

Revenue (1897) Department.

ROUTINE SERIES.

G.O., No. 1616.

DATED

30 Aug 97

[Despatch Abstract.]

Requesting Messrs Ashburton & Co. to expedite
their reply to B.P. No 28738 30.7.97 re. the
grant of a mining lease for phosphatic
nodules in the Trichinopoly Dt.

BACK PAPERS.

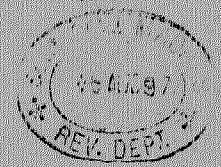
G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

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CNO	8191/97						

Revenue (1897) Department.

CURRENT No. 6736



List

Order R. no 1816 d/30 aug 97

From The Board of Revenue,
Land Revenue

Messrs. Arbuthnot & Co.

No. 2873 bis

are requested to submit their
reply to paras 5 and 6 of the
Board's Proceedings no 2873 bis
d/30. 7.97 at a very early date.

Dated 30. 7-97

Received

Registered

Enclosures

Spare copies.

Utes
28. 8. 97

Examine the lease
to see if it means him
to not let him
make the over
the firm of his

SUBJECT.

Submitting with remarks for the approval
of Govt. the draft lease to be granted
to Messrs. Arbuthnot and Co. for mining
for phosphatic nodules in the
Trichinopoly Bt. and informing Messrs.
Pierre Leslie and Co. that they will be
furnished with a reply to their
query regarding the terms of mining
lease, when the terms of the lease
to be granted to Messrs. Arbuth-
not and Company have been
settled.

To Messrs. Arbuthnot & Co.

M
26/8

Utes
11/9/97
Examined

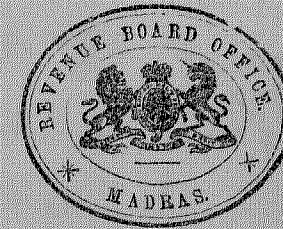
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BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.



Proceedings of the Board of Revenue

(Land Revenue),

Dated 30th July

1897.

No. 2873

Miscellaneous.

READ the following letter from the Collector of Trichinopoly dated the 30th September 1896, Ref. on C. No. 1421 of 96.

With reference to Board's Proceedings No. 3623 Mis. 1 dated 6th August 1896, I have the honour to submit herewith for the approval of the Board a draft mining lease in the form printed in B. Proceedings No. 464 after embodying therein the condition approved of by Government in connection with the lease to be granted to Messrs Arbutnot & Co. and after making such verbal alterations as were found necessary.

2. Under the permission conveyed in para 2 of the Board's Proceedings No. 2356 mis dated 30.7.96 23rd May 1896, Messrs Arbutnot & Co. have already commenced operations and are reported to have been collecting the nodules since the 15th June 1896.

3. It is requested that orders may be issued

issued on the following points under the powers reserved in paras 5, 7, 8, 9, 10 and 12 of Part III of the Schedule attached to the lease-deed.

(a) What accounts the firm should be asked to furnish to me or to the Tahsildars,

(b) What check should be exercised, and if so by what officer, on the weighing of the nodules collected,

(c) How the quantity of crushed product should be ascertained if the firm removes the nodules in the raw shape from the mines and crushes them in its mills elsewhere,

(d) How the "market price" of the crushed product" on which the royalty has to be calculated, should be ascertained.

(2) And the following reference thereon dated 16th November 1896.

The draft form of the mining lease to be granted to Messrs Arbuthnot & Co. received from the collector of Trichinopoly with his letter read above, with a few alterations and additions made by the Board in red ink will be forwarded to the lessees with the following observations for any remarks they may wish to offer.

2. Para 3. Part IX of the Schedule appended to the draft lease.

The collector proposes to fix for depreciation a sum equivalent to 6. p. c per annum on the net original cost of the buildings or works.

The

30
The Board considers that a rate of 5. p. c which has been fixed in the case of the coal mining lease to be granted to the Godavari Coal Company will be sufficient.

Para. 3(A) of the collector's letter.

Under para 7 of Part III of the Schedule the lessees will maintain in their ordinary course of business correct and intelligible books of account showing the particulars specified therein. It seems sufficient for the present to require them to furnish the collector every month with a statement in the subjoined form.

* Copy attached.

