

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.

2 / 3 /

Press
Mis.

137-39.

Dated

10 - 8 - 1868.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
10th August 1868.*

Read the following :—

No. 137. Proceedings of the Board of Revenue, dated 19th May 1868, No. 3,726.
Read the following letter from A. PIERRES DE CLOSETS, Esq., c. e., to the
Secretary to the Board of Revenue, dated Madras, 29th March 1868.

1. I have the honor to acknowledge the receipt of your letter enclosing the
Proceedings of the Government Board of Revenue, and the Order thereon, dated
13th of November 1867, and I have the honor to observe :—

First.—That it is not my intention to prevent or interfere in the least degree
with the native iron-making, and, on the contrary, that the business I intend to
carry on will tend to prove and spread the fabrication of iron, and will give remun-
erative work to a number of native villagers.

Second.—That without a privilege, it would be impossible for me to raise the
capital required, or to form a Company for that object, and that at all events this
privilege could be cancelled if the works are not started within a certain time.

Third.—That one of my first objects is to make cast-iron pipes intended
for the Madras Municipal Water Works, and that the cost of these pipes would be
greatly reduced by their being made on the spot.

2. I have, therefore, the honor to express the hope that the Government
Board of Revenue would re-consider their decision, and would agree to grant me
the following demands :—

First.—The permission of raising and collecting iron ores in the Govern-
ment waste lands within the boundaries of the Madras District.

Second.—A privilege of ten years, extending to the district of Madras, for
smelting and working iron ores by European process.

1. The Board are not quite sure that they correctly understand Mr. de Clos-
ets' wishes.

2. His first request is, "permission" to raise and collect iron ores in the
Government waste lands of the Madras District. The Board wish to know explic-
itly, whether by this Mr. de Closets means that the monopoly or exclusive privilege
of raising and collecting iron ores in this tract is to be conceded, or whether he
only wishes to share the privilege, tax free, with others, Natives or Europeans, indi-
viduals or Companies.

3. The Board would also wish to know whether Mr. de Closets has already
collected or raised ores in the Madras District on Government waste, and if so,
whether he has been impeded in any way or charged with any tax.

4. Mr. de Closets' second request is, the "privilege" for ten years of smelting
and working iron ores by European processes in the Madras District.

5. As regards this request, the Board wish to know, whether Mr. de Closets
by "privilege" means the monopoly or exclusive privilege, or merely permission in
common with others, tax free.

6. The Board ask this question, because the Government cannot, as far as
they are aware, debar any person from adopting European processes of iron-making

which are not protected by patents. These processes are not the property of Government, and the Government cannot give Mr. de Closets the exclusive right of using them. If Mr. de Closets has discovered any new process, he can reserve the advantages of his discovery under Act XV of 1859.

7. The Board also request Mr. de Closets to state specifically what conditions he proposes. Supposing the Government to be able and willing to grant such exclusive privileges as Mr. de Closets seems to desire, they will doubtless, in the interest of the public, stipulate that the privilege shall not be allowed to lie dormant, but that, after a reasonable period for preliminary arrangements, a certain quantity of ore shall be periodically raised and smelted, &c., &c. It is desirable, in order to avoid further references and delays, that Mr. de Closets should specify what conditions he is generally prepared to agree to.

No. 138. Proceedings of the Board of Revenue, dated 27th July 1868, No. 5,422.

Read again Board's Proceedings, dated 19th May 1868, No. 3,726.

Read also the following letter from A. PIERRES DE CLOSETS, Esq., C. E., to the Acting Secretary to the Board of Revenue, dated Madras, 25th May 1868:—

1. I have the honor to acknowledge the receipt of your letter, dated 19th May 1868, No. 3,176, and to state—

2. That when I requested the "permission" of raising and collecting iron ores, I was under the impression that such permission was to be obtained officially.

3. I have since collected iron ores without impediment, by the means of villagers, as they seem very glad to supply any quantity I may require, finding that such work is a remunerative employment for women, children, or others not engaged in agricultural purposes. I do not think it necessary for the present to demand any lease or grant for collecting iron ores, wishing only to share with others the privilege, free of tax, of collecting these ores.

4. As regards the privilege of ten years for smelting the ores by European processes, I mean "an exclusive privilege" for the district of Madras, I have framed my demand upon a similar privilege or lease granted to the East India Iron Company for the districts of South Arcot, Salem, Coimbatore, Malabar, and Canara, and which is to run for fifteen years more—(See the Proceedings of the Madras Government, Revenue Department, dated 4th July 1867). Under the same point of view, I have applied for a privilege, "exclusive," for the district of Madras, and for ten consecutive years, for smelting iron ores by European processes, that is to say, in blast furnaces, assisted by the usual machinery, so as to produce "pigs" or cast-iron direct from the ores.

