the fine of Rupees 2,000 altogether.

4. The Company now plead that even these liberal terms will press heavily on them.



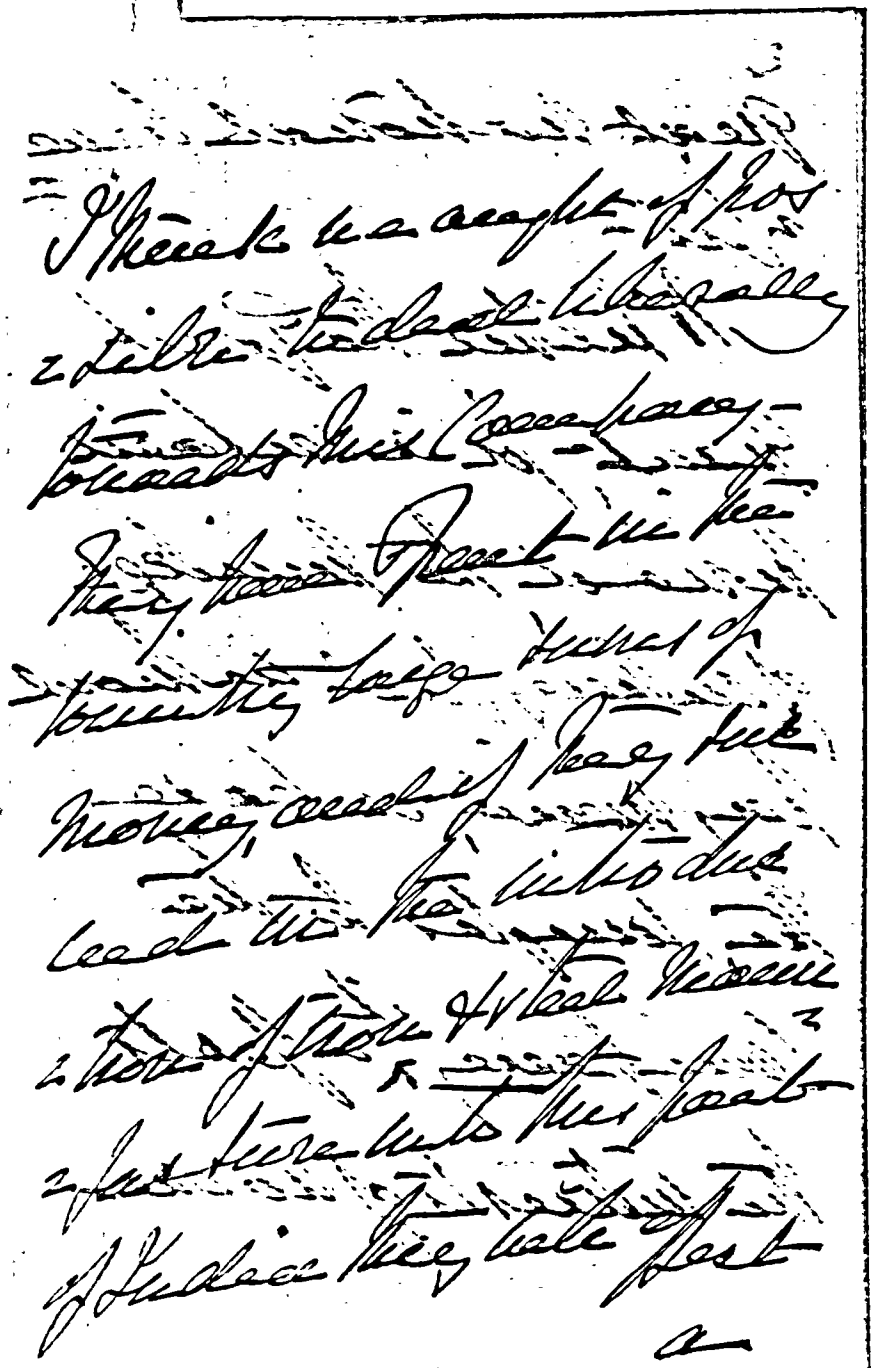
5. The Governor in Council cannot allow that the Company have been hardly treated, but in consideration of the importance of the object they have in view, of the large sums expended by them in furtherance of it, and of their present circumstances, he is pleased to grant them free of charge the privilege of cutting fuel in the Jungles hitherto rented by them. This concession is revocable by Government at any time, and the Company are in all respects, save payment, to be subject to the general rules of the Conservancy Department, in force in the South Arcot and Trichinopoly Districts. The Company will be careful to learn and comply with these rules.