Here enter Statement

57
Para 3(b).

In regard to the check to be exercised on the weighing of the nodules collected, it is observed that the lessees propose for the present to carry all the minerals raised to Calicut to be crushed there. The Board considers that the weighment of the mineral at the Railway Station, the particulars of which will be embodied in the monthly Statement prescribed above will answer present requirements.

Para 3(c).

The quantity of the crushed product and its market price at Calicut will be reported by the lessees in the ^{prescribed} ~~presented~~ Statement

Statement the entries in which can be checked by means of occasional inspections of the lessee's works and accounts at that place and by such independent inquiries as may be deemed necessary.

Para. 3. (d).

For the present, the Board proposes to levy royalty on the sale proceeds of the crushed product less railway charges & the monthly return prescribed above will furnish the required information. If, eventually, a demand for the mineral is found to exist - East of the Western Ghats and the Nilgiris, no allowance will be made for railway charges to Calicut.

Read also the following letter from Messrs Arbuthnot & Co. dated 12th July 1897.

Phosphatic Nodules.

We return the draft mining ^{lease} and would submit for the consideration of the Board the following points.

Part II of the Schedule provides that the lessor shall in certain circumstances pay us, as lessees, compensation for damage done and that the decision of the Local Government (practically the lessor) shall be final as to the amount of compensation due to us.

Part II of the Schedule Clause 3 provides

Statement showing the quantity of phosphatic nodules on which royalty is leviable for the month of

Quantity des- patched by rail	Quantity received at Calicut	Quantity of Crushed product Sold or otherwise disposed of	Rate at which product sold	Sale Proceeds	Railway Charges from Calicut to Madrass	Railway Dyffce between Calicut and Madrass	Royalty at 5 p.c. on the amount shown above	Remarks
1	2	3	5	6	7	8	9	10.
Tons Cents	Tons Cents	Tons Cents	Tons Cents	Tons Cents	Tons Cents	Tons Cents	Tons Cents	Tons Cents

True copy

Recd

Secretary

provides

"The further yearly rent on lands xx the surface whereof shall be occupied or used xx to be paid xx.

We understand that this only refers to lands on which we erected buildings, are collecting nodules and are cultivating.

Part IX of the schedule, clause 4 provides for the cancellation of the lease under certain circumstances; in addition to these it should give us the option of cancelling the lease should we find ourselves unable to dispose of the products profitably.

The Board is aware that this is an experiment which may result favourably or the reverse and should bear this in mind in fixing the terms.

Also the following reference thereon dated the 16th July 1897.

Messrs Arbuthnot & Co. are requested to return the Collector's letter dated the 30th September 1896, Ref. on Lr. No. ^{Rev.} 1421 of 1896, forwarded to them in original with Board's reference on General Register No. 5393 dated 16th November 1896

Read also the following letter from the collector of Trichinopoly, dated the 17th December 1896, Ref. on Lr. No. ^{Rev.} 3708 of 96.
Rev 23th

With reference to Board's Proceedings
No. 4367 dated 23rd September 1896,
Land Revenue, I have the honor to
forward herewith copy of a letter dated
20th November 1896, addressed to me
by Messrs Peirce Leslie & Co.

2. They request to be informed
whether after they have accepted a lease
for 30 years, Government would allow them
to determine it earlier, if the mineral
leases to be popular as a manure in
the districts to which their trade is
confined and thereby leases to pay for
its collection so far as their firm is
concerned, even though a demand for the
mineral may exist in other localities.

3. Orders are solicited.

Copy of letter from Messrs Peirce Leslie & Co. to the Secy. of Industries dated 20th Nov 1896

We have the honor to acknowledge
receipt of your letter No. 1709 of 96 dated
26th ultimo re: Phosphatic nodules.

We thank you for detailing the
terms relating to rent and royalty and
we shall be much obliged by your
informing us as soon as the value to be
taken for the purpose of the ad valorem royalty
has been determined.

