Revenue (~~189~~ 1899) Department.

PRESS SERIES.

G.O., No. 821

DATED 6-12-1899

[Despatch Abstract.]

Forwarding orders on a representation from Messrs A & J. Harvey for modification of the terms laid down by the Govt: for the supply of water from the Damodar river for the spinning mill at Kasipur.

BACK PAPERS.

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

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	D
G.O. 153		Revenue	23-2-00				

Government {1899} of Madras.

REVENUE.

Recd. } 1899. *Enclosures*

Regd. *Spare copies*

G.O., No. 821, 6th December 1899.

DECEMBER.

Spinning Mill at Papanasam.

Passing orders on a representation from Messrs. A. and F. Harvey, Managers of the Tinnevelly Mills Company, for modificatio of the terms laid down by the Government for the supply of water from the Tambaraparni ri er for the —.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

Read—again G.O., No. 174A., Revenue, dated 10th March 1899.

Abstract.—Passing orders on the question of the charge to be made for the water supplied to the Spinning Mill at Pápanásam worked by the Tinnevelly Mills Company, the period of ten years for which a free grant was made having expired by the 31st August 1895.

Read—again G.O., No. 283, Revenue, dated 1st May 1899.

Abstract.—Considering that the lump charge of Rs. 12,000 per annum ordered in G.O., No. 174A, Revenue, dated 10th March 1899, to be made for all water taken by the Tinnevelly Mills Company pending the execution of the agreement to be entered into with it and the construction of regulating works, should be collected by monthly instalments of Rs. 1,000.

Read—again G.O., Mis. No. 3076, Revenue, dated 25th August 1899.

Abstract.—Approving the Board's instructions to the Collector of Tinnevelly as to how the charge for water supplied to the Spinning Mill at Pápanásam may be collected.

Read—again G.O., No. 601, Revenue, dated 7th September 1899.

Abstract.—Passing orders on a memorandum drawn up by Messrs. A. and F. Harvey, Managers on behalf of the Tinnevelly Mills Company, in respect of the supply of water from the Tambraparni river to the Spinning Mill at Pápanásam worked by the company.

Read—again G.O., Mis. No. 3646, Revenue, dated 16th October 1899.

Abstract.—Recording, with remarks, letter from the Collector of Tinnevelly reporting that a copy of G.O., No. 601, dated 7th September 1899, was communicated to Messrs. A. and F. Harvey, and that they have informed him that they await the instructions of their shareholders in England.

Read—again G.O., No. 4029, Revenue, dated 16th November 1899.

Abstract.—Recording letter from the Collector of Tinnevelly reporting that the Managers of the Tinnevelly Mills Company have not paid the amount charged for the use of water supplied to the mills and that they have been allowed time till 1st December 1899.

Read—also the following letter from J. P. BEDFORD, Esq., Acting Collector of Tinnevelly, to the Secretary to Government, Revenue Department, dated 4th November 1899, R. Dis. No. 204-Ver. :—

With reference to paragraph 6 of G.O., No. 601, Revenue, dated 7th September 1899, I have the honour to submit herewith for orders copy of a letter received from Messrs. A. and F. Harvey, Managers of the Tinnevelly Mills Company, Pápanásam, making some further representation as regards the conditions imposed on their right to utilize the water of the Tambraparni river for their mills.

Copy of letter from the Managers of the Tinnevelly Mills Company, Pápanásam, to the Collector of Tinnevelly, dated 1st November 1899.

With further reference to our letter to you, dated 18th September last, and to G.O., Press No. 601, dated 7th September 1899, regarding the water-supply to the Tinnevelly Mills at Pápanásam, while expressing the company's thanks for the modifications made in G.O., No. 174A., Revenue, dated 10th March 1899, we regret that the company is unable to assent to the terms proposed by Government.

Quantity to go over falls.—We stated the position of the company in the memorandum which the Government has received with the despatch from the Right Honourable the Secretary of State for India, dated 8th June 1899, and we again call attention to the fact that for thirteen years the company has taken from the river sufficient water to drive the mill without injuring any single individual or interest. The restrictions which the Government now proposes to enforce will prove fatal to the industry without in the slightest degree benefiting the Government or any one.

Charge proposed to be made for water.—We beg to supplement our previous representations by respectfully submitting to Government a comparative statement which we enclose showing the charges actually paid to the Government of Bombay by the Gokak Water-power and Manufacturing Company, Limited, compared with the charges which the Government of Madras proposes should be paid by the Tinnevelly Mills Company, Limited.

Government Right to stop supply.—Giving full weight to the concluding sentence of paragraph 4 of G.O., Press No. 601, dated 7th September 1899, the company will not press further for any modification of this condition.

Revision of charges in seven years.—The company begs respectfully to submit that this is too short a period. At the present moment the company has the question under consideration of renewing a large part of the plant with new machinery provided with the latest improvements. This will involve an outlay of many thousands of pounds sterling, and the shareholders refuse to carry this out without a more extended tenure than seven years.

There are therefore three points the company most respectfully submits for the further favourable consideration of the Government :

(1) The minimum quantity of water to be allowed to go over the falls during the dry season.

(2) The charges payable to Government for the water supplied to the company.

(3) The revision of the charges in seven years.

The company earnestly hopes that the Government will again consider these three points, and most respectfully submits that the present proposals, if carried out, will involve great hardship not only on the company but even more deeply on its numerous employés who will be deprived of steady employment, and the more so that the work in the mill unfortunately unfits them for anything else.

Conditions made by the Government of Bombay for water supplied to the Gokak Mill compared with those proposed by the Government of Madras for water supplied to the Tinnevelly Mills :—

Gokak Mill.	*Tinnevelly Mill.*
Rupees 213 per cubic foot per annum for 68 cubic feet per second.	Rupees 525 per cubic foot per annum for 20 cubic feet per second.
61,576 spindles driven at an annual cost of Rs. 14,484 = 4·25 spindles per rupee.	16,544 spindles driven at an annual cost of Rs. 10,500 = 1·58 spindles per rupee.
Government of Bombay *guarantees* the supply for the whole year.	Government of Madras *does not guarantee* the supply, which is only 20 cubic feet per second for eight months and reduced for four months. Moreover it "reserves to itself absolutely the right at any time to cut off without payment of compensation the whole or any portion of the supply to the company, if at any time it should, in the opinion of Government, be necessary to satisfy public requirements."
Government of Bombay has expended large sums in making a dam, also used for irrigation.	Government of Madras has expended nothing.

Note.—On the same basis as Gokak Mill, and provided Government guaranteed the supply for the whole year, Tinnevelly Mill would pay Rs. *4,260 per annum* for 20 cubic feet per second.

Read—also letter from the Collector of Tinnevelly, dated 11th November 1899, Ref. on C. No. 517-Ver.

Read—also telegrams to the Collector of Tinnevelly and the Superintending Engineer, VI Circle, dated 30th November 1899.

Abstract.—Stating that the Government has sanctioned the posponement by one week of the execution of orders regarding stoppage of the water-supply to the Pápanásam Mill.

Read—also telegram to Messrs. A. and F. Harvey, dated 30th November 1899.

Abstract.—Informing Messrs. A. and F. Harvey that Government has sanctioned the postponement by one week of the execution of the orders regarding stoppage of water-supply to the Pápanásam Mill to enable them to consult their shareholders in London regarding payment of the Government dues.

Read—also letter from Messrs. A. and F. Harvey, Tuticorin, dated 29th November 1899.

Read—also letter from Messrs. A. and F. Harvey, Tuticorin, dated 1st December 1899.

Order—No. 821, Revenue, dated 6th December 1899.

Miscellaneous.

In its order No. 174A., Revenue, dated 10th March 1899, the Government laid down the terms under which the concession allowed to the Spinning Mill at Pápanásam since its opening to utilise the water-power of the Tambraparni river would be continued. In G.O., No. 601, Revenue, dated 7th September 1899, the Government was pleased to modify these terms in certain material respects on the representations made by Messrs. A. and F. Harvey, Managers in behalf of the Tinnevelly Mills Company.

2. It was also ordered in G.O., No. 601, Revenue, dated 7th September 1899, that a lump charge of Rs. 12,000 per annum (to be collected by monthly instalments of Rs. 1,000) should be paid for the use of the water by the company from the date on which notice was given to them under paragraph 15 of G.O., No. 174A, dated 10th March 1899, up to the date on which they might signify to the Collector of Tinnevelly their acceptance of the conditions laid down by the Government. In pursuance of this instruction and in exercise of the powers vested in the Superintending Engineer, notice was given to the company that the monthly payments due by them should be paid before the 1st December 1899, and that the water-supply would be cut off in the event of non-compliance. The Government has since directed the postponement by one week of the execution of the orders regarding the stoppage of the water-supply.

3. The company, however, for reasons which they have explained have again demurred to the terms proposed in so far as they relate (i) to the amount of water to be reserved for the fall, (ii) as to the difference between the supply to be allowed during the hot and the cold season of the year, (iii) as to the amount of the annual payment, and (iv) as to the period of the concession. They request that these should be further revised in the company's favour. They also propose to pay under protest the sum already due to the Government.

4. The Government is unable to accept any conditional payment of the sum already overdue by the company, and the amount (subject to any subsequent adjustment that may be necessary) should be paid before the 8th instant, the date to which the execution of the order to cut off the water-supply has been postponed. An intimation to that effect with a short statement of the substantial modifications now conceded by Government will be communicated to the company by telegram.

5. (i) With regard to the minimum discharge to be reserved for the fall, the Government must maintain the long-standing decision confirmed by the Right

Honourable the Secretary of State that this discharge should be 15 cubic feet per second. The discretion now vested in the Superintending Engineer to reduce this minimum discharge during the dry season to 10 cubic feet per second will, however, be continued, and His Excellency in Council is further pleased to allow the Superintending Engineer the additional discretion of restricting the discharge during any period of the year to 7½ cubic feet per second.

(ii) The question as to the difference of the supply during the hot and cold seasons ceases to be of importance owing to the discretionary power vested in the Superintending Engineer.

(iii) With regard to the annual payment His Excellency the Governor in Council is pleased to reduce the annual charge to be paid by the company for the use of the water from Rs. 10,500 per annum to Rs. 7,500, subject to the condition that a proportionate increase will be made in the charge on any increase in the number of spindles over the 16,544 spindles now running.

(iv) Finally the Government is pleased to extend the period during which the present conditions shall be in force from seven to fourteen years.

6. The Government considers that the terms laid down by G.O., No. 601, dated 7th September 1899, subject to the modifications now ordered, are as liberal as they can be made in the interests of both the company and the general tax-payer and trusts that they will be accepted by the company without further delay.

(True Extract.)

(Signed) G. S. FORBES,
Secretary to Government.

To the Board of Revenue, Revenue Settlement.
" do. Land Revenue.
" Public Works Department (Irrigation).
" Collector of Tinnevelly.
" Managers, Tinnevelly Mills Company,
through the Collector of Tinnevelly.

Exd. P. Seetharam.

70 Copies.

NOTES CONNECTED WITH G.O., NO. 821, REVENUE, DATED 6TH DECEMBER 1899.

Concession granted to the Tinnevelly Mills Company, Pápanásam, to utilize the Tambraparni water for its spinning mill.

To Secretary—

I.—From the Collector of Tinnevelly, dated 4th November 1899, *R. Dis. No.* 204-*Ver.*

The Tinnevelly Mills Company come up again for a reconsideration of the orders in G.O., No. 601, dated 7th September 1899, in three respects:

(1) The minimum quantity of water required to go over the falls in the dry season—

This is 10 cusecs—paragraph 2 of G.O., No. 601, dated 7th September 1899.

It is not quite clear what exactly the Company would propose. In the memorandum presented to Secretary of State (page 8 of G.O., No. 601, dated 7th September 1899) they seem to say that the old orders allowed them not more than 10 cusecs in the dry weather except with Superintending Engineer's permission and not more than 20 cusecs during the rest of the year. But they now apparently ask for 20 cusecs all the year round — guaranteed. Submitted that the decision in G.O., No. 601, dated 7th September 1899, may be adhered to for the present; but the Company may be allowed to represent matters again if the first year's experience shows that these orders really do deprive the Company of water in the dry season.

This would be an invitation to the Company to continue its protests, and I would make no such concession. The Company will represent its case readily enough now or in future if it finds need.

A T.A.

Yes.

A.E.H.

(2) The charges payable to Government for water supplied—

This is a lump charge of Rs. 10,500 with discretion of Government to remit some reasonable sum if the supply falls short of 10 cusecs in the dry season and 20 cusecs during the rest of the year (paragraph 3 of G.O., No. 601, dated 7th September 1899).

The Company makes out that these terms are very severe as compared with those fixed for the Gokak Mill by the Government of Bombay. They offer Rs. 4,260 for 20 cusecs all the year round, guaranteed.

Unfortunately, we have not complete information concerning the Gokak terms. But it would appear from what is stated in paragraph 4 of Mr. Forbes' note on page 17 of the Notes to G.O., No. 174A, dated 10th March 1899, that the Gokak Mills agreement is not a suitable precedent.

