

EAST INDIA (MYSORE GOLD MINING).

RETURN to an Address of the Honourable The House of Commons,
dated 26 February 1883;—*for*,

“COPY of or EXTRACTS from the CORRESPONDENCE respecting alleged
Participation of BRITISH OFFICIALS in MYSORE GOLD MINING TRANSACTIONS,
and respecting ALIENATION of STATE DOMAINS in MYSORE.”

India Office, }
28 February 1883. }

J. K. CROSS,
Under Secretary of State.

(*Mr. O'Donnell.*)

Ordered, by The House of Commons, to be Printed,
2 March 1883.

COPY of or EXTRACTS from the CORRESPONDENCE respecting alleged Participation of BRITISH OFFICIALS in MYSORE GOLD MINING TRANSACTIONS, and respecting ALIENATION of STATE DOMAINS in MYSORE.

The Secretary of State for India to the Government of Madras, dated 28th December 1882.

Sir,

1. I FORWARD, for the observations of your Excellency in Council, copy of a question put to my Predecessor in the House of Commons on the 23rd of November by Mr. O'Donnell, M.P., relating to the promotion in your Presidency of Gold Mining Companies by Government officials.

2. I request that your Excellency in Council will furnish me with a report bearing on and replying to this question; and that you will inform me, with reference to the concluding paragraph of your Revenue letter, No. 14, dated the 8th of June last, how far the rules regarding the holding of land and the connection of Government officers with public companies are observed in the Madras Presidency.

I have, &c.
(signed) *Kimberley.*

Enclosure in above.

MR. O'DONNELL.—To ask the Secretary of State for India if the Government have received information showing that in 1880 certain officials in Madras, among whom were two secretaries to the Government of Madras, the Officiating Deputy Adjutant General Madras Army, and several heads of Departments under the Madras Government, were promoters of a number of Gold Mining Companies, with a capital of a million sterling.

That these officials asked the sum of 245,000 l. as purchase money of a portion of one large block of land granted them free of price by Government.

That in September 1880 these officials stood to receive in cash and shares from Mining Companies the following sums:—

55,000 l. from the Mysore Gold Mining Company.
50,000 l. from the Madras Gold Mining Company.
50,000 l. from the Ooregaum Gold Mining Company.
90,000 l. from the Colar Gold Mining Company.

Whether he authorised these proceedings; and whether he will cause inquiries to be made into the amount and value of the lands belonging to the Native State of Mysore which were alienated by gift or purchase during the past seven years.

The Government of Madras to the Right Honourable the Secretary of State for India; dated 30th January 1883; received 20th February 1883.

My Lord,

WE have the honour to acknowledge the receipt of your Lordship's Despatch of the 28th ultimo, No. 26, enclosing a copy of a question put by Mr. O'Donnell, M.P., relating to the promotion of Gold Mining Companies by Government officials of this Presidency.

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2. The question evidently refers to what is known as the Kolár concession in the territory of the Mysore State. Your Lordship is well aware that this Government has never had any authority over Mysore, and that during the

present Maharaja's minority it was administered by a Chief Commissioner under the immediate superintendence and control of the Government of India. Some of the officers subordinate to the Chief Commissioner belonged to the Madras establishment, but neither the Secretaries of this Government, nor the Deputy Adjutant General of the Madras Army, nor any of the heads of Departments serving under this Government, have at any time had any official relations with the Government of Mysore. It seems necessary at the outset to remind your Lordship of this absence of all official connection between Mysore and Madras, because Mr. O'Donnell's question seems to suggest that the officers in question had received an unduly favourable concession from their own Government, and even your Lordship's Despatch speaks of the promotion of the Mining Companies as if it had taken place within this Presidency.

3. On the 11th October 1881 certain papers embodied in our proceedings, 9th November 1881, No. 1698, a copy of which we enclose, were communicated to us by the Government of India. It is from those papers alone, apart from mere common rumour, that we have any knowledge of the Kolár concession; and they were forwarded to us, not because the concessionnaires were Madras officers (if indeed they were so), but simply because the terms on which leases might be given for gold mining in British territory, were known to be under our consideration.

4. From those papers we gather that the Chief Commissioner, with the knowledge and approval of the Government of India, granted a lease of 20 square miles for 30 years, conditioned for the payment by the concessionnaires of 10 per cent. on the yield of gold as a royalty; that this royalty was subsequently reduced to 5 per cent., and a further reduction was promised in the event of the British Government fixing a lower rate; that upon the Government of India determining to charge an assessment of five rupees per acre, in lieu of a royalty, the concessionnaires were allowed the option between the royalty previously fixed and the acreage assessment, such assessment to be commutable for a present payment; that wishing to sell one square mile, which may be presumed to be the portion of the block to which the question alludes, the concessionnaires paid down a lump sum of 55,000 rupees for it, and were thus enabled to offer it in the market free of rent, royalty, or any other charge whatever.

5. This sum of 55,000 rupees appears to have been the only money payment received by the Mysore Government in consideration of gold mine leases up to October 1881; and indeed the same papers show that, after Mysore had been handed over to the Maharaja, His Highness' Government deliberately determined to adhere to the policy of seeking to establish the gold mining industry on a secure footing rather than to extract any immediate pecuniary consideration for the grant of mining rights. In fact, with the large profits made by these concessionnaires expressly in view, His Highness' Government on mature consideration resolved to abandon a rule, by which they had at one time sought to obtain a percentage of such profits in the form of a fine on the transfer of the lessees' rights.

6. With regard to the officers said to be concerned, these papers convey no information. It has, however, come to our knowledge in connection with another matter (reported to the Marquis of Hartington with our Despatch, No. 26, of the 23rd October 1880) that some of the shares were held by Colonel Beresford, who transferred one to Mr. Gribble, of the Madras Civil Service. Colonel Beresford was at that time Assistant Adjutant General. In December 1880 the Adjutant General reported that Colonel Beresford had certainly transgressed the rules of the service in taking an active part in the management of the association then under consideration; but, as he was about to leave the service shortly, the Commander-in-Chief (Sir Neville Chamberlain) did not consider any further action necessary. Colonel Beresford retired on the 29th December 1880. The papers do not show for how much or to whom the concessionnaires assigned their rights.

7. Having now laid before your Lordship all the information in our possession bearing on Mr. O'Donnell's question, we pass on to the further inquiry contained in your Lordship's Despatch under reply, viz., how far the rules regarding

regarding the holding of land and the connection of Government officers with public companies are observed in this Presidency.

8. These rules have recently been collected, and a copy has been furnished to every Covenanted Civil Servant, to every Military Officer in civil employ, and to all persons in the Uncovenanted Service holding offices ordinarily held by officers of these classes. A special register showing the particulars of lands held by our Covenanted Civil Servants has been compiled, and we enclose a copy. It has been expressly provided that the rules "are not to be construed to include lands occupied merely by buildings for residence and their usual appurtenances" (from Secretary of State, 10th August 1861, No. 22, para. 4). The returns made by Military and Uncovenanted Officers in civil employ are not yet complete; but, so far as they have been received, no irregularities have come to light. As soon as the whole inquiry is completed, we will address your Lordship on the subject again.

G.O., 1st December
1862, No. 1357.

9. The rules framed by the Government of India, with the approval of the Secretary, which apply to the present matter, are the following:—

I. There is no objection to servants of Government holding shares in mining or other companies (even in their own Presidency) having for their object the development of the resources of the country; and the only restriction imposed is that such shareholders shall take no part in the management of such institutions, and shall not be employed in the districts where the operations of the Company are carried on (Secretary of State's Despatch, 31st May 1862, No. 46, paragraph 2).

II. Public officers in India are prohibited from holding land in Native States, such as Mysore. Their right to hold shares in agricultural companies, operating in such States, is subject to the same rules as apply to shares in mining companies in British territory (Despatch, 25th November 1862, No. 22).

III. In regard to *investments other than those in land for the profits of cultivation*, public servants are expected to abstain from any which would interest them privately in undertakings with which their public duty is connected (Government of India to Secretary of State, 16th June 1873, No. 40, paragraph 6).

IV. Further, habitual speculation is declared to be an evil in itself (*Ibid*, paragraph 7); but as such a practice cannot long escape the knowledge of Government, it is left to the Government to mark its sense of such conduct either by withholding promotion or in any other way it may deem fit (Despatch from Secretary of State, 31st May 1862, No. 46, paragraph 4).

10. The question is, whether it is a transgression of any of these rules for Madras officers to have obtained a concession of land in Mysore with a view to mining for gold; for if not, it seems hardly necessary to say that, except so far as such conduct might be indicative of habitual speculation, there was nothing irregular in their agreeing to transfer their concession, or any part thereof, for any sum which it might have become worth in the open market. In discussing this question we assume it to be true, as currently reported, that not only Colonel Beresford, but the late Military Secretary to Government (Colonel Michael), now retired, a Joint Secretary in the Public Works Department (Colonel Shaw-Stewart, R.E.), the Inspecting Veterinary Surgeon (Mr. Shaw), now on leave, and Mr. John Hunter-Blair, a senior Civil Servant of this Presidency (now retired), held shares in the original concession or acquired them subsequently by purchase. We have no reason to think that any other Heads of Departments were in any way concerned in the transaction. With regard to Colonel Shaw-Stewart, we have ascertained that he purchased a share in 1879, and took no part in the management.

11. With regard to the rule first mentioned, we have only to say that we have not learned that any of the officers referred to, unless perhaps it was Colonel Beresford, took any active part in the management of the concessionaires' affairs, or in the negotiations for a transfer of their rights. In fact, these negotiations would appear from the question itself to have been conducted in England.

12. The next rule does not apply, because the land was not obtained for the profits of cultivation.

13. It is obvious that the investment in question was not one with which the public duties of any of the officers alluded to were in any way connected, and therefore the third rule is also inapplicable to the case.

14. The only remaining question is whether there is any reason to suppose that any of the officers above mentioned, who still hold public employment, are habitually given to speculation. We have no reason whatever to think so at present, but the matter will not escape our attention.

We have, &c.
 (signed) *M. E. Grant Duff.*
David F. Carmichael.
H. E. Sullivan.

Fort St. George, 30 January 1883.

PROCEEDINGS of the GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.—9th November 1881, No. 1698.

Referred to in the foregoing Despatch.

Read the following Paper:—

(No. 204.)

From *J. D. Sandford*, Esq., Officiating Resident in Mysore, to the Secretary to the Government of India, Foreign Department, dated Bangalore, 13th August 1881, No. 1154-G. 94.

WITH reference to your letter No. 595 I.-G., dated 20th May 1881, on the subject of land granted for mining purposes in Mysore, I have the honour to forward copies of correspondence that has passed between the Dewan and myself in the matter, together with a copy of the rules which the Government of His Highness the Maharaja has issued regulating the grant of mining leases.

2. The Mysore State had proceeded so far in its policy in regard to the grant of leases for purposes of mining before the receipt of your letter containing the views of the Government of India, that it was too late to bring about any modification thereof, even if thought desirable.

Enclosure No. 1.

From *W. J. Cunningham*, Esq., Assistant to the Resident in Mysore, to the Dewan to His Highness the Maharaja of Mysore, dated Bangalore, 28th July 1881, No. 963-G. 197.

I AM directed by the Resident to address you on the subject of leases granted for mining purposes in Mysore. The Government of India having received a report, No. 6826-142, dated 24th February 1881, from the (late) Chief Commissioner of Mysore, which is accessible to you in the records of the late Revenue Secretary's Office, have now communicated the marginally noted printed papers (herewith enclosed for the information of the Government of His Highness the Maharaja) showing the principles which have guided the Government of India in granting mining leases.

From Madras Government, to Government of India, Home Revenue, and Agricultural Department, No. 1308, dated 7th October 1880, and Enclosure.
 To Madras Government, from the Government of India, No. 94, dated 13th November 1880.

It

It is the policy of the Government of India, you will see from these papers, to limit the area of land which may be granted to an applicant for mining purposes to 30 acres. In Mysore leases of much more extensive areas of land have been granted, and this grant has proved of some advantage to the State in consequence of the existing mania of speculating in gold mines; but in the opinion of the Government of India the limitation of area which has been adopted by them is more calculated to attract *bonâ fide* companies than the grant, of large areas which tends to encourage land speculation.

2. The Government of Mysore having been transferred to His Highness the Maharaja, the Government of India do not desire to discuss any further the terms upon which the leases for gold mining have been granted, or those upon which leases will be granted in future; but at the same time I am directed to inform you that the Governor General in Council is of opinion that it will be more advantageous to the State of Mysore if the lands which are taken up for mining purposes should be worked by sound mining companies, and the Resident desires to commend to the Government of Mysore the principles set forth in the enclosed papers as being more likely to conduce to that end, if followed by the Mysore Government in future grants of land upon mining leases, than those which have hitherto guided its action.

Enclosure No. 2.

From *C. Rungacharlu*, Dewan of Mysore, to the Resident in Mysore, dated Bangalore, 5th August 1831, No. 40.

WITH reference to your letter of the 28th ultimo, I have the honour, by direction of His Highness the Maharaja, to state that the rules which were in force in Mysore under the Chief Commissioner, for the grant of mining leases, have been recently considered by His Highness' Government, and adopted, with some minor modifications. A copy of the proceedings on the subject and of the modified rules are herewith forwarded for your information.

2. With reference to the views of the Government of India now communicated, I have to state that it is not the wish of His Highness' Government to sacrifice for any immediate advantage the great object of establishing this industry on a secure and permanent footing, nor has His Highness' Government derived, as yet, any pecuniary return for the grant of these lands, excepting in a single instance. The Kolar concessionnaires, as the Government of India are aware, obtained their concession before the present rules came into force, and under the terms of that concession they sought, and were granted, the option of commuting the royalty for a present payment of 55,000 rupees per square mile of land, and this sum has recently been paid upon a lease of one square mile of land obtained by them out of the 20 miles which they have the right to take up; but there is little probability of their adopting this commutation for their other grants.

3. With regard to the grant of lands generally for mining purposes, it will be seen that His Highness' Government do not propose to sell the lands for any immediate consideration, but to lease them out without any immediate payment, simply stipulating for the proper working of the mines and for the payment of the annual assessment of the land, and a royalty of 5 per cent. on the gross actual yield. These terms are considered the best calculated to secure the permanent interests of the Government, and to afford every encouragement to the industry without needlessly trenching on the resources of the mining companies by any immediate payment.

4. The only point upon which there is room for any difference of opinion is, whether the leases should be given for a block not exceeding a square mile, as at present, or should be limited to an area of 30 acres. His Highness' Government would decidedly prefer the grant of smaller areas if there were applicants for them, but no applications have yet been received for less than a square mile, and the applicants strongly object to the taking up of any smaller extent, on the ground that the industry is still an experiment, and that they

cannot be expected to undergo the expense and labour of exploring for gold if, after they meet with success, the greater portion of the land in which the reefs are found is to be given away to others. The fact is, but few grants appear to have been taken up for the smaller areas even in the Wynaad. The mining companies have generally negotiated for the purchase of larger areas from private owners, and when they take up Government lands they evade the restriction to 30 acres by taking up more than one block, or by taking up a large extent of adjoining land under the name of "adjunct."

5. His Highness' Government is aware of the extensive land speculation which is taking place in connection with these leases. The Kolar concessionnaires have in some instances sold the lands which they obtained from Government for nothing, for almost fabulous prices, the benefits of which are neither derived by Government nor by the companies who will ultimately work the enterprise. The heavy prices thus exacted by the intermediate concessionnaires must lead to eventual failure and a reaction against the industry. It is also well known that almost all the other applicants who have as yet come forward for these leases, and there are a great many of them of all classes and status, have not the means to carry on the enterprise themselves, and simply intend to sell the land to English mining companies. It is invidious, if not difficult, for the Government to attempt any scrutiny into the circumstances of the applicants, and on the whole it has been considered the best policy, after sufficiently providing for the interest of Government, to give out the lands without any needless restrictions to all applicants who offer to fulfil the conditions, and this must lead to the mania running out its course in the shortest time. The high prices realised by the Kolar concessionnaires may, to some extent, be attributed to the exclusive privilege which they had secured, but when it once becomes generally known that lands for mining purposes are to be had in the Mysore Province for nothing, and a number of applicants who take up the lands go into the market all at once, the high prices must soon cease to be paid, and the properties will eventually get into the hands of those who are able to work them without any great cost. It will be seen that the terms provide for the lessees working the mines without intermission and in the most effectual manner, or for their paying a heavy assessment of 5 rupees per acre on the land; so that mere speculators will find it too expensive to keep the lands for any length of time.

PROCEEDINGS of the Dewan to His Highness the Maharaja of Mysore (Revenue),—No. 3674-81-99, dated Bangalore, 3rd August 1881.

Order.—His Highness the Maharaja's Government has had under its consideration the rules framed by the late Government, and which are now in force, for the grant of mining leases in Mysore, and it accepts the rules as on the whole the best and fairest to all concerned.

2. These rules provide for the payment of the survey assessment on the lands taken up for the term of 30 years for which the leases are granted, unarable lands being charged an assessment of 8 annas per acre, together with the usual local cesses, and for the payment of a royalty of 5 per cent. on the gross proceeds of the metallic ores and of 10 per cent. on those of precious stones. Objection has been raised to this royalty as heavy; but it must be pointed out that the royalty originally engaged for by the Kolar concessionnaires was 10 per cent., and that it has since been reduced to 5 per cent. This royalty, which takes away only 5 per cent. out of the actual proceeds and leaves 95 per cent. to the miners, cannot be burdensome if the yield is at all fairly good; even if otherwise, the royalty levied in proportion to the proceeds must bear less heavily than any fixed charge like the assessment of 5 rupees per acre levied in Madras. It must be borne in mind that the applicants in Mysore have not, as in the Wynaad, to pay heavy prices to the private owners of the lands, but take up the lands, which are mostly waste, without any payment whatever.

3. The fact is that the high prices which the Kolar concessionnaires realised in some instances for their lands, for which they themselves had to pay nothing to

to the Government, has given room to the apprehension that the Government, in not securing to itself these high prices for the lands, is needlessly sacrificing its interests in the matter. His Highness' Government is, however, satisfied that the existing arrangement is on the whole the soundest; that the action of Government in the matter should not be influenced by any exceptional cases, and that in freely giving out lands to all applicants without any payment, the mining companies ought, on the whole, to be enabled to obtain their lands without any needless expenditure, and without trenching on the funds which would be properly devoted to working the enterprise; and that the Government does best in looking for its income to a royalty or share in the actual proceeds of the mines.

4. There are, however, a few minor points in the rules which require modification in view to removing all interference with the free enjoyment and use of the lands by the leaseholders according to their convenience. Rule XII. provides, in the event of any transfer of the tenure by the leaseholder to others, for the payment to Government of a fine equal to 10 per cent. on the amount of the consideration involved. This rule has been introduced with the view of securing to Government a share in the large prices supposed to be realised by the leaseholders by the sale of the lands, but the provision is easily evaded by fictitious sales for nominal prices in the first instances upon which alone the fine is leviable; and, further, it cannot be just for the Government to claim any share in the benefit of the outlay incurred by the leaseholders for prospecting and other arrangements in connection with the land. For the reasons already given, His Highness' Government resolves to cancel this rule and to give up the fine.