With reference to para 4 of
your letter referring us to Government

Order

Order No. 379 dated 30th July 1896, in which
it says that the lessees may determine
the lease "on proof to the satisfaction of
Government that Phosphatic nodules no
longer exist in sufficient quantities to
pay for their collection", we have the honor
to request an interpretation of how the
above quoted order would be applied
in our case under the following circum-
stances. Our object in applying for the
lease is to provide a supply of these nodules
for the use of Planter Constituents in the
districts in which we do business. Their
suitability as a manure for coffee etc is
as yet a matter of uncertainty and the
orders we have received to date are experi-
mental ones. It may happen that after
trial the nodules will be found unsuitable
or not so suitable as some other manure
for our districts, in which case our interest
in the article would cease, although possibly
the nodules might still be forthcoming
in sufficient quantities to pay for their
collection for use in other localities than
those in which we have connections.
We would not care to commit ourselves
to continue collecting them should our
planter friends cease to require them,
and we hope that Government will
be

be ~~planned~~ able to meet us in this respect by making the lease determinative on our part, by 3 months notice at any time.

• Resolution.

In Board's Proceedings No. 3623 dated 6th August 1896, the Collector of Trichinopoly was requested to prepare and submit a draft lease to be granted to Messrs Arbuthnot & Co. to mine ^{for} phosphatic nodules over the blocks assigned to them in Government Order No. 379 dated 30th July 1896 for a period of 30 years. With his letter of the 30th September last, the Collector forwarded a draft lease and requested orders on certain points in connection therewith. In its Reference Order dated 16th November 1896, read above the Board dealt with these points and forwarded the draft lease as amended by it to Messrs Arbuthnot & Co. for such remarks as they might wish to offer.

2. With the second paper read above Messrs Arbuthnot & Co. return the draft lease and submit the following points for consideration.

(i) Part IV of the Schedule appended to the lease provides that the lessor shall

Shall pay in certain circumstances Compensation to the lessees for damage done and that the decision of the Local Government (practically the lessor) shall be final as to the amount of Compensation due;

ii whether clause 3 of Part II of the Schedule providing for the payment of surface rent refers only to "lands" on which they erected buildings, are collecting nodules or are cultivating."

(iii) Clause IV of Part II of the Schedule which provides for the cancellation of the lease under certain circumstances should also give them the option of cancelling the lease, should they find themselves unable to dispose of the products profitably.

3. With regard to the first point, the Board considers that the Company may be informed that the provision has been prescribed by the Government of India and cannot be altered.

4. In regard to the second point the Board observes that the charge of surface rent is restricted as supposed, but the lease conveys no right to cultivate and the Government retains the right to let out for cultivation lands covered by the lease and not actually required for occupation by the

the lease. Such letting for cultivation would only be of a temporary character and the cultivators would be entitled to no compensation if the land were required for mining purposes.

5. On the third point it is to be observed that leases for a shorter period than 30 years have been refused to other applicants on the ground that no leases could in fairness be granted to competing applicants on more favourable terms than those accepted by Messrs Arbuthnot & Co. If the modification now proposed is accepted, the grant of leases for short periods will no longer be considered open to objection. This being the case, Messrs Arbuthnot & Co. are requested to communicate to Government direct whether they still desire the modification applied for.

6. It is presumed that the firm accepts the Board's answers to the Collector's queries dealt with in the reference order of the 19th November last above referred to.

7. The delay on the part of Messrs Arbuthnot & Co. in replying to the Board's reference order appears to be due to their having mislaid the papers.

8. With the above remarks the Board submit the draft lease

as

as revised by it for the approval of Government.

9. In the last letter read above Messrs Peirce Leslie & Co. inquire whether after their accepting a lease for 30 years, they would be allowed to determine it earlier if the mineral leases to be popular as manure in the districts to which their trade is confined. They will be furnished with a reply to the above query when the terms of the lease to be granted to Messrs Arbuthnot & Co. have been finally settled.

(True copies and extract)

Recd
Secretary.

To,

The Secretary to Govt, Rev. Dept, &
with draft lease in original

Copy to the Collector of Trichinopoly.
+ copy of a statement to be returned.

" " Messrs Arbuthnot & Company.
" " " Peirce Leslie & Company.
para 9 only.

Mr. Commissioner
Gen. Secy to Govt
from the Secy.
10/11/96
10/11/96

The Board's reference
order 16.11.96
the firm's reply
12.12.96

NOTE

When given for copying _____
When copied _____ } 189
When examined _____
When signed _____

READ AGAIN G.O., No.
189.

DATED

CUR. No.

ENCLOSURE TO C. No.

ORDER OF GOVERNMENT

A A A A A A A

LETTER OF GOVERNMENT.

STATEMENT WITH DIET.

PAPERS NOT FILED UP, BEING MEANT FOR DISPATCH
IN ORIGINAL.

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