6. The Governor in Council observes that the Company still lay stress on the circumstance of their not having the monopoly of these Jungles, and on the rate of seignorage, viz., 4 Annas per 750lbs. which they seem to consider unduly high. The Government cannot grant a monopoly of the Jungles without trenching on the prescriptive rights of the people, and the seignorage amounts only to 12 Annas or eighteen pence per ton, which is certainly very low.

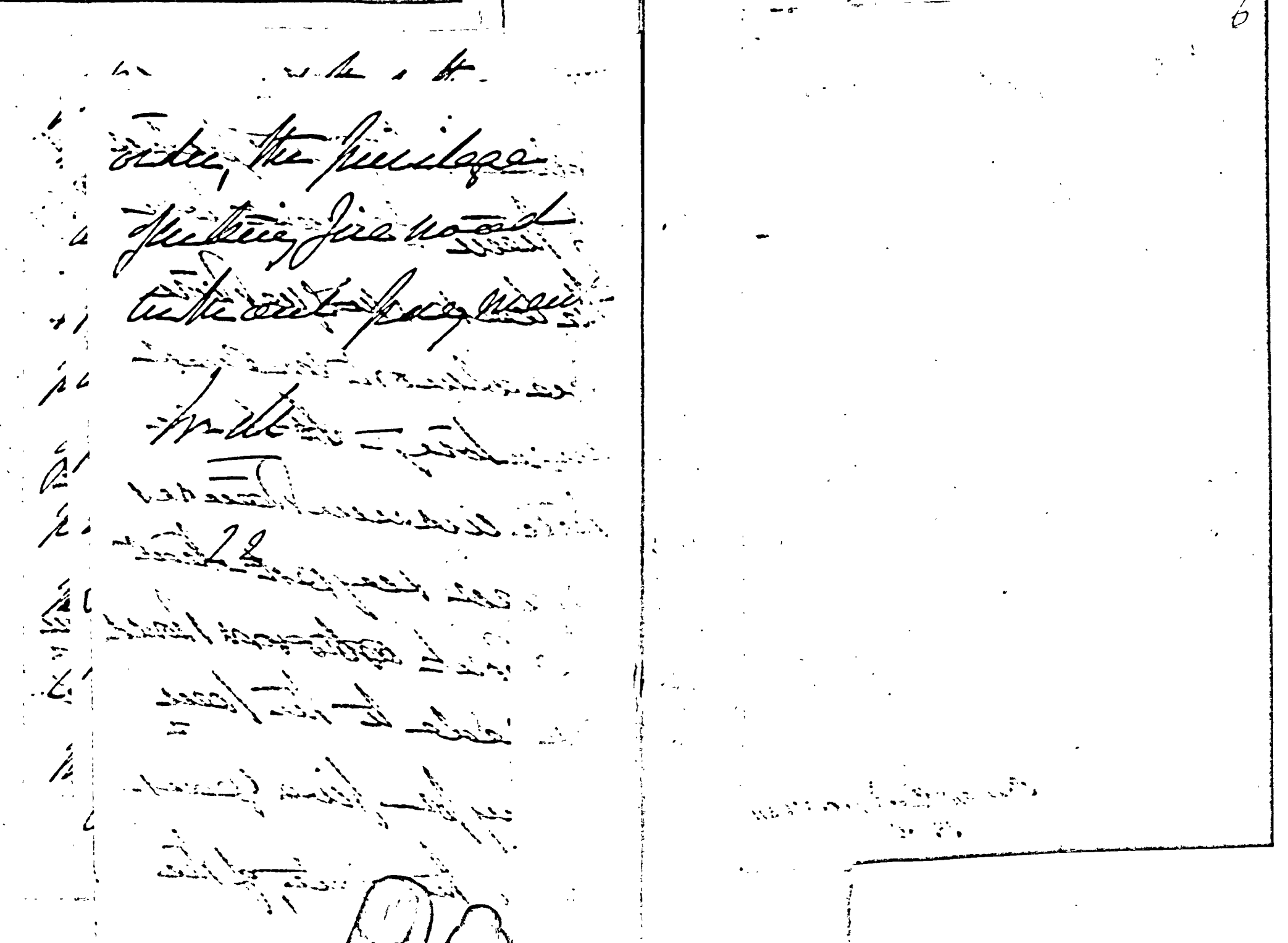
(Signed) J. D. SIM,
*Acting Secretary to Government.*