5. The provision made in Rule XI. for the reversion, on the expiry of the lease, of the lands with the buildings, seems not quite fair. It will suffice to provide for the reversion of the lands free of any claims on account of buildings left standing on the lands or on any other account leaving it to the leaseholder to remove the buildings or arrange for their sale to Government. The rule will be accordingly modified.

6. The provision made in Rule X. for resuming the lease, in the event of the lessee causing any annoyance or obstruction to any class of persons or Government officials, is vague and too sweeping. But as the penalty is not to be resorted to except on due notice, and, in default of satisfactory explanation within six months, the rule can be retained without any harm to provide against any unforeseen circumstances.

7. Rule IV., which requires that the lessee should carry on operations in the best and most effectual manner without intermission, is necessarily indefinite. In Madras a certain number of workmen for a certain area is required to be maintained, but this is properly objected to as arbitrary. His Highness' Government is of opinion that a self-adjusting arrangement can be made by providing that, after the expiry of the first two years which will be required to import machinery and arrange for the working, the Government reserves to itself the option of levying in any year in lieu of the royalty an assessment of 5 rupees per acre, in the event of its not being satisfied with the working or its results.

8. It is also considered necessary, in order to shut out applicants without means from applying, to require that each application should be accompanied by a deposit of 1,000 rupees as a security for the proper fulfilment of the engagement. This will apply to all applicants to whom leases have not yet been granted. This small deposit, whilst deterring persons without means from sending in applications on mere speculation, cannot occasion any perceptible inconvenience to applicants who really wish to embark on the enterprise and are capable of carrying out the engagement.

9. The rules, as modified above, will be published in the Gazette in supersession of the previous rules. They do not apply to the Kolar concessionaires.

C. Rungacharlu, Dewan.

NOTIFICATION.

In supersession of previous rules, the following rules are sanctioned by His Highness the Maharaja for the grant of mining leases in Mysore. They do not apply to the Kolar concessionaires.

Leases of land for mining purposes will be given on the following conditions :—

I.—Each lease will be limited to a block not exceeding one square mile in area, and will be given for a term of 30 years according to priority of application. Applications for more than one block from the same applicant will be taken into consideration if there are no other applicants, and if no other objection exists.

II.—The lessee is to make his own arrangements with the holders of Government occupied assessed and inam lands, in regard to entering upon or obtaining possession of them.

III.—The lessee is to pay to Government the annual assessment, as now existing or as hereafter revised by any survey, on all the arable lands, occupied or waste, and the jodi or quit rent on any inam lands, as well as an assessment of eight annas per acre on all the unarable lands which may be included within the limits of the lease, together with all local cesses and other taxes or rates of every description, payable in respect of the premises or lands comprised in the block, or of buildings or works erected therein.

IV.—The lessee is to pay a royalty of 5 per cent. on the gross proceeds of all gold, metallic ores, coal, and other substances of a merchantable nature, which shall have been dressed, crushed, and made merchantable, and of 10 per cent. on the saleable value of all precious stones found in the selected block, clear of all deductions whatever.

V.—The lessee is to search and mine for gold, &c., throughout the term of the lease in the best and most effectual manner without intermission, except when prevented by inevitable accident. But after the expiry of the first two years of the lease, the Government reserves to itself the option of levying in lieu of the royalty an assessment of 5 rupees per acre, in the event of its not being satisfied with the working or its results for any years of the lease.

VI.—The lessee is required to keep regular accounts and plans and maps of the mines and workings, which are to be open to inspection by Government officers.

VII.—Government officers are authorised to inspect and examine the mines.

VIII.—The lessee is to keep all boundary posts in good order, and to fence every shaft, pit, or open working.

IX.—The lessee is not wilfully to close fill up or choke any mine or shaft without permission, and not to obstruct any existing roads, paths, or bye-ways on the land.

X.—The Government are authorised to recover any arrears of rent by distraint and sale of property belonging to the lessee, and in the event of the breach of any of the covenants on the part of the lessee or of his causing any annoyance or obstruction to any class of persons or Government officials, the Government can cancel the lease on due notice and in default of satisfactory explanation within six months.

XI.—In the event of the lessee not desiring a renewal of the lease on such terms as the Government may fix, he will be bound to deliver the land to Government at the expiration of his lease with the shafts and other premises in good repair and working order, together with the books, maps and plans, free of any claim on account of buildings or other property left standing on the lands, and he should permit the purchase by Government of the buildings, plant, machinery, and fittings at a fair valuation.

XII.—Any

XII.—Any arrangement for commuting the royalty by a present payment of a lump sum as is sanctioned to the Kolar concessionnaires will be specially considered in each case; but the Government does not undertake to allow such commutation necessarily in every case; nor to grant every application for a lease as a matter of course.

XIII.—No lease will be granted until the applicant deposits a sum of 1,000 rupees as a security for the proper fulfilment of the engagement.

(signed) *C. Rungacharlu*, Dewan.

Bangalore, 26 July 1881.

No. 1173 I. G.

COPY forwarded to the Revenue and Agricultural Department for information, in continuation of the endorsement from this office, No. 596 I. G., dated the 20th May 1881.

(By Order.)

(signed) *A. Martindale*,
Assistant Secretary to the
Government of India.

Simla, 20 September 1881.

No. 28.

COPY with copy of the endorsement from the Foreign Department, No. 596 I. G., dated the 20th May last, forwarded to the Government of Madras for information.

(By Order.)

(signed) *J. Holderness*,
Officiating Under Secretary to the
Government of India.

Simla, 11 October 1881.

Enclosure.

MINERALS, May 1881.

From *C. Rungacharlu*, Esq., C.I.E., Secretary to the Chief Commissioner of Mysore, Revenue Department, to the Under Secretary to the Government of India, Foreign Department; dated Bangalore, 24th February 1881, No. 6826-142.

In reply to your letter No. 100 I. G., dated 22nd ultimo, I am directed by the Chief Commissioner to state that the Kolar concessionnaires have sold portions of the leasehold of 20 square miles guaranteed to them for mining purposes in the Kolar District, and are negotiating the sales of other portions to companies in England and in India for very large prices. As the concessionnaires are urgent to obtain the leases promptly in order to enable them to effect the sales, any revision of the wording of the lease which has already been agreed upon between them and the Local Government is now precluded. Moreover, the necessity for any such revision in their case is dispensed with by a proposal made by the concessionnaires and acceded to by the Chief Commissioner to commute the claims of the Government to royalty and rent by present payment of 55,000 rupees per square mile, the concessionnaires being

allowed one year's time from the date of the lease to avail themselves of this commutation.

2. The above arrangement was entered into under the following circumstances. In the agreement first executed, whilst a royalty of 5 per cent. was provided, a promise was also made that, in the event of the Government of India fixing a low rate of royalty for British territories, the 5 per cent. royalty stipulated for would be reduced to a similar amount. The terms of the lease in British territories, however, have been fixed upon very different principles, providing for no royalty at all, but for an assessment of 5 rupees per acre. Under the circumstances of the case, the Chief Commissioner found it necessary to offer to the concessionnaires the option of taking up the lands on an assessment of 5 rupees per acre instead of the royalty, with proper guarantees for payment of the assessment on the whole area of the lease, and for the whole term of 30 years. This guarantee was considered necessary, as without it the assessment would not be a fair equivalent for the royalty, especially where the gold veins, though rich, are superficial, and such as could be worked out in a few years.

3. The rate of 5 rupees per acre gives an annual assessment of 3,200 rupees per square mile, and the 55,000 rupees for which the concessionnaires are allowed the option of commuting the royalty within one year, represents the present worth of an annual assessment of 3,200 rupees for a period of 30 years. Such a large present payment must be disadvantageous to a company working the mines in their own interest, and cannot be preferable to a royalty of 5 per cent. payable only on the actual yield. But as the concessionnaires are selling the leaseholds for high prices, they may find that the compounding of the royalty enables them to effect better sales, and the arrangement is, at the same time, not disadvantageous to the Government.

4. With regard to other applicants for mining rights, the terms of lease already submitted have, with an important addition, been stipulated for, and when hereafter drawing up the lease in detail, the suggestions made by the Government of India for defining the manner in which the out-put from the mines is to be valued, and on other points, will be borne in mind. These points require to be determined after discussion with the individual applicants.

5. The addition referred to relates to a limitation which it has been found desirable to impose on the transfers of the leases. The leases in themselves do not carry with them the right to alienate; and as a check upon persons taking up lands for speculation, it has been thought proper to provide for a fine equal to 10 per cent. on the amount of the consideration for which the transfer is made.

6. A number of applications for lands on the above terms in different parts of the province has been received, chiefly from coffee planters and English houses of agency in Madras. The applicants cannot in any case be said to possess special mining experience, and would seem to take up the lands with the object of negotiating with mining companies and capitalists in England; and the Chief Commissioner saw no reason to refuse these applications so long as the revenue interests of the Government are properly secured. The present stage of speculation must pass away, and the mines must get into the hands of regular sound working companies before the actual conditions and requirements of the mining enterprise in the province can be satisfactorily inquired into and ascertained. Meanwhile, the terms laid down are such as sufficiently secure the interests of the Government. A copy of these terms is herewith forwarded.

MEMORANDUM.

The following are the terms upon which applications for mining leases will be granted by the Mysore Government until further orders.

2. Exclusive rights for prospecting will not be given as a rule. When granted on special grounds they will be given only over defined areas of limited extent and for a period not exceeding six months.

3. Leases

3. Leases of land for mining purposes will be given on the following conditions :

I. Each lease will be limited to a block not exceeding one square mile in area, and will be given for a term of 30 years, according to priority of application. Applications for more than one block from the same applicant will be taken into consideration if there are no other applicants and if no other objection exists.

II. The lessee is to make his own arrangements with the holders of Government occupied, assessed, and inam lands, in regard to entering upon or obtaining possession of them.

III. The lessee is to pay to Government the annual assessment, as now existing, or as hereafter revised by any survey, on all the arable lands, occupied or waste, and the jodi, or quit rent on any inam lands, as well as an assessment of eight annas per acre on all the unarable lands which may be included within the limits of the lease, together with all local cesses and other taxes or rates of every description, payable in respect of the premises or lands comprised in the block, or of buildings or works erected thereon.

IV. The lessee is to search and mine for gold, &c., throughout the term of the lease, in the best and most effectual manner, without intermission, except when prevented by inevitable accident.

V. The lessee is to pay a royalty of 5 per cent. on the gross proceeds of all gold, metallic ores, coal, and other substances of a merchantable nature, which shall have been dressed, crushed, and made merchantable, and of 10 per cent. on the saleable value of all precious stones found in the selected block, clear of all deductions whatever.

VI. The lessee is required to keep regular accounts and plans and maps of the mines and workings, which are to be open to inspection by Government officers.

VII. Government officers are authorised to inspect and examine the mines.

VIII. The lessee is to keep all boundary posts in good order, and to fence every shaft, pit, or open working.

IX. The lessee is not wilfully to close, fill up, or choke any mine or shaft without permission, and not to obstruct any existing roads, paths, or byeways on the land.

X. The Government are authorised to recover any arrears of rent by distraint and sale of property belonging to the lessee, and, in the event of the breach of any of the covenants on the part of the lessee, or of his causing any annoyance or obstruction to any class of persons or Government officials, the Government can cancel the lease on due notice and in default of satisfactory explanation within six months.

XI. In the event of the lessee not desiring a renewal of the lease, he will be bound to deliver the land to Government at the expiration of his lease, with the shafts, buildings, and other premises in good repair and working order, together with the books, maps and plans, and also to permit the purchase by Government of the plant, machinery, and fittings at a fair valuation.

XII. The lease is granted to the applicant and his heirs only. It may be made alienable on payment of a fine equal to 10 per cent. on the amount of the consideration for which the transfer is made.

(By Order.)

(signed) *C. Rungacharla*,
Secretary to the Chief Commissioner
of Mysore, Revenue Department.

From *A. C. Lyall*, Esq., Secretary to the Government of India, Foreign Department, to the Resident at Mysore, dated Simla, 20th May 1881.

I AM directed to acknowledge the receipt of your letter, dated the 24th February 1881, regarding leases of land granted for mining purposes in Mysore.

2. It appears that leases of extensive areas of land in the Kolar District have been granted upon the terms described in the previous letters of the Chief Commissioner, and that in consequence of the existing mania for speculating in gold mines, the grant of these leases has proved to be a source of considerable profit to the State. As the Administration of Mysore has now been transferred to His Highness the Maharaja, it will not be necessary for the Government of India to discuss any further the terms upon which these leases have been granted, or upon which leases will be granted in future.

3. At the same time I am to remark that it will be in your power to advise His Highness the Maharaja upon this subject, and with this object I am to call your attention to the enclosed copy of correspondence showing the conditions upon which it has been considered expedient to grant mining leases within British India.

From Madras Government, to Government of India, Home Revenue, and Agricultural Department, No. 1308, dated 7th October 1880, and enclosures.
To Madras Government, from Government of India, Home Revenue, and Agricultural Department, No. 94, dated 18th November 1880.

From paragraph 2 of the notification you will see that it is the policy of the Government of India to limit to 30 acres the area of land which may be granted to an applicant for mining purposes. In the opinion of the Governor General in Council such a limitation is more calculated to attract *bonâ fide* companies; while the larger grants of land made in Mysore appear to have resulted in a system of land speculation such as is described in paragraph 6 of your letter under reply.

4. The Governor General in Council is of opinion that it will be more advantageous to the State of Mysore if the lands which are taken up for mining purposes should be leased by regular and sound working companies, and I am to instruct you that in advising His Highness the Maharaja on this subject, you should be guided by the conditions prescribed for mining leases within British India.

No. 596-I. G.

COPY of correspondence forwarded to the Home, Revenue, and Agricultural Department, for information.

No. 205.

Order thereon, 9th November 1881, No. 1698.

Miscellaneous.

Communicated to the Board of Revenue.

(True Extract.)

To the Board of Revenue.

(signed) *C. G. Master*,
Secretary to Government.

GOVERNMENT OF MADRAS—REVENUE DEPARTMENT—1st December 1882.

No. 1357.

Read, again paragraph 5 of G. O., 15th October 1881, No. 1538.

Paragraph 5. The general subject of public servants holding lands is under the consideration of Government.

Read, also the following telegram from the Government of India, Revenue and Agricultural Department, to the Secretary to Government, Revenue Department, dated Simla, 29th September 1882 :—

“ Your telegram of 27th regarding acquisition of land by Government servants. Government of India are averse to any alteration of existing Orders.”

Order, dated 1st December 1882, No. 1357, Revenue.

Resolved, that a copy of the annexed rules now in force relating to the acquisition of land by Covenanted Civilians, Military Officers in civil employ, and all persons holding offices ordinarily held by officers of these classes, be republished in the “ Fort St. George Gazette ” for the information and guidance of all officers concerned. Miscellaneous.

2. Ordered also, that a copy of the rules be furnished to every officer, whose name now appears in the list of members serving in any of the capacities specified in the foregoing paragraph, for information and guidance. Further, a copy will be furnished by the Chief Secretary to every Junior or Probationary Civilian on his arrival in India, or on his appointment, respectively. A receipt will be given for the paper, and recorded in the Government Office. The Head of every Civil Department shall hand a copy (*a*) to every Military Officer joining the Department, and take a receipt from such officer; also (*b*) to every person appointed to any office in his Department which is ordinarily held by a Covenanted Civilian or a Military Officer. Where a person not being a Covenanted Civilian is appointed to be the Head of a Department ordinarily presided over by a Covenanted Civilian or a Military Officer, the paper will be furnished to him, and his receipt for the same taken charge of, by the Secretary to Government in the proper branch.

3. Every officer affected by this Order will submit to Government, through the Board of Revenue or the Head of his Department, as the case may be, a yearly return describing exactly his interest in landed property within the Presidency, or the Feudatory States under the supervision of the Governor in Council, and will also declare that no land is held for him by any one else.

(True Extract.)

(signed) *E. F. Webster*,
Secretary to Government.

To the Chief Secretary to Government.
 „ Secretary to Government, Military Department.
 „ Secretary to Government, Public Works Department.
 „ Private Secretary to His Excellency the Governor.
 To all Members of Covenanted Civil Service.
 „ Military Officers in Civil employ.
 To the Board of Revenue.
 „ Settlement Department.
 „ Superintendent of Revenue Survey.
 „ Conservator of Forests.
 „ Inam Commissioner.
 „ Commissioner of Salt Revenue.
 „ Superintendent, Government Press.

No. 241.

REVENUE.—14th January 1862.

NOTIFICATION.

The following Orders, passed by the Most Honourable the Secretary of State in Council, on the subject of the possession of landed property in India by public servants, are published for general information :—

1.—Extract from the Most Honourable the Secretary of State's Despatch, No. 22, dated the 10th August 1861.

1. I have had under my consideration in Council your Excellency's letters, dated the 25th, 26th, and 31st October 1860 (Nos. 37, 38, and 39), and 8th March (No. 5) 1861, on the subject of the possession of landed property in India by the public servants of the State.

* * * * *

4. I have carefully considered in Council the entire subject, and I am now prepared on the part of Her Majesty's Government to lay down the following rules for your future guidance. I should premise that these rules refer only to the acquisition or possession of lands intended to be applied to agricultural purposes, and are not to be construed to include lands occupied merely by buildings for residence and their usual appurtenances.

5. Officers of the Covenanted Civil Service are at liberty to acquire and possess lands anywhere out of the Presidency to which they are attached, but are absolutely precluded from holding lands within their own Presidency.

* * * * *

6. Regimental Military Officers may hold lands in any part of India, with the distinct understanding, however, that a Military Officer possessing land will be disqualified for temporary employment in any civil capacity in the district within which his land is situated; but Military Officers who are placed in permanent employment in the civil administration must, like the Officers of the Covenanted Service, be prevented from holding land in the Presidency to any part of which they may be sent.

EXTRACT from the Most Honourable the Secretary of State's Public Despatch, No. 46, dated 31st May 1862.

* * * * *

Para. 2. You will have learned from my Despatch to the Government of Bombay, dated the 8th April last, No. 11, that, in connection with the Orders of that Government of the 26th November 1861, relative to the case of public officers who might take part in any company formed for working the Gold Mines in the Dummul Hills, I stated that, "as a general rule, I see no objection to servants of Government holding shares in mining or other companies having for their object the development of the resources of the country; and the only restriction I think it necessary to impose is, that public servants shall take no part in the management of such institutions, and shall not be employed in the districts where the operations of the company be carried on."

3. With the exception of the concluding proviso, that no public officer shall be employed in any district where any company in which he holds shares, may carry on its operations, the sentiments above expressed are in accordance with the opinions recorded by Earl Canning and the several Members of your Council; and, as I think it important that this condition should be maintained, I have to direct that my decision, communicated in the terms above quoted to the Government of Bombay, may be made generally applicable, and may be published for general information.