So the Company do not advance any fresh data for a revision of the rate fixed by Government.

(3) Revision of the charges in seven years—

For orders whether any concession is necessary. Government has once already reconsidered and reaffirmed—G.O., No. 601, dated 7th September 1899, paragraph 5.

This appears the only item in which the terms may press heavily.

May Mr. Bedford be told (d.o.) to inform Mr. Harvey that Honourable Members will hear all he has to say if he comes to Madras?

H.T.

II.—From the Collector of Tinnevelly, dated 11th Nov. 1899, Ref. on C.

No. 517(1)99-*Ver.*

In their letter forwarded with the Collector's letter in this current, the Manager of the Company appears covertly to threaten a riot. Mr. Bedford seems quite awake, however.

Hardly this.

H.T.

Not far short of it.

A.T.A.

N. E. MARJORIBANKS.
18–11–99.

Honourable Mr. Arundel and circulation.

H. TREMENHEERE.
18–11–99.

I think it would be a serious mistake to invite Mr. Harvey to come to Madras for discussion. It would mean that Government is not prepared to uphold its order and that concessions of some sort will be made. We have all the available information to our hand.

I agree.

A.E.H.

The whole case has been very carefully considered by Government, and with regard to points (1) and (2), I would adhere to the decision already arrived at, viz.—

(1) The minimum quantity of water to be allowed to go over the falls during the dry season.—This we have emphatically decided to be essential.

(2) The charges payable to Government for the water supplied to the Company —A considerable concession has already been made on this head, and I see no good ground for more.

(3) The revision of the charges in seven years.—There is no principle involved in the precise number of years to be fixed after which the charges are to be revised. The Company's threat to discharge all its mill-hands on the 1st December does not incline one to make any concession on any head, but in view of the statement that the period is too short, because the Company is considering the question "of renewing a large part of the plant with new machinery" at heavy cost, I should have no objection to extend the period to ten years. On all other points I would adhere to the order already passed.

It is more than a threat. The Manager says he has given them all notice of discharge.

H.M.W.

A. T. A[RUNDEL].
20–11–99.

I am prepared to agree throughout.

H. M. W[INTERBOTHAM].
20–11–99.

I confess I am unable to form an independent opinion as to whether or not the terms we have offered to the Company are fair and reasonable. Honourable Members seem to feel satisfied that they are, and I am willing to fall in with the views of Honourable Members. If, however, there should remain any doubt in their minds on the question, that doubt might be set at rest by asking the opinion of other mill-owners as to our terms. There are mill-owners in Madras who might be asked, and there is, I believe, a spinning mill at Tuticorin, whose owners might also be consulted. I do not press this suggestion; I merely throw it out for the consideration of Honourable Members. If these mill-owners support our view of the case, our decision would be much strengthened; if they do not support our view, it might be worth looking into the matter again. It seems likely that they would support our view. Should such an enquiry be made, the date of demanding payment might be delayed from 1st December 1899 to 1st January 1900.

The spinning mill at Tuticorin is the "Coral Mills Company (Limited)," and the managing proprietors are Messrs. Harvey, the same persons who manage the Pápanásam Mill.

G.S.F.
23–11–99.

A. E. H[AVELOCK].
22–11–99.

To Honourable Members.

G.S.F.
23–11–99.

The Hon'ble Mr. Arundel has dealt with this subject throughout, and I should have wished that His Excellency's note should have gone to him first.

Can we not say that during the last fifteen years the Company's average dividend has amounted to Rs. , and that the lump annual charge of Rs. 10,500 therefore represents only per cent. of the average profits?

See separate note.

A.T.A.

I would point out that the Company has furnished us with no fresh data to show that the charge is unreasonable. I would say that Government is prepared to consider such data when submitted, and that, meanwhile, the Company should pay up the amount for the current year, under protest, if it thinks it can show cause for a reduction of the charge. As Government might have demanded payment for three years in arrears and has refrained from so doing, I think Government is clearly moderate if payment is now insisted on in the above terms. I fear it will be found that other mill-owners will not be in a position to estimate the value of the water power.

H.M.W.
24–11–99.

I fear that His Excellency's suggestion would not materially help Government. There is, so far as I know, no company that could give the desired information, and I do not believe that an unbiassed opinion would be given. I am quite sure that no Tuticorin firm could be trusted to give it.

On page 20 of the Secretary's notes in G.O., No. 174A, dated 10th March 1899, it is said that the Company's capital is four lakhs, and Mr. Higgens in 1896 gave the average dividends to the shareholders as $15\frac{1}{2}$ per cent. The charge of Rs. 10,500 to be made for the water power is 2·6 per cent. on 4 lakhs, and would reduce the average dividends from $15\frac{1}{2}$ per cent. to a little less than $13\frac{1}{2}$ per cent., ample—one would think—for any such company. What the dividends have been since 1896, we do not know.

I question whether it is advisable to enter into an argumentative reply, as suggested by the Hon'ble Mr. Winterbotham, and discuss the percentage of the charge on profits, etc., and suggest payment under protest. Mr. Harvey is trying to extort concessions by threats, and should be given to understand that this method will not answer. Is he playing a bold game of "bluff;" his threats coupled with his desire for personal interview and discussion suggest it.

I would say that Government is unable to modify point No. 1 in the letter from Managers to Collector, dated 1st November 1899. As regards the minimum quantity of water to pass over the falls: The order merely maintains the *status quo* as confirmed by the Secretary of State; and the Company has already been informed that the Superintending Engineer may at his discretion reduce the minimum supply over falls in the dry months to 10 cubic feet per second. As regards point No. 2: Government has no reason to regard the charge of Rs. 10,500 for water-supply as other than a reasonable charge against the profits and dividends of the Company and is therefore unable to make any reduction. Should the profits of the Company diminish, it will be open to the Managers to bring the altered circumstances to the notice of Government. The Company has already had the water power for three years free of the charge which might have been made.

With regard to point 3—the revision of charges after seven years: In consideration of the reasons advanced by the Managers, Government has no objection to extend the period to ten years.

A.T.A.
26-11-99.

To Honourable Member—

While the file was in circulation, Mr. Harvey, who has just come out from home, had an interview with the Private Secretary to His Excellency the Governor, the substance of which is recorded in a memorandum which His Excellency desires Honourable Members to consider.

Mr. Harvey also came to the office and repeated to me what he had told Mr. Sim.

He also sent me some papers regarding the Gokak Mill.

Mr. Harvey was inclined to be somewhat strong in his language regarding the action of Government in employing "physical force" to close his mill: this being his interpretation of the order to stop water. But when he found he was patiently listened to he soon calmed down. Any one who has had anything to do with the Harveys know their hectoring mode of doing business. But I think, in the present case, whatever faults in style or in matter he or his company may be charged with, the interests of the country and the development of its industries are too important to permit such brusqueries to stand in the way of a fair settlement. I told Mr. Harvey that he might rest assured that all the Government had in view was an equitable arrangement with him—an arrangement fair to him as well as to the tax-payer, whose interests were equally committed to it.

I shall notice the various points *seriatim*.

(1) *The amount of water to be reserved for the fall—*

I am inclined to believe that Mr. Harvey's account of how 15 feet came to be fixed is very likely true in substance. It must be remembered, however, that Mr. Nicholson, who was then the Collector, made the original recommendation for 15 feet. Colonel Pennycuick and Mr. Lee-Warner thought 5 feet enough, and Mr. J. Thomson, when Collector in 1887, thought 10 cubic feet by day and the whole at night during the dry season was as much as Government can "concede to what I am inclined to think is mostly clamorous ill-will."

Vide page 7 of printed note in G.O., No. 171 A., dated 10th March 1899.

I cannot but think Mr. Garstin confounded the small pool under this upper fall with the large pool lower down, which is not affected by the mill supply since all the water is returned before it reaches that pool.

With regard to the quantity being fixed at 5 cubic feet, the Engineers pointed out that it represented a quantity sufficient for the wants of a town of 180,000 people.

In respect of 15 cubic feet having been affirmed on appeal by the Secretary of State, this is a matter in which the Secretary of State would find it difficult to differ from the Local Government.

Personally I think $7\frac{1}{2}$ cubic feet is enough to reserve. I see I suggested this quantity in my original note in this file (page 17, printed note).

So much money now flows into the town from the mills in wages, etc., that the local feeling would be strongly against any complaint being raised by the temple authorities.

A.T.A.
3-12-99.

I have no doubt Mr. Harvey is correct in stating that, as a matter of fact, the Company completely disregarded the order and did not restrict their supply so long as 5 cubic feet were going over. If this is so, we have also the important fact that there has been no complaint from the people since the arrangement came into force in 1887.

Vide page 15 bottom and top of page 16 of notes, *ibid.*

(2) *As to the term being raised from seven years to twenty years—*

Mr. Sim's memorandum sets out the arguments. The Hon'ble Mr. Arundel has proposed ten years in his note of 26th November. There might be no great objection to raising it to fourteen years, or double the term first proposed.

(3) *As to the annual payment* Mr. Harvey virtually admitted to me that he would not have objected to the Rs. 10,500 if profits were now what they used to be. This I think might not unfairly be construed as an admission that Rs. 10,500 would be easy terms if profits had continued as high as they used to be.

Since I commenced this note some papers have been received from the Private Secretary to His Excellency the Governor enclosing the report of the mills for the two half-years—1st July 1898 to 1st July 1899—the dividend for former half-year was at rate of 10 per cent. a year and for the latter 14 per cent. or 12 per cent. for the year. Mr. Harvey in his letter of 27th November, which accompanies the documents, argues that no business could stand a charge of Rs. 10,500 on the amount paid in dividends, viz., Rs. 46,000, since this represents "23 per cent. of net profit." The argument as such is fallacious. The Rs. 46,000 which they divided is not "net profit" in the proper acceptation of the term since it did not include any charge for motive power. If they had paid Rs. 10,500, the amount to be divided among shareholders would have been Rs. 35,500 which would have given the shareholders over 9 per cent., not a bad dividend.

Entirely.
A.T.A.

When Mr. Harvey talked the case over with me I understood from him that profits had gone down subtantially. I now see this is not so, since the last dividend declared was at the rate of 14 per cent.

The position is changed now that the Company offer to pay more for additional spindles driven. The original Government order proposed additional charges for extra water taken, but this was given up by Government on the first protest of the Company. Hence some concession is reasonable.

A.T.A.

So far as this argument goes I see no reason to justify a reduction below at any rate Rs. 10,000 or Rs. 9,500 with a proportionate increase for every 500 spindles over the 16,000 now running.

The argument about the Gokak mill is not necessarily in point. Bombay told us it was not so good * a precedent as the Lake Fife. Probably the Gokak terms have been altered since then.

* See page 17, printed notes—*ibid.*

But in any case we are entitled to take a fair rent with reference to the circumstances of the case and the profits being earned.

(4) *As to the differentiation between the hot and the cold weather.* I think this might disappear, and the mills, subject to the amount reserved to go over the falls, allowed to take their 20 cubic feet throughout the year.

(5) *Finally as to stopping the order about cutting off the water-supply* till the matter is settled or a reply is received from England.

A week might be allowed for a reply from England. When he asked me whether I did not think he might pay under protest, I was very guarded as I was not quite sure of the effect of an assent. So I confined myself to saying that it did not seem a bad thing, but that it was entirely a matter for himself.

G.S.F.
30-11-99.

I have read the additional papers, but should like to have the file again to note on. I now return it in order the Secretary may inform Mr. Harvey that order to cut off the water-supply is postponed for a week that he may get a reply to his telegram to England. The Collector and Superintending Engineer should also be wired to at once as the order to cut off supply comes into force to-morrow.

A.T.A.
30-11-99.

[*Telegram to Messrs. A. and F. Harvey, Tuticorin*

Your letter, 1st instant. Government cannot accept conditional payment of charges already overdue. These subject to any subsequent adjustment that may be necessary should be paid before eighth instant. Government, while maintaining decision confirmed by Secretary State as to quantity going over Fall, will continue discretion already vested in Superintending Engineer and will allow him further discretion to restrict the quantity from 10 to 7½ cubic feet. Government also reduces annual charge to Rs. 7,500 for 16,500 spindles with proportionate addition for increased number. Term extended to fourteen years. These are substantial modifications granted. Further and fuller details appear in orders under issue.

G. S. F.
6-12-99].

To Honourable Member and the Hon'ble Mr. Arundel, C.S.I.

Please see paragraph 5 (ii) of draft G.O.

I am not sure that it would not be best to abolish all distinction between the cold and the hot seasons now that we have accorded so ample a discretion to the Engineer.

G.S.F.
7-12-99.

Yes.

A T.A.
A.E.H.

This should have gone to the Hon'ble Mr. Arundel first. The order seems to be in accord with the decision arrived at.

H.M.W.
9-12-99.

See above.

A.T.A.
10-12-99.

His Excellency the Governor—

I circulate with this a further letter from Mr. Harvey, dated 7th December 1899. The discretion of the Superintending Engineer will of course be subject to the control of Government whose servant he is.

Yes.
A.E.H.

G.S.F.
11-12-99.

