Revenue (1897) Department.

MISCELLANEOUS SERIES.

G.O., No. 2240

DATED 4th May 1897

[Despatch Abstract.]

Recording with remark, B. P. revising the Schedule of rates prescribed for the purpose of calculating royalty on ~~minerals~~ mica & the form of daily account showing the quantity of mica mined and the amount of royalty payable.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No	Department	Date.
Go	1716	Rev	30.3.97.	/			

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O	No.	Department.	Date.
Go.	2653	Rev	25.5.97.				
~~C.P.S. 1600/97~~			Go 2743 /				
			31.5.97				

Revenue (1897) Department.

CURRENT No. 3150

The Hon'ble Mr J. Grose C.I.E.

SECY. GOVT. MADRAS 15 APR 97 REV. DEPT.

From The Board of Revenue, Land Revenue.

Price No. 2240 of 4th May 97.

Order 2/5/97

No. 108

Recorded with the remark that the classification of mica plates given in Appendix A appears to be ~~defective~~ incorrect inasmuch as ~~plates~~ the figures ~~stated~~ measuring exactly ½, ⅛, 12, 16, &c., sq. inches and those above 12 inches ~~and~~ but not more than 16 inches ~~have been left~~ are not covered by the ~~division adopted~~ ~~out of account~~.

28/4/97 1/5/97

Dated 1st April 1897.

Received [illegible]

Registered [illegible]

Enclosures

Spare copies 10

SUBJECT.

Revising the schedule of rates tentatively prescribed by the B.R. for the purpose of calculating royalty on mica and the form of daily account showing the quantity of mica mined and the amount of royalty payable, and stating that separate orders will issue on the revised draft Circular relating to mica mining submitted by the Collector of Nellore.

To the Board of Rev (L.R.)
Dis. 6-5-97

Mk
26/4

C 30/4/97

BACK PAPERS.

G.O.	No.	Department.	Date.
BP	No	436 & 23	11.96 (2 P.
B-P	No	335 & 26.1.97 C.J.P.
to	1716	Rev	30-3-97

FURTHER PAPERS.

G.O.	No.	Department.	Date.

REVENUE DEPARTMENT.

1897.

Board of Revenue

(Land Revenue),

MADRAS.

Printed April th.

Proceedings, No. 108, dated 1st April 1897.

APRIL.

Revising the schedule of rates tentatively prescribed by the Board for the purpose of calculating royalty on mica and the form of daily account showing the quantity of mica mined and the amount of royalty payable, and stating that separate orders will issue on the revised draft circular relating to mica mining submitted by the Collector of Nellore.

PROCEEDINGS OF THE BOARD OF REVENUE
(LAND REVENUE).

READ—again the following Proceedings of the Board of Revenue (Land Revenue), Mis. No. 509, dated 10th February 1897 :—

Read—the following letter from Messrs. BEST & Co., to the Secretary to the Commissioners of Land Revenue, dated Madras, 2nd February 1897: —

With reference to the new rules for mica mining proposed in the Proceedings of the Board of Revenue, No. 436, dated 23rd November 1896, we have the honour to request you will submit the following suggestions and remarks for the consideration of the Board :—

Royalty.—To estimate the value of mica for royalty on the assumption that it is the best of its size would, we submit, be putting a fictitious value on most of the mica turned out, from the fact that what is known as white mica can easily realize double the price of brown mica, and in the smallest sizes 2″ × 3″ has a market value where brown mica is practically worthless. We therefore suggest that colour be taken into consideration in estimating the value of plates for the purposes of royalty.

Appendix I.—Since the Proceedings seem to point to confining the industry to capitalists working on a larger scale to whom "it would not be worthwhile to evade payment of a small royalty at the risk of losing the lease of a valuable mine," we would suggest that the form showing quantity of mica mined given in appendix I be made a monthly instead of a daily return, and that columns 13 to 17, both inclusive, be made into a separate return rendered half-yearly, since it is practically impossible to obtain accounts of the actual results of sales in Europe much under four or five months from date of shipment, the public auctions only taking place about once a quarter.

Appendix II.—The schedule of estimated values given in appendix II is, we submit, far too high. Anything under six square inches is of practically no value in the London market, and even that size is valueless unless the mica is white. We beg to suggest the entire list be revised, as even the sizes for which there is most demand—40 square inches—are not worth more than about Rs. 3 per lb. at the outside valuation.