4. There

4. There can be no doubt as to the great evil of public servants in India engaging in speculations in the public funds, or in the shares of joint stock companies; but I agree in the opinion of Lord Canning that such a practice on the part of any officer could not long escape the knowledge of Government, and that it would be in the power of Government to mark its sense of such conduct either by withholding promotion or in any other way it might deem fit.

EXTRACT from the Most Honourable the Secretary of State's Revenue Despatch,
No. 22, dated 25th November 1862.

* * * * *

Para 3. In your letter of the 8th May (No. 10) you request to be informed whether a covenanted civilian may hold shares in a joint stock company formed for agricultural purposes, such as tea or coffee cultivation, in his own Presidency. This question is sufficiently answered in my Public Despatch of the 31st May (No. 46, 1862), which you would have received shortly after the date of your reference.

4. As regards the question whether a covenanted Madras civilian may hold land in Mysore, Coorg, Cochin, or Travancore, I agree with your Government in viewing with disapproval the holding by covenanted civil servants of lands in Native states; and I consider that the same objection applies to the holding of such lands by military officers in the actual service of the Crown in India.

5. The right of officers, civil or military, to hold shares in the agricultural companies operating in Native states may be regulated by the same rules as apply to their holding shares in similar companies within the British territories.

Read, The following Endorsement of the Under Secretary to the Government of India, dated Home Department, Revenue, 21st August 1863, No. 5275 :—

Read, The following Despatch from the Right Honourable Sir C. Wood, Bart., Secretary of State for India (Revenue), to his Excellency the Right Honourable the Governor General of India in Council, dated India Office, London, 9th July 1863, No. 17 :—

My Lord,

1. I have had under my consideration in Council the letter from your Excellency in Council, dated the 29th April last (No. 9), relative to the holding of lands by public officers in India, in territories not under the direct sovereignty of the Crown.

2. The insertion of Coorg among such territories was an inadvertence, arising doubtless from the circumstance that that district is, for reasons of convenience, administered by the Commission of Mysore.

3. You have correctly interpreted the orders conveyed in my Despatch of the 25th November last (No. 22), in considering that the case of the surgeon of the Mysore Commission must be governed by the general rule which prohibits both civil and military officers from holding lands in Native states.

NOTIFICATION.

Fort William, Home Department, the 21st August 1863, No. 5263.

1. Under the orders of the Secretary of State, published in the "Calcutta Gazette" of the 17th January 1863,* public officers in India are prohibited from holding lands in territories not under the direct sovereignty of the Crown, such as "Mysore, Coorg, Cochin, or Travancore."

* Notification, No. 383, dated 16th January 1863.

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2. The inclusion of the territory of Coorg in the list of Native states above mentioned was an inadvertence, Coorg being British territory, though administered for reasons of convenience by the Commissioner of Mysore.

(signed) *E. C. Bayley*,
Secretary to the Government of India.

No. 13—467.

EXTRACT from the Proceedings of the Government of India in the Home Department (Public),—under date Fort William, the 13th February 1874.

Read, The subjoined extracts from a correspondence with Her Majesty's Secretary of State for India, on the subject of the holding of land by Government servants in India, and of other investments :—

Extract, paragraphs 3 to 8, of Despatch to the Secretary of State, No. 40, dated the 16th June 1873.

* * * * *

Para. 3. The main rule which we propose to alter is that which deals with the holding of land in India by covenanted civilians and by military officers in civil employ. The general rule now is that no such civil officer may hold land within his own Presidency. The correspondence which has only just ended, raised the point whether officers belonging to the Financial Department, who are liable to serve in any Presidency or Province, are debarred under this rule, or under any other, from holding land anywhere in India beyond their own Presidency. And the reply of the Secretary of State, in his Despatch, marginally cited,* was that the prohibition (imposed by the general rule above quoted) does not apply to districts in which officers of the Financial Department may be temporarily serving, outside the limits of the Presidency to which they were originally appointed. By the wording of this reply the ruling which it conveyed applied only to the case of the Financial Department, but the letter † from this Government, which submitted the case, had pointed out that “under the literal terms of the rules it is clear that a Bengal civil servant may ordinarily acquire and hold land in British Burmah.” And, though the answer from the Secretary of State may be understood to assume that an officer connected with the Local Administration of a Province outside the limits of his original Presidency is forbidden by the spirit of existing rules from holding land within that Province, yet this important construction is not positively laid down either in the Despatch from the Government of India, or in the Secretary of State's reply to it. Practically, and especially in delicate and closely-contested cases, a rule is only effective within the range of its literal meaning. And the literal meaning of the general rules which curtail the right of covenanted and commissioned civil officers to acquire land is still only this, that the land must not be within the Presidency to which they were first appointed. Thus an officer who, like an Accountant General, may be sent to serve in any Province or Presidency, or who, like a Secretary to the Government of India or Member of the Supreme Government, may be officially connected with all Provinces, is only debarred by the haphazard of his first appointment from holding land in one particular Presidency, whether he be actually serving in it or not. Nor is it absolutely certain, according to the letter of the rules (though according to their spirit there may be no doubt), that the present Chief Commissioner and Judicial Commissioner of British Burmah, being both Bengal civilians, are incapable of holding land in that Province, which is separate from the Bengal Presidency.

4. We have determined that it is expedient to remove these doubts and inconsistencies by amending the rules, so as to bring them back into direct correspondence with their original objects and motives. The reason why certain officers in civil employ were forbidden to hold land in their own Presidency are ‡ (1) because their attention might be diverted from public to private business to the detriment of public business; and (2) because they might use (or be suspected of using) their official influence unduly, for their own

* No. 74, dated 15th December 1866.

† No. 21, dated 13th July 1866.

‡ See Despatch of Supreme Government to Secretary of State, No. 6, dated 2nd April 1860.

own benefit and to the disadvantage of others, in the management of their estates. But these reasons obviously apply with equivalent force wherever an officer holds land and public office in the same Province; wherefore we desire to pass the plain rule that henceforward no officer (covenanted or military in civil employ) shall hold land in a Province with the administration of which he is in any manner connected. If this rule is approved, then the aforesaid civil officers will be precluded from taking office which gives any sort of jurisdiction over any part of a Province within which they may hold land, and (conversely) from holding or acquiring land within the territorial limits of the Province in which they may be serving, temporarily or permanently. In fact they must choose, upon any transfer or fresh appointment which raises the dilemma, between holding office and holding land; they cannot hold both in one Province. But we do not wish to give the new rule retrospective effect, or to make it interfere with the right of civil officers to keep land which they have already acquired under the permission given by preceding regulations, though, in the event of promotion to high administrative positions, such officers may be expected to take an early opportunity of conforming to the general rule in force. And it should be here noted that we propose to retain, for the purposes of these rules, the definition of land-holding which was framed by Sir C. Wood,* whereby it is taken to mean only the acquisition of land intended for cultivation, not of land occupied by buildings for residence. Whether land can be held for commercial speculation is a different question, which we touch upon toward the end of this letter.

* Despatch, 10th August 1861.

5. We are aware that the effect of the broad rule which we have now proposed will be to hamper greatly any safe investment in land in India by officers who are liable to serve in different Presidencies and Provinces. And we admit that it must operate to discourage civil officers generally from making these investments anywhere, for the land must always be held at a considerable distance and on a precarious tenure, since in these days transfers from one Presidency or Province to another are much less rare than formerly. Nor do we overlook the arguments, often urged heretofore, that there is some actual advantage in associating under one precaution official position with landed interest in the country. But it has long been decided that these considerations are more than counterbalanced by the disadvantages accompanying the possession of land in a Province by officers who belong to its civil administration. This being the case, we feel the necessity of making one plain rule that shall be logical and consistent; and we observe that the extension which we propose to give to the prohibiting rule already in force, will only affect comparatively small sections of the whole body of civil officers. That is, it will affect those only who are liable to serve beyond the limits of the Presidency to which they were first appointed, or who may be officially connected with districts beyond those limits. It may, if unreservedly enforced, prevent a member of the Supreme Government from holding any land at all in India; although we do not pledge ourselves to enforce it thus absolutely, or without making special exceptions in cases which are plainly unobjectionable. We propose to bring under the same category with covenanted civilians and military officers in civil employ, all persons holding offices ordinarily held by officers of these classes. The amended rule will then run to the effect that no such civil officer shall acquire, or continue to hold, land in any Province to which he is temporarily or permanently appointed, or with the administration of which he is concerned. And we intend to preserve unchanged all the other rules which have from time to time been passed in restraint of land-holding by different classes of public servants in various situations.

6. In regard to all investments other than those in land for the profits of cultivation, we have adopted and propose to notify the general principle that servants of Government are expected to abstain from any investment (though of itself unobjectionable) which interests them privately in affairs or undertakings of the kind with which their public duty is connected. The principle is well known, and the reasons for it are obvious, but we have latterly found cause for believing that it should be re-asserted distinctly.

7. We have recently been asked to consider the question of *speculative* investments by public officers, which is on some sides of it cognate to the

subject of this letter; but we take it to be on the whole a different matter requiring different treatment. For, although we can frame a precise rule demarcating the limits within which land should or should not be held by public servants, and although it is easy to say that a financial officer must not hold shares in a bank within his circle, or a consulting engineer railway shares; yet we do not propose to go farther, and to attempt any literal definition of the stage at which the holding of land or other valuable property becomes speculative. We need only remark that while land-holding and other investments are under certain conditions forbidden to public servants as a necessary precaution against evils (one of which is speculation) that may possibly follow, habitual speculation by officials is held by us to be an evil in itself. And we have given notice that we reserve to the Government full power to deal stringently with the practice whenever it appears to prevail.

From Bengal, No. 1445 G., dated 30th December 1872.
To Bengal, No. 1495, dated 10th April 1873.

8. We enclose copies of correspondence with the Government of Bengal* upon the advisability of endeavouring to frame a definition of the term which shall include all transactions by a public servant, which a Government may properly disapprove. We are of opinion that no such fixed rule of conduct is really needed, either by Government or by their officers, for their guidance in this matter.

From *C. E. Bernard*, Esq., Officiating Secretary to the Government of Bengal, Appointment Department, to *H. L. Dampier*, Esq., Officiating Secretary to the Government of India, dated Calcutta, the 30th December 1872, No. 1445-G.

Referring to the Notification of the Government of India in the Home Department, dated 28th August 1872, and published at page 814 of the "Gazette of India" of the 31st idem, on the subject of prohibiting public officers from engaging in speculations in India, I am directed to submit that the Notification seems to the Lieutenant-Governor to put Local Governments in a position from which they may fairly ask to be relieved by a more exact definition as to what are the speculations which public officers may, and what they may not, engage in. I am to point out that it is notorious that, since the publication of the Despatch of 1862, very many officers have engaged in what is commonly termed speculation; that is to say, in the days of the Company mania they applied for allotments in the shares of many companies, real and bubble; they took shares in tea estates, mines, mills; sometimes they bought and sometimes they sold.

2. The Lieutenant-Governor finds it impossible to draw a line between permanent investments and purchase with a view to resale, it being only a question of degree. It can be only said that it was commonly believed that some officers in Calcutta (and it is believed still more in Bombay) went into these things to such an extent that they were commonly spoken of in society as much addicted to speculation. Yet his Honor is not aware that action was taken or precise rule laid down. Such times may recur, and isolated cases probably do occur; many servants of Government still hold shares in many undertakings, public and private, and the Lieutenant-Governor does not know what is to be considered a speculation and what not.

3. There are, moreover, certain public officers who also engage in private business, *e.g.*, law officers, and some, as the Administrator-General, who apparently have always held themselves entitled publicly to serve as directors of public companies.

From *A. C. Lyall*, Esq., Secretary to the Government of India, to *C. E. Bernard*, Esq., Officiating Secretary to the Government of Bengal, Appointment Department, dated Fort William, the 10th April 1873, No. 1495.

I AM directed by the Governor-General in Council to reply to your letter, No. 1445-G, dated 30th December last, desiring some definition of the term "speculation" for use in applying the rule which prohibits officers from engaging in it.

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2. The question here raised by his Honor points evidently to cases which lie beyond those particular dealings which are already prohibited by rule, such as investment in land within the district to which an officer belongs, connection with the management of any bank or business, and other transactions barred by specific order. His Honor now inquires whether the Supreme Government would lay any formal restriction upon speculative investments generally, so as to regulate precisely what an officer may or may not do.

3. I am to reply that his Excellency in Council would not attempt to shape, for public servants, any such fixed rule of conduct in this matter. If it were possible to devise such a rule, the expediency of doing so would be questionable, for his Excellency believes that, in practice, the spirit of existing orders is beyond mistake,—that it never can be really misconceived by officers in the service, and, therefore, that there can be no practical difficulty about enforcing these orders as they now stand.

4. The Government of India consider that there exists an essential difference between permanent and speculative investments, that the distinction is one of motive, and that the frequency of a man's purchase and sales may be, and usually is, very good evidence of his motive in effecting them. If an officer habitually buys and sells securities of a value notoriously fluctuating, it is clear that he is addicted to speculation, and he thereby undoubtedly lays himself open to the disapproval of Government, which can be expressed in various ways, and in a degree proportionate to the nature of the dereliction. If he engages in such pursuits to an extent which attracts public notice and unfavourable remark, so that his integrity or his application to his public duties is discussed and doubted, then he has given rise to a scandal with which the Government will have to deal.

5. His Excellency believes that these general instructions will be found to govern all the cases to which your letter alludes, and, if so, to those cases they may be applied. In regard to officers whose whole time is not at the disposal of Government, they are not in precisely the same category with other public servants; nevertheless, if their behaviour gives rise to scandal, that is, to common rumour that they are in any way making private profit out of the opportunities given by their official position, in that event the Government can, of course, recognise no difference whatever between these and other servants of the State.

EXTRACT, paragraph 4, of Despatch from the Secretary of State, No. 99, dated the 26th August 1873.

* * * * *

Para. 4. I fully approve of the orders which have been issued by your Excellency in Council, on the general question of investments by covenanted civilians and military officers in civil employ.

RESOLUTION.

The Governor-General in Council desires that the foregoing extracts be forwarded to the Local Governments and Administrations, for information and for circulation to all officers affected by the present orders, or holding a position in which they are likely to be so affected.

2. His Excellency in Council is pleased to determine, in continuation of preceding orders upon the same subject, that covenanted civil servants and military officers in civil employ, and all persons holding civil offices ordinarily held by covenanted or commissioned officers of the two classes aforesaid, are prohibited henceforward from acquiring or holding land within the Province with the administration of which they are concerned, whether that connection be permanent or temporary. This order will not necessarily take retrospective effect.

3. With regard to investments of any kind by public servants, it is hereby notified that the rules and general principles contained in the 6th and 7th paragraphs of the Despatch to the Secretary of State, and in the enclosures to which they refer, will henceforward be acted upon by the Government, and are to be observed by all officers, of every rank and class, in the public service.

Order,—Ordered that a copy of this Resolution be forwarded to the several departments of the Government of India, to the Local Governments and Administrations, to the Superintendent of Port Blair and the Nicobar Islands, and to the Director-General of the Archæological Survey of India, for information and guidance.

(True Extract.)

(signed) *A. C. Lyall*,
Secretary to the Government of India.

EXTRACT from the Proceedings of the Government of India in the Home Department (Public), dated Fort William, 17th March 1882, No. 11—426-37 :—

* * * * *

Para. 3. As regards the holding of lands the case is different, inasmuch as members of the Native Civil Service do at the present time in some cases hold land in the Provinces in which they are employed, and it appears unnecessary to require them to divest themselves of such land or to prevent them from acquiring additional landed property, provided that certain restrictions are observed. In these respects the rules at present applicable to members of the Covenanted Civil Service may, in the opinion of the Government of India, properly be relaxed in the case of members of the Native Civil Service, who should be permitted to hold any lands actually in their possession when they enter the service of Government, or which may come into their possession thereafter by inheritance, gift, or devise, provided that full information in respect of such lands is given to the Local Government, which will consider in each case whether the fact of an officer holding any particular lands need be a bar to his employment in the district where these are situate. No fresh purchase of land should, however, be allowed on the part of a member of the Native Civil Service without the previous sanction of the Local Government under which he is serving.

(True Copies.)

(signed) *E. F. Webster*,
Secretary to Government.

SPECIAL REGISTER, showing the Particulars of LAND held by CIVIL OFFICERS.

No.	Name.	Official Designation and Station.	Particulars of Land held, and Where.	Extent.	REMARKS.
1	Hon. H. E. Sullivan - -	Member of Council - - -	Municipal limits of Ootacamund - - -	75 acres - - -	For building purposes
2	Hon. R. Davidson - -	First Member of the Board of Revenue.	A few yards of flower-beds attached to a small bungalow on the Ramandrug, Bellary District.	-	
3	J. D. Goldingham, Esq. -	District and Session Judge, Bellary.	25 (twenty-five) shares in the Alpha Gold Mining Company.	-	
4	Hon. C. G. Master - -	Chief Secretary to Government.	Plot of ground forming the appurtenance of his house in Ootacamund.	50 acres.	
5	H. S. Thomas, Esq. - -	Second Member of the Board of Revenue.	- - - - -	- - - - -	Has lent Rs. 10,141. 4. 0., at 6 per cent. interest, to his son, who holds in his name about 110 acres near Coonoor.
6	W. D. Horsley, Esq. - -	Collector of Cuddapah -	Land on puttah in the Madanapalle Taluk, Cuddapah District.	106.23 acres - -	The Land is on a hill, and is occupied by buildings, garden, &c. It was acquired for the purposes of a Sanitarium.
7	F. C. Carr-Gomm, Esq. -	(Retired) - - - -	Land on the Kondahs; a house in Palamcottah.	85 acres - - -	Land is being cleared now, and will be cultivated chiefly with Cinchona.
8	W. S. Whiteside, Esq. -	Collector of Tanjore - -	A piece of ground laid out with a vegetable garden and nurseries in Palmanér, North Arcot District.	About 1 acre on puttah.	
9	R. W. Barlow, Esq. - -	Collector of Nilgiris - -	- - - - -	- - - - -	None at present. Will become the possessor of about 2 acres of grass land on the Kundahs when a certain title-deed is issued.

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GOLD MINING TRANSACTIONS IN MYSORE, &c.

SPECIAL REGISTER, showing the Particulars of Land held by Civil Officers—*continued.*

No.	Name.	Official Designation and Station.	Particulars of Land held, and Where.	Extent.	REMARKS.
10	J. C. Hannyngton, Esq. -	Resident in Travancore and Cochin.	Land planted with fruit-trees in Salem - -	25 acres - - -	Purchased the land as a building site for which purpose it is eminently adapted.
11	P. P. Hutchins, Esq. - -	District and Session Judge, Madura.	A house and a garden attached thereto at Fort St. David, Cuddalore, South Arcot District.	2 or 3 acres.	
12	J. B. Pennington, Esq. -	Collector of Tinnevely -	Dry land at Virapandiyanpatnam, Tenkarai Taluk, Tinnevely District.	12.53 acres on puttah	Appurtenant to a bungalow.
13	F. H. Woodroffe, Esq. -	District and Session Judge, North Tanjore.	Shareholder in the Kaiser-i-Hind Gold Mining Company, Mysore.	—	
14	H. J. Stokes, Esq. - -	Collector of Madura - -	Ten shares of 1,000 rupees each in the North Travancore Land Planting and Agricultural Society, Travancore.	100 acres of forest land.	
15	F. Brandt, Esq. - - -	District and Session Judge, Trichinopoly.	Outright interest in a house in Ootacamund -	About 6½ acres.	
16	W. Logan, Esq. - - -	Collector of Malabar - -	East Hill House and grounds at Calicut, Debentures on the Malabar Club Property, Calicut Reading Club, and Ootacamund Reading Club.	Not given.	
17	H. W. Bliss, Esq. - - -	Commissioner of Salt Revenue.	Property known as "Shedden House" in Ootacamund.	32 acres - - -	Partly waste, partly planted with Blue Gums, Cinchonas, and other useful and ornamental trees, and partly formed into a flower garden.
18	H. Wigram, Esq. - - -	District and Session Judge, Coimbatore.	Awdry House in Ootacamund, and 800 shares (1 L) in two of the Wynad Gold Mining Companies.	18 acres.	