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...ient the President proposes to concede to



advantages of Isabel
Queen Isabel Queen
the leader the Queen
was almost deified
by her subjects - She under
stood business
She was a good
Queen respect - that
Queen ought should
succeeded to the throne
for forty five years -
from the death of the



The Iron Company had ~~three~~ two long leases - one for Trichinopoly & one for South Arcot - under each of these leases they apparently paid latterly Rs 500 per annum, & they refused the option of renewing them on the proposed terms viz Rs 2000 per annum, supposing that they would be allowed to cut fuel for nothing.

That privilege was however disallowed & the Company were informed that they must pay 4 Rupees per Cart load. This they declare they cannot afford & they have also declined a renewed offer of the leases at Rs 1500 each per annum.

The letter of the Company's Secretary Mr Burgess dated London 3rd Oct 1860 explains that the former leases did not give the exclusive right of entry & cutting fuel, without which they were not worth the sums annually paid for them - But it is evident that the Revenues of the country & the Govt Stores ought not to be deprived of their power of cutting fuel to benefit this Company.

Under these circumstances & considering the Iron Company deserving of encouragement the President proposes to concede to

them for 5 years the privilege of cutting fire-
-wood without payment - This proposal applies
I presume to both the Districts of Sibsagar &
Jorhat only.

I should have preferred seeing them the
liberty of cutting fuel on payment of a
suitable fee or Royalty of 2 annas as proposed
by the Collector in Bird (see Allegoria
letter of 14th May last) - the proceeds being
applied to the maintenance of watching peons
in the Forest Conservancy Dept.

But if fuel is to be given them without any pay-
ment I would suggest that Govt should
not bind itself to enter any terms, or enter
into any formal agreement, but merely
concede the privilege so long as the people
consult cut only the deadwood & do
not injure the forest trees. Moreover
our Forest Conservancy Dept should not
recently been established will be virtually
nullified & in the western parts of Sibsagar
& Jorhat only this is an important consideration.

23 Nov

Elliott

R. Order No 2511 dated
24 Dec 66

Memo.

The Indian Iron Company
had a lease of the privilege of cutting
fuel in the Dodayarpolliam jungles
for 21 years - paying nothing the first
5 years, 500 Rs yearly the second 1000
Rs yearly the third 5, and 1500 Rs year-
-ly the last 6 years. It was renewable
for 21 years, subject to a fine of 2000 Rs
and the rent under the renewed lease
was to be 3000 Rs yearly.

2. The lease expired on the 31st
December 1859, and the Company de-
clined to renew it, supposing that they
would be allowed to cut for nothing,
as Ryots are for their own use in
their own villages. This however
was not allowed; it was ordered
that a tax of 4 annas should be
levied on each cart load of about
750 lbs.

3. The Representative of the
Company now protests against this,
declaring

declaring that it must lead to the closing of the works. It seemed incredible that it should have any such effect. The proposed tax would be a small part indeed of the whole expenses, and the total would probably not be very much more than has been paid during the last five years under the lease. Government might be willing, however, to allow them to renew the lease on the terms stipulated, and even to remit the fine payable on renewal.