We are ready, if it should be desired, to submit London brokers' valuations and account sales of mica shipped during the past twelve months, on which the Board can base their estimate for royalty and will also, if required, compile an estimate for their consideration.

Resolution—Mis. No. 509, dated 10th February 1897.

The Board is much obliged to Messrs. Best &. Co. for their communication and would be glad if they would submit for its consideration London brokers' valuations and accounts as proposed, and also a schedule of estimated values arranged for two classes, *viz.*, colored and white *mica.* There should also be a note containing directions which must be so drawn that there will be no difficulty in checking the classifications and ensuring that none but inferior mica is passed on payment of the lower royalty. It seems to be doubtful whether the new rules will have much immediate effect in the direction of transferring the work to large capitalists.

2. With reference to Messrs. Best &. Co.'s remarks on appendix I, it is observed that the form is an account prescribed to be kept for inspection at the mine, extracts therefrom being submitted fortnightly. It is desirable that entries should be made on the dates on which transactions occur, and it was intended that the extracts should merely show the totals of the transactions during the fortnight. This will be made clear, and the Collector will be asked to report whether he considers that monthly extracts will suffice.

(True Copy and Extract.)

(Signed) R. C. C. CARR,
Secretary.

To Messrs. Best and Co.
Copy to the Collector of Nellore.

READ—also the following letter from Messrs. BEST & Co., to the Secretary to the Commissioners of Land Revenue, dated Madras, 5th March 1897 :—

With reference to your letter, Mis. No. 509, dated 10th February 1897, we have the honour to enclose herewith brokers' reports and valuations of shipments of mica during the past twelve months, as well as account sales for same. You will notice on comparison of the valuations with the amounts realized in the sales, that it is a very difficult matter even for experienced brokers to determine. In the schedule of estimated values submitted, we have gone to a very great extent on the actual prices received as the estimated values are for plates free from defects and flaws.

2. We regret we cannot submit a schedule for white mica as our actual experience does not extend to this quality, but we think it might be taken to be worth from 50 to 75 per cent. more than brown colored mica. At the same time we beg to be allowed to enter a protest against any royalty being levied previous to the actual sale of the mica, and would suggest that every shipment of mica be registered and the account sales for same produced at or before a certain period from date of registration, say six months.

3. The royalty on the gold produced at the Kolar Gold Mines is paid to the credit of the Mysore Government in London after it has been sold and it is calculated on the actual proceeds, and we would suggest some such arrangement being made in the case of mica. If necessary a deposit of Government paper could be made here proportionate to the estimated value of the royalty to be collected, and if a record was kept by the Customs Collector of the marks, weights, &c., of all shipments, there could be no possibility of any evasion in payment.

ENCLOSURE No. 1.

SCALE of estimated values of plates of mica per pound.

							Value. Per pound. RS.	A.	P.
Six square inches and under					...	...	*Nil.*		
Above	6 inches and not more than			10	...	...	0	2	0
Do.	10	,,	,,	14	...	...	0	3	0
Do.	14	,,	,,	17	...	...	0	6	0
Do.	17	,,	,,	20	...	...	0	8	0
Do.	20	,,	,,	24	...	...	1	8	0
Do.	24	,,	,,	28	...	...	2	0	0
Do.	28	,,	,,	36	...	...	3	0	0
Do.	36	,,	,,	50	...	...	4	0	0
Do.	50	,,	,,	60	...	...	5	0	0
Do.	60	,,	,,	80	...	...	6	0	0
Do.	80	,,	,,	100	...	...	6	8	0
Do.	100	,,	,,	150	...	...	7	0	0
Do.	150 and over			...	...	...	8	0	0

The above scale is for brown mica only.

Read—the following letter from W. S. MEYER, Esq., Acting Collector of Nellore, to the Secretary to the Commissioners of Land Revenue (through the Conservator of Forests, Central Circle), dated 6th March 1897, No. 1762-For.:—

With reference to Board's Proceedings, Mis. No. 335, dated 26th January 1897, I have the honour to state that the circular containing rules regarding prospecting and mining for mica has been revised with reference to the Board's instructions, but that compliance with paragraph 4 of the Board's Proceedings is delayed pending the receipt of Board's orders on the following points.

2. It seems desirable to expand the circular so as to make it contain all the important conditions in regard to prospecting and mining with which would-be applicants should be acquainted, and in this view the circular has been revised and amplified, and is now re-submitted to the Board with the new portions printed in italics. For convenience of reference, the source from which each paragraph in the circular is drawn is now printed in the margin.

