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MADRAS RECORD OFFICE**GOVERNMENT OF MADRAS***Revenue***DEPARTMENT**G.O. No. 1759.
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Dated 6.12.1875 196 .

Not to be folded or roughly handled

No. 83.

No. 1,759.

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,

PUBLIC WORKS DEPARTMENT.

Miscellaneous.

SIR,—In your letter, dated 30th
September 1875, No. 609A.G., it is
observed that the Home Estimates for

1874-75 contain a provision of £8,000 for payment to the East India Iron Company for the surrender of their lease and in discharge of claims in respect of barracks and land at the West Hill, Calicut, and a request is made that the particulars connected with this payment may be communicated to the Government of India.

2. In reply, I am now directed to forward herewith a file of papers bearing on the subject.

3. The Indian Iron Company held a lease* from the Honorable East India Company, dated 17th November 1857, which conceded to them certain valuable exclusive privileges in the districts of Salem, Malabar, Canara, Coimbatore, and South Arcot, for the term of thirty years from 1st January 1853, subject to an annual rent payment of £500 sterling, to be made in Madras.

4. In 1868, on receipt of an application, in which the applicant inquired where he could work iron ores in this Presidency without infringing the privileges of the Indian Iron Company, the Government had their attention directed to the Company's lease. They found that the lease, owing to the nonfulfilment of its terms had become legally void, and that the Company had long remained inactive; and deeming it objectionable that any such grant of exclusive privileges should be allowed to lie dormant and yet uncanceled, they requested the Secretary of State to cause steps to be taken to prevent the Company from being an obstacle to other enterprise in the same direction.

5. A negotiation was accordingly entered into by the Home Government with the Company for the surrender of their lease, which resulted in the Company's preferring a claim for the repayment to them, as compensation, of the sum of £10,000, which, it was stated, they had paid to the Honorable East India Company on account of their ore and fuel leases. In forwarding the correspondence on the subject, the Secretary of State, referring to the Company's large expenditure (£175,000 according to their own estimate) in operations which had proved unsuccessful, and had entailed much loss to the shareholders, expressed his willingness to repay them the sum of £10,000; but before doing so, he inquired whether this Government had any counter claim against the Company.

6. The grounds upon which the Company based their claim to compensation, and the comments of Government in reference thereto are given at length in Madras despatch of 21st September 1869, No. 55. It was there shown that the sum of £10,000 was paid to the Honorable

* Received with despatch from the Honorable the Court of Directors, 10th February 1858, No. 8, Public.

To Secretary of State, 11th February 1868, No. 6, Miscellaneous.

From Secretary of State, 22nd July 1869, No. 20, Public, in G. O., 21st September 1869, No. 2,625A.

To Secretary of State, 21st September 1869, No. 55, Miscellaneous.

1759
2

East India Company not as consideration money for the leases but as a compromise of their pecuniary claims upon the Iron Company (said in 1851 to amount to nearly £90,000); it was also shown that the Government claim upon the Company on account of rent, under the lease, amounted to the end of 1866 (the Company having stopped work early in 1867) to £7,000; and as regards the Company's complaint that their rights under their fuel leases had not been respected by the Government, it was further shown that such was not the case, but that the Company had been treated with indulgence in respect to these leases. The Government, however, did not wish that these facts should have the effect of modifying, to any serious extent, the liberal manner in which the Secretary of State proposed to deal with the Company. It was observed that the vast importance of the undertaking, which the Company had initiated, and, for so many years, had sustained, under great difficulties and at a very large sacrifice of capital, entitled them to consideration, and that the Government would view with satisfaction any decision, at which the Secretary of State might arrive, involving the repayment to the Company of such portion of the £10,000 sought by them as might seem to him just and proper.

7. About the same time, it had come to the knowledge of Government that the To Secretary of State, 21st September 1869, No. 55 Miscellaneous, paragraph 10. European Infantry barracks at the West Hill, Calicut, from some misconception, had been built upon sites which belonged to the Iron Company; that the buildings on one of these sites (according to legal advice) had lapsed to the Company; and that the Company claimed a sum of Rs. 40,000, stated to be the value of the lapsed buildings and all the sites, as the condition of their resigning their rights. The Government, therefore, requested that the arrangement to be made with the Company might provide for the cession of all their rights in these barracks, together with the lands upon which they were erected, and those in the vicinity.

8. The arrangement ultimately come to with the Company, as intimated by the From Secretary of State, 16th June 1870, No. 18, Public, in G. O., 8th August 1870, No. 1,183. Secretary of State in June 1870, provided for the surrender of the Company's lease in consideration of £4,000, and for the conveyance of the site of the West Hill barracks in consideration of another sum of £4,000; together £8,000 on account of compensation for losses, the surrender of the lease, and in payment of the property and interests of the Company at Calicut.

9. The correspondence subsequent to me 1870 relates to the deeds in connection with the arrangements in question. The deeds were finally settled in August 1874.

I have the honor to be,

Sir,

Your most obedient servant,

(Signed) D. F. CARMICHAEL,
Secretary to Government.

Encl. F. R. Bantleman.

Public Works [1875] Department.

Government of Fort St. George.

Dated 6th December 1875. } No. 1,759.
Received } Enclosures.
8 spare copies.

D. No. Progs.

L. No. No.

FORWARDING a file of papers relating to the payment of £8,000 to the Indian Iron Company for the surrender of their lease and in discharge of claims in respect of barracks and land at the West Hill, Calicut.

All communications
should be addressed to
the Secretary.

No. 609 A. 4

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

ACCOUNT.

To General

The Secretary to the Government of Madras

Public Works Department

Sunday 30 September 1875.

Sir,

In the Home Estimates for 1874-75 a provision of £8,000 has been made to provide for a payment in April 1874 to the East India Iron Company for the surrender by it of their lease, and in discharge of all claims in respect of Barracks and Land at the West Hill, Calicut.

2. As nothing appears to be known in this Department of the circumstances rendering this payment necessary, I am directed to request that the particulars of the case, if known to the Government of Madras, may with the permission of

that Government be communicated to the Government of India.

I have the honor to be
Your most obed^t Serv^t

(Wickham) Col R.A.

Secy to Govt of India

23-1-17

Recd 28/11/1882
183-11/11/1882

Referred to the
Revenue Department
in which Dept. the
correspondence is
referred to for their
action is recorded.

Referred to for 1882

14th October 1895

230 18/11/1882
183-11/11/1882

From
No. 3979.

1882
1882

Copy of order

1882
1882

1882
1882

Refused.