I accept the draft G.O.

A.E.H.
12-12-99.

Revenue (1899) Department.

CURRENT No. 7147

UNDER SECY. TO GOVT. 7-NOV.1899 REVENUE DEPT.

~~Order~~

To Under Secy.
Submitted for orders.
P.E. 8/11/99

Is the comparison made with the Gokak mills sound & correct in the light of the information we have here?
8/11/99

To Under Secy.

The only information available in the office as to the charges levied on the Gokak mills is that contained in para 4 of the note d. 28.7.98 at page 14 of the printed note under G.O. No: 1764 d. 10.3.99. (K). The Public Works Deptt file alluded to in the paragraph quoted there has gone back to that Deptt.
P.E. 8.11.99.

To Under Secy.
Well & fair there! Why have we waited 2 days?
10/11

The file obtained from the P. W. Deptt is

From

The Ag. Collector of Tinnevelly.

R. Dis. No. 204/Ver. of 99.

Dated 4-11-99.

Received 8 7/11

Registered 7/11.

Enclosures 2.

Spare copies

SUBJECT.

Submitting for orders copy of a letter received from Messrs. A. & F. Harvey, Managers of the Tinnevelly Mills Co:, Ld:, Papanasam making some further representations regarding the concessions granted to them.

is part uphelow, tied separately with red tape. The only paper in that file which contains information as to the charges for the water supply to the Gotak mill is the D.O. to Mr Walch, d. 5-10-90 (Slip (T)). The charge is stated to be "Rs. 213 per cubic foot "per second per annum ~~of~~ up to "a certain limit and Rs. 350 above "that limit". What the "limit" is is not specified. This is the D.O. referred to in the Secretary's note d. 28-7-98 (para 4) at page 17 of the printed note under G.O. 174 A d. 10.3.99 (K).

P.E.
15.11.99.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Rev Dis 204 Ver 99
Encls 1.

Tinnevelly Collector's Office,
Dated 4th. November 1899.

From

J.P.Bedford Esquire,
Acting Collector of
Tinnevelly.

To

The Secretary to Government,
Revenue Department,
Madras.

Sir,

With reference to para 6 of G.O.No.601-Rev./7-9-99, I have the honour to submit, herewith, for orders a copy of a letter received from Messrs A. & F. Harvey, Managers of the Tinnevelly Mills Company Limited, Papanasam making some further representation as regards the conditions imposed on their right to utilize the water of the Tambrapurni river for their Mills.

I have the honour to be,

Sir,

Your most obedient servant,

Acting Collector.

T.S.V.
6-11-99

Conditions made by the Government of Bombay for water supplied to the Gokak Mill compared with those proposed by the Government of Madras for water supplied to the Tinnevelly Mills.

Gokak Mill.	Tinnevelly Mill.
Rs 213/ per Cubic foot per annum for 68 Cubic feet per second.	Rs 525 per Cubic foot per annum for 20 Cubic feet per second.
61,576 spindles driven at an annual cost of Rs 14,484/=4.25- spindles per rupee.	16,544 spindles driven at an annual cost of Rs 10,500/=1.58 spindles - per rupee.
Government of Bombay guarantees the supply for the whole year.	Government of Madras does not guarantee the supply, which is only - 20 Cubic feet per second for 8 -- months and reduced for 4 months. Moreover it "reserves to itself absolutely the right at any time to cut off without payment of compensation the whole or any portion of the supply to the Company, if at any time it should in the opinion of Government be necessary to satisfy public requirements."
Government of Bombay has expended large sums in making a dam, also-- used Note:- for irrigation.	Government of Madras has expended nothing.

Note:-

On same basis as Gokak Mill, and provided Government guaranteed the supply for the whole year, Tinnevelly Mill -- would pay Rs 4260/-per annum for 20 Cubic feet per second.

Acting Collector.

S.T.T.

Copy of letter dated 1st.November 1899 from the Managers of the Tinnevelly Mills Company,Papanasam,to the Collector of -- Tinnevelly.

With further reference to our letter dated 18th.September last,and to G.O.Press No.701 dated 7th.September 1899 regard--ing the water supply to the Tinnevelly Mills at Papanasam,-- while expressing the Company's thanks for the modifications made in G.O.No.174-A.Revenue dated 10th. March 1899 we regret that the Company is unable to assent to the terms proposed by Government.

QUANTITY TO GO OVER FALLS. We stated the position of the Company in the memorandum which the Government has received with the despatch from the Right Honourable the Secretary of State for India dated 8th.June 1899,and we again call attention to the fact that for 13 years the Company has taken from the River sufficient water to drive the Mill without injuring any single individual or interest. The restrictions which the --- Government now proposes to enforce will prove fatal to the in--------- dustry without in the slightest degree benefiting the Government or any one.

CHARGE PROPOSED TO BE MADE FOR WATER. We beg to supple--ment our previous representations by respectfully submitting to Government a comparative statement which we enclose show--ing the charges actually paid to the Government of Bombay by the Gokak Water Power and Manufacturing Company Limited com--pared with the charges which the Government of Madras proposes should be paid by the Tinnevelly Mills Company Limited.

GOVERNMENT TO RIGHT TO STOP SUPPLY. Giving full weight to the concluding sentence of para 4 of G.O.Press No.601 dated 7th.Sepr.1899 the Company will not press further for any modi--fication of this condition.

REVISION OF CHARGES IN 7 YEARS. The Company begs respect--fully to submit that this is too short a period. At the pre--sent moment the Company has the question under consideration of renewing a large part of the plant with new machinery pro-

-vided

-vided with the latest improvements. This will involve an outlay of many thousands of pounds sterling,and the shareholders refuse to carry this out without a more extended tenure than ~~three~~ 7 --- years.

There are therefore three points the Company most respectfully submits for the further favourable consideration of thc. Government

(1) The minimum quantity of water to be allowed to go over - the falls duting the dry season.

(2) The charges payable to Government for the water supplied to the Company.

(3) The revision of the charges in seven years.

The Company earnestly hopes that the Government will --- again consider these three points,and most respectfully submits that the present proposals if carried out,will involve great hard--ship not only on the Company but even more deeply on its numerous employees who will be deprived of steady employment,and the more so that the work in the Mill unfortunately unfits them for any--thing else.

Copy of letter from the same bearing the same date.

Tinnevelly Mills Water Supply.

We have the honour to inform you that we have address--ed you in another ∅ letter of this date regarding the above sub--ject. This letter is an exact reproduction of the views of the Shareholders received by last mail from England.

Our Mr.Frank Harvey has just arrived from England and should be glad to have an interview with you at an early date,and we have the honour to request that you will state when it will be--convenient for you to see him.

899

2

7124.

Acting Collector.

S.T.T.

JBW 5-11-99

Revenue (1899) Department.

CURRENT No. 7301.

UNDER SECY. TO GOVT. 14.NOV.1899 REVENUE DEPT.

From

The Acting Collector of Tinnevelly.

Order

Ref.on Cur.No. 517/99. Ver.

Dated 11-11-99.

Received 14/11

Registered 14/11.

Enclosures Two.

Spare copies

SUBJECT.

Submitting,in continuation of this office letter R.Dis.204/Ver of 99 dated 4th.inst.,a copy of a fur--ther communication received from the Managers of the Tinnevelly Mills Company Ld.,Papanasam.

W/PR/14/11

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Ref on Cur No. 5617/Ver/1899
Encl: 2.

At Tinnevelly Collector's Office,
Dated 11th. November 1899.

From

J.P. Bedford Esquire,
Ag. Collector of
Tinnevelly.

To

The Secretary to Government,
Revenue Department,
M A D R A S .

Sir,

cur 7147/99

In continuation of my letter R.Dis.204/Ver. dated 4th. instant, I have the honour to submit a copy of a further communication received from the Managers of the Tinnevelly-- Mills, Papanasam, with a copy of my letter to which it is a -- reply. I have sent an extract from the Manager's letter to the District Superintendent of Police for remarks with refer- -ence to the apprehensions suggested in the concluding por- -tion.

I have the honour to be,
Sir,
Your most obedient servant,

Bedford 11/11

Acting Collector.

S.T.T.

Copy of letter Ref.on C.937/G1.of 99,dated 4th.November 99 from the Collector of Tinnevelly to the Managers of the Tin--nevelly Mills Company,Ld.,Papanasam.

I have the honour to acknowledge the receipt of your letter dated 1st.instant and to observe that the points you raise are not fresh ones but that your views on the subject had apparently received full consideration before Government passed its last orders on the subject. In these circumstances I am not clear as to what useful purpose would be served by a personal interview between us at this stage. I have how--ever forwarded your letter to Government for orders.

Acting Collector.

S.T.T.

Copy of letter from the Managers of theTinnevelly Mills Com-
-pany Limited,Tuticorin,to the Collector of Tinnevelly dated
9th.November 1899.

We have the honour to acknowledge the receipt of your No.
937-Gl.of 1899 dated 4th.inst.,wherin you decline to hold an
interview with our Mr.Harvey. We have been informed by the
Superintending Engineer,6th.Circle,that the water supply to
the Mill will be cut off on 1st.December next unless we agree
to the inordinate demands of Government before that date.

We have the honour to inform you therefore that we have --
given the whole of our Mill hands notice to quit on 1st.Decem-
-ber next,and we must decline to be answerable for the results
of such a large body of wage earners being suddenly thrown out
of employment. The responsibility therefore must entirely rest
on the Government of Madras.

---------00---------

Acting Collector.

T.S.V.

The Collr's letter informing the Govt. of this is in circulation (Cir 7036/99) - Sincerely. - G.O. 4029 16.11.99

1899
REVENUE DEPT.
Encl. No. 2
Corr. No. 7301

Revenue (Not to be sent)

Public Works (189 P.) Department.

7426

CURRENT No. ~~9251~~

On the other file I noted that I thought a personal conference with Mr Harvey wd be a mistake as no change could be made in the first two conditions. I suggest From a slight concession in the third Order viz. revision of rates to be after 10 years instead of 7.

Re Tuamarina Valley Dairy Company, Limited

2a Under Secy Mr Harvey renews the veiled Submittes. Threat of his first letter.

No.

2. Messrs Harvey's request for a reconsideration in certain respects of the terms of Co. No: 6018. 7-9-99 (Circ 7147/99) has just gone in circulation (by a special messenger). In connection with one of the points (namely, revision of charges at end of 7 years) the Secy has suggested that Messrs Harvey may be allowed an opportunity to personally explain matters to Govt.

Pt.
16.11.99.
(4.50 PM).

Secy
This file may go in continuation?
Allen
21/11/99

Yes
S Waterhouse 20/11/99
Pt

MA 21.11.99.

Dated 9—11—99

Received 3 18/11

Registered 3 18—11—99

18/11

Enclosures

*when

Spare copies.

To Us
The file was marked by Secy "Hon: Mr. Arundel and Circ"
Pt 20.11.99
18/11/99

SUBJECT.

Requesting for an interview with His Excellency the Governor in connection with the water supply to the Tuamarina mills

7979/99

Recd from W. Allen on 17th Inst
MED

Recd 4.45 PM
18.11.99

Castle

PACK PAPERS.

No.	Date.

FURTHER PAPERS.

No.	Date.

closes the Mill—

I don't quite like the idea of bandying threats with Mr Harvey. If Mr H. does close the Mill, there would be a good deal of petitioning, appealing & so forth, before Govt could think of entertaining any other proposals for utilising the water power.

I think Govt dispose of this Current with the other—

Will Mr H. close the mill? If he does it will involve great loss to the Co— I presume, unless indeed business is very bad just now. He may intend

I think as a counter blast that Mr Harvey should be told that if the Company relinquishes the water it will forfeit its claim to prior considerations & that Govt will hold itself at liberty to dispose of the water-power without reference to the Company's interests—

I think, with the Hon. Mr Arundel, that personal discussion with Mr Harvey can do no good—

H.D.—
21—11—99—

Please see my Note on the opposite folio.

H.D.H
22.11.99

to provoke a riot by retaining his mill-hands out after Dec.r 1st. until the water supply is stopped, & then excite them by saying their dismissal is forced on him by Govt. The Dt. Magte & the Police may be trusted to bring this home to him, if such an idea is entertained. A disturbance will not do him any good & he hopes for further concessions.

AA 24.11.99.

E. I. Form No. 22—1,000—27-3-99.

No = 4665 dt/18th Nov 1899

GOVT. OF MADRAS. } 189 9. { P. W. DEPT.

CHIEF ENGINEER FOR IRRIGATION.

Madras, 18 Nov 1899.

UNDER SECY. TO GOVT. 18.NOV.1899 REVENUE DEPT.

OFFICE NOTE No. 381

Circulation Register.

To	From	Despatch Date.	Receipt Date.
The Secy Rev Dept	I		

KEEP-WITH.

No. , dated 189 .