3. The following new additions call for some explanatory remarks:—

Paragraph 8 *of Circular.*—The addition has been so worded as to make it clear that the security deposit is to be held available for repairing damage done by the licensee to the land, and that, subject to this, it may, if the prospector obtains a mining lease, be converted into a mining deposit.

Paragraphs 9 *and* 21 (ii).—The last clause provides for what has generally been done hitherto—the acquisition of the licensee of the trees on the land.

Paragraph 20.—This is dealt with in paragraph 7 of the present letter.

Paragraph 21 (iv).—The Government of India rules vest this coercive and penal power in the Local Government, but there seems no reason why it should not be exercised *proprio motu* by the Collector in such a flagrant case as non-payment of royalty. I also propose, if distraint on the premises will not suffice, to enable the Collector to recover the arrears in any manner authorised by Madras Act II of 1864.

Paragraph 23.—It is necessary, in order to avoid constant references, to have some general limits for the protection of irrigation sources. Seventy yards was adopted on the suggestion of the Executive Engineer.

Paragraph 24.—I have put in a minimum charge of Rs. 3 to prevent this office being over-burdened with the preparation of sketches of petty blocks. Hardly any applicant produces a sketch of his own which is at all satisfactory.

Paragraph 25.—It will be seen from my letter, Ref. Nos. 169 and 606-For., dated 24th February 1897, that the provisions of paragraph 21 of the circular read in Board's Proceedings, Mis. No. 335, dated 26th January 1897, are not adequate to meet the various questions that may arise in respect of mining and prospecting in patta lands. I propose, therefore, after receipt of the Board's orders on the letter above mentioned, to deal with these lands in a separate circular.

4. In regard to the levy of royalty (paragraph 14 of revised circular), the following representations made to me by Mr. E. H. Sargent deserve putting before the Board. For convenience of reference, I have divided Mr. Sargent's remarks into two heads and will note on them below:—

Mr. Sargent says:—

"I. Under this rule, I anticipate considerable trouble. Could it not be ruled that, in the event of a lessee making a consignment of, say, one ton mica to London—this mica having been weighed by the Government Inspector and royalty paid on it and packed in his presence (contents of each box being registered and insured)—all that is necessary for lessees to secure a refund from Government will be to produce the broker's sale account for such consignment? If not a general rule, might it not be made with those that consign home direct to London from the mica store where bulk is unbroken before it reaches London?"

"II. A large quantity (the larger portion) of mica is now re-examined in Madras, and reboxed from there. If reboxed in Madras it will be a very simple matter for a man having mines in * grant lands and in Government forest reserves to produce broker's certificate of account sales of mica on which he has not paid royalty and which has not been won from Government lands. So long as the sizes and weight and description of mica agree, Government will never be able to find out the fraud. If the Board does not insist on all mica won on Government lands being packed and despatched to its destination without breaking bulk *en route*, parties having mines in grant lands will most certainly be tempted to defraud Government in the way I have mentioned, namely, by changing the mica, sending home what bad mica they have as being won on Government lands and so getting a refund on presenting broker's account sales. The fraud is so easily done and detection so difficult nearly impossible."

* Shrotriem.

5. As to the first suggestion, I see no reason to prevent its being acted on under paragraph 14 of the circular as it stands, so long as the broker's account shows sufficiently the different sizes and colours (if colour is also to be taken into account on levy of duty) of the mica sold.

As regards the second part of his remarks, Mr. Sargent apparently wants to have refunds of royalty restricted to cases in which bulk has not been broken between the despatch of the consignment and its final opening for sale. The danger he points out of persons who mine on both Government and shrotriem lands making out that all their good mica comes from the latter, is a very real one and constitutes, I venture to think, the weak point in the Board's scheme. But seeing that most of the small mica men here are financed by Madras firms which naturally open their consignments in Madras and re-pack and re-arrange them for the London market, it does not appear possible to give effect to Mr. Sargent's suggestion. We cannot equitably prevent a licensee entering into agreement with a Madras firm for disposal of his mica, and, that being so, we cannot insist as a condition of the refund on the bulk being unbroken till it is received in Europe.

Mr. Brougham, the late District Forest-officer (who was consulted in the matter), thinks (and I agree with him) that some check against the danger of fraud pointed out by Mr. Sargent may be obtained by instructing the inspecting officer sanctioned in Board's Proceedings, Mis. No. 335, dated 26th January 1897, to obtain specimens of the class of mica turned out at the various mines, and by comparing these with the sizes and colors mentioned in the broker's certificates. If, *e.g.*, the certificates purported to relate to the sale of smaller sizes than the specimens showed the mica to be capable of outturning, the discrepancy would have to be satisfactorily explained before a drawback could be given.