5. It is to be borne in mind that such works are works of public utility, and that it is not possible to start the same at once without trials on large scale and a certain expenditure, therefore supposing that after much trouble and difficulties, loss of time, &c., I shall arrive at last at working a blast furnace successfully, other parties then availing themselves and taking advantage of the local experiments made by me, could start similar works on the same spot, and providing a larger capital, would enhance the prices of materials, and put myself out of the field.

6. I suppose, that in such case, you would consider myself as not equitably remunerated for attempting to implant in Madras an industry which is the "basis" of the others.

7. But in contrary, with an exclusive privilege granted to me, I could go through the trials and experiments unavoidable to ascertain at first the mode of smelting the kind of ores at hand, with a hope that, if being successful, I will have a few years to run with favorable returns, before to incur the chance of being stopped by some competitor.

8. Admitting that Government should be willing to grant me the "exclusive privilege" of ten years I request, I have the honor to specify that the conditions I am generally prepared to agree to are:—

1stly.—To pay a royalty of (1) one Rupee per ton of pig or cast-iron "*bonâ fide*" runned from the blast furnace or blast furnaces.

2ndly.—That the exclusive privilege granted to me will be cancelled—

First.—If no pig or cast-iron has been produced from the blast furnace within a year from the date of the grant.

Second.—If during the period stipulated for the privilege, the works once started are suspended for more than six consecutive months, or if their yearly product is less than (600) six hundred tons.

1. In their Order of the 13th November last, No. 2,689, Government informed Mr. de Closets, that they would be prepared to consider any definite application to raise and smelt the iron ores on Government waste "in a particular limited locality," on being satisfied of the competency of the applicants to bring the scheme to a successful issue so far as the possession of sufficient capital would ensure success.

2. Hereupon, Mr. de Closets applied to the Board for—

I. Permission to raise and collect ores in Government waste within the Madras District.

II. A "privilege" for ten years, extending to the Madras District, for smelting and working iron ores by "European process."

3. The Board requested Mr. de Closets to state whether, by the use of the words "permission" and "privilege," he contemplated the *exclusive* permission and privilege; whether he had already collected any ore in Madras, and in so doing, had been either impeded or taxed; and what conditions he would be prepared to accede to if Government conceded the privilege he sought.

4. In his reply, Mr. de Closets states that he has already collected ores without impediment, or the demand of any tax, and he does "not think necessary for the present to demand any lease or grant for collecting iron ores, wishing only to "share with others the privilege, free of tax, of collecting these ores." On this point, therefore, all difficulty is removed. As to his second demand, Mr. de Closets states that what he seeks is the exclusive privilege for ten years of smelting the ores by the "European process." This, as pointed out in paragraph 6 of the Board's Proceedings, dated 19th May 1868, is what the Government have no power

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Proceedings of the Madras Government, Revenue Department,
10th August 1868.

to grant. They can no more give Mr. de Closets the exclusive right of using the European process of iron-making, than they can give him the exclusive right of making cloth by the European process. The Government have no legal power of debarring others from making use of European methods of manufacture not protected by patent.

No. 139.

ORDER THEREON, 10th August 1868, No. 2,131.

Miscellaneous.

The Board's Proceedings are approved.

(True Extract.)

(Signed) R. A. DALYELL,
Acting Secretary to Government.

To the Board of Revenue.

Ed. S. T. Augustin.

Rev. Department
2131.

Proceedings of the Madras Government
Under date the 10th August 1868.

Read the following
Proceedings of the Board
of Revenue.

Informing Mr. A. Piernas de
Closets & Co. that Govt. have
no power to grant the exclu-
sive privilege for ten years
of smelting ores by the Euro-
pean process.

(H.C. 27th July/68 No. 5422)

1 The Board's Pro-
ceedings are approved.

I would state here
WDR

2 Though the Govern-
ment are anxious to do
all in their power to for-
ward Mr. De Closets' un-
dertaking as being calculated

14 Copies to Mr. de Closets & Co. 21/11/68

21/11/68

to develop the resources
of the country they are
unable to grant him the
exclusive privilege he
desires.

AA

W. H. Hall

Rebated to England
By 6 Dec 1868

23/7/38 ✓

Revenue 1868 By Act
Pro of Govt for Augt

1868/31

Pro of the Macao Govt
D 110 August 1868 =

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Respectfully

Case no. 80-81

4/7/67

236-39

13/11/67

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