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19	J. D. B. Gribble, Esq.	-	Sub-Collector, South Arcot	Eight shares in the Colar Concession Company and 45 shares in the North Travancore Land Planting and Agricultural Society, and joint interest in two small estates of 250 and 75 acres, respectively.	-	-	-	Explanation called for.
20	F. H. Wilkinson, Esq.	-	District and Session Judge, South Malabar.	A lease of a garden for one year in the Salem Taluk.	37 acres	-	-	The lease terminates in October 1882.
21	C. W. W. Martin, Esq.	-	Sub-Collector, Kistna	A house and its compound at Kodaikanal, Madura District.	10 acres	-	-	For a hot weather residence.
22	J. Sturrock, Esq.	-	Sub-Secretary, Board of Revenue.	Twenty-five partly paid-up shares in the Talliar Valley Planting Company in Travancore.	-	-	-	
23	L. A. Campbell, Esq.	-	Under Secretary to Government, Revenue Department.	Ten 500 rupee shares in a small limited liability company growing cinchonas on the Nilgiris.	-	-	-	
24	H. B. Grigg, Esq.	-	Director of Public Instruction	"Baikie" property at Ootacamund; 10 shares of 1,000 rupees each in North Travancore Land Planting and Agricultural Society; 25 shares of 500 rupees each in Talliar Planting Company; 10 shares of 500 rupees each in Ootacamund Cinchona Planting Association, and two Debentures in the Pavilion, Ootacamund, value 500 rupees each.	28 acres.	-	-	
25	E. Gibson, Esq.	-	Acting Secretary to the Board of Revenue.	Plot of dry land at Trunukonda, Anantapur District, held on puttah.	About two acres	-	-	Acquired for a garden.
26	A. T. Arundel, Esq.	-	President, Municipal Commission, Madras.	Between Bishopsdown and Fernhill, within the municipal limits of Ootacamund; 10 shares in the North Travancore Land Planting and Agricultural Society, and 25 shares in the Talliar Valley Planting Company.	20 acres	-	-	A house is being built on this land.
27	H. R. Farmer, Esq.	-	Head Assistant Collector, Anantapur.	A few shares in two Spinning and Weaving Companies.	-	-	-	

SPECIAL REGISTER, showing the Particulars of Land held by Civil Officers—*continued.*

No.	Name.	Official Designation and Station.	Particulars of Land held, and Where.	Extent.	REMARKS.
28	G. Stokes, Esq. - - -	Deputy Superintendent of Census.	Scip of a limited liability Joint Stock Company in this Presidency and in Travancore.	—	
29	R. S. Benson, Esq. - -	Special Assistant Collector, Nilgiris.	Four shares, of 1,000 rupees each, in the North Travancore Land Planting and Agricultural Society in Travancore, and 25 shares, of 500 rupees each, in the Talliar Valley Company.	—	
30	C. M. Mullaly, Esq. - -	Acting Head Assistant Collector, Salem.	Prospective interest in the Droog Coffee Estate near Coonoor.	—	
31	K. C. Manavedan Rajah, Esq.	Probationary Assistant Collector.	Lands in Malabar District attached to each of the five Stanams of his family, and lands attached to his particular branch of the Zamorin's family.	Not given - -	Has not got individual landed property.
32	Lewis McIver, Esq. - -	Deputy Superintendent of Census.	Holds shares in a Cotton Press Company, and in two Gold Mining Companies in Mysore.	—	
33	H. G. Turner, Esq. - -	Collector of Vizagapatam -	Holds shares in the North Travancore Land Planting and Agricultural Society.	—	
34	J. H. Garstin, Esq., c.s.t. -	Acting Second Member of the Board of Revenue.	Holds 25 shares in the North Travancore Land Planting and Agricultural Society, and has acquired by purchase 500 acres of the Society's land.	- - - -	Explanation called for.
35	H. E. Stokes, Esq. - -	Acting Collector of Tanjore	Holds shares in the North Travancore Land Planting and Agricultural Society, in the Talliar Valley Planting Company, and in the Assei Múdi Planting Company.	—	

P. P. Hutchins,
Acting Secretary to Government.

EAST INDIA (MYSORE GOLD MINING).

COPY of or EXTRACTS from the CORRESPONDENCE
respecting alleged Participation of BRITISH
OFFICIALS in MYSORE GOLD MINING TRANSAC-
TIONS, and respecting ALIENATION of STATE
DOMAINS in MYSORE.

(*Mr. O'Donnell.*)

*Ordered, by The House of Commons, to be Printed,
2 March 1883.*

[*Price 3½ d.*]

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H.—19. B. 83.

Under 3 oz.

EAST INDIA (MYSORE GOLD MINING).

RETURN to an Address of the Honourable The House of Commons,
dated 8 May 1884;—for,

“COPY of, or EXTRACTS from, further CORRESPONDENCE respecting alleged
Participation of BRITISH OFFICIALS in MYSORE GOLD MINING TRANS-
ACTIONS, and respecting ALIENATION of STATE DOMAINS in MYSORE
(in continuation of Parliamentary Paper, No. 61, of Session 1883).”

India Office,
May 1884. }

J. K. CROSS,
Under Secretary of State for India.

(*Mr. Justin M'Carthy.*)

Ordered, by The House of Commons, to be Printed,
23 May 1884.

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— No. 1. —

DESPATCH from the Secretary of State for India to the Government of India, dated 19th April 1883. (Public, No. 36.)

My Lord Marquis,

1. WITH reference to the correspondence noted in the margin, which has been presented to the House of Commons in the accompanying Return,* I request that your Excellency in Council will call on the Resident at Mysore for a full report on all the circumstances connected with the grant of the mining leases referred to in these papers.

Despatch from Secretary of State to Government of Madras (Public, No. 26), 28th December 1882.
Government of Madras to Secretary of State, 30th January 1883 (Revenue, No. 2).

2. Attention has been a good deal directed to this matter here lately, both in Parliament and in newspapers devoted to financial topics. In the latter it has been asserted that the interests of the Mysore State have been sacrificed in order to benefit certain Government officials and others; and it is therefore essential that a complete report on the nature of these transactions should be obtained.

3. You will observe that the Government of Madras is apparently of opinion that the officials mentioned did not transgress the rules by holding shares in a mining concession, so long as they took no part in the management, and were not employed in the district in which the operations were carried on by those to whom the concession had been granted. I shall be glad to learn whether your Excellency in Council, after a consideration of all the circumstances, is of opinion that the existing rules on the subject are sufficient.

4. I forward, for your information, copy of a letter addressed to me in reference to this matter by Major General Parsee, late of the Madras Army, and formerly employed as Commissioner of a Division in Mysore.

20 March 1883.

I have, &c.
(signed) *Kimberley.*

— No. 2. —

Enclosure referred to in foregoing Despatch.

Maison d'Anglade, Rue du Lyceé, Pau, France,
20 March 1883.

My Lord,

I TRUST your Lordship will not consider it out of place on my part to address you on the subject of some most misleading articles which have appeared in a paper called "Money," in connection, apparently, with a question recently put in the House of Commons regarding gold mining in Mysore, as my attention has been drawn to these articles, and they might lead your Lordship, if you have
seen

* See Return to an Address of House of Commons, No. 61, of 1883.

seen them, to suppose that myself and other officers behaved in a manner unbecoming their position and contrary to existing regulations.

I conducted the whole of the negotiations in this Mysore gold mining matter from the commencement until I left civil employ, and for my leading facts, therefore, you can hold me responsible, though, without any references at hand, my dates may not be strictly accurate. About nine or 10 years ago, when I was Commissioner of the Nundydroog Division of Mysore, some officers and others unconnected with the province asked for a concession of some land (almost entirely waste, and situated in one of my districts), believing it to contain auriferous reefs, and I was directed by Sir Richard Meade to draw up the terms of a mining concession in their favour.

After much research for precedents to guide me, and after referring to the Government of India, I drew up certain terms, which included the payment of Royalty, &c., and which were considered too stringent by the gentlemen interested, who went to Sir R. Meade, then Chief Commissioner of Mysore, and requested some modification of the terms I had proposed, and I then drew up the draft deed in conformity with Sir R. Meade's instructions.

Before the deed was completed by the Madras lawyers, to whom I had sent it, on the part of the Mysore Government, Mr. Dalrymple succeeded Sir R. Meade as acting Chief Commissioner for a few months; and after perusing the papers, he, as a matter of course, passed the concession which his predecessor in office had authorised.

Messrs. Arbuthnot & Co., of Madras, then took over the whole concession from the gentlemen who held it, the transfer being duly notified to the Mysore Government, and after spending about 10,000*l.* in testing the value of the field, they gave it up as likely to involve too large an outlay of capital on account of the deep mining required.

Messrs. Arbuthnot & Co. then restored the concession to the former holders.

The field was always known to be auriferous. The surface was covered with old native workings and excavations. During nearly 30 years that I served in Mysore natives regularly brought gold, the result of their washings, to the bazaars in the vicinity of this goldfield for sale. The line of the old workings is clearly laid down in Mackenzie's survey maps of the country, published more than 80 years ago. All this information, and much more, was laid before Government; there was no concealment whatever, either as to existing facts, or the names of the gentlemen who obtained this concession, with the avowed object of some day proving that the field was worth working, and that a new industry could be started in the Mysore country.

As far as I am aware, up to the time of my leaving India, the conduct of every one concerned in the matter was perfectly frank and open, and not liable to the slightest reproach.

In January 1879, under the regulations of the service, I had to give up my appointment in Mysore, and I prepared to quit India, with the intention of not returning, as my health was then very bad.

On reaching Madras in February 1879, I found the gentlemen who held the concession almost at the end of their resources, and very despondent, though still confident that they held a concession of considerable value. They offered to create two additional shares, and give them to me for 2,000 rupees, as they were greatly in want of funds, but I refused the offer. The day before leaving India, however, I was offered a share for 750 rupees, and this one I bought, and in doing so at that time I acted in no way contrary to the regulations, as I was no longer connected with the Mysore Province, or with any civil employment, or indeed with any extra employment whatever.

Since then some blocks of the land have been purchased from the concessionaires; but very little, indeed, out of the large sums of ready cash referred to in "Money" have ever reached them; they have been paid in shares, whilst individuals called "promoters" in the City of London have absorbed whatever cash was paid down. Some of the companies that were started in India paid the concessionaires partly in money, but only one English company gave them a small sum in cash, in proof of which I can lay before your Lordship, should you wish it, nearly the whole of the original share certificates granted to me, and which are still lying unaltered and unrealised in the hands of my solicitor in England.

I trust

I trust the foregoing statement will show your Lordship how facts have been perverted and misrepresented in the newspaper referred to, and how names have been used, to give a semblance of fact to garbled statements.

The Secretary of State for India,
&c. &c. &c.

I have, &c.
(signed) *John Pearse*,
Major General, Retired List,
Madras Army.

— No. 3. —

LETTER from the Government of India to the Secretary of State, dated
22nd January 1884. (Political, No. 10.)

My Lord,

WE have the honour to forward, for the information of Her Majesty's Government, the papers regarding the grant to certain Government officials and others of leases for gold-mining in Mysore.

2. In accordance with the instructions contained in your Lordship's Despatch, No. 36, dated the 19th April 1883, we requested the Resident in Mysore to submit a report at an early date, explaining the circumstances under which the leases in question were granted. His reply,* which has been delayed owing to the difficulty of obtaining some of the requisite papers from the Darbar, makes it clear that Mr. Dalzell and Mr. Saunders (both retired) alike overlooked the orders of Her Majesty's Government conveyed in the Secretary of State's Despatch, No. 22, of the 25th November 1862, under which the holding of land in native states by the civil and military servants of the Government is prohibited.

*See page 16.

3. With reference to the remarks contained in the third paragraph of your Lordship's letter, we have the honour to enclose a copy of letter, No. 1659, dated the 9th of November last, addressed by the Home Department of the Government of India to the Government of Fort St. George upon the same subject. Your Lordship will observe that we have been unable to concur in the opinion of that Government expressed in their Despatch of the 30th January to your Lordship's address, to the effect that the rules of Her Majesty's Government regarding the holding of land by Government servants were not infringed by those civil and military officers who were concerned in the Kolar concession. We have explained to the Local Government the interpretation which we consider should be placed upon those rules, and our views of the objects of the concessionaires in securing the land in question, and we have desired that those officials who are still in active service may be instructed to dispose of their interest in the grants within a period of three months.

4. In the second paragraph of the Despatch already cited, your Lordship adverts to the assertions which have been made in certain quarters, that the interests of Mysore were sacrificed for the benefit of certain Government officers and others. On this point we desire to express our belief that the transactions in question, though objectionable as contravening the rules, were conducted in a fair and open manner, and without any intention on the part of the responsible officers concerned either of concealment or of injuring the interests of the Mysore State. The earlier papers forwarded with this Despatch confirm this view, and show that the arrangements made with those persons who applied for grants of land were considered by the Mysore authorities to be distinctly advantageous to the State, although the Darbar was warned by the Government of India of the risk attending the assignment of extensive leases of land to parties who did not intend to mine, but merely to speculate. We would also draw attention to the demi-official letter of the 12th September from the present Resident in Mysore, which affords further evidence on this point.

5. In conclusion, we have only to express our opinion that the rules relating to dealings in land by Government officials are sufficiently complete and

stringent, and that they therefore require no addition or modification to meet cases of this description. To prevent all possibility of misapprehension or oversight in future, we have decided to circulate them again in a concise form. In the present instance they have been evidently overlooked by the Mysore authorities, and in part misinterpreted by the Madras Government.

We have, &c.
 (signed) *Ripon.*
J. Gibbs.
T. F. Wilson.
C. P. Ilbert.
S. C. Bayley.
T. C. Hope.
A. Colvin.

Enclosures referred to in foregoing Letter from the Government of India, and numbered 4 to 12, inclusive.

— No. 4. —

LETTER from the Officiating Secretary to the Chief Commissioner of Mysore to the Secretary to the Government of India, Foreign Department (No. 7872-118), dated Bangalore, the 19th January 1876.

I AM directed by the Officiating Chief Commissioner to report, for the information of his Excellency the Viceroy and Governor General in Council, as follows:—

2. For many years gold has been found in the Kolar district in small quantities, obtained by surface washings according to the native method. In August 1873 a Mr. Lavelle applied for the exclusive privilege of mining in this district, and after some correspondence as to the terms on which the application should be granted, Sir Richard Meade authorized the Commissioner of the Nundydrug Division to execute a formal agreement with that gentleman, of which the following are the terms:—

Mr. Lavelle has the exclusive right, for three years, of prospecting for metallic ores, coal, or precious stones in the Kolar district, but is in no way to interfere with the existing rights or interests of native miners. (2.) During these three years he has the liberty of selecting separate pieces of land not in excess of 10; but no one piece is to exceed two square miles in area. As soon as the piece selected has been properly defined, the Mysore Government shall grant a lease for it. (3.) The lease of each block of land is to be for 20 years, and is to convey an exclusive right to work and mine in the limits named. (4.) A royalty of 10 per cent. on net sale proceeds of all ores, coal, &c., extracted, and 20 per cent. on that of precious stones, is to be paid to the Mysore Government free of all deductions. (5.) If the block of land selected happens to be arable waste, a premium of 30 times the assessment is to be paid, in addition to an annual rent which will be determined by the revenue authorities. (6.) The lessee is required to permit an examination, by Government officials, of his account-books. (7.) Provision is made for summary recovery of Government dues, if not paid within the prescribed time. (8.) The Government of Mysore retain the right, in case of a breach of the covenant or the lessee causing annoyance or obstruction to any class of persons or Government officials, to cancel the lease and take possession of the land.

3. I am desired to add, that Mr. Lavelle commenced operations early last year, by sinking a shaft near the village of Ooregum in the Kolar district, and has recently applied for a lease of land, as provided for in his agreement. Though no official intimation has been, as yet, received of the results of his operations, the Officiating Chief Commissioner has reason to believe that very favourable expectations of the outturn from the quartz are entertained.

— No. 5. —

LETTER from *C. Rangacharlu*, Esq., C.I.E., Secretary to the Chief Commissioner of Mysore, Revenue Department, to the Secretary to the Government of India, Foreign Department (No. 2973-67); dated Bangalore, 17th August 1880.

IN letter dated the 19th January 1876 (No. 7872-G. 118), Mr. Dalrymple, the then Officiating Chief Commissioner, reported, for the information of the Government of India, the terms upon which Mr. Lavelle was allowed the exclusive privilege of prospecting for gold and other minerals in the Kolar district for a period of three years, and of obtaining the lease for a period of 20 years of any 10 blocks of land selected by him, not exceeding two square miles each in area. The concession, after certain transfers, now stands in the sole name of Colonel G. D. Beresford, and the time allowed for prospecting was first extended to February 1881, and afterwards to February 1883. In consequence of representations made by the concessionaires that the terms of the lease provided for in the concession were not sufficiently favourable to allow of their embarking on the enterprise with profits, they were further allowed to obtain the leases of the lands selected by them for a period of 30 instead of 20 years, the former being the term for which the revenue settlements are made in this province, and the royalty stipulated for of 10 per cent. on the net sale proceeds of all the ores extracted, and of 20 per cent. on precious stones, which was justly complained of as very high, was reduced to 5 and 10 per cent. respectively, with a further provision for its being further reduced in the event of the Government of India hereafter fixing a lower rate for British India.

2. The concessionaires have already obtained leases for two blocks of land on the above terms, and application for another block is now under investigation. As applications are likely to be received from others for similar leases of land for mining purposes in other parts of the province, I am directed to forward, for the information of the Government of India, an abstract of the terms of the leases granted to the Kolar concessionaires.

3. The Chief Commissioner proposes to entertain further applications for mining purposes on the above terms, excluding however the provision contained in paragraph VI. for the reduction of the royalty of 5 per cent. to any rate which may be hereafter fixed for British India. Such an indefinite provision is not only unsuited to the circumstances of this province, which will be shortly restored to Native rule, but the terms of mining leases in the Wynaad recently sanctioned by the Government of India do not provide for the levy of any royalty, and contain terms so different from those upon which the leases have been granted in this province that the two cannot be conveniently assimilated. In future leases, therefore, the royalty will be fixed absolutely at 5 per cent.