The accompanying papers seems to have been sent to the Revd by mistake. All the orders on the subject were issued in the Rev Dept and the Supdg Engr is presumably acting at the instance of the Collector with reference to para 2 of Board's Resolution approved G.O. No 3076 dt 25 Aug 1899. Nil offices has no information relative to the matter referred to

W. H

A. & F. HARVEY,
TUTICORIN, MADURA, VIRUDUPATI,
SATÛR & PONDICHERRY.

MANAGERS OF
TINNEVELLY MILLS Co LIMITED,
AMBASAMUDRAM.
CORAL MILLS Co LIMITED,
TUTICORIN.
MADURA MILLS Co LIMITED,
MADURA.
ISFIELD TEA Co LIMITED,
TRAVANCORE.
SOCIÉTÉ INDUSTRIELLE DE COSSAPALEOM
PONDICHERRY.

TELEGRAPHIC ADDRESS
"Harvey"

Tuticorin, 9th. November 1899.

SOUTHERN INDIA.

CHIEF SECRETARIAT
11 NOV. 1899
GOVERNMENT OF MADRAS

The Chief Secretary

To the Government of Madras,

Madras.

Sir,

With reference to the water supply to the Tinnevelly Mills, we have the honor to inform you that we have recently addressed the Collector of Tinnevelly in the matter proposing an interview between him and our Mr. F. Harvey, which he has declined to grant. At the same time we have also received a notice from the Superintending Engineer of the 6th. Circle that the water supply to the Mills will be cut off on the 1st. December. This information we communicated by cable to the Shareholders in England, and this morning we have received a telegraphic reply requesting us to ask for a conference with His Excellency the Governor of Madras concerning the matter at issue. We shall therefore be glad to know whether His Excellency is prepared to grant the proposed interview to Mr. Harvey, and, if so, at what time and place.

We may add that having received the notice from the Superintending Engineer that the water will be cut off on 1st. December, we have given all the Mill hands notice that they will be discharged on that

day

day, and it is almost unnecessary to add that we shall decline to hold ourselves responsible for all consequences arising from such a large body of work-people being suddenly thrown out of employment.

A glance at our balance sheet will show that the wages bill of the Tinnevelly Mills is over Rs 5000 a month; this will make clear to you the importance of the matter.

We have the honor to be,

Sir,

Your most obedient servants,

For TINNEVELLY MILLS CO., Ld.,

A J Harvey

Manager

0/18 4,000—18-10-98.

Grot to be read in the Co

Revenue (1899) Department.

CURRENT No. 7795.

From J. Harvey Eagre,
Manager Tinnevelly
Spinning Mills.

Order

No.

Dated 25th November 1899.

Received.

Registered 5/12

Enclosures 5.

Spare copies.

SUBJECT.

Re: the charge for water
Supplied to the Spinning
Mill at Papanasam.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Madras, 25th Nov. 1899

The Hon. Mr. G. S. Forbes. M.A
Secretary to Government
Revenue Dept.
Madras

Sir

With reference to my interview yesterday. I have the honor to enclose herewith copies of figures relating to dues paid annually to the Govt. by the P.K.K. Mills. These were produced from the Principals of that Company in London. I also enclose extract from their latest Balance Sheet showing the amount paid for the year 1898. You will observe however that the total includes Municipal taxes.

I also beg to send you copies of the two latest Trading Accounts of the Tinnevelly Mills Co Ltd for the half years ending 30th June and

31st. December last from which you will see that the total gearly nett profit of the Co was ₹ 46.000/ odds On this sum the recent Govt. demand of ₹ 10.500/- per annum represents within a fraction of 23% (twenty-three per cent) of the nett profits of the Co. This, I respectfull submit, is too great a percentage for the use of the water power. "True" the profits of the Co were much greater - years ago. But these days are "past" - Keen competition have reduced profits.

Herewith I beg to hand you copy of the Govt. order which states that ten years did not "limit" the length of time during which the Co was permitted to use the water. Further that Govt. guaranteed that the Govt. dues demanded at the expiration of 10 years would not injure

the development of the industry
I trust that you will
be good enough at an early date
to submit these facts to the Govt.
and at the same time put
forward the proposals for a com-
promise submitted by Sir James
Rankin, M.P. - which I mentioned
during the interview which you
kindly accorded to me

I have the honour to be
Sir
Your most obedient servant
D. Hanley

Conditions made by the Government of Bombay for Water Supplied to the Gokak Mill compared with those proposed by the Government of Madras for water Supplied to the Tinnevelly Mill.-

Gokak Mill	Tinnevelly Mill.
Rs 213 per cubic foot per annum for 68 Cubic feet per second	Rs 525 per cubic foot per annum for 20 Cubic feet per second.
61,576 Spindles driven at an annual cost of Rs 14,484: =4·25 Spindles per Rupee.	16,544 Spindles driven at an annual cost of Rs 10,500 = 1·58 Spindles per rupee.
Government of Bombay guarantees the Supply for the whole year.	Government of Madras does not guarantee the Supply which is only 20 cubic feet per second for 8 months and reduced for 4 months. Moreover it "reserves to "itself absolutely the right at any time to cut off without "payment of Compensation the whole or any portion "of the Supply to the Company, if at any time it should "in the opinion of Government be necessary to satisfy "public requirements."
Government of Bombay has expended large sums in making a dam, also used for irrigation.-	Government of Madras has expended nothing.

Note

On same basis as Gokak Mill, and provided Government guaranteed the Supply for the whole year, Tinnivelly would pay Rs 4260 per annum for 20 cubic feet per second.-

11th Octr 1899.-

The Gorkal Water Power & Manufacturing Company Limited

Extract from Profit & Loss Account

for the Year Ending 31st Dec. 1898.

To Land & Water Rent & Municipal Charges in India £1090.8.0

ECEMBER, 1898. Cr.

RS.	A.	P.	RS.	A.	P.
3,01,836	14	6			
,06,889	13	0			
,08,726	11	6			
83,044	12	9			
			3,25,681	14	9
			3,25,681	14	9

HARVEY,

Managers.

Dr. TRADING ACCOUNT OF THE TINNEVELLY MILLS COMPANY, LIMITED, FOR THE HALF-YEAR ENDING 31st DECEMBER, 1898. **Cr.**

	RS.	A.	P.	RS.	A.	P.
To value of Cotton in stock at 30th June, 1898 ...	80,938	10	0			
Plus value of Cotton purchased since 1st July,'98.	2,07,409	15	1			
	2,88,348	9	1			
Less value of Cotton in stock at 31st Dec., 1898...	56,542	12	3			
				2,31,805	12	10
To Wages	30,297	13	8			
„ Stores	11,033	11	10			
„ Charges { Telegrams, Postages, Stationery, Travelling Expenses, &c. }	3,540	3	6			
„ Repairs	10,011	3	7			
„ Interest	2,099	13	4			
„ Insurance	2,659	5	2			
„ Income Tax	1,342	11	9			
„ Auditor's Fees	150	0	0			
„ Managers' Commission	2,741	4	4			
To **Depreciation Fund**—						
Depreciation on cost of Machinery Rs.4,26,279-5-11 at 2½% ...	10,656	15	9			
				74,533	2	11
„ Balance transferred to Profit & Loss a/c ...				19,342	15	0
Total Rs. ...				3,25,681	14	9

	RS.	A.	P.	RS.	A.	P.
By Proceeds of Yarn and Waste sold this half-year.	3,01,836	14	6			
Plus value of Yarn and Waste in stock at 31st December, 1898	1,06,889	13	0			
	4,08,726	11	6			
Less value of Yarn and Waste in stock at 30th June, 1898	83,044	12	9			
				3,25,681	14	9
Total Rs. ...				3,25,681	14	9

AMBASAMUDRAM,
10th January, 1899.

A. & F. HARVEY,
Managers.

Dr. *Trading Account of the Tinnevelly Mills Company, Limited, for the Half-year ending 30th June, 1899.* **Cr.**

	Rs.	A.	P.	Rs.	A.	P.		Rs.	A.	P.	Rs.	A.	P.
To Value of Cotton in stock at 31st December, 1898 ..	56,542	12	3				By Proceeds of Yarn and Waste sold this half-year ...	3,45,304	4	0			
Plus Value of Cotton purchased since 1st January, 1899...	2,89,904	5	7				*Plus* Value of Yarn and Waste in stock at 30th June, 1899	1,18,575	2	1			
	3,46,447	1	10					4,63,879	6	1			
Less Value of Cotton in stock at 30th June, 1899 ...	87,995	11	2										
				2,58,451	6	8	*Less* Value of Yarn and Waste in stock at 31st Dec., 1898 ...	1,06,889	13	0			
To Wages	31,043	13	7								3,56,989	9	1
„ Stores	11,992	0	6										
„ Charges ... { Telegrams, postages, stationery, travelling expenses, &c. } ...	3,419	12	8										
„ Repairs	2,669	13	5										
„ Interest	1,725	14	7										
„ Insurance	2,535	14	7										
„ Income-tax	699	1	8										
„ Auditor's Fees	150	0	0										
„ Channel Repairs	44	6	4										
„ Rent and Taxes	3,377	11	5										
„ Managers' Commission	3,555	1	9										
„ Depreciation Fund— Depreciation on cost of Machinery, Rs.4,26,279-5-11 @ 2½ %	10,656	15	9										
				71,870	10	3							
„ Balance transferred to Profit and Loss a/c ...				26,667	8	2							
Total Rs..	...	...	...	3,56,989	9	1	Total Rs...	...	...	...	3,56,989	9	1

AMBASAMUDRAM,
11th July, 1899.

A. & F. HARVEY,
Managers.

THE
TINNEVELLY MILLS COMPANY,
LIMITED.

TRADING ACCOUNT
FOR THE
Half-year ending 31st December,
1898.

THE

Tinnevelly Mills Company,

LIMITED.

TRADING ACCOUNT

FOR THE

Half-year ending 30th June,

1899.

ADDISON PRESS, MADRAS.—No. 2023—25-7-99—75.

1899
REVENUE DEPT.
Encl. No. 3
Cur. No. 4495

Work to be read out G.O.

G/18 4,000—18-10-98.

Revenue (1899) Department.

D. O. CURRENT No. 261.

From A. A. Sim Esqre
Private Secretary to H.E

Order

No.

Dated 25th November 1899

Received

Registered 5/12

Enclosures 1

Spare copies.

SUBJECT.

Re: the charges for the water supplied to the Spinning Mill at Papanasam.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

PRIVATE SECRETARY TO THE GOVERNOR · MADRAS ·

GOVERNMENT HOUSE.

Guindy. 25th Nov. 1869.

My dear Forbes,

Mr Harvey, of the Papanasam Spinning Mills, called & saw me yesterday. He came commissioned by Sir James Rankin & the Chief Shareholders of the Company in England, to suggest a Compromise; & as he had been declined a personal interview with His Excellency, he wished me to put this Compromise before His Excellency, instead. I have accordingly done so,

Notes of talk with Mr Harvey about Papanasam Spinning Mills

Mr. Harvey said that the Shareholders were mainly Manchester & Liverpool business men, & that he had been specially Commissioned by Sir James Ranking, one of the largest of them, to propose a compromise.

The Compromise to be as follows:—

(i) The first 7½ c.ft. to go to the fall, & the next 20. c.ft. to go to the Company to drive the mill: this arrangement to apply all the year round.

(ii) The term to be for 20 years, instead of 7.

(iii) The charge to be Rs. 7500/- instead of 10,500. for the existing 16,000. Spindles, with a proportionate increase if new Spindles are added.

In Support of (i), he used the following arguments:—

(a) that the Collector & Col. Pennyquick had originally recommended only

only 5. ft. for the falls; that Government, mainly on the initiative of Mr Garstin, who was opposed to the Scheme, named 15 ft. for the fall; but, as a matter of fact no such limitation was ever observed by the Company. They took all that the turbine wanted, which is 20. ft. & left the balance for the fall, — which balance, by actual measurement Mr Harvey had found to be only 5. ft. in the worst of the hot weather.

(b) that anything less than 20. ft. for the Company would cripple the machinery, which needed just under 20 ft. for the 16,000. spindles.

(c) that the pool was a small & unimportant one in the Jungle, not visited by many people, & quite different from the large pool down below, which was visited by pilgrims.

(d). that 5. ft. was sufficient for it, as proved by the actual experience of the last 15 years; for 5. ft. has practically been all that it has got. in the hot weather.

(e) that the villagers have no objection to or the Company taking all the water

Mr. There is a path to it & steps down to it. Many pilgrims visit it. When the falls are full, it is most dangerous & cannot be entered

MR

I have no doubt this is perfectly true, that so much money comes into the town — by which this temple also profits — that there would be general reluctance to curtail the Co's work.

MR

water it wants; but, on the Contrary, would object to any Curtailment of the Company's work, since the Company entertains 800, or 900, hands, & spends 5000/ a month in wages.

As regards (ii), Mr Harvey used the following arguments: —

He mentioned 20 years, because that was the recognised life of machinery; for which a depreciation of 5. p.c. a year is always entered in business accounts, amounting to a total life of 20 years. No business firm, he said, would put down machinery, unless guaranteed the full use of it; ie, the full term of 20 years; since, if the term were 10 years, they would be left at the end of that period, with only half-worn out machinery, which they would probably be unable to dispose of.