6. It is, I think, essential that the brokers' certificates should give particulars of the size and *color* of the plates sold. As pointed out by Messrs. Best & Co. in their letter read in Board's Proceedings, Mis. No. 509, dated 10th February 1897, color is also an important element in determining the price that mica will fetch, and I note that the Board proposes to revise the schedule of royalty values (Annexure A to revised circular) with reference to this consideration.

7. With reference to paragraph 2 of Board's Proceedings, Mis. No. 509, dated 10th February 1897, I beg to submit, that while monthly extracts will, no doubt, suffice in ordinary circumstances, there may be cases in which the possibility of fraud is suspected, or in which the amounts of royalty at stake are high, in which more frequent returns would be desirable. I would, therefore, make these extracts monthly, as a rule, with discretion to the Collector to require fortnightly returns if he thinks fit.

As to the dates on which the returns should be submitted, I would submit that it is desirable to give the licensee some small margin of time within which to prepare his returns. If the transactions at the mine have been heavy during the closing days of the fortnight or month, it may not be possible to have all the mica sized, weighed, and scheduled by the close of the last day for which report is made. I would, therefore, allow a margin of three days for the preparation of this return and have embodied my suggestion in paragraph 20 of the revised circular.

8. In regard to paragraph 3 of Board's Proceedings, Mis. No. 335, dated 26th January 1897, I shall do my best to have the Board's instructions carried out; but I venture to think that there will be considerable difficulty in getting trustworthy information for a large number of petty mines, and, judging from the applications that keep coming in, most of them will be of this description.

Endorsement by E. P. POPERT, Esq., Conservator of Forests, Central Circle, dated Nellore, 12th March 1897, No. 1314.

Forwarded. I see no objection to the Collector's proposals.

RESOLUTION—No. 108, dated 1st April 1897.

From the papers read above and after personal consultation with the Collector of Nellore, the Board is satisfied that the valuation table forming Appendix II to Board's Proceedings, No. 436, dated 23rd November 1896, requires revision; but for the reasons which will be stated below, the Board is unable to substitute for it the table forwarded by Messrs. Best & Co. There is, however, no objection to adopting their suggestion that removals shall in the first instance be merely covered by a deposit and payment of royalty deferred until the actual sale price is known. The Board in fact had such an arrangement in view when writing the last sentence of paragraph 8 of its Proceedings, No. 362, dated 24th September 1896.

2. Messrs. Best & Co. admit in their letter of the 5th March 1897 that it is a very difficult matter, even for experienced brokers, to estimate the value of any particular consignment of mica, and as there are a number of small mine holders, who may not be in a position to obtain London Broker's certificates in a satisfactory form, the Board adheres to its opinion that any estimate adopted by it must be framed on the assumption that the mica is the best of its kind. No hardship will be caused by this to those who are willing and able to conform to the conditions required for a final adjustment on ascertained sale values. The schedule of rates tentatively prescribed in Board's Proceedings, No. 436, dated 23rd November 1896, will however be revised (*vide* Appendix A) by a slight reduction of the rates, notably as regards the smaller sizes, and separate rates will be provided for colored mica. The number of classes will also be reduced so that brokers may have less difficulty in entering in their certificates the particulars as regards sizes, which are required before the royalty payable can be charged on the price actually realized at sale.

3. The Collector of Nellore brings to notice a suggestion made by Mr. Sargent, that refunds of royalty paid according to the valuation table should be obtainable on brokers' certificates only in the case of consignments despatched to London direct from the mine, there being reason to fear that if repacking is allowed in Madras, men having mines on private, as well as on Government, lands will be tempted to represent their worst mica as that won from the mines on Government lands, and thus obtain refunds, to which they are not entitled. The difficulty is a real one, but as much of the mica won in the Nellore district is likely, for some time at any rate, to come from small mines, the lessees of which are not in a position to deal directly with London agents, the Board is not prepared to adopt the rule suggested. As pointed out by the Collector, some check can be exercised by inspecting officers, and though petty frauds of the kind may escape detection, it is not likely that they could be carried on with impunity for any length of time with regard to mica won from any mine of real importance. The utmost that the Board considers it necessary to insist on is that royalty must be paid at schedule rates, unless within six months from the date of despatch from the mine a certificate in the form shown in Appendix C is submitted by a shipper authorized by the Board to submit certificates. On application being made to the Board, such authority will be given to any house of business of assured standing in the city of Madras.