No 2511

Proceedings of the Madras Government
Under date the 24th Decemr 1860

Forwards for information of
the Court of Directors copy
of a letter from the Agents
to the East Indian Iron Company
respecting the renewal of their
Jungle leases.

To the Right Honble
Sir Charles Wood Bart
&c &c &c

My Lord -

I have the honor to forward
herewith for the information of
your Lordship in Council
a letter from the Agents
to the East India Iron
Company, dated the 12th
instant, with its enclosures
relative to the renewal of
their leases in the Salem
District.

I have the honor to be
My Lord
Your Lordship's most obedient
humble Servant
(Signed) C. Trevelyan
Actg Secy to Govt

Fort St George
The 24th December 1860

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No 18 July 1860 to 197 Ins.

Min 14th Sept 1860 No 340
" 19th — " No 344.

Copy in a Letter to Engd
of 30th January 1861 No 5

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Revenue 1860 Depart.
Proc: of Govt for Decr
No: 2584.

From the Agents to the
E. I. I. Company.

Dated 12th November 1860
Rec'd 13th
2 Encls.

Forward Copies of a
letter from the General
Manager of the East
Indian Iron Company
and of its accompani-
ment, respecting the
renewal of the Jungle
Leases.

C No 452.

C 15 Nov. C. D. Rec'd 8 13

No: 2511 - 24th December

yearly for the third
period of 5 years -
and Rs 1500 yearly
for the last five years.
The lease has further
declared renewable
for a further period
of 21 years - subject to
a fine of Rs 2000 & an
annual payment
during the whole period
of Rs 2000.

On the Expiration
of the original lease
on 1st Jan 1869; the first
Plaintiff's Company
the then proprietors
in the Concern
terms - The Company
however declined
to - & they filed the
Plaint on the Records
of this Court
praying that the
Defendants may be
compelled to renew
the lease for the
further period of
21 years on the
terms of the
former lease -

4 am: for every 750 lbs
of fuel cut by them
in the pt. jungles.
The Company &c.
have contracted against
this - and pt. the
Plaintiff's claim a de-
clared of the lease
on Rs 1500 - (the Defts
admit this) & the
Plaintiffs from 1853 to
1859 / and remits
the fine of Rs 2000
altogether.

The Company
have pleaded that
such like literal
terms will press
heavily on them -

The first count
allows that the Com-
pany have been
liberally treated - but
in consideration of
the circumstance of

[illegible] Rich they have
in view of the
large Legislature
heralded between us
for the Issue of
and of stopping Fraud
Leads the Application
Re- Pleased to
Bank Notice the
Rise to the per Cent
Rail in the Province
Re the Bank to
by them in this Con-
-cession & Revoke
by Act at any time
after [illegible] and the
Company are in
all respects Fine
Agreement - the Act
fact & the Principal
Rules of the Com-
Servancy Depth
established in
Province in the Rich

Pay to the Agents of the
P.E.I. Pay Office
Bn Bishop Rec'd

L Richmond Dis-
-trict - The Company will
be careful to learn and comply
with the Regulations
that the Company
state lay stress on
the circumstance
of their not having
the Monopoly of
Steeles, Jungles - and
on the late of Seigniorage
of 4 Cur: per 750 Ch.
which they seem to
consider unduly
high - The Act cannot
grant a Monopoly
of the Fisheries without
trenching on the Pre-
-scriptive Rights of
the People - and
the Seigniorage amounts
only to 12 annas or
9 pence per Ton, which
is certainly very
low.

J. D.

Copy of Letter to Engd of 30th January 1861 No 5.

Renewal of the Jungle leases by the E.I. Company

Revenue 1861 Departt.
Pro: of Govt. for December.

No 2511.

Pro: of the Madras Govt.
Dd 24th December 1860.

Further Pro: 29th Jany/61 No 215.

Town Callers of South Arcot
Dd 20th April/61 No 1012. with Pro.
10th May No: 1013.

On a letter from the Agents to the East India Company respecting the renewal of the Jungle leases

No
4.3.D.453