Mr Harvey said that a term of 10 years would, no doubt, do for Just getting along with the existing machinery; but the Company wished to put down fresh machines, & hoped, if times Got better, to double the existing number of Spindles. To do this, they would need double the amount of water, viz: 40. ft; & this, they thought they could get

get even in the hottest weather, by building a dam in which to store the night water, so that, in the day, they would have a double quantity. In other words, instead of using 20 ft. through the 24 hours, they would use 40 ft. in 12. This development of the existing works, he considered, would be useful to the Company, to the villagers who supplied the labour, & to Government; but he said the English Capitalists would not supply the money for it, unless guaranteed a 20 years term.

He further justified the proposal to increase the number of spindles, by S.O. of 30th August 1883, No. 703. I. (D Br), in which Govt practically "guarantee", when revising the charge to be paid for water, not to impose a charge which would be "in any way calculated to be repressive of the development of the Contemplated industry"—

Then, as regards (iii), I told him, when he made the Quotation just mentioned, that Government did not intend to be repressive, but only to take what it Considered a fair price for the water, & he replied that what would have been a fair price a few years back, was entirely repressive now, because because the Cotton Spinning industry was in such a bad way, most of the mills in Bombay & elsewhere making practically no profit, & even their own profits, as shown by the audited balance sheets, were now about half of what they used to be, amounting to between 10 & 12 per Cent; out of which Govt now propose to take 2¾ per Cent for the water. He admitted that their profits had been good; but he claimed that this was not due wholly due to the water, but partly to good management & enterprise, such as Spinning finer Counts than other mills, &c.

He said that the only precedent for Comparison in India was the Gokak Case, in which, though Govt itself had to make the reservoir & guaranteed the supply of water, the Charge amounted to only one rupee for 4.25 Spindles; while our proposed Charge amounted to one rupee for only 1.58 Spindles

He said Sir James Rankin had Commissioned him to Compromise, by splitting the difference; which, as the Gokak is 4260/- & ours 10500/-, would be roughly 7500/-

I pointed out that Govt allowed him to take such water as he wanted over the 20 ft. for the same 10,500/-, but he said that

that this Concession was of no use, because they only wanted water for their 16,000- spindles, & 20. c.ft. was sufficient for them. They would want more water, of course, if they ever increase the number of spindles; but, for this, they were prepared to pay in the same proportion.

As a 4th point, Mr Harvey pointed out what he Considered a misconception of existing Conditions in the latest G.O. Here, the previous arrangement is spoken of as having been only 10. ft for the hot weather, & 20 for the rest of the year. But this limitation to half the water only for the hot weather, he contends, was a purely temporary one, made at the outset; & only to last until practical experience could show how much water could be spared during the hot weather.

To support this, he showed a letter of Col. Hastie's, which bore somewhat that meaning; & he said that it having now been shown by the practical experience of 15 years, that 20. c.ft could be taken — as it had been — by the Company through the hot weather, as well as through the rest of the year, this 20. ft all the year round was the existing arrangement — & not the old one of 10. ft. only for the hot weather, & 20 for the rest of the year.

In short, he said that whatever the G.O. might have been, the actual practice was for the pool to take the first 5. ft., & the mill to take the next 20., all the year round, & this had worked well & the villagers liked it; & Sir James Rankin's proposed Compromise was that it should Continue; though to make the supply quite safe for the pool, the pool should have the first claim to 7½ ft. instead of 5.

This Concession, together with a term of 20. years, & a payment of 7500/- for the existing 16,000. spindles, & proportionate increase for any extension, would, he said, fully satisfy Sir James Rankin & the other Shareholders.

He said that the Shareholders had no wish at all to fight — though they could do so, if necessary —, but simply to make fair terms with Government; & he suggested that if Govt was still unwilling to grant the terms asked for, they might refer the matter to the Chairman of the Chamber of Commerce either for arbitration or advice.

He spoke also about the order that water should be cut off, if payment was

was not made by December 1; & said that payment was not being made, because he understood that that implied acceptance of the Govt terms which the Shareholders would not agree to. I suggested to him that he might, in that case, make payment under protest, or "without prejudice" as regards this point; & he said he would think the suggestion over.

He said that Sir James Rankin had instructed him to ask for a personal interview with Your Excellency; but I said that Your Excellency would probably think that no useful purpose could be served by such an interview, at present. So, he wished me to put the above case before Your Excellency, instead.

L. A. Sim

Nov. 24. 99.

1899
REVENUE DEPT.
Encl. No. 1
D.O. Cur. No. 261

0/18 4,000—18-10-98.

Not to be sent in the Gs

Revenue (1899) Department.

D. O. CURRENT No. 262

From The Private Secretary to His Excellency the Governor.

Order

No.

Dated 30th November 1899.

Received

Registered 5/12

Enclosures 4.

Spare copies.

SUBJECT.

Re: Charges for water Supplied to the Spinning Mills at Papanastam.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

PRIVATE SECRETARY TO THE GOVERNOR · MADRAS

GOVERNMENT HOUSE.

Nov. 30 1858.

My dear Forbes.

In the enclosed, Harvey says that he has telegraphed home, suggesting payment under protest but he asks for a few days' extension of time to enable him to get a reply.

His Excellency would have no objection to his being

A. & F. HARVEY,
TUTICORIN, MADURA, VIRUDUPATI,
SATÛR & PONDICHERRY.
MANAGERS OF
TINNEVELLY MILLS Co LIMITED,
AMBASAMUDRAM.
CORAL MILLS Co LIMITED,
TUTICORIN.
MADURA MILLS Co LIMITED,
MADURA.
ISFIELD TEA Co LIMITED,
TRAVANCORE.
SOCIÉTÉ INDUSTRIELLE DE COSSAPALEOM
PONDICHERRY.

TELEGRAPHIC ADDRESS
Harvey
SOUTHERN INDIA.

Tuticorin, 27th. November 1899.

My dear Sim.,

After our interview last Friday I saw the Hon. Mr. Forbes and fully explained to him all that I talked over with you about the supply of water to the Tinnevelly Mill. He went into the matter patiently and said the matter would shortly be put before the Government. I afterwards cabled London your proposal that we pay up under protest pending consideration of Sir Jas. Rankin's proposed compromise. The reply may take a few days to reach us as they will have to consult a few of the leading Shareholders in England. Meanwhile the time may come round when the Superintending Engineer may carry out his threat to cut off the water.

In this connection I beg to send you copy of the G. O. on which practically the capital of the Tinnevelly Mills was found. You will see it distinctly lays down that the concession is not "limited" to ten years and further that the Government "guarantees" that the charge will not be repressive of the development of the industry. I beg to enclose you our two latest Profit & Loss accounts from which you will see that the nett profit for the period was Rs 46000/- per annum. Of this the Government demands Rs 10500/- or say within just a fraction of 23%. Now I think you will not find any business man who will affirm that 23% of nett profit is not "repressive of the development of the industry". True-profits were much larger in by-gone years, but the past is "dead" and a reference to Bombay or Madras Mills will prove that spinning is now far

from a remunerative industry. Under the circumstances of above quoted G. O. I would suggest that His Excellency should calm the ardour of the Superintending Engineer by wiring him to desist from interfering with the water pending a reply from London and pending the Government consideration of Sir Jas. Rankin's proposals.

Yours sincerely,

H Harvey

1899
REVENUE I
Encl. No. [illegible]
Our. No. 2462

Copy

G. O. 30th. August 1883, No.703 I., Public Works.

Order - dated 30th. August 1883, No.703 I., Public Works.

Messrs. A & F. Harvey will be informed that the order they quote does not limit the time during which they will be permitted to take water from the river, and that whilst the Government are not prepared to bind themselves down to any specific charge to be made for the use of the water after the expiration of the term for which it has been granted free they do not object to guarantee that it will not be of an amount in any way calculated to be repressive of the development of the contemplated industry.

(True Extract)

(signed) J. O. Hasted, Colonel, R. E.,
Ag. Joint Secy.to Govt.,
P. W. D.,
Irrigation Branch.

1899
REVENUE DEPT.
Encl. No. 3
D. O. Cur. No. 96

REPORT

OF

The Tinnevelly Mills Company, Limited,

FOR THE

HALF-YEAR ENDING 31ST DECEMBER, 1898.

We have now the pleasure to place before the Shareholders the audited accounts for the half-year ended 31st December last.

The amount earned during the half-year is Rs.32,741-3-1, and after deducting depreciation and Managers' Commission, there remains Rs.19,342-15-0, equal to 10 per cent. per annum on the share capital.

The general meeting is to be held on 1st March next, when the accounts will be submitted to the shareholders.

For the half-year under review business with China has been absolutely unremunerative, and a considerable sum has had to be written off against the half-year's profits for losses on consignments made during first half of 1898. Shipments are now restricted to the smallest possible dimensions, which reacts on the local trade already disorganised by large consignments from Bombay. Like your Company the Mills there finding China unremunerative try to find a market here. These facts account for the comparatively unsatisfactory nature of the present figures.

A. & F. HARVEY,
Managers,
Tinnevelly Mills Company, Ld.

Ambasamudram,
10*th January*, 1899.

Addison Press, Madras.

Dr. Balance Sheet of the Tinnevelly Mills Company, Limited, for the Half-year ending 31st December, 1898. Cr.

LIABILITIES.						ASSETS.					
	Rs.	A.	P.	Rs.	A.	P.		Rs.	A.	P.	Rs.	A.	P.
I.—Capital.							**I.—Buildings.**						
1,600 shares of Rs.250 each	4,00,000	0	0				Mill and Store	88,271	3	7			
Less 70 shares reserved	17,500	0	0				Managers' Bungalow and Office	9,889	4	5			
				3,82,500	0	0	Engineers' Bungalow	4,809	1	1			
II.—Debts owing by the Company.							Office and Tiffin Room at Mill...	3,433	1	4			
A. & F. Harvey	21,947	1	4				Share of Kodaikanal Bungalow	3,703	5	11			
Sundry Current Accounts	7,018	5	6								1,10,106	0	4
Deposits due to Mill hands	3,001	8	6				**II.—Land and Cocoanut Trees**				991	1	1
				31,966	15	4	**III.—Channel and Tail Race**				20,432	0	2
III.—Reserve Fund	...	...	...	9,348	14	5	**IV.—Machinery**				4,26,279	5	11
IV.—Depreciation Fund Account.							**V.—Furniture**				3,729	2	3
Amount previously written off	3,94,442	5	8				**VI.—Sprinklers**				10,665	13	10
Amount written off this half-year	10,656	15	9				**VII.—Bridge**				3,000	0	0
				4,05,099	5	5	**VIII.—Bullocks and Coaches**				1,407	13	6
V.—Profit and Loss Account	...	...	...	19,723	8	5	**IX.—Stock Account**						
							Cotton	56,542	12	3			
							Yarn and Waste	1,06,889	13	0			
							Stores	21,547	13	7			
											1,84,980	6	10
							X.—Suspense Account— ...						
							Unexpired portion of insurance and value of Hydrants.	6,845	3	8			
							Less unpaid wages for December	2,956	10	11			
											3,888	8	9
							XI.—Debts owing to the Company.						
							Sundry Current Accounts	1,860	15	8			
							Local Yarn Dealers	45,088	13	6			
							Yarn Shipped ... Rs. 1,67,688-11-8	...	...	...			
							Less drawn for ... „ 1,63,224-11-8	4,464	0	0			
											51,413	13	2
							XII.—Cash on hand and in Banks ...	...	...	...	31,744	9	9
Total Rs...				8,48,638	11	7	Total Rs...				8,48,638	11	7

Dr. Profit and Loss Account. Cr.

	Rs.	A.	P.	Rs.	A.	P.		Rs.	A.	P.	Rs.	A.	P.
To Dividend paid at 10 %	...	...	...	38,250	0	0	By Balance from 30th June, 1898	...	...	...	38,630	9	5
„ Balance	...	...	...	19,723	8	5	„ Profit for this half-year	...	...	...	19,342	15	0
Total Rs...	...	...	...	57,973	8	5	Total Rs...	...	...	...	57,973	8	5

A. & F. HARVEY,
Managers.

Certified I have examined the Cash Book, Journal, Ledger and Vouchers relating thereto, and found them correct. I have also examined this Balance Sheet, and to the best of my knowledge and belief it contains a true and correct account of the Capital and Liabilities, and of the Property and Assets of the Company, and is in conformity with the Law.

AMBASAMUDRAM,
10th January, 1899.

W. R. MUNRO,
Auditor.

THE

TINNEVELLY MILLS COMPANY,

LIMITED.

REPORT BY THE MANAGERS,

BALANCE SHEET

AND

PROFIT AND LOSS ACCOUNT

FOR THE

Half-year ending 31st December,

1898.

REPORT

OF

The Tinnevelly Mills Company, Limited,

FOR THE

HALF-YEAR ENDING 30TH JUNE, 1899.

We have the pleasure to place before the Shareholders the audited accounts for the half-year ending 30th June last.

The amount earned during the half-year is Rs.40,879-9-8, and after deducting depreciation and Managers' commission, there remains Rs.26,667-8-2, equal to 14 per cent. per annum on the share capital.