4. With reference to the above remarks, the number of columns in the form of daily account tentatively prescribed in Board's Proceedings, No. 436, dated 23rd November 1896, will be reduced to twelve (*vide* Appendix B) and the headings of one or two changed, as shown in Appendix C. Extracts from this account shall be furnished monthly or fortnightly, as the Collector may determine, within three days from the period to which the extract relates. An account with respect to each mine will be kept in the Collector's office, and on the 1st March and September of each year an account in the form shown in Appendix D will be forwarded to every lessee, from

whose mine mica has been despatched during the preceding half year. If the amount of royalty shown to be due under that account is not paid within the 15th of the month, the Collector will be at liberty to proceed to realize by the adjustment of the deposit.

5. Separate orders will issue regarding the revised draft circular submitted by the Collector with the last paper read above.

(True Copies and Extract.)

Secretary.

To the Collector of Nellore.
" Messrs. Best & Co. with London brokers' valuations and accounts, returned.
Copy to the Secretary to Government, Revenue Department.
" " Forest section.
" " Conservator of Forests, Central Circle.

APPENDIX A.

						Colored mica.			White mica.		
						RS.	A.	P.	RS.	A.	P.
Class	I	under 4 inches	...	...	...	0	2	0	0	3	0
Do.	II	above 4 inches and under		8	...	0	4	0	0	6	0
Do.	III	do. 8	do.	12	...	0	10	0	1	0	0
Do.	IV	do. 16	do.	32	...	1	8	0	3	0	0
Do.	V	do. 32	do.	48	...	3	0	0	5	0	0
Do.	VI	do. 48	do.	64	...	4	8	0	7	0	0
Do.	VII	do. 64	do.	80	...	6	0	0	9	0	0
Do.	VIII	do. 80	do.	96	...	7	8	0	11	0	0
Do.	IX	do. 96	do.	112	...	9	0	0	13	0	0

and so on.

Vide revised list in B.P. No 150 8.5.97. C.No 4042/97.

APPENDIX B.

DAILY account showing the quantity of mica mined and the amount of royalty payable.

Taluk.	Village.	Name of the licensee or lessee, his residence and profession.	Name of mine and area covered by the lease, with particulars of survey number or boundaries.	Dead-rent.	Surface-rent.	Weight of slabs removed from the mine to store.	Size and weight of plates removed from the premises classified as per schedule prescribed.	Name of the place to which the plates are sent.	Name of the consignee.	Estimated value of the plates as per schedule prescribed.	Royalty due at 5% on scheduled rates.
1	2	3	4	5	6	7	8	9	10	11	12

APPENDIX C.

STATEMENT of proceeds realized by sale of mica from —— mine shipped by ———— on ———— 189 .

Name of mine.	Name of lessee.	Class and size of mica as per schedule prescribed by the Board of Revenue.	Price realized at sale as per broker's certificate annexed.	Deduct.				Net proceeds.	Royalty at 5%.
				Freight.	Insurance.	Home charges.	Total.		
1	2	3	4	5	6	7	8	9	10

APPENDIX D.

HALF-YEARLY statement of royalty due on mica despatched from —— mine before the 1st March / September 189 .

Name of mine.	Name of lessee.	Royalty due.	Rs A. P.
....	....	As per shippers' statement of proceeds, dated 1st May 1897.	
....	....	As per shippers' statement of proceeds, dated 3rd June 1897.	
....	....	Royalty at scheduled rates on mica removed before 1st March 1897, for which no statement of proceeds has been received.— As per return, dated 3rd January 1897.	
....		Do. dated 3rd February 1897.	

N.B.—It is requested that the amount entered in column 3 may be remitted before the 15th March / September failing which, the amount will be recovered on the deposit.

Exd. A F Eccleston.

en given for copying ____
en copied ____ } 189
en examined ____
en signed ____

AGAIN G.O., No 189 DATED

CURRENT No.

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT	A	A	A	A	A	A	A	
LETTER OF GOVERNMENT.								
STATEMENT WITH DITTO.								
PAPERS NOT FILED, BEING MEANT FOR DESPATCH IN ORIGINAL.								

N.B.—
A = Copy in full.
B = Not to be copied
P = Copy abstract only.
Q = Copy heading only