MEMORANDUM of Conditions of the Concession Granted to Colonel *Beresford* for Mining for Gold Metallic Ores, Precious Stones, Coal and other Substances of a Merchantable nature in the Kolar District of the Province of Mysore.

A LEASE of the land applied for is given for 30 years for mining purposes on the following conditions :—

I. The lessee is to make his own arrangements with the holders of occupied assessed and inam lands in regard to entering upon, or obtaining possession of them.

II. The lessee is not to interfere with the works of any existing native miners on the land.

III. The lessee is to pay to Government the annual assessment as now existing or as hereafter revised by any survey on all the arable lands, occupied or waste, and the jodi (or quit-rent) on any inam lands which may be included within the limits of the lease.

IV. The lessee is to pay a penalty or premium of 30 times the annual assessment on all assessed lands appropriated for the purpose of erecting buildings, sinking shafts, or in any way opening up the surface.

V. The lessee is to search for gold, &c., throughout the term of the lease in the best and most effectual manner and without intermission, except when prevented by inevitable accident.

VI. The lessee is to pay a royalty of 5 per cent. on the net sale proceeds of all gold metallic ores, coal, and other substances of a merchantable nature which shall have been dressed, crushed, and made merchantable, or such less rate as may be fixed hereafter for British India generally, and of 10 per cent. on the saleable value of all precious stones found in the selected block, clear of all deductions whatever.

VII. The lessee is required to keep regular accounts and plans and maps of the mines and workings which are to be open to inspection by Government officers.

VIII. The Government are authorised to inspect and examine the mines.

IX. The lessee is to keep all boundary posts in good order, and to fence every shaft pits or open working.

X. The lessee is not wilfully to close, fill up, or choke any mine or shaft without permission, and not to obstruct any existing roads, paths, or bye-ways on the land.

XI. The Government are authorised to recover any arrears of rent by distraint and sale of property belonging to the lessee, and in the event of a breach of any of the covenants on the part of the lessee, or of their causing annoyance or obstruction to any class of persons or Government officials, the Government can cancel the lease on due notice, and in default of satisfactory explanation, within six months.

XII. The lessee is bound to deliver the land to Government at the expiration of his lease with the shafts, buildings, and other premises in good repair and working order with the books, maps, and plans, and to permit the purchase by Government of the plant, machinery and fittings.

— No. 6. —

LETTER from Colonel *J. W. Ridgway*, Officiating Under Secretary to the Government of India, Foreign Department, to the Chief Commissioner of Mysore (No. 1094-I.G.) ; dated Simla, 18th October 1880.

I AM directed to acknowledge your Secretary's letter (No. 2973-67), dated the 17th August 1880, forwarding, for the information of the Government of India, a copy of the terms on which mining leases for gold, precious stones and other merchantable commodities have been granted in the Kolar district of Mysore, and on which you propose to grant similar mining leases for the future.

2. In reply, I am to point out that in the adjoining portions of British territory it has been the general policy of the Government of India to encourage mining industry by the grant of liberal terms, such, for instance, as those recently conceded in the Wynaad, and it seems to be to the interest of the Mysore State to adopt a similar policy. But the terms, of which an abstract is appended to your letter under acknowledgment, appear to the Government of India to be in some respects the reverse of liberal, and if it is the object of the Mysore Government to encourage capitalists to embark in such enterprises as gold mining within the State, the rules will require some modification.

3. I am to make the following suggestions for your consideration :—

- (i.) As the lessee is required by Rule III. to pay land revenue on all the
arable

arable land, cultivated or waste, it appears to the Government of India that no penalty should be imposed under Rule IV.

(ii.) For the same reason the Government of India would be disposed to demur to Rule V., which, moreover, is somewhat indefinite.

(iii.) To prevent disputes, the manner in which the output from the mines is to be valued should be determined under Rule VI.

(iv.) The latter part of Rule XI. and the whole of Rule XII. appear to the Government of India to be unduly severe.

4. I am to request that you will be good enough to favour the Government of India with your views on these points.

— No. 7. —

From *C. Rangacharlu*, Esq., C.I.E., Secretary to the Chief Commissioner of Mysore, Revenue Department, to *A. C. Lyall*, Esq., C.B., Secretary to the Government of India, Foreign Department, (No. 5080-114), dated Bangalore, 30th November 1880.

WITH reference to your letter (No. 1094, I.G.) of the 18th ultimo, I am directed by the Chief Commissioner to state that the main features of the mining leases granted in this province and in the British territory in the Wynaad, differ so materially from each other that they scarcely admit of comparison. In the Wynaad the lease granted to each applicant is limited to 30 acres in extent. In Mysore the two leases already granted to Colonel Beresford in the Kolar district comprise about two square miles each, in accordance with the terms of the agreement originally entered into with the concessionaires, and under these terms the concessionaires are entitled to a further grant of 16 square miles if applied for within a limited period. The Chief Commissioner is himself not in favour of such extraordinarily extensive grants, and would not have proposed them, but the terms of the agreement in this instance were entered into several years ago with the approval of the Government of India, and must of course now be adhered to.

2. The few other applicants who have as yet come forward are not disposed to enter on the undertaking if the grants are to be restricted to the small areas prescribed for the Wynaad. They apply for much larger areas to the extent of a square mile or more. The fact is, mining enterprise in India is yet a speculation, and capitalists cannot be expected to undergo the expense and labour of exploring for gold if they cannot hope to obtain the lease of a considerable tract of land on which they may succeed in finding gold. The Chief Commissioner is not aware of any objection to the larger grants if the revenue interests of Government are properly secured.

3. The annual rent of five rupees per acre, which is prescribed for the small areas proposed to be leased out in the Wynaad, would prove prohibitive as regards the much larger areas for which leases have been asked for and granted in this province. The terms adopted here seem well suited for the purpose, sufficiently protecting the interests of Government, and not burdensome to the lessees at the beginning of the enterprise, when the yield of the mines is uncertain. They provide for the payment of the ordinary land assessment on all the arable lands—occupied or waste—included in the grant, and for the payment of a royalty of 5 per cent. on the actual yield of the mines. Such assessment ordinarily averages one rupee per acre. The Chief Commissioner has it in contemplation further to fix an assessment of eight annas per acre on the unarable lands included in the grant, to deter speculators from taking up needlessly larger areas than are really required.

4. The above are the main and essential provisions of the lease. With regard to the other minor conditions, the Chief Commissioner concurs in the opinion of the Government of India that the additional penalty or premium

of 30 times the annual assessment provided in paragraph IV. for lands taken up for the erection of buildings, &c., in connection with the mines, may be properly given up. The other subsidiary clauses relating to the uninterrupted working of the mines (Clause V.), the forfeiture of the lease in the event of the non-payment of the assessment, or of the non-observance of the other conditions, or of obstruction to Government (Clause XI.), and the surrender of the premises in working order to Government at the expiration of the lease (Clause XII.), as well as the wording of Clause VI. in regard to royalty, were drawn up by mutual agreement between the lessees and the Local Government in accordance with the terms of mining leases elsewhere, as will be seen from the accompanying full copy of one of the leases already given. They can be modified in future cases if the applicants should desire it.

This Indenture, made the thirteenth day of August one thousand eight hundred and eighty, between the Government of Mysore (hereinafter called the "Lessors") of the one part, and *George de la Poer Beresford*, a Lieutenant Colonel in the Madras Staff Corps, and at present holding the appointment of Assistant Adjutant General of the Madras Army (hereinafter called the "Lessee") of the other part.

WHEREAS by an Instrument in writing or Memorandum of Agreement bearing date the ninth day of March one thousand eight hundred and seventy-seven, and made or expressed to be made between Michael Fitzgerald Lavelle, therein described, of the first part, the lessors of the second part, and the lessee and Alexander Mackenzie therein described of the third part. It was, amongst other things, witnessed, that for the consideration therein mentioned it was thereby agreed between the lessors on the one part, and the lessee and the said Alexander Mackenzie on the other part, amongst other things, that the lessee and the said Alexander Mackenzie, their executors, administrators, and assigns should, from time to time and at all times during the period of three years commencing from the thirteenth day of March one thousand eight hundred and seventy-six, have exclusive license and liberty to enter into, upon, and throughout the district of Kolar in the Nandydrug Division of Mysore, and the boundaries of which district were particularly described in the Schedule to the now reciting Memorandum of Agreement, for the purpose of prospecting and examining for gold, metallic ores, precious stones, coal, and other substances of a merchantable nature, the quartz, reefs, and strata of earth, stone, or rock running through the said district, and also for the like purposes or any of them to drive or sink shafts in any place or places within such district; and further, that the lessee and the said Alexander Mackenzie, their executors, administrators and assigns should, during the said period of three years, be at liberty to select, mark out, and survey one or more pieces of land, but not exceeding in the aggregate ten pieces of land, and no one piece of land to exceed in extent two square miles out of any part or parts of the lands comprised within the said district of Kolar, and which he, the lessee, and the said Alexander Mackenzie, their executors, administrators, and assigns should deem suitable for the purposes of mining for gold, metallic ores, precious stones, coal, or other substances of a merchantable nature, and that the lessors should within the space of three calendar months from the time of receiving from the lessee and the said Alexander Mackenzie, their executors, administrators, and assigns a notice in writing of any piece of land having been so selected, marked out, and surveyed by them, grant to them and their executors, administrators, or assigns a lease containing the exclusive license and liberty throughout such piece of land to mine and work all quartz, reefs, and beds, or strata of earth, stone, or rock containing, or supposed to contain gold, metallic ores, precious stones, coals, or other substances of a merchantable nature for the term of twenty years from the date of such lease; and further, that every lease so to be executed by, or on behalf of, the lessors in favour of the lessee and the said Alexander Mackenzie, their executors, administrators, and assigns as aforesaid, should contain certain terms and conditions in the now reciting Memorandum of Agreement set forth, but it was expressly provided in and by the said Memorandum of Agreement that no inam or occupied land should be comprised in a selected block unless the

the lessee and the said Alexander Mackenzie, their executors, administrators, or assigns could themselves buy out the holders or make their own terms with them as to the cession of their rights :

And whereas by an Indenture bearing date the twenty-first day of July one thousand eight hundred and seventy-seven, and made or expressed to be made between the said Alexander Mackenzie of the one part, and the lessee of the other part, in pursuance of the agreement and for the consideration therein mentioned, the said Alexander Mackenzie assigned, transferred, released, and made over to the lessee, his executors, administrators, and assigns all the right and title of him, the said Alexander Mackenzie, under the hereinbefore recited Memorandum of Agreement to prospect and examine for gold, metallic ores, precious stones, coal, and other substances of a merchantable nature in the district of Kolar and to the grant of leases for the purpose of obtaining the same, and all other the right, title, and interest whatsoever of him, the said Alexander Mackenzie, under and by virtue of the hereinbefore recited Memorandum of Agreement to hold the said premises unto the lessee, his executors, administrators, and assigns for the residue then to come of the term of three years in the hereinbefore recited Memorandum of Agreement mentioned :

And whereas by an order of the Chief Commissioner of Mysore (No. 10,202—R.107), dated Bangalore, the twentieth day of February one thousand eight hundred and seventy-eight, the said term of three years granted by the said hereinbefore recited agreement of the ninth day of March one thousand eight hundred and seventy-seven, was extended to the twentieth day of February one thousand eight hundred and eighty :

And whereas by another order of the said Chief Commissioner of Mysore, (No. 8246—1650), dated Bangalore, the twelfth day of February one thousand eight hundred and eighty, the term of the said concession was extended to the month of February one thousand eight hundred and eighty-three, and the terms of the said leases from twenty years to thirty years :

And whereas the lessee has selected, marked out, and surveyed a piece of land hereinafter referred to as "the selected block," situate at Mathamungalum and over villages in the talook of Betmangal in the said district of Kolar; the area thereof is two square miles, or one thousand two hundred and eighty acres, and which is delineated and more fully described in the map or plan hereto annexed :

And whereas the said area of one thousand two hundred and eighty acres is made up of the certain classes or description of lands particularly mentioned and described in the schedule hereunder written, and in which schedule also appear the annual assessments payable in respect of each class or description of land contained within the said area of one thousand two hundred and eighty acres :

And whereas the present annual assessments upon the different classes or description of lands contained within the said area of one thousand two hundred and eighty acres, and being respectively mentioned in the said schedule hereunder written, with the exception of the annual quit-rent or jodi payable in respect of the inam lands forming a portion of the said area of one thousand two hundred and eighty acres, are liable to be enhanced on the future revision of the assessments payable on lands in the said talook of Betmangala :

And whereas the lessee has requested the lessors to grant him a lease in pursuance of the hereinbefore recited Memorandum of Agreement, and it has been agreed that the lessors shall grant, and the lessee shall accept, a lease on the terms and in the manner herein contained, the term of the lease to be thirty years from the day of the date of these presents as provided by the hereinbefore recited order of the Chief Commissioner of Mysore, dated the twelfth day of February one thousand eight hundred and eighty :

Now this Indenture witnesseth that in consideration of the assessments, penalties, premiums, royalties, and other payments hereinafter reserved, and of the covenants and agreements by the lessee hereinafter contained, the lessors do hereby demise and grant unto the lessee, his executors, administrators, and assigns exclusive license and liberty throughout so much of the selected block as consists of unassessed waste Government lands, and unoccupied arable Government lands, and also throughout so much of the said selected block as consists of occupied Government lands and inam lands the holders whereof the lessee has bought out, or with whom the lessee has made his own terms as to the

cession of their rights to search for mine and work all quartz, reefs, and beds and strata of earth, stone, or rock containing, or supposed to contain, gold, metallic ores, precious stones, coal, or other substances of a merchantable nature, and to wash, dress, crush, and make merchantable all such gold, metallic ores, precious stones, coal, and other substances found therein.

Together also with liberty for the lessee, his executors, administrators, and assigns to sell and dispose of all gold, metallic ores, precious stones, coal, or other substances of a merchantable nature worked or found by him or them in or upon such parts of the selected block.

Except, nevertheless, and reserving unto native miners and smelters the works, plant, and vested interests which they may now possess or have, or which may now be in the course of operation, in any part of the selected block, so that the lessee, his executors, administrators, and assigns shall not interfere with such works, plant, or vested interests.

To have and to hold the premises hereinbefore expressed to be hereby demised and granted unto the lessee, his executors, administrators, and assigns for the term of thirty years from the day of the date of these presents.

Yielding and paying therefore during the said term by instalments according to the rules in force in the said district of Kolar for the collection of land revenue, the sum mentioned in the said schedule hereunder written, being the amount of annual assessment at present chargeable on all the unoccupied arable Government lands comprised in the selected block, or such larger sum as may at any time hereafter during the continuance of this lease by any revision of land assessment be fixed by the lessors as chargeable on such lands by way of assessment.

And also yielding and paying a penalty or premium of thirty times the annual assessment in respect of all unoccupied arable Government lands in the selected block which shall be required by the lessee, his executors, administrators, or assigns for the purpose of erecting buildings thereon, sinking shafts, or in any way opening up the surface therein, such penalty or premium to be computed on the assessment fixed as chargeable on the land at the time being, and being determined absolutely by the lessors at any time that the land may be required by the lessee, his executors, administrators, or assigns for the purpose aforesaid, or during the term of this lease, and to be payable within one calendar month after the amount has been determined as aforesaid.

And also yielding and paying in respect of occupied Government lands and inam lands in the selected block, the holders whereof the lessee may have bought out, or with whom the lessee may have made his own terms as to the cession of their rights, the assessment from time to time fixed as chargeable on the said occupied Government lands and the jodi or quit-rent therefore paid by the inamdar.

And also yielding and paying, in addition to the annual assessment, penalty or premium, jodi and quit-rent aforesaid, all local cesses and other taxes or rates of every description for the time being payable in respect of the premises or lands comprised in the selected block or of any buildings or works erected thereon.

And also yielding and paying a royalty of 5 per cent. upon the net sale proceeds of all gold, metallic ores, coal, and other substances of a saleable or merchantable nature which shall have been dressed, crushed, and made merchantable by the lessee, his executors, administrators, or assigns, such royalty being paid clear of all deductions whatever.

Provided always that if the Government of India shall at any time hereafter fix for British India a royalty of the description hereinbefore mentioned, and such royalty so fixed shall be less in amount than 5 per cent., then and in that case the said royalty of 5 per cent. hereinbefore reserved shall be reduced to a similar amount.

And also yielding and paying a royalty of 10 per cent. upon the saleable value of all precious stones found on the selected block, such royalty being paid clear of all deductions whatsoever.

Provided always that if and whenever any of the said assessments, penalties, premiums, royalties, or other payments shall be in arrear for the space of sixty days after the expiration of the time allowed by these presents for payment thereof, and the lessee, his executors, administrators, or assigns shall not pay the same within thirty days after the service upon him or them of a notice
by

by the civil executive officer of the said district of Kolar calling upon him or them to pay the same, the lessors, their successors or assigns, shall be at liberty to seize all gold, metallic ores, precious stones, coal, and other substances of a saleable nature in or about the mines or pits opened, worked, or carried on by the lessee, his executors, administrators, or assigns in the selected block, and the lessors, their successors or assigns may sell and dispose of such gold, metallic ores, precious stones, coal, and other substances, and out of the moneys produced thereby may deduct and retain all arrears of assessments, penalties, premiums, royalties, or other payments then due under this lease, and all expenses incurred in or about any such seizure and sale.