The General Meeting is to be held on 6th September next, when the accounts will be submitted to the Shareholders.

The China Market continued in a most depressed state, and the limited shipments made realized little more than cost price. There was a fair demand locally, but at reduced margins, owing to the keen competition of Bombay and other yarns forced for sale in the district.

A. & F. HARVEY,

Managers,

Tinnevelly Mills Company, Ld.

AMBASAMUDRAM,
11*th July*, 1899.

Dr. Balance Sheet of the Tinnevelly Mills Company, Limited, for the Half-year ending 30th June, 1899. Cr.

LIABILITIES.	Rs.	A.	P.	Rs.	A.	P.
I.—Capital—						
1,600 shares of Rs.250 each	4,00,000	0	0			
Less 70 shares reserved	17,500	0	0	3,82,500	0	0
II.—Debts owing by the Company—						
A. & F. Harvey	18,707	11	3			
Sundry Current Accounts	7,552	11	4			
Deposits due to Mill hands	2,918	0	6			
Brokers' Security	15,000	0	0	44,178	7	1
III.—Reserve Fund				9,722	13	8
IV.—Suspense Account—						
Unpaid wages for June, Income-tax, &c.	7,301	3	10			
Less unexpired portion of Insurance and value of Hydrants	6,953	0	7	348	3	3
V.—Depreciation Fund Account—						
Amount previously written off	4,05,099	5	5			
Amount written off this half-year	10,656	15	9	4,15,756	5	2
VI.—Profit and Loss Account				26,516	0	7
Total Rs...				8,79,021	13	9

ASSETS.	Rs.	A.	P.	Rs.	A.	P.
I.—Buildings—						
Mill and Store	88,271	3	7			
Managers' Bungalow and Office	9,889	4	5			
Engineers' Bungalow	4,809	1	1			
Office and Tiffin Room at Mill	3,433	1	4			
Share of Kodaikanal Bungalow	3,703	5	11	1,10,106	0	4
II.—Land and Cocoanut Trees				991	1	1
III.—Channel and Tail Race				20,432	0	2
IV.—Machinery				4,26,279	5	11
V.—Furniture				3,729	2	3
VI.—Sprinklers				10,665	13	10
VII.—Bridge				3,000	0	0
VIII.—Bullocks and Coaches				1,215	13	0
IX.—Stock Account—						
Cotton	87,995	11	2			
Yarn and Waste	1,18,575	2	1			
Stores	20,688	6	1	2,27,259	3	4
X.—Debts owing to the Company—						
Sundry Current Accounts	848	11	8			
Local Yarn Dealers	44,837	3	9			
Yarn Shipped Rs. 56,534-10-3						
Less drawn for „ 52,855-3-10	3,679	6	5	49,365	5	10
XI.—Cash on hand and in Banks				25,978	0	0
Total Rs...				8,79,021	13	9

Dr. Profit and Loss Account. Cr.

	Rs.	A.	P.	Rs.	A.	P.
To Dividend paid at 5 %				19,125	0	0
„ Gratuity paid Employés				750	0	0
„ Balance				26,516	0	7
Total Rs...				46,391	0	7

	Rs.	A.	P.	Rs.	A.	P.
By Balance from 31st December, 1898				19,723	8	5
„ Profit for this half-year				26,667	8	2
Total Rs...				46,391	0	7

A. & F. HARVEY,
Managers.

Certified I have examined the Cash Book, Journal, Ledger and Vouchers relating thereto, and found them correct. I have also examined this Balance Sheet, and to the best of my knowledge and belief it contains a true and correct account of the Capital and Liabilities, and of the Property and Assets of the Company, and is in conformity with the Law.

AMBASAMUDRAM,
11th July, 1899.

W. A. PHILIP,
Auditor.

0/18 4,000—18-10-98.

Revenue (1899) Department.

CURRENT No. 7722.

From S. Harvey.
Through the P.S.G.

Order

No.

Dated 29th November 1899
Received 2/12
Registered 2/12
Enclosures
Spare copies.

SUBJECT.

Re: charge for water supplied to the spinning mill at Papanasam

THE
Tinnevelly Mills Company,
LIMITED.

REPORT BY THE MANAGERS.

BALANCE SHEET
AND
PROFIT AND LOSS ACCOUNT
FOR THE
Half-year ending 30th June,
1899.

ADDISON PRESS, MADRAS.—No. 2023—24-7-99—100.

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46009

1899
REVENUE DEPT.
4
Do. 262.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

A. & F. HARVEY,
TUTICORIN, MADURA, VIRUDUPATI,
SATÛR & PONDICHERRY.

MANAGERS OF
TINNEVELLY MILLS Co LIMITED,
AMBASAMUDRAM.
CORAL MILLS Co LIMITED,
TUTICORIN.
MADURA MILLS Co LIMITED,
MADURA.
ISFIELD [illegible] Co LIMITED,
TRAVANCORE.
SOCIÉTÉ INDUSTRIELLE DE COSSAPALEOM
PONDICHERRY.

TELEGRAPHIC ADDRESS
Harvey

SOUTHERN INDIA.

Tuticorin, 29th. November 1899

My dear Sim,

Adverting to my letter of 27th. Inst. I have just this morning received a cable from London instructing me to pay up under "strictest protest" provided Government entertain the proposed compromise of Sir James Rankin M. P., viz, that 7½ c.ft. be the quantity to pass over the falls before the Mill supply is taken off, that the next 20 c. ft. shall be allotted to the Mill at all times (You will remember I explained that the 10 c. ft. in dry weather becomes obsolete when the supply at all times over the falls has been fixed) that the sum payable to Government be Rs 7500/- per annum for 16000 spindles and a proportionate sum for any water in excess of 20 c. ft. and 16000 spindles that we may use in future. Lastly that this agreement be for twenty years, the estimated "life" of any new machinery that we may put down. It is self evident that capitalists will not invest money in machinery unless they see a reasonable prospect of utilizing it profitably during its "lifetime".

I hope the Government will see its way to agree to above, when I am authorized to pay up, and thus end this matter to the mutual advantage of all concerned.

Yours sincerely,

Harvey

PRIVATE SECRETARY TO THE GOVERNOR · MADRAS ·

GOVERNMENT HOUSE.

Guindy 1 Dec 1899

My dear Forbes,

His Excellency wishes me to pass the enclosed on to you, as the matter is an official one, to be disposed of by Govt — & not by the Governor.

Yours sincerely

× Letter of Inspector in 29 Nov 99. from Mr Harvey re. Papal Nassau Mills.

$\frac{O}{18}$ 4,000—18-10-98.

Revenue (1899) Department.

CURRENT No. 7793.

Order

From Messrs. A & S. Harvey
Managers - Tinnevelly
Spinning Mills.

No.

Dated 1st December 1899

Received 3/12

Registered 5/12.

Enclosures 3.

Spare copies.

SUBJECT.

Re: the charge for Water
Supplied to the Spinning Mill
at Papanasam.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

A.& F. HARVEY,
TUTICORIN, MADURA, VIRUDUPATI,
SATÛR & PONDICHERRY.
MANAGERS OF
TINNEVELLY MILLS Cº LIMITED,
AMBASAMUDRAM.
CORAL MILLS Cº LIMITED,
TUTICORIN.
MADURA MILLS Cº LIMITED,
MADURA.
ISFIELD TEA Cº LIMITED,
TRAVANCORE.
SOCIÉTÉ INDUSTRIELLE DE COSSAPALEOM
PONDICHERRY.

8/2 31/49

TELEGRAPHIC ADDRESS
Harvey

Tuticorin, 1st. December 1899.

SOUTHERN INDIA.

The Hon. Mr. G. S. Forbes M. A.,

Secretary to Government ,

Revenue Department,

Madras.

Sir,

We have the honor to acknowledge receipt of your telegram of 30th. Ulto. as per copy herewith, and to thank you for the same.

We beg to say in reply that we have received an answer from London and have already communicated its contents to Mr. Sim. We beg to hand you herewith copy of a semi official letter to that gentleman from Mr. Harvey, from which you will see that provided Government is willing to entertain the proposed compromise of Sir Jas. Rankin M. P. as explained to you and as mentioned in accompanying copy then we are instructed to pay under protest the sum domanded by Government. We shall be glad therefore if you will bring this proposed compromise before Government at an early date so that this matter may be settled.

We may say in this connection that we consider the offer of Sir Jas. Rankin of practically £ 500/- sterling per annum, a very liberal one for such a small Mill to make, considering the state of cotton spinning for some few years back and its present deplorable condition. See enclosed cutting from a Bombay paper which shows how the industry is in Bombay. We shall be obliged if you will bring this to the notice of Government.

last year we paid the employees bonus to shareholders at rate of 12½% only. 8/2

The state of Bombay trade affects us, because at such times our market becomes flooded with Bombay Yarns seeking an outlet.

We think also that 7½ c.ft. is the utmost that we can agree should pass over the falls in the dry weather. We have no other object than simply to see prospectively that the wheels are likely to turn round, and if 15 c. ft. or even 10 be required to pass over the falls then it is likely that the Mill would often be stopped for weeks or even months, and if such were to happen we daresay you are aware that profits would disappear and there would neither be money for Government, the Shareholders, nor the employees. It is an old saying but a true one "you cannot get blood out of a stone".

We have the honor to be,

Sir,

Your most obedient servants,

A. J. Harvey

1
REVENUE DEPT.
Encl...No.
Cur. No.

Copy

Tuticorin, 29th. November, 1899.

My Dear Sim,

Adverting to my letter of 27th. Inst. I have just this morning received a cable from London instructing me to pay up under"strictest protest" provided Government entertain the proposed compromise of Sir James Rankin M. P., Viz., that 7½ c. ft. be the quantity to pass over the falls before the Mill supply is taken off, that the next 20 c. ft. shall be allotted to the Mill at all times (You will remember I explained that the 10 c. ft. in dry weather becomes absolete when the supply at all times over the falls has been fixed) that the sum payable to Government be Rs.7500/- per annum for 16000 spindles and a proportionate sum for any water in excess of 20 c. ft. and 16000 spindles that we may use in future. Lastly that this agreement be for twenty years, the estimated "life" of any new machinery that we may put down. It is self evident that capitalists will not invest money in machinery unless they see a reasonable prospect of utilizing it profitably during its "lifetime".

I hope the Government will see its way to agree to above, when I am authorized to pay up, and thus end this matter to the mutual advantage of all concerned.

Yours sincerely,

(signed) F. Harvey.

1899
REVENUE DEPT.
7793.

TELEGRAMS.

TELEGRAPHIC ADDRESS:
"HARVEY, TUTICORIN."

Copies exchanged with Government of Madras, Revenue Department

By A. & F. HARVEY,

TUTICORIN, 1st. December *189* 9.

Received 30-11-99

207 Government has sanctioned postponement one week orders regarding stoppage water Papanasam enable you consult London regarding payment under protest

1899
REVENUE DEPT.
8
Y193.

MILL CRISIS IN BOMBAY.

The extraordinary rise in the prices of cotton on account of the drought and the glut of yarn in the China market have brought about a crisis in the mill industry of Bombay, which has been seriously affected for the last three or four months. The millowners had, by a resolution recently passed by their Association, to go on short time. Almost all the mills have accordingly been closed for three days in the week for some time. A number of the mills, however, which have heavy liabilities attached to them, will have, at the expiration of the current month, to be entirely stopped, as they find it very difficult at this critical period to make both ends meet. They are at present losing from Rs. 20 to Rs. 25 per bale, which renders it impossible for mills over-weighted with liabilities to keep going any longer. The weaker ones have already gone to the wall, and are under liquidation, and it is quite on the cards that about half a-dozen mills, whose names are freely mentioned in the bazaar, will have to close their doors within a very short time. Experts in the mill line give it as their opinion that even some of our largest companies will perforce have to entirely close their works from the beginning of the next year until such time as the market for yarn in China improves. There are at present about two hundred thousand bales awaiting sales in the China market, and the chances, therefore, of an immediate improvement in the near future are small. Two of the mills, which rumour says will soon be closed, find it advantageous to sell their cotton purchased last year for their own consumption at its present enhanced rate. The Oriental Mills have already gone into liquidation; so has the Wadia Mill. The Star of India has been entirely closed, and there are a few others which will soon have to pursue a similar course. There is no improvement expected until February or March in the China market. It is, therefore, within the range of possibility that many concerns now working short time will be idle during that period.

O/18 5,000—25-10-99.

Revenue (1899) Department.

CURRENT No. 7819.

Order

From Messrs D. & J. Harvey.
Managers of Tinnevelly Spinning Mills.

No.

Dated 4th December 1899

Received 6/12

Registered 6/12.

Enclosures

Spare copies.

SUBJECT.

Re: the water-supply to the Papanasam Mill.

1899
REVENUE DEPT.
Encl. No. 3
Corr. No. 7993.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

A. & F. HARVEY,
TUTICORIN, MADURA, VIRUDUPATI,
SATÛR & PONDICHERRY.
MANAGERS OF
TINNEVELLY MILLS Co LIMITED,
AMBASAMUDRAM.
CORAL MILLS Co LIMITED,
TUTICORIN.
MADURA MILLS Co LIMITED,
MADURA.
ISFIELD TEA Co LIMITED,
TRAVANCORE.
SOCIÉTÉ INDUSTRIELLE DE COSSAPALEOM
PONDICHERRY.

TELEGRAPHIC ADDRESS
Harvey

Tuticorin, 4th. December 1899

SOUTHERN INDIA.

The Hon. Mr. G. S. Forbes M. A.,

Secretary to Government,

Revenue Department,

Madras.

SECRETARIAT 1899 REVENUE DEPARTMENT 5-DEC-1899

Sir,

With reference to previous correspondence, we have just received advice from the Mills at Ambasamudram that the D. P. W. Engineer has issued instructions not to interfere with our Water Supply until after the 7th. Inst. We have the honor therefore to request that you will obtain the decision of Government before that date as to whether they accept the compromise suggested by Sir Jas. Rankin M. P. If necessary kindly send us a telegraphic reply at our expense.

We have the honor to be,

Sir,

Your most obedient servants,

A & F Harvey

Notes connected with G. No. 8218 6-12-99 Rec'd 12 pt

Subject - Tinnevelly Mills Coy Papanasam -

I. From the Collr. of Tinnevelly
R. Dis: No. 204 Ver of 99 d
4-11-99

Hon'ble Armd
4 Circ

H

Press

Insert this above the Secy's initials in place marked X in page 4 below.

PE

Letter Con No 7 dated 4-11-99

The Tinnevelly Mills Coy come up again for a reconsideration of the orders in G.O. 601 d 7 Sept 99 in 3 respects.

(1) The minimum quantity of water required to go over the falls in the dry season.

This is 10 cusecs - para 2 of G.O. 601. H.

It is not quite clear what exactly the Coy was propose. But the memo presented to Secy of State (p 8 of G.O. 601) they seem to say that the old orders ~~was~~ allowed them not more than 10 cusecs in the dry weather except with S. Engrs permission & not more than 20 cusecs during the rest of the year. But they now apparently ask for 20 cusecs all the year round - guaranteed.

H

C. 10/11 read 12.11.11

submitted that the decision in G.O. 601 may be adhered to for the present; but the Co may be allowed to represent matters again if the first year's experience shows that these orders really do deprive the Co of reasonable remuneration in the dry season.

(2) The charges payable to Govt for water supplied

This is a lump charge of Rs 10500 with discretion of Govt to remit some reasonable sum if the supply falls short of ~~10~~ ~~thousand~~ in the ~~lot~~ dry ~~week~~ season & 20 ~~thousand~~ during the rest of the year — para 3 of G.O. 601 d 7 Sept 99.

The Co makes out that these terms are very severe as compared with those fixed for the Gokak mills by the Govt of Bombay. They offer 4260 Rs for 20 thousand

H

This would be an invitation to the Co. to continue its protests, and I would make no such concession. The Co. will represent its case readily enough now or in future if it finds need.

H.R. Hon. A.S.H.

all the year round guaranteed.

Unfortunately we have not complete info concerning the Gokak terms. But it wd appear from what is stated in para 4 of the Forwg letter or p. 17 of the notes to G.O. 174 A d 10-mar 99 that the Gokak mills agreement is not a suitable precedent.

So the Co does not advance any fresh data for a revision of the rate fixed by Govt.

(3) Revision of the charges in 7 years.

For orders whether any concession is necessary. Govt has once already reconsidered & reaffirmed G.O. 601 d 7-9-99 para 5.

K

This appears the only item in which the terms may press heavily.

May Mr. Bedford be told to inform Mr Harvey that ~~H.E.~~ he can hear all he has to say H.E. will ~~discuss the whole matter with him~~ if he comes to Madras?

Slip 2 H

I think it would be a serious mistake to invite

2

From the Collr of Tinnevelly
Rect No cur. No. 15171 99 Vac
11-11-99.

II Cir No 7807 d 11.11.99

In their letter forwarding with the Collective letter in this current, the manager

of the toy appear to
cavalry to threaten a
riot. Mr Bedford
seems quite awake
however.

Hardly this
H.T
Not far short of it.
M.A.

Mr
18/11/99 X H.T.

18 4 99.

Mr Harvey to come to Madras for discussion. It would mean that Govt is not prepared to uphold its order and that concessions of some sort will be made. We have all the available information to our hand.

Yagnes
A.E.H.

The whole case has been very carefully considered by Govt and with regard to points 1 & 2 I wd. adhere to the decision already arrived at; viz.

1. The minimum quantity of water to be allowed to go over the falls during the dry season. This we have emphatically decided to be essential.

2. The charges payable to Govt for the water supplied to the Co.

A considerable concession has already been made on this head, and I see no good ground for more.

3. The revision of the charges in seven years. There is no principle involved in the precise number of years to be fixed after which the charges are to be revised. The Co's threat to discharge all its hands on the 1st Decr does not incline one to make any concession on any head, but in view of the statement that the period is too short, because the Co. is considering the question "of renewing a large part of the machinery plant with new machinery" at heavy cost, I should have no objection to extend the period to ten years. On all other points I wd adhere to the order already passed.

MA 20-11-99.

VI—is more than a threat—
The manager says he
has given them all
notice of discharge WS

I am prepared to
agree therefore
WS
20-11-99.

I confess I am unable to form any kind of judgment on

opinion as to whether or not the terms we have offered to the Company are fair and reasonable. Hon. Members seem to feel satisfied that they are, and are willing to proceed in accordance with the views of Hon. Members. If, however, there should remain any doubt in their minds on the question, that doubt might be set at rest by asking the opinion of other mill-owners as to our terms. There are mill-owners in Madras who might be consulted, and there is, I believe, a spinning mill at Tuticorin. Hon. members might also be consulted. If we do not meet their wishes in this matter, there is not for the Government to do. If these mill-owners support our view of the case, our decision would be much strengthened. If they do not support our view, it might be worth looking into the matter again. If we find that they would not take any shares, we could reach our ceiling to make it, the rate of 8 per cent might be lowered from 1st Dec. 1899 to 1 Jan. 1905.

G.H. 23/11/99

The spinning mill at Tuticorin is the "Coral Mills Co. Ltd." & the Managing proprietors are Messrs Harvey the same persons who manage the Papanasam Mill.

G.H. 23/11/99

H. Hes
G.H.
23/11/99

The Hon. Mr. Arundel has dealt with this subject throughout, and I should have wished that His Excellency's Note should have gone to him first —

Can we not say that during the last 15 years the Co's average dividend has amounted to Rs — , and that the lump annual charge of Rs 10,500 therefore represents only per cent of the average profits?

I would point out that the Co. has furnished us with no fresh data to show that the charge is unreasonable. I would say that Govt is prepared to consider such data when

separate
Ltr. note at the ends.

H.A.

4

submitted, and that meanwhile the Co. should pay up the amount for the current year, under protest. As Govt might have demanded payment for 3 years in arrears & has restrained from so doing, I think Govt is clearly moderate if payment is now insisted on in the above terms. I fear it will be found that other Mill Owners will not be in a position to estimate the value of the water power

if it thinks it can show cause for a reduction of the Charge.

H.S.
24-11-99.

I fear that H.E's suggestion would not materially help Govt. There is none as I know no company that could give the desired information, and I do not believe that an unbiased opinion would be given. I am quite sure that no Indian firm could be trusted to give it.

On p. 20 of the Secy's notes next to flag K in G.O. no 174A of 10th March, 99. it is said that the Co.'s capital is 4 lakhs, and Mr. Higgins in 1896 gave the average dividends to the shareholders as 15½ per cent. The charge of Rs 10500 to be made for the water power is 2·6 p.c. on 4 lakhs, and would reduce the average dividends from 15½ p.c. to a little less than 13½ p.c., ample — one would think — for any such Co. What the dividends have been since 1896 we do not know.

I question whether it is advisable to enter into an argumentative reply, as suggested by the Hon. Ser Winterbotham, and discuss the percentage of the charge on profits, &c. and suggest payment under protest. Mr Harvey is trying to extort concessions by threats, and should be given to understand that this method will not answer.

Is he playing a bold game of "bluff"; his threats coupled with his desire for personal interview & discussion suggest it.

I would say that Govt is unable to ~~can make no~~ modification of point * as regards condition No 1 — the minimum quantity of water to pass over the falls: ~~that as regards~~ As regards point No 2 Govt has ... to regard the ... Rs 10500 for

* in Letter from Managers to Colr 9th Nov: 1899.

The order merely maintains the status quo as confirmed by the Secy of State; & the C. has already been informed that the Supg. Engr may at his discretion reduce the minimum supply over falls* in the dry months to 10 c.ft. per sec.

water-supply as other than a reasonable charge against the profits & dividends of the Co. and is therefor unable to make any reduction. The Co has already had the water power for three years free of the charge wh. might have been made:

with regard to point 3 — the revision of the charges after seven years — in consideration of the reasons advanced by the managers Govt has no objection to extend the period to ten years.

Should the profits of the Co. diminish it will be open to the Managers to bring the altered circumstances to the notice of Govt —

AA 24.11.99.
26.

6

Hrs.

While the pole was in conversation with Harvey, who had just come out from home, had an interview with the P.M.G. the substance of which is recorded in a Memo. which H.E. desires Hall to consider.

Mr Harvey also came to the office & repeated to me what he had told Mr Sim.

He also sent me down a letter regarding the Tokaanu Mill.

Mr Harvey was inclined to be somewhat strong in his language regarding the action of Govt in employing "Physical force" to close his mill: this being his interpretation of the order to stop water. But when he found he was patiently listened to he soon calmed down. Any one who has had anything to do with the Harveys knows their hectoring mode of

doing business. But I think in the present case whatever faults of style or in matter he or his Company may be charged with, the interests of the country & the development of its industries are too important to permit these to stand in the way of a fair settlement. I told Mr Harvey that he might rest assured that all the Govt had in view was an equitable arrangement (with him & the ratepayers) as well as to take due account of the taxpayers, whose interests were equally committed to it.

I shall notice the various points seriatim

(1) The amt of water required for the fall.

I am inclined to believe that Mr Harvey's amt of 15 ft. cannot be verified is very likely true in substance. It must be remembered however that Mr Nicholson who was

then the Supt made the original requirement for 15 ft at Pennycuick & Lakeloaganer & thought 6 feet enough: & Mr Thompson when Supt in 1887 thought 10 cft & by day & the whole at night during the dry season was as much as Supt can "concede to "what I am inclined to think "is mostly clamorous trifle".

I cannot but think Mr Saratin confounded the small pool under this upper fall with the large pool lower down, which is not affected by the mill supply since all the water is returned before it reaches that pool.

With regard to the qty being fixed at 5 M cft. the Engineers pointed out that it represented a qty sufficient for the wants of a town of 180,000 people.

In respect of 15 cft having been affirmed on appeal by the Supd, this is immaterial

Vide p 7. of printed note in Ltr dd 10/3/99 No 174A

8

in which the L. of A. wd find it difficult to depart from the Low. Ct.

Personally I think 7½ c/ft is an ample allowance. I see I suggested this q/y in my original file as this file (p.17 printed note).

File ibid

I have no doubt Mr Harvey is correct in stating that as a matter of fact the Co. completely disregarded the Order & did not restrict their supply so long as 5 c/ft were going over. But of this is so I see have also the important fact that there has been no complaint from the people since the arrangt came into force in 1887

So much money now flows into the towns from the mills in wages &c. that the local feeling wd be strongly against any complaint being raised by the temple authorities.

AL 3.12.29.

Vide pp p.15 bottom & p. 16 & Notes ibid

(2) As to the term being raised from 7 yrs to 20 yrs.

Mr Sain's Recommn sets out the argts. The Hon Mr Arundel has proposed 10 yrs in his Note of 24th Nov. There might be a great objection to raising it to

M

p. 11 Supra

14 years, or double the term first proposed

(3) As to the annual payt Mr Harvey virtually admits & I see that he will not have objected to the £10,500 if profits were now what they used to be. This I think might not unfairly be construed as an admission that £10,500 wd be easy terms if profits had continued as high as they used to be

Since I commenced this note some pp - have been received from the P.O. enclosing the Report of the Mills for the two yrs 1st July 98 & 1st July 99 - the divid. for former yr was at rate of 16% a yr & for the latter 14% or 12% for the year. Mr Harvey in his letter of 27th Oct which accompanies the documents argues that no business should stand a charge

a charge of R10500 on the amt. paid in dividends viz: R46000, since this represents "23% on net profit". The argument as such is fallacious. The R46000 which they decided is not "net profit" in the proper acceptation of the term since it did not include any charge for Motive power. If they had paid R10500 the amt to be divided amongst shareholders would have been R35,500 which would have given the shareholders over 9%, not a bad dividend.

Entirely NA

When Mr Harvey talked the case over with me I did understood from him that profits had gone down substantially. I now see this is not so, since the last dividend declared was 14% at the rate of 14%.