And the lessee doth hereby, for himself, his heirs, executors, administrators, and assigns covenant with the lessors, their successors and assigns, that he, the lessee, his executors, administrators, or assigns will during the said term, in the best and most effectual manner and without intermission, except when prevented by inevitable accident, search for all gold metals, metallic ores, precious stones, coal, and other substances of a saleable or merchantable nature within or upon the selected block, and also will, if required, and before the sale thereof, deliver to, or permit to be taken by, the lessors, their successors or assigns or their agent or agents a sample or samples of all gold metals, metallic ores, precious stones, coal, and other substances which shall have been dressed, crushed, and made merchantable and prepared for sale, all such samples so taken to be paid for by the lessors, their successors, or assigns at the current market rate, and also will immediately after any sale of the said gold metals, metallic ores, precious stones, coal, and other substances give to the lessors, their successors or assigns or their agent or agents a return of the prices for which the same respectively shall have been sold, and, if required, the names of the purchasers thereof, and also will within ninety days after any such sale, or within six months from the time of the extraction of the ore, or the finding of the precious stones, pay to the lessors, their successors or assigns the royalties hereinbefore reserved, and also will throughout the said term make and keep in some convenient place on the selected block, and so that the lessors, their successors or assigns or their agent or agents can have at all times free access thereto, proper books of account of the working of the said mines and the costs thereof, and of the disposal of the gold metals, metallic ores, precious stones, coal, and other substances of a saleable or merchantable nature, containing all particulars of quantities, dates, and other facts and circumstances necessary or proper for ascertaining the exact value of such gold, metallic ores, precious stones, coal, and other substances, and also correct maps, plans, and sections of the said mines and workings, and also will, when required by the lessors, their successors or assigns, or their agent or agents, give to them copies of all entries in the said books, and of every such map, plan, and section as aforesaid, and also will at the end or sooner determination of the said term give up to the lessors, or their successors or assigns the said books, plans, maps, and sections in good and perfect condition, and also will throughout the said term keep all boundary posts in good repair and condition, and every shaft, pit, or open working within the selected block sufficiently fenced for the protection of man and beast, and also will not, until the license in writing of the lessors, their successors or assigns, or their agent or agents, be obtained, wilfully close, fill up or choke any mine or shaft, and also will keep open and not obstruct all or any existing roads, paths, or bye-ways of any kind whatsoever; and also will permit the lessors, their successors and assigns, and their agent or agents, servants and workmen throughout the said term to enter upon any of the works carried on under or by virtue of these presents and examine the state and condition thereof, and to use the engines, machinery and apparatus upon or within the selected block for that or for any other lawful and reasonable purpose, the lessors, their successors and assigns making compensation for such use except when required for examining and taking plans, the amount of such compensation in case of difference to be settled by two arbitrators, one to be named by the lessors, or their successors or assigns, and the other by the lessee, his executors, administrators, or assigns, or if the arbitrators differ, by an umpire to be chosen by them before entering upon the arbitration, and if either party shall fail to name an arbitrator after notice in writing by the other or his or their agent requiring him or them so to do, or shall name an

arbitrator who neglects to act or to proceed with due diligence in the business of the arbitration, or who will not join in naming an umpire, then by the valuation of the arbitrator named by the other party, and the award made by such arbitrators or umpire may be made a rule of court subject to the provisions of the Code of Civil Procedure, or any then subsisting statutory modification thereof, and also to exercise the liberties hereinbefore reserved, and will afford all reasonable facilities and assistance in the exercise thereof, and also will from time to time make compensation to the lessee, tenant, or occupier of any part or portion of the selected blocks for all damage or injury to or interference with the surface thereof, and also will from time to time and at all times hereafter effectually keep indemnified the lessors, their successors, and assigns from and against all claims, demands, and expenses whatsoever by reason or in consequence of any injury to or interference with any lands or property whatsoever occasioned by or arising from the working under these presents, or the exercise of the liberties hereby granted, and also will deliver to the lessors, their successors, or assigns a copy of every assignment or under-lease of the said premises or any part thereof within two calendar months after the date of every such assignment or under-lease, and also will at the expiration or sooner determination of the said term deliver to the lessors, their successors, or assigns the mines worked under these presents, and all workings, buildings, boundary posts, and fences connected therewith and other the premises in good repair and working order, and in all respects in such state and condition as shall be consistent with the due performance of the covenants hereinbefore contained, and in the event of the lessors, their successors or assigns desiring to purchase any of the plant, machinery, or fittings belonging to the lessee, his executors, administrators, or assigns (provided he or they shall be willing to part with the same), then and in that case the amount of purchase-money to be paid for the same shall in the case of difference be settled by arbitration in the same manner as is hereinbefore provided in the case of difference arising as to the amount of compensation to be paid to the lessee, his executors, administrators or assigns as aforesaid. Provided always, and these presents are upon this express condition, that if and whenever any part of the assessments, penalties, premiums, royalties, or other payments hereby reserved shall be in arrear for thirty days after due notice has been served on the lessee, his executors, administrators, or assigns, or any one or more of them, or on his or their agents, or fixed on any part of the selected block demanding payment of the same, or if the lessee, his executors, administrators, or assigns, or his or their workmen, shall cease to carry on the regular working of the mines, or cause any obstruction or annoyance to the officers of the lessors or of their successors or assigns, or to the people of the country, or refuse to afford information to the lessors, their successors or assigns, or if and whenever there shall be a breach of any of the covenants on the part of the lessee, his executors, administrators, or assigns, then and in such case the lessors, their successors or assigns, or their agent or agents duly empowered in that behalf, may re-enter upon any part of the mines or workings carried on under this lease in the name of the whole, and thereupon the said term of thirty years shall absolutely determine. Provided always, and it is hereby agreed and declared, that no such re-entry or forfeiture of the said term under the proviso for re-entry hereinbefore contained shall take place unless and until the lessors, their successors or assigns shall have given to the lessee, his executors, administrators or assigns a notice calling upon him or them to give a reasonable explanation of the matter or matters complained of, and to rectify the same, which notice shall be in writing signed on behalf of the lessors, their successors, or assigns by the civil executive officer of the said district of Kolar, or by any other specially empowered in that behalf, and shall be served on the lessee, his executors, administrators and assigns, or any one or more of them, or on his or their agents, or fixed on any part of the selected block, and default shall have been made in giving such reasonable explanation and in rectifying the matter or matters complained of, six calendar months from the time of such notice being so served or affixed.

In witness whereof James Davidson Gordon, Esquire, c.s.i., Chief Commissioner of Mysore, acting for and on behalf of the lessors and the lessee, have hereunto set their respective hands and seals the day and year first above written.

The

The SCHEDULE to which the above written Indenture refers.

	Area.			Assessment.
	A.	G.	Yds.	Rs. a. p.
Unassessed waste Government lands - -	797	5	64	—
Unoccupied arable Government lands - -	436	28	63	382 1 10
Occupied Government lands - - - -	41	15	108	24 14 4
Inam lands - - - - -	4	30	7 (Jodi)	0 12 0
<i>Acres</i>	1,280	0	0	Rs. 407 12 2

(signed) *J. D. Gordon.*

Signed, sealed, and delivered by the above-named James Davidson Gordon, in the presence of

(signed) *W. J. Cuningham, Bo.C.S.*
C. Rangacharlu, Revenue Secretary.

(signed) *G. D. Beresford, Lieut.Colonel.*

Signed, sealed, and delivered by the above-named G. D. Beresford, in the presence of

(signed) *William Morgan.*
Henry T. Morgan.

— No. 8. —

From *H. M. Durand, Esq.,* Under Secretary to the Government of India, Foreign Department, to *J. D. Gordon, Esq., c.s.i.,* Chief Commissioner of Mysore (No. 100 I.G.) dated Fort William, 22nd January 1881.

I HAVE the honour to acknowledge the receipt of your secretary's letter, No. 5080-114, dated 30th November 1880, regarding mining leases in Mysore.

2. In reply, I am to say that the Government of India accepts generally your views on the subject as now stated. At the same time I am to request that the modifications suggested in my letter, No. 1094 I.G., dated 18th October 1880, may be carried out in the drawing up of future settlements.

3. I am further to call your attention to paragraph 3 (iii.) of the above letter, and to request that you will favour the Government of India with your opinion upon the suggestions there made, that to prevent disputes, the manner in which the output from the mines is to be valued should be determined under Rule VI. of the proposed rules forwarded in your letter, No. 2973-67, dated 17th August 1880.

— No. 9. —

LETTER from *A. H. Martindale, Esq.,* Assistant Secretary to the Government of India, Foreign Department, to the Resident in Mysore (No. 936-I.) dated Simla, 13th April 1883.

WITH reference to the correspondence ending with Mr. Sandford's letter, No. 1154-G.-94, dated 13th August 1881, I am directed to forward copies of the papers noted in the margin, regarding the grant of leases for gold mining in Mysore.

From Secretary of State to Madras, No. 26, dated 28th December 1882, and enclosures.
From Madras to Secretary of State, No. 2, dated 30th January 1883, and enclosures.
(N.B.—This correspondence is printed in Return to House of Commons, No. 61, of 1883.)

2. These papers refer chiefly to the so-called Kolar concession of 1880, whereby a mining lease was granted to Colonel Beresford of the Madras Staff Corps,

Corps, and Assistant Adjutant General in the Madras Army. The concession appears to have been subsequently extended to an association formed of several gentlemen, more than one of whom appear to have been at the time in the service of the Government, and whose participation in the speculation in question was an obvious breach of the rules prohibiting Government officials from taking part in such ventures. The attention of the Government of India

From Her Majesty's Secretary of State, No. 46, dated 31st May 1862.

From Her Majesty's Secretary of State, No. 22, dated 25th November 1862.

(These Despatches were partly republished in the "Gazette of India," vide Notifications, dated 16th January 1863, and 28th August 1872.)

From Secretary of State, No. 99, dated 26th August 1873. (Vide Home Department Circular, No. 15-534, dated 13th February 1874.)

N.B.—The above orders are given in the Return to the House of Commons, No. 61, of 1883.

does not appear to have been directed at the time to the fact that the concession to these gentlemen formed a violation of the rules in force. I am now to request that you will be so good as to favour the Government of India at an early date with any remarks you may wish to make in explanation of the circumstances under which their application for the grant was accepted without further reference. I am particularly to draw your attention to the orders cited on the margin.

— 10. —

LETTER from *J. B. Lyall*, Esq., Officiating Resident in Mysore, to *C. Grant*, Esq., C.S.I., Secretary to the Government of India, Foreign Department (No. 1312-216); dated Bangalore, 12th September 1883.

I HAVE the honour to acknowledge the receipt of your letter, No. 936-I., dated 13th April 1883, forwarding correspondence regarding leases granted in Mysore for gold mining, and calling for any remarks in explanation of the circumstances under which applications for grants were accepted from officers who were in the service of Government.

2. In reply, I have the honour to forward copy of letter No. 22, dated 31st August last, from the Dewan of Mysore, and its enclosures in original.

3. From the papers submitted, it would appear that in their official dealings in 1876 and 1877 with Colonel Beresford of the Madras Staff Corps, Mr. Dalyell and Mr. Saunders, late Chief Commissioners of Mysore, must have both overlooked the fact that by the Secretary of State's Despatch, No. 22, dated 25th November 1862, the holding of land in Mysore and certain other States by military as well as civil officers was declared objectionable. It seems probable that Messrs. Dalyell and Saunders remembered only the general rule which allows military officers not in civil employ to hold land in any part of India; the reason for the special rule is not apparent on the surface, so unless an officer happened to remember its existence, he would naturally conclude that a military officer might hold land in Mysore as well as in British territory.

4. The names of the other concessionaires, some of whom were in civil employ, were not disclosed in the documents which came before the Chief Commissioner of Mysore; they first appeared in a document presented to the Dewan after the rendition. These other concessionaires seem to have intended from the first to engage in the enterprise as shareholders in a company, but till the company could be formally constituted, Colonel Beresford held the whole property in trust.

LETTER from *K. Sheshadri Iyer*, Dewan of Mysore, to the Resident in Mysore (No. 22); dated Bangalore, 31st August 1883.

From the Government of India, Foreign Department.

ADVERTING to letter,* No. 936-I., dated 13th April 1883 (which, with enclosures, is herewith returned), I have the honour to state that, upon a study of the previous correspondence, the facts connected with the granting of mining rights to the Kolar Concessionaires appear to be as follows:—

2. In August 1873, when Sir Richard Meade was the Chief Commissioner, a Mr. Lavelle applied for the exclusive privilege of mining in the Kolar district of

of the Mysore Province. When the terms of this proposal were under discussion and nothing definite had been granted to Mr. Lavelle, he applied that the names of Colonel Beresford and Mr. Mackenzie might be substituted for his; a request which was granted by Mr. Dalyell, the Officiating Chief Commissioner, in March 1876. There is nothing on record to show that Mr. Dalyell's attention was drawn to the fact that Colonel Beresford was in Government service, and that the rules of that service prevented his acquiring any such property. There was no reference made on the point either to the Government of India or of Madras, where Colonel Beresford was at the time serving.

3. The discussion on the original application of Mr. Lavelle ended in an Agreement, dated 19th March 1877, between the original applicant of the first part, the Government of Mysore of the second part, and Colonel Beresford and Mr. Mackenzie of the third part. A copy of this Agreement is put up, showing the terms on which the concession was granted. In July 1877 Mr. Mackenzie assigned all his right and interest in favour of Colonel Beresford, and the transaction was admitted by Mr. Saunders as Chief Commissioner. Appendix A.

4. In accordance with the Agreement above alluded to, Colonel Beresford selected 11 blocks of land in the Kolar District for gold mining purposes, and the Mysore Government granted to Colonel Beresford separate leases for these 11 distinct blocks; the first lease was issued on 22nd March 1880, and the last, the eleventh, on 15th March 1881, all before the rendition (24th March 1881).

5. After the rendition, and in the month of December 1881, when the Kolar Concessionaires Company, Limited, had been formed, an Indenture was executed between Colonel Beresford of the first part, and several gentlemen of the second part, and the Kolar Concessionaires Company of the third part. The document was registered, and copy of it was sent to my office. For the first time in this long correspondence, it was made formally known to Government in the 5th paragraph of this Indenture that Colonel Beresford had been constituted trustee for the several gentlemen mentioned in the margin by deed, dated 19th February 1880, and that they possessed a certain defined share in the Kolar Concession from that date. The recitals in this Indenture (dated the 6th December 1881) explain all the transactions which had previously taken place in connection with the concession granted by the Mysore Government. A memorandum of these recitals (Appendix B.) is enclosed for ready reference. The transactions therein referred to were not formally reported to the Mysore Government, though some allusion is made in previous correspondence to Colonel Beresford being only a trustee for some gentlemen not named.

	Shares.
Mr. J. H. Blair, retired C. S. Madras	- 12.72
General Beresford, retired Staff Corps	- 8.72
Mr. A. H. Anderson	- 8.72
Mr. Leander Miller, establishment of John Miller	- 7.72
Mr. Frederick George Shaw	- 7.72
Captain M. B. McTaggart, retired	- 4.72
Mr. J. D. B. Gribble, M. Civil Service	- 4.72
Colonel A. W. Lindsay, retired	- 4.72
Colonel J. L. Pearse	- 4.72
Mr. Lavelle	- 4.72
Lieutenant-Colonel Shaw Stewart	- 4.72
Colonel Michael	- 4.72
Mr. William Morgan, Solicitor	- 2.72

6. The financial results of the grants, in favour of the Kolar Concessionaires and others, are shown in the accompanying list (Appendix C.).

P.S.—The income to Mysore from grants in connection with the Kolar Concession amounted till the rendition to Rs. 92,825. 7*a.* 11*p.* The income from grants made since the rendition, unconnected with the Kolar Concession, amount to Rs. 46,285. 8*a.*, exclusive of stamp and registration fees upon some grants which are at present not ascertainable.

APPENDIX A.

MEMORANDUM of AGREEMENT made the 19th day of March 1877, between *Michael Fitzgerald Lavelle, Esq.*, of Madras in the East Indies, Civil Engineer, of the first part, the Government of Mysore of the second part, and *George Dela Poer Beresford*, a Lieutenant Colonel in the Madras, Staff Corps, and at present holding the appointment of Officiating Assistant Adjutant General at Head Quarters, and residing at Madras, and *Alexander Mackenzie, Esq.*, of Madras, a Member of the Firm of Messrs. *Arbuthnot & Co.*, of that place, Bankers, Merchants, and Agents, of the third part.

Whereas, by a memorandum of agreement, dated the 22nd day of February 1875, and expressed to be made between the said Government of Mysore of the one part, and the said M. F. Lavelle of the other part, it was thereby agreed that the said M. F. Lavelle should, at all times during the period of three years, commencing from the said 22nd day of February 1875, have the exclusive right of prospecting and examining for gold, metallic ores, precious stones, coal, and other substances of a merchantable nature, in and throughout the district of Kolar in the Nandydroog Division of Mysore, and by the agreement now in recital, it was, *inter alia*, provided that the said M. F. Lavelle should find all moneys necessary for the purpose of prospecting, and that the said M. F. Lavelle, during the said period of three years, should be at liberty to select one or more pieces of land not exceeding in the aggregate 10 pieces, and no one piece to exceed in extent two square miles out of any part of the lands comprised within the said district of Kolar, and which the said M. F. Lavelle should deem suitable for mining for gold, metallic ores, precious stones, coal, and other substances of a merchantable nature, and that the said Government of Mysore should grant to the said M. F. Lavelle leases for the same upon the terms, covenants, and conditions as in the said agreement now in recital is mentioned:

And whereas, by articles of agreement made on the 18th day of February 1875, and expressed to be between the said George Dela Poer Beresford of the one part and the said M. F. Lavelle of the other part, in consideration of the said George Dela Poer Beresford agreeing to provide the said M. F. Lavelle with all necessary moneys for prospecting and working under the said hereinbefore in part recited agreement, a certain proportion of the profits to arise therefrom was thereby secured to him:

And whereas, for the purpose of raising the necessary funds, the said M. F. Lavelle and George Dela Poer Beresford associated themselves with the said A. Mackenzie and several others.

And whereas, in pursuance of the terms of an agreement entered into on the 13th day of March 1876, between the said M. F. Lavelle and the said George Dela Poer Beresford and Alexander Mackenzie, together with the several others so applied to by the said M. F. Lavelle and George Dela Poer Beresford, the said M. F. Lavelle requested the said Government of Mysore to grant its consent to a transfer and assignment of the said agreement to the said George Dela Poer Beresford and A. Mackenzie, and in every respect to consider the said George Dela Poer Beresford and A. Mackenzie as the assignees of all rights then vested in the said M. F. Lavelle by virtue of the said agreement:

And whereas, for the purpose of carrying out the said request of the said M. F. Lavelle, the Government of Mysore have consented, upon the said M. F. Lavelle surrendering to the said Government of Mysore all his interest under the said agreement, to enter into a similar agreement with the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators, and assigns:

It is witnessed that he, the said M. F. Lavelle, doth hereby surrender unto the said Government of Mysore all the right of him, the said M. F. Lavelle, to prospect and examine for gold, metallic ores, precious stones, coal, and other substances of a merchantable nature in the district of Kolar and all other the rights and privileges of him, the said M. F. Lavelle, under the said agreement of the 22nd February 1875.

And it is further witnessed that, in consideration of all and singular the premises, and at the request and by the direction of the said M. F. Lavelle, testified by his execution of these presents, it is hereby agreed between the Government of Mysore on the one part, and the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators, and assigns on the other part, as follows:—

1. The said George Dela Poer Beresford and A. Mackenzie, their executors, administrators, and assigns, shall, from time to time, and at all times during the period of three years commencing from the 13th day of March 1876, have exclusive license and liberty to enter into, upon, and throughout the district of Kolar in the Nandydroog Division of Mysore, and the boundaries of which district are particularly described in the schedule hereunder written, for the purpose of prospecting and examining for gold, metallic ores, precious stones, coal, and other substances of a merchantable nature, the quartz, reefs, and strata of earths, stone, or rock running through the said district, and also for the like purposes or any of them to drive or sink shafts in any place or places within such district.

2. The

2. The said George Dela Poer Beresford and A. Mackenzie, their executors, administrators and assigns shall find all moneys necessary for the purposes of prospecting and examining the said district and also of driving shafts therein, but shall not, during such period of three years, be required to pay any rent or royalty to the said Government of Mysore in respect of the land so to be entered into and upon by them as aforesaid.

3. The said George Dela Poer Beresford and A. Mackenzie, their executors, administrators and assigns shall not, during their operations for prospecting and examining in the said district the quartz, reefs and strata of earths, rock or stone, in driving shafts in any of the lands comprised in such district, interfere with the works or plant or vested interests of native miners and smelters in any other mines or washings within the limits of the said district of Kolar, and which are now in existence or in course of operation.