So far as this argument goes I see no reason to justify

The position is changed now that the Co. offer to pay more for additional spindles driven. The original Co. proposed add'l charges for extra water taken, but this was given up by Govt on the first protest of the Co. Hence some concession is reasonable.

NA.

Dec/17 printed
Notes - ibid

a reduction below at any rate R10,000 or R9,500 with a proportionate increase for every 500 spindles over the 6000 now running.

The argument about the Gokak Mills is not necessarily in point. Bombay told us it was not to [be] a precedent as the Lake Fife. Probably the Gokak [Mills] have been altered since then.

But in any case we are entitled to take a fair rent with reference to the circs of the case & the profits being earned.

(4) As to the differential bet. the hot & the cold weather, I think this might disappear, & the Mills, subject to the amt reserved by Govt over the Falls, allowed to take them as of right there out the year.

(5) Finally as to stopping the order about cutting off the water supply till the matter is settled or a reply is received from England.

A week might be allowed for a reply from England, but if in when he ~~asked me whether he~~ did not think he might pay under protest. I was very guarded as I was not quite sure of the effect of an ~~acceptance~~ assent. So I confined myself to saying that it did not seem a bad thing but that it was entirely a matter for himself

S.T. 30/11/29

I have read the additional papers, but should like to have the file again to note on. I now return it in order the Secy. may inform Harvey that the order to cut off the water supply is postponed for a week that he may get a reply to his telegram to England. The Cons. & Supt. Engr. should also be wired to at once as the order to cut off supply comes into force tomorrow too

R.P. 30.11.29.

D.O. no. 291 d/30.11.29

Press
Print this as shown in brackets in centimetre notes

[

Dear Sir

I am directed to acknowledge your letter (No. 2) last addressed to the P.S. & H.S. the Govr. that orders & instructions will be issued postponing for a week the orders directing the Supt Engr to cut off the water supply to the Hulls at Papan in the event of ~~his~~ offered ~~& not~~ being accepted. This will enable you to obtain by cable instructions from London regarding the proposed ~~under~~ letter of the 29th Inst. demanded

Yours truly

S.T.
30/11

F Harvey Esq

Send for advance in duplicate

11

14

Brass print as shown in brackets in Tobias's letter Continuation of previous sheet

To Asstt Secy

Tel to Asstt Secy Supdt Dept., VI Circle

Urgent

265/20/4.

Vide F.O. 4029 Sixteenth instant Govt has sanctioned postponement one week execution orders regarding cutting off water supply Papanasam Mills

S.V.

Tel: Comm 25.11.41.

Secy

Tel to "Harvey" Tuticorin

207. Govt has sanctioned postponement one week orders regarding stoppage water Papanasam Estate. Pl consult London regarding part under protest

S.V.

30/11

12

Copies to the P.W.D. - Dated 1.12.41.

Rev Dept

(1) Hon Sir Arundel
(2) Hon Sir Winterbotham
(3) H.E. the Governor

File resubmitted with ref to notes on p. 20 above.

In his letter of 29 Nov 89 forwarded by R.S.G. & placed below (~~Con No 7922 89~~) Mr Harvey communicates the result of his reference to his principals in London.

The Secy has instructed that the file shd be circd

Tells
2/12/89

This proposed conditional payment under "strictest protest" is amusingly audacious & should not in my opinion be acceded to. It is pressure but of a different kind from the threats of Mr Harvey's first letter, which it seems virtually from his personal conversation & subsequent letter were not meant to be carried out. Govt is of course willing for and desirous to effect an arrangement which will be fair to the Co. as well as to the taxpayer. The proposal of the Co.

to make additional
payment when addl
spindles are run
justifies some reduction
of the lump sum
already fixed, and
I have no objection
to the Extension of the
term of agreement to
14 years as proposed
by the Secretary.
I wd dispose of the
matter as follows
The Govt is unable to
accept any conditional
payment of the sum
already overdue by the
Jimmy Mills Co. and the
subject to any subsequent adjustment that may be necessary
amount, should therefor
be paid before the 8th
inst the date to wh.
the order to cut off the
water supply has been

postponed.
Govt must maintain the
long standing decision con-
firmed by the Secy. of S. as to
the quantity of water to
wh. may be passed over
the falls, but will continue
the discretion wh. it has
hitherto always vested in
the Supt. Engr and will
also allow him a further
discretion to restrict
that quantity from 10
to 7½ c. ft. per second.
as desired by the Co.
In view of the managers
representations the
annual payment for
the use of the water supply
will be reduced to Rs ~~£100~~ 7500. At
while a proportionate increase
will be made for ~~every~~
~~500 spindles~~
an increased number
of spindles over the
16000 now running.
The term of the
agreement will be

15

Extended to 14 years.

MA
4.12.99

I have conferred with the Hon Secy. Ahmad in this matter, and I accept the undertakings set forth in the above Note.

M.A.
4.12.99

X

Re Hon Sec Winterbotham

S.R. 4/12/99

I do not object H.S.
4-12-99

2. Under Secretary.

Please see the draft order submitted below. The office, however, feels a doubt on the following two points:-

(i) Para 4 of draft order.

It is presumed that the lump annual charge will come into force only when the Company signifies its ~~xxx~~ acceptance of the Govt's terms, and that until then the monthly charge of Rs. 1,000 ordered in para 3 (last sub-para) of Go. No: 6017-9-99 is to be levied. It is therefore respectfully submitted that the words within brackets in the draft order do not appear to be required.

(ii) Para 5 of draft order.

Under Go. Nos: 174A 10-3-99 (para 10) and 6017-9-99 (para 2) the Supdg. Engineer has now the discretion to reduce during the dry season the minimum discharge over the falls from 15 cubic feet per second to 10 cubic feet per second. It is presumed that the further

Whether worth fighting about this - the new charge will take effect from the beginning of the term

H

Illegible

I

H

16

discretion to be now allowed to the Supdg: Engineer is to have application only in the case of the dry season discharge

all through the year
SK

H.E.
6.12.99.

Levy

The monthly charge of Rs 1000 ordered in G.O. 601 d 29-8-98 para 3 Flag H was intended to levy on the Company. But they have paid nothing to date: & the revised charge ~~of~~ of Rs 7500 will supersede the charge of Rs 10500 first proposed. It wd seem therefore correct to calculate the year for which the ~~paid~~ Rs 7500 is to be paid, with effect from the date of notice ordered to be given in para 15 of G.O. 1741 d 10 march 1899.

For order as to the period during which the S.E. may have discretion to reduce the discharge over the falls to 9/12 cusecs: whether during the dry season or all the year round. Please see draft. It has been thought best to recapitulate the terms in full to prevent misunderstanding

6/12/99

yes, I think so. I don't think so. suspended (SA) 8.8.7

Flag I

all the year round clearly (SA) 8.8.7

Press

Please insert for perusal in Executive papers & rep. soon as possible

33

I have this morning discussed the matter with H.E. See my note in file of H.E.'s concurrence. If the Hon. Mr Winterbotham concurs you had better wire to parties concerned. Yours sincerely
My dear Arundel, H Fowler
4.12.99.

If the file is with you, will you kindly put this with it.

H Fowler

4/12/99

17

Phot issued Boxes
continuation
Phot issued on Packets as shown

No: 2120.612.99
Deapd. ordinary 6.12.99

Issued
6/12/99

34

Revenue Department.

ag

Telegram to Messrs A & F.Harvey,
Tuticorin:---

Your letter first instant. Government cannot accept conditional payment of charges already overdue. These subject to any subsequent adjustment that may be necessary should be paid before eighth instant. Government, while maintaining decision confirmed by Secretary State as to quantity going over fall, will continue discretion already vested in Superintending Engineer and will allow him further discretion to restrict the quantity from 10 to 7 ½ Cubic feet. Government also reduces annual charge to Rupees 7,500 for 16,500 spindles with proportionate addition for increased number. Term extended to fourteen years. These are substantial modifications granted. Further and fuller details appear in orders under issue.

(Intld.) G. S. F.

6/12/99.

18

Press
Print this with 3
Un-marginal remarks
although I
just now
through

H. M. & the Hon'ble Mr. Arundel.
C.S.I.

This shd. have gone L—
the Hon. Mr. Arundel first—
The order seems to be in accord
with the decision arrived at—
HWS
9-12-99.

HA
10.12.99
See below.

H.E. the Governor

(I circulate with this a
further letter from Mr.
Harvey — dated 7 Decr. 1899
— in reply.
The discretion of the Supt.
Engr. will of course be subject
to the control of Govt. whose
servant he is
G.B.
11/12/99

I submit the draft
G.O. H.S.H 12.12.99

Revenue Department.

Read again

G.O. No. 174 A. Rev., d/ 10-3-99.
" 283 " 1/5/99.
" 3078 " 25-8-99.
" 601 " 7-9-99.
" 3646 " 16-10-99
" 4029 " 16-11-99

Read letters from the Collector of Tinnevelly, d/ 4-11-99 & 11-11-99 (G.Nos. 7147 and 7301 of 99).

Read telegram to the Collector of Tinnevelly dated 30-11-99.

Read telegram to the Supdg. Engineer VI Circle, d/ 30-11-99.

Read telegram to Messrs Harvey, date 30-11-99.

Read letters from Messrs A & F Harve d/ 29-11-99 & 1-12-99 (G.Nos. 7722 & 7798 of 99)

821.

G. O. Press d/ 6th Decr. 1899.

In its order No. 174 A., Rev. dated 10th March 1899, the Government laid down the terms under which the concession allowed to the Spinning Mill at Papanasam since its opening to utilise the water-power of the Tambraparni river, would be continued. In G.O. No. 601 Rev., dat 7th/ Septr. 1899, the Govt. was ple -ed to modify these terms in certai

material respects on the representations made by Messrs. A & F Harvey, Managers in behalf of the Tinnevelly Mills Company.

2. It was also ordered in G.O. No. 601 Revenue, dated 7th Sept. 1899, that a lump charge of Rs. 12,000 per annum (to be collected by monthly instalments of Rs. 1000) should be paid for the use of the water by the Company from the date on which notice was given to it under para 15 of G.O. No. 174 A, dated 10th March 1899 up to the date on which it might signify to the Collector of Tinnevelly ~~of~~ its acceptance of the conditions laid down by the Govt. In pursuance of this instruction and in exercise of the powers vested in the Superintending Engineer, notice was given to the Company that the monthly payments due by it should be paid before the 1st Decr. 1899, and that the water supply would be cut off in the event of non-compliance. The Govt. has since ~~been pleased to~~ directed the postponement by one week of the execution of the orders regarding the stoppage of the water-supply.

3. The Company ~~are still~~, however, for reasons which they have explained, ~~unable to accept~~ have again demurred to the terms proposed in so far as they relate (1) to the amount of water to be reserved for

the Fall, (ii) as to the difference between the supply to be allowed during the hot and the cold season of the year, (iii) as to the amount of the annual payment, and (iv) as to the ~~ex~~ period of the concession. They request that these should be further revised in the Company's favour. They also propose to pay under protest the sum already due to the Govt.

4. The Govt. is unable to accept any conditional payment of the sum already overdue by the Company, and the amount (subject to any subsequent adjustment that may be necessary) should be paid before the 8th instant, the date to which the execution of the order to cut off the water-supply has been postponed. An intimation to that effect with a short statement of the ~~the~~ substantial modifications now conceded by Govt. will be communicated to the ~~Company~~ Company by telegram.

5. (i) With regard to the minimum discharge to be reserved for the fall the Govt. must maintain the long-standing decision confirmed by the Right Hon'ble the Secretary of State that the discharge should be 15 C.Ft per second. The discretion now vested in the Suptg. Engineer to reduce this minimum discharge during the dry season to 10 c. ft per second will however be continued and H.E. in Council is further pleased

to allow the Suptg. Engineer the additional discretion of restricting the discharge during any period of the year to 7½ c. ft. per second.

(ii) As to the difference of the supply during the hot and cold seasons the Govt. sees no sufficient reason to modify the existing terms which have been in force for so many years. The supply will however be subject to the discretionary power just explained which has been vested in the Suptg. Engineer.

(iii) With regard to the annual payment, H.E. the Governor in Council is pleased to reduce the annual charge to be paid by the Company for the use of the water from Rs. 10,500 per annum to Rs. 7,500 subject to the condition that a proportionate increase will be made in the charge for any increase in the number of spindles over the 16,544 spindles now running.

(iv) Finally the Govt. is pleased to extend the period during which the present conditions shall be in force from 7 to 14 years.

6. The Govt. considers that the terms laid down by G.O. No. 601 dated 7th Sept. 1899 subject to the modifications now ordered are as liberal as they can be made in the interests of both the Company and the general taxpayer, and trusts that they will be

Note:-

I am not sure that it would not be best to abolish all distinction between the cold and the hot seasons now that we have accorded ample a discretion to the Engineer.

(Itld.) G.S.F.
7-12/99.

be accepted by the Company without further delay.

(Intld.) G.S.F.
8-12-99.

To the Board of Rev., Rev. Sett.
" " Land Rev.
" P.W.D. (Irrigation).
" Collector of Tinnevelly.
" Managers, Tinnevelly Mills Company through the Collector of Tinnevelly.