4. The said George Dela Poer Beresford and A. Mackenzie, their executors, administrators and assigns, shall, during the said period of three years, be at liberty to select, mark out and survey one or more pieces of land, but not exceeding in the aggregate 10 pieces of land, and no one piece of land to exceed in extent two square miles, out of any part or parts of the lands comprised within the said district of Kolar, and which they, the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators and assigns, shall deem suitable for the purposes of mining for gold, metallic ores, precious stones, coal and other substances of a merchantable nature, and the said Government of Mysore shall, within the space of three calendar months from the time of receiving from the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators and assigns, a notice in writing of any piece of land having been so selected, marked out and surveyed by them, grant to them and their executors, administrators or assigns, a lease containing the exclusive license and liberty throughout such piece of land to mine and work all quartz, reefs and beds or strata of earth, stone or rock, containing or supposed to contain gold, metallic ores, precious stones, coals or other substances of a merchantable nature, for the term of 20 years from the date of such lease.

5. Every lease so to be executed by or on behalf of the said Government of Mysore in favour of the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators and assigns as aforesaid, shall contain the terms and conditions following, that is to say:—

I. Each lease shall be executed in duplicate as lease and counterpart, and shall be registered in due form of law.

II. Each lease shall grant to the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators and assigns, exclusive license and liberty to search for, mine, and work all quartz, reefs, and beds and strata of earth, stone or rock, containing or supposed to contain gold, metallic ores, precious stones, coal, or other substances of a merchantable nature, and to wash, dress, crush and make merchantable all such gold, metallic ores, precious stones, coal and other substances found therein.

III. Each lease shall contain power for the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators and assigns to sell and dispose of all gold, metallic ores, precious stones, coal or other substances of a merchantable nature worked or found by them.

IV. Each lease shall contain a provision prohibiting the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators or assigns from interfering with the works, plant, or vested interests of any of the native miners and smelters which are now in existence, or in the course of operation, in any part of the land comprised in such lease.

V. Each lease shall be for the term of 20 years, commencing from the day of the date thereof.

VI. Each lease shall provide that the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators, and assigns, shall pay, from the date of its execution and for the term of the lease, the annual assessment chargeable on all arable and assessed lands comprised in such lease, the amount of such assessment being fixed at the date thereof, to be paid by instalments according to the rules in force in the district for the collection of land revenue; and in addition to such annual assessment shall pay a penalty or premium of 30 times the annual assessment in respect of all assessed lands which shall be required by the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators, or assigns, for the purpose of erecting buildings thereon, sinking shafts, or in any way opening up the surface therein, such penalty or premium being computed on the assessment paid on the land at the time being, in the case of Government lands, or on the recorded valuation or "beriz," in the case of inam or kayemgutta holdings, and being determined absolutely by the Deputy Commissioner of the district at the time of the execution of such lease, or thereafter at any time that the land may be taken up by the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators, or assigns, or during the term of their lease. Provided that no inam or occupied land shall be comprised in a selected block, unless the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators, or assigns, can themselves buy out the holders, or make their own terms with them as to the cession of their rights; in which case the payment of the fine or premium aforemen-

tioned shall be remitted, and the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators, and assigns, shall be required only to pay to the Government the annual assessment chargeable in the case of Government assessed lands, and the jodi or quit-rent which has theretofore been paid to Government by the inamdar or other occupant in the case of inam lands. Provided also, that the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators, or assigns shall, during the continuance of the lease, pay, in addition to the annual assessment, quit-rent, or jodi aforesaid, all local cesses and other taxes or rates of every description for the time being payable in respect of the premises or lands comprised in the lease, or of any buildings or works erected thereon.

VII. Each lease shall provide for the payment to the said Government of Mysore, their successors or assigns, or to any officer appointed by them for the purpose of receiving the payment by the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators, or assigns, of a royalty of 10 per cent. upon the net sale proceeds of all gold, metallic ores, coal, and other substances of a saleable nature, which shall have been dressed, crushed, and made merchantable by the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators, or assigns, and such royalty shall be paid clear of all deductions whatever.

VIII. Each lease shall provide for the payment to the said Government of Mysore, their successors, or assigns, or to any officer appointed by them for the purpose of receiving the payment by the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators, or assigns, of a royalty of 20 per cent. upon the saleable value of all precious stones found on the land comprised in such lease, and such royalty shall be paid clear of all deductions whatever.

IX. Each lease shall contain a provision that, if and whenever any of the said rents, assessments, or royalties, shall be in arrear for the space of 60 days after the expiration of the time allowed for payment by Clauses VI. and X. of paragraph 5, and after the issue of a notice by the civil executive officer of the district, to the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators, or assigns, they shall not, within 30 days after the service of such notice, pay the rents, assessments, and royalties, the said Government of Mysore, their successors or assigns, shall be at liberty to seize and distrain all gold, metallic ores, precious stones, coal and other substances of a saleable nature, in or about the mines or pits opened, worked, or carried on by the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators, or assigns, in the land comprised in such lease, and that the said Government of Mysore, their successors or assigns, may sell and dispose of every such distress as landlords may do for rent in arrear under demises of lands, and out of such distress or distresses, and the moneys produced thereby, may deduct and retain all arrears of rents or assessments and royalties then due under the lease, and all expenses incurred in or about any such distress.

X. Each lease shall contain the following covenants on the part of the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators, and assigns, that they will, throughout the term of lease, in the best and most effectual manner, and without intermission, except when prevented by inevitable accident, search for all gold, metals, metallic ores, precious stones, coal, and other substances of a saleable character, within or upon the lands comprised in such lease, and will also, if required, and before the sale thereof, deliver to, or permit to be taken by the said Government of Mysore, their successors or assigns, or their agent or agents, a sample or samples of all metals, metallic ores, precious stones, coal and other substances which shall have been dressed, crushed, and made merchantable and prepared for sale. All such samples so taken shall be paid for by the said Government of Mysore, their successors or assigns, at the current market rate. And, also, that they, the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators, or assigns will, immediately after any sale of the said metals, metallic ores, precious stones, coal and other substances, give to the said Government of Mysore, their successors or assigns, or their agent or agents, a return of the prices for which the same respectively shall have been sold, and, if required, the names of the purchasers thereof, and also that they will, within 90 days after any such sale, or within six months from the time of the extraction of the ore, pay to the said Government of Mysore, their successors or assigns, the royalties hereinbefore reserved.

And also that they will, throughout the said term, make and keep in some convenient place on the said lands, and so that the said Government of Mysore, their successors, agent, agents, and assigns, can have at all times free access thereto, proper books of accounts of the working of the said mines, and the costs thereof, and of the disposal of the metals and metallic ores, containing all particulars of quantities, dates, and other facts and circumstances necessary or proper for ascertaining the exact value of such metal and metallic ore. And also correct maps, plans, and sections of the said mines and workings. And also will, when required by the said Government of Mysore, their successors or assigns, or their agent or agents, give to them copies of all entries in the said books, and of every such map, plan, and section, as aforesaid. And also will, at the end, or sooner determination of the said term, give up to the said Government of Mysore, or their successors or assigns, the said books, maps, plans, and sections in good and perfect condition. And also will, throughout the said term, keep all boundary posts in good repair

repair and condition, and every shaft, pit, or open working within the said lands, sufficiently fenced for the protection of man and beast. And also will not until the license be obtained in writing of the said Government of Mysore, their successors or assigns, or their agent or agents, wilfully close, fill up or choke any mine or shaft. And also will keep open and not obstruct all or any existing roads, paths, or bye-ways of any kind whatsoever. And also will permit the said Government of Mysore; their successors and assigns, and their agent or agents, servants and workmen, throughout the said term, to enter upon any of the works carried on under or by virtue of these presents, and examine the state and condition thereof, and to use the engines, machinery and apparatus upon or within the said lands, for that or for any other lawful and reasonable purpose, making compensation for such use (except when required for examining and taking plans). The amount of such compensation, in case of difference, to be settled by two arbitrators, one to be named by the said Government of Mysore or their successors or assigns, and the other by the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators or assigns, or if the arbitrators differ by an umpire to be chosen by them before entering upon the arbitration, and if either party shall fail to name an arbitrator after notice in writing by the other, or his or their agent, requiring him or them so to do, or shall name an arbitrator who neglects to act or to proceed with due diligence in the business of the arbitration, or who will not join in naming an umpire, then by the valuation of the arbitrator named by the other party, and the award made by such arbitrators or umpire may be made a rule of Court, subject to the provision of the Code of Civil Procedure or any then subsisting statutory modification thereof, and also to exercise the liberties hereinbefore reserved, and will afford all reasonable facilities and assistance in the exercise thereof. And also will from time to time make compensation to the lessee, tenant or occupier of any of the said lands for all damage or injury to, or interference with, the surface thereof.

And also will from time to time, and at all times hereafter, effectually keep indemnified the said Government of Mysore, their successors and assigns, from and against all claims, demands and expenses whatsoever, by reason, or in consequence of any injury to, or interference with any lands or property whatsoever, occasioned by, or arising from the working under these presents, or the exercise of the liberties hereby granted. And also will deliver to the said Government of Mysore, their successors or assigns, a copy of every assignment or under-lease of the said premises or any part thereof, within two calendar months after the date of every such assignment or under-lease. And also will, at the expiration or sooner determination of the said term, deliver to the said Government of Mysore, their successors or assigns the mines worked under these presents, and all workings, buildings, boundary posts and fences connected therewith, and other the premises in good repair and working order, and in all respects in such state and condition as shall be consistent with the due performance of the covenants hereinbefore contained. And in the event of the said Government of Mysore, their successors or assigns desiring to purchase any of the plant, machinery or fittings belonging to the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators or assigns (providing they shall be willing to part with the same), then and in that case the amount of purchase money to be paid for the same shall in the case of difference be settled by arbitration in the same manner as is hereinbefore provided in the case of difference arising as to the amount of compensation to be paid to the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators or assigns as aforesaid.

XI. That each lease shall contain an express condition to the effect that, if and whenever any part of the rents or assessments and royalties thereby reserved shall be in arrear for 30 days after due notice has been served on the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators or assigns, or any one or more of them, or on their agents, or fixed on any part of the lands comprised in the lease, demanding payment of the same, or if the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators or assigns, or their workmen shall cease to carry on the regular working of the mines, or cause any obstruction or annoyance to the officers of the said Government of Mysore, or to the people of the country, or refuse to afford information to the Government of Mysore, or if and whenever there shall be a breach of any of the covenants on the part of the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators or assigns, then in such case the said Government of Mysore, their successors or assigns or their agent or agents duly empowered on that behalf, may re-enter upon any part of the mines or workings carried on under any such lease in the name of the whole, provided always that no such re-entry shall take place until after the expiration of a notice, which shall first be given to the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators or assigns, calling upon them within a period of six months to give a reasonable explanation of the matter complained of, and to rectify the same, which notice shall be in writing, and shall be served on the said George Dela Poer Beresford and A. Mackenzie, their executors, administrators and assigns or any one or more of them, or on their agents, or fixed on any part of the lands comprised in the lease, and to be signed on behalf of the said Government of Mysore, by the Civil Executive Officer of the district, or any other officer specially empowered on that behalf, and in default of any such reasonable explanation and rectification as aforesaid the term of 20 years to be granted by such lease shall absolutely cease and determine. In witness thereof Colonel James Langford Pears, Commissioner of the said Nandydroog

CORRESPONDENCE RELATING TO

Division of Mysore, acting for and on behalf of the said Government of Mysore and the other parties to these presents have hereunto set their respective hands the day and year first above written.

SCHEDULE to which the above-written Agreement refers.

Boundaries of the Kolar District:

On the east, by the North Arcot District.

On the south, by the Salem District.

On the west, by the Bangalore and Tumkur Districts of the Mysore Province.

On the north, by the Bellary and Kadapa Districts.

Area of the district, 2,500 square miles or thereabouts.

(signed) *M. F. Lavelle.*

Witness to the signature of the above-named Michael Fitzgerald Lavelle.

(signed) *John Miller, of Madras, Barrister-at-Law.*

*J. J. Palman, Managing Clerk
to the Administrator General of Madras.*

(signed) *J. L. Pearse,
Commissioner, Nandydroog Division.*

Witness to the signature of the above-named
James Langford Pearse.

(signed) *R. H. James.*

J. W. Blaikie.

(signed) *G. Dela Poer Beresford, Lieut.-Col.,
Assistant Adjutant General.*

Witness to the signature of the above-named
George Dela Poer Beresford.

(signed) *W. E. Schmidt.*

John Sylk.

(signed) *A. Mackenzie.*

Witness to the signature of the above-named
Alexander Mackenzie.

(signed) *Francis Desilva.*

E. Robinson.

Present at 12 noon on 18th April 1877 at the office of Messrs. Arbuthnot & Co.,
Beach Madras by—

(signed) *A. Mackenzie.*

APPENDIX B.

ABSTRACT MEMORANDUM of the Recitals in the Deed of Assignment, dated 6 December 1881, executed in favour of the Kolar Concessionaires Company.

<p>I. Memorandum of Agreement, dated 19 March 1877.</p>	<p>Parties— 1. Mr. M. F. Lavelle. 2. Government of Mysore. 3. Colonel G. D. Beresford and Mr. A. Mackenzie. By this agreement, the right of prospecting for gold in the Kolar District up to 13 March 1879 is transferred to parties No. 3; viz., Colonel G. D. Beresford and Mr. A. Mackenzie.</p>
<p>II. Indenture, dated 21 July 1877 -</p>	<p>Parties— 1. Colonel G. D. Beresford. 2. Mr. A. Mackenzie. Mr. Mackenzie makes over all his right, title, and interest in the Kolar Concession to Colonel G. D. Beresford.</p>
<p>III. Chief Commissioner's Order, No. 8246—1656, dated 12 February 1880.</p>	<p>Extending the prospecting period up to February 1883, and the period of lease from 20 to 30 years, and reducing the rate of royalty from ten to five per cent.</p>
<p>IV. Deed of Trust, dated 19 February 1880.</p>	<p>Colonel Beresford was appointed trustee for the following gentlemen in connection with the Kolar Concession:—</p>

	Shares.
1. Mr. J. H. Blair	12 72
2. Colonel G. D. Beresford	8 72
3. Mr. A. Hay Anderson	8 72
4. Mr. Leander Miller (as Executor of John Miller)	7 72
5. Mr. F. G. Shaw	7 72
6. Mr. W. B. McTaggart	4 72
7. Mr. J. D. B. Gribble	4 72
8. Colonel A. W. C. Lindsay	4 72
9. Colonel J. L. Pearse	4 72
10. Mr. M. F. Lavelle	4 72
11. Colonel J. H. M. Shaw Stewart	4 72
12. Colonel J. Michael	4 72
13. Mr. W. Morgan	2 72
TOTAL	72 72

<p>V. Lease, dated 22 March 1880 -</p>	<p>The Government of Mysore lease to Colonel Beresford the "Ooregaum Block," containing 1,280 acres, 30 guntas, and 70 square yards.</p>
<p>VI. Lease, dated 13 August 1880 -</p>	<p>Leasing the "Mathamangalam Block" to Colonel Beresford, 1,280 acres.</p>
<p>VII. Indenture, dated 27 September 1880.</p>	<p>Parties— 1. Colonel G. D. Beresford. 2. The 13 gentlemen named in Deed of Trust, dated 19 February 1880 (<i>vide</i> Document No. IV. above). 3. The Mysore Gold Mining Company (Limited) formed in England. 4. Charles Tennant and Archibald Shanks Shaw (probably promoters of the above Company). 750 acres out of the "Ooregaum Block," known as blocks Nos. 3, 4 and 5, are sold to party No. 3, "The Mysore Gold Mining Company."</p>

<p>VIII. Indenture, dated 1 November 1880.</p>	<p>Parties—</p> <ol style="list-style-type: none"> 1. Colonel G. D. Beresford. 2. Mr. A. Mackenzie. 3. All the 13 gentlemen above referred to. 4. Ooregaum Gold Mining Company (Limited), formed in Madras. <p>Selling to party No. 4, "The Ooregaum Gold Mining Company," 263 odd acres out of the Ooregaum Block, and known as Block No. 2.</p>
<p>IX. Agreement, dated 16 September 1880, and indenture, dated 1 November 1880.</p>	<p>Parties—</p> <ol style="list-style-type: none"> 1. All the 13 gentlemen above referred to, represented by Colonel G. D. Beresford. 2. The Madras Gold Mining Company (Limited), formed at Madras. <p>Making over 640 acres out of the Madamangalam Block to party No. 2, the Madras Gold Mining Company.</p>
<p>X. 1. Indenture, dated 10 August 1880. 2. Agreement, dated 6 November 1880. 3. Indenture, dated 21 April 1881.</p>	<p>Parties—</p> <ol style="list-style-type: none"> 1. The 13 gentlemen above named. 2. The Kolar Gold Mining Company (Limited), promoted by Messrs. Adam Hay Anderson and T. D. Sargent. <p>Selling to "The Kolar Gold Mining Company" 300 acres out of the "Madamangalam Block."</p>
<p>XI. Indenture, dated 14 October 1880.</p>	<p>Colonel James Michael (No. 12) makes over to Colonel William Arbuthnot his $\frac{1}{7}$ shares in the concession.</p>
<p>XII. Agreement, dated 6 December 1880.</p>	<p>Parties—</p> <ol style="list-style-type: none"> 1. The Kolar Gold Mining Company. 2. Mr. Adam Hay Anderson. 3. The 13 gentlemen above named. <p>The Kolar Company agreed to release to party No. 3 for a consideration of 5,000 l., the right to require a sub-lease of the southern moiety of the Madamangalam Block, which had been secured to the said company by indenture, dated 10 August 1880.</p> <p><i>Note.</i>—The above-mentioned sum of 5,000 l. was paid by the 13 gentlemen to the Kolar Company.</p> <p>By the above agreement, it was also agreed that the Kolar Company should take the northern moiety of the Madamangalam Block in lieu of the southern moiety which they relinquished.</p>
<p>XIII. Agreement endorsed on the agreement, dated 6 December 1880.</p>	<p>Altering a date in the agreement, dated 10 August 1880.</p>
<p>XIV. Indenture, dated 7 December 1880.</p>	<p>Parties—</p> <ol style="list-style-type: none"> 1. All the 13 gentlemen named above, substituting Colonel Arbuthnot for Colonel Michael. 2. Colonel H. Dyer. 3. R. Gordon (Trustee for the Great Southern of Mysore Gold Mining Company) (Limited). <p>Parties in No. 1 agree to grant to the Great Southern of Mysore Gold Mining Company a sub-lease of the southern half of the Madamangalam Block.</p>
<p>XV. Agreement, dated 3 January 1881.</p>	<p>Modifying dates of payment of consideration money referred to in agreement, dated 7 December 1880.</p>
<p>XVI. Under-lease, dated 8 April 1881</p>	<p>Parties—</p> <ol style="list-style-type: none"> 1. Colonel Beresford. 2. All the remaining 12 gentlemen. 3. Colonel H. Dyer. 4. The Great Southern Company. <p>Parties No. 4 accept an under-lease of the southern moiety of the Madamangalam Block.</p>

<p>XVII. Indenture, dated 8 January 1881</p>	<p>Parties— 1. Colonel Beresford. 2. All the remaining 12 gentlemen above referred to. 3. Arthur Lionel Preston. 4. The Nandydroog Company (Limited). The Nandydroog Company, No. 4, are granted an under-lease of about 250 acres out of "Block No. 1, Ooregaum."</p>
<p>XVIII. Lease, dated 7 March 1881</p>	<p>The Government of Mysore grant to Colonel G. D. Beresford a lease of the Oriental Block, 640 acres.</p>
<p>XIX. Agreement, dated 25 November 1880.</p>	<p>Parties— 1. The 13 gentlemen referred to above. 2. Sir W. W. Arbuthnot, Bart. Sir W. W. Arbuthnot agreed to procure a company, who would take a sub-lease of the Oriental Block.</p>
<p>XX. Agreement, dated 25 November 1880. Agreement, dated 4 July 1881</p>	<p>Parties— 1. The 13 gentlemen above referred to. 2. Mr. A. Mackenzie. The Honourable P. Macfayden. Sir W. W. Arbuthnot. Mr. G. G. Arbuthnot. Mr. J. W. Arbuthnot, of Messrs. Arbuthnot & Co. Messrs. Arbuthnot & Co. agree to procure a company for the sub-lease of the Oriental Block. <i>Note.</i>—This company has not as yet been formed.</p>
<p>XXI. Lease, dated 15 March 1881</p>	<p>Parties— 1. Colonel Beresford. 2. The Government of Mysore. Government lease to Colonel Beresford the "No. 2 North Ooregaum Section Block." Extent 320 acres, 37 guntas, 69 square yards.</p>
<p>XXII. Agreement, dated 4 December 1880.</p>	<p>Parties— 1. Mr. J. H. Blair and Colonel A. W. C. Lindsay, on behalf of the 13 gentlemen above referred to. 2. James Thomas Harris. Party No. 2 agrees to purchase the "No. 2 North Ooregaum Section Block."</p>
<p>XXIII. Agreement, dated 24 February 1881.</p>	<p>Altering a date in the agreement, dated 4 December 1880. <i>Note.</i>—A company was formed in England, under the name of "The North Ooregaum Gold Mining Company," for taking a sub-lease of No. 2 North Ooregaum Section Block, but no such sub-lease has as yet been executed.</p>
<p>XXIV. Lease, dated 15 March 1881</p>	<p>Parties— 1. The Government of Mysore. 2. Colonel G. D. Beresford. Government grant to Colonel Beresford a lease of the No. 4 North Ooregaum Section Block. Extent 320 acres.</p>
<p>XXV. Agreement, dated 3 January 1881.</p>	<p>Parties— 1. Mr. J. H. Blair and Colonel A. W. C. Lindsay, on behalf of the 13 gentlemen. 2. Inches Campbell Walker. Mr. Walker agrees to form a company for the sub-lease of "The No. 4 North Ooregaum Section Block."</p>

XXVI. Agreement, dated 21 February 1881.	Modifying the date mentioned in the agreement, dated 3 January 1881, for the formation of the company therein described.
XXVII. Under-lease, dated 27 July 1881, and Agreement, dated 13 October 1881.	Parties— 1. Colonel Beresford. 2. All the remaining 12 gentlemen. 3. Messrs. Arbuthnot & Co. 4. Inches Campbell Walker. 5. Nine Reefs Company (Limited). The Nine Reefs Company take a sub-lease of No. 4 North Ooregaum Section Block.
XXVIII. Lease, dated 7 March 1881	Government grant a lease of the Balaghat Block to Colonel Beresford. Extent 150 acres.
XXIX. Agreement, dated 25 December 1880.	Parties— 1. The 13 gentlemen above referred to. 2. The Honourable P. Macfayden. No. 2 agreed to procure a company for the sub-lease of the Balaghat Block.
XXX. Agreement, dated 26 March 1881. Indenture, dated 1 June 1881.	Such a company was formed, under the name of "The Balaghat Gold Mining Company (Limited)," and the company took a sub-lease of the Oriental Block. <i>Note.</i> —Mr. J. Miller, one of the 13 gentlemen above named, being dead, the name of his executrix, Catherine Emma Morgan, is entered in this document.
XXXI. Lease, dated 7 March 1881	Government grant to Colonel Beresford the lease of the Kaiser-i-Hind Block. Extent 640 acres. <i>Note.</i> —The royalty and rents payable to Government for this block were compounded by a lump sum payment of 55,000 rupees.
XXXII. Agreement, dated 31st January 1881.	Parties— 1. The 13 gentlemen named above. 2. John Henry Buchanan Forbes. No. 2 agreed to procure a company for taking a sub-lease of the "Kaiser-i-Hind" Block.
XXXIII. Agreement, dated 31 January 1881.	Parties— 1. The 13 gentlemen named above. 2. Messrs. Arbuthnot & Co. Messrs. Arbuthnot & Co. agree to form a company for taking up the Kaiser-i-Hind Block.
XXXIV. Agreement, dated 30 March 1881, and Indenture, dated 26 July 1881.	Such a company was formed, under the name of "The Kaiser-i-Hind Gold Mining Company (Limited)," and the company took a sub-lease of the Kaiser-i-Hind Block.
XXXV. Lease, dated 15 March 1881	Government grant to Colonel Beresford the lease of the Victoria Block. Extent 640 acres.
XXXVI. Agreement, dated 7 January 1881.	Parties— 1. The 13 gentlemen above named. 2. Major Charles Henry Streett. No. 2 agreed to form a company for the purpose of taking a sub-lease of the Victoria Block.
XXXVII. Agreements, dated 14 June 1881 and August 1881.	Extending time for the formation of the above-mentioned company.

XXXVIII. Agreement, dated 31 January 1881.	Parties— 1. The 13 gentlemen above named. 2. Mr. C. H. Streett. No. 2 agreed to form a company for the purpose of taking up the Albert Block. <i>Note.</i> —No lease for the Albert Block has yet been issued by Government.
XXXIX. Agreements, dated 14 June 1881 and August 1881.	Extending time for the purchase of the Albert Block.
XL. Lease, dated 15 March 1881	- Government grant to Colonel Beresford a lease of the No. 3 North Ooregaum Section Block. Extent 320 acres.
XLI. Lease, dated 15 March 1881	- ditto - - Concessionaires' Block. Extent 640 acres.
XLII. Lease, dated 15 March 1881	- ditto - - Simon's Block. Extent 318 acres, 37 guntas, 69 square yards.
XLIII. Mortgage deeds, dated 1 September 1880 and 24 January 1881	Mr. Gribble's and Mr. Adam Hay Anderson's shares in the concession were mortgaged to Messrs. Arbuthnot & Co.
XLIV. Indenture, dated 6 December 1881.	The rights and premises granted to the Kolar Concessionaires are assigned to the "Concessionaires Company," composed of the following gentlemen :—
<ol style="list-style-type: none"> 1. Colonel G. D. Beresford. 2. Mr. G. H. Blair. 3. Colonel A. W. C. Lindsay. 4. Colonel J. L. Pearse. 5. Mr. Adam Hay Anderson. 6. Catherine Emma Morgan (Executrix of the late Mr. John Miller). 7. Mr. F. G. Shaw. 8. Mr. J. D. B. Gribble. 9. Mr. W. B. McTaggart. 10. Mr. M. F. Lavelle. 11. Lieutenant-Colonel J. H. M. Shaw Stewart. 12. Lieutenant-Colonel W. Arbuthnot. 13. Mr. W. Morgan. 	

(signed) *K. Sheshadri Iyer,*
Dewan of Mysore.

APPENDIX C.

REGISTER of LEASES granted by the Government of *Mysore* for Gold Mining in the Province of *Mysore*.

District and Taluk.	Name of Property.	Name of Lessee.	Date and Term of Lease.	Description of Land.	Extent.		Annual Assessment Payable to Government.		REMARKS, Showing Stamp Duty and Registration Fees, and Redemption Fine and Deposits.			
					Acres	G. Yds.	Rs.	a. p.	Rs.	a. p.		
KOLAR, BETMANGALA	Ooregaum, No. I	Lieutenant-Colonel George de la Poer Beresford.	22 Mar. 1880, 30 years.	Unassessed waste land	660	25 0	—	—	Stamp duty - - - - -	26	- -	
				Occupied land - -	153	7 108	148	- 9	Registration fees - - - - -	26	12 -	
				Unoccupied land - -	199	0 40	87	9 5	Stamp for assignment of 250 acres to the Nandydroog Gold Mining Company - - - - -	7,526	- -	
				Inam land - - -	267	37 43	96	1 8	Registration fees for - ditto - ditto - - -	1,537	8 -	
						1,280	30 70	331	11 10	Stamp for assigning 263½ acres to the Ooregaum Company - - - - -	225	- -
									Registration fees for - ditto - ditto - - -	90	- -	
									Stamp for assignment to Mysore Gold Mining Company - - - - -	5,525	- -	
									Registration fees for - ditto - ditto - - -	1,132	- -	
		Mathamangalam Block	ditto - ditto - -	13 Aug. 1880, 30 years.	Unassessed wasteland	797	5 64	—	—	Stamp duty - - - - -	26	- -
	Unoccupied arable land.				436	28 63	382	1 10	Registration fees - - - - -	19	12 -	
	Occupied Government land.				41	15 108	24	14 4	Stamp for assigning a part of the block - - -	5	- -	
	Inam land - - -				4	30 7	—	12 -	Registration fees for - ditto - ditto - - -	53	12 -	
					1,280	0 0	407	12 2	Stamp for assigning 640 acres to the Madras Gold Mining Company - - - - -	5,025	- -	
								Registration fees for - ditto - ditto - - -	1,055	- -		
								Stamp for assigning half of the above to the Mysore Reefs Gold Mining Company - - -	8,025	- -		
								Registration fees for - ditto - ditto - - -	1,645	- -		
	Kaiser-i-Hind Block	ditto - ditto - -	7 Mar. 1881, 30 years.	Unarable waste land	519	21 99	—	—	Stamp duty - - - - -	26	- -	
Arable " "				120	18 22	111	15 7	Registration fees - - - - -	40	- -		
				640	0 0	111	15 7	Rents and royalties discharged by a lump payment of - - - - -	55,000	- -		
								Stamp for assigning rights to the Kaiser-i-Hind Company - - - - -	5	- -		
								Registration fee for - ditto - ditto - - -	1,543	- -		

Oriental Block	- - ditto - - ditto	- - ditto	Unassessed unarable waste land.	437 18 84	—	Stamp duty - - - - -	26 - -		
				Unoccupied arable waste land.	80 37 6		78 10 1	Registration fees - - - - -	40 - -
				Occupied land (Kandayan).	43 4 116		23 9 4		
				Occupied land (Hoolgaval).	78 19 36		9 3 3		
					640 0 0		111 6 8		
Balaghat Block	- - ditto - - ditto	- - ditto	Occupied land (Kandayan). Unoccupied arable waste land. Unoccupied unarable waste land.	1 6 34	1 1 4	Stamp duty - - - - -	26 - -		
				15 4 116	14 1 -		Registration fees - - - - -	40 - -	
				133 2 13	—		Stamp for assigning rights to the Balaghat Gold Mining Company	1,225 - -	
				149 13 42	15 2 4		Registration fees for - ditto - ditto	284 - -	
Concessionaires' Block	- - ditto - - ditto	- 15 Mar. 1881, 30 years.	Unarable waste (Government). Unarable waste (Jodi village). Arable waste (Government). Arable waste (Jodi village).	426 17 41	—	Stamp duty - - - - -	26 - -		
				104 22 80	—		Registration fees - - - - -	39 8 -	
				65 0 0	60 6 11		Stamp for assigning rights over this block, as well as over the other blocks in the district to Concessionaires' Company (Limited)	5 - -	
				44 0 0	—		Registration fees for - ditto - ditto	132 6 -	
				640 0 0	60 6 11				
Victoria Block	- - ditto - - ditto	- - ditto	Arable Government waste land. Unarable Government waste land.	55 0 0	51 2 2	Stamp duty - - - - -	26 - -		
				585 0 0	—		Registration fees - - - - -	39 8 -	
				640 0 0	51 2 2				
Simon's Block	- - ditto - - ditto	- - ditto	Unarable Government waste. Unarable Government waste (Jodi village). Arable Government waste. Arable Government waste (Jodi village). Government lands (Kandayan). Occupied lands (Jodi village).	166 3 116½	—	Stamp duty - - - - -	26 - -		
				37 38 95½	—		Registration fees - - - - -	40 8 -	
				26 0 0	24 2 9				
				40 0 0	—				
				45 27 73	41 - 5				
				3 7 26	2 4 9				
				318 37 69	67 7 11				
Carried forward			5,589 1 60	1,157 1 7			90,532 10 -		

REGISTER of Leases granted by the Government of Mysore for Gold Mining in the Province of Mysore—continued.

District and Taluk.	Name of Property.	Name of Lessee.	Date and Term of Lease.	Description of Land.	Extent.	Annual Assessment Payable to Government.	REMARKS, Showing Stamp Duty and Registration Fees, and Redemption Fine and Deposits.					
							Rs. a. p.	Rs. a. p.				
KOLAR, BETMANGALA	North Ooregaum Section, Block No. II.	Lieutenant Colonel George de la Poer Beresford.	15 Mar. 1881, 30 years.	Brought forward -	5,589 1 60	1,157 1 7	- - - - -	90,532 10 -				
				Government lands (Kandayan).	11 38 97	4 - 11	Stamp duty - - - - -	26 - -				
				Government arable waste.	50 32 2	47 3 7	Registration fees - - - - -	39 8 -				
				Government unarable waste.	257 9 22	-						
					320 0 0	51 4 6						
	Ditto - - No. III.	ditto - ditto - - ditto -	Government unarable waste.	296 33 107	-	Stamp duty - - - - -	26 - -					
								Government arable waste.	28 6 14	21 8 4	Registration fees - - - - -	37 8 -
									320 0 0	21 8 4		
	Ditto - - No. IV.	ditto - ditto - - ditto -	Unarable Government waste.	253 35 45	-	Stamp duty - - - - -	26 - -					
								Arable Government waste.	66 4 76	61 7 6	Registration fees - - - - -	39 8 -
							Stamp for assignment of rights to the Nine Reefs Gold Mining Company - - - - -	5 - -				
							Registration fees for - ditto - ditto - - -	802 - -				
				320 0 0	61 7 6							
			TOTAL before the rendition - }	6,549 1 60	1,201 5 11		91,534 2 -					
						GRAND TOTAL } Rs. 92,825. 7. 11.						
SHIMOGA HONNALI	Yurganhaloo Block	Lieutenant John Haddock, a retired officer of the Madras Army.	14 Jan. 1882, 30 years.	Occupied lands - -	1 38 0	2 - -	Stamp Duty - - - - -	16 - -				
				Arable waste - -	518 3 0	330 11 -	Registration fees - - - - -	62 12 -				
				Unarable waste - -	150 3 0	75 1 -	Deposit money - - - - -	1,000 - -				
				670 4 0	416 12 -							

Block No. 6	William Garratt, Esq., of Bangalore.	ditto	Occupied lands - -	185 20 0	391 12 -	Stamp duty - - - - -	16 - -
			Arable waste - -	18 31 0	11 - -	Registration fees - - - - -	80 4 -
			Unarable „ - -	419 28 0	269 14 -	Stamp for assignment of rights to Wilson & Co.	5 - -
			Inam lands - -	21 6 0	34 8 -	Registration fees for - ditto - ditto	30 4 -
				645 5 0	647 2 -	Deposit money - - - - -	1,000 - -
Ditto No. 10	Major-General Robert G. Lewis, retired list, Bangalore.	ditto	Occupied land - -	272 37 0	109 - -	Stamp duty - - - - -	16 - -
			Arable waste - -	207 16 0	64 4 -	Registration fees - - - - -	54 12 -
			Unarable „ - -	223 0 0	111 8 -	Stamp for assignment of rights to Wilson & Co.	5 - -
			Inam lands - -	10 16 0	5 - -	Further registration fees - - - - -	27 12 -
				713 29 0	289 12 -	Deposit money - - - - -	1,000 - -
Ditto No. 7	Lieutenant S. C. Gough, 2nd Battalion, the Hampshire Regiment.	15 Jan. 1882, 30 years.	Occupied land - -	98 38 0	104 12 -	Stamp duty - - - - -	16 - -
			Arable waste - -	17 13 0	4 - -	Registration fees - - - - -	59 8 -
			Unarable „ - -	583 10 0	291 10 -	Stamp for assignment of rights to Wilson & Co.	5 - -
			Inam lands - -	6 18 0	15 - -	Registration fees for - ditto - ditto	27 12 -
				700 39 0	415 6 -	Deposit money - - - - -	1,000 - -
Daserhatti Block	C. Meenachaiya, Esq., Barrister-at-Law, Bangalore.	29 April 1882, 30 years.	Occupied land - -	138 26 0	96 4 -	Stamp duty - - - - -	16 - -
			Arable waste - -	301 4 0	124 4 -	Registration fees - - - - -	60 4 -
			Unarable „ - -	244 26 0	122 4 -	Stamp for assignment to Wilson & Co.	5 - -
			Inam lands - -	58 17 0	53 4 -	Registration fees for - ditto - ditto	30 4 -
				742 33 0	396 - -	Deposit money - - - - -	1,000 - -
Koonkwa Block	Lieutenant A. M. Lloyd, attached to the 12th Madras Native Infantry, Palaveram.	5 May 1882, 30 years.	Occupied land - -	174 0 0	133 - -	Stamp duty - - - - -	16 - -
			Arable waste - -	69 24 0	18 - -	Registration fees - - - - -	60 4 -
			Unarable „ - -	410 35 0	205 7 -	Stamp for assignment of rights to Wilson & Co.	5 - -
			Inam lands - -	38 34 0	20 - -	Registration fees for - ditto - ditto	30 4 -
				603 13 0	376 7 -	Deposit money - - - - -	1,000 - -
Tirtrampoer Block	William Robertson, Esq., of Stafford, in the county of Stafford, England.	24 July 1882, 30 years.	Occupied lands - -	287 14 0	193 12 -	Stamp duty - - - - -	16 - -
			Unarable waste - -	297 25 0	148 12 -	Registration fees - - - - -	62 4 -
			Inam lands - -	56 11 0	32 2 -	Stamp for assignment of rights to Wilson & Co.	5 - -
				641 10 0	374 10 -	Registration fees for - ditto - ditto	29 - -
						Deposit money - - - - -	1,000 - -
			Carried forward - -	4,807 13 0	2,016 1 -	- - - - -	7,757 4 -

REGISTER of Leases granted by the Government of Mysore for Gold Mining in the Province of Mysore—continued.

District and Taluk.	Name of Property.	Name of Lessee.	Date and Term of Lease.	Description of Land.	Extent.	Annual Assessment Payable to Government.	REMARKS, Showing Stamp Duty and Registration Fees, and Redemption Fine and Deposits.	
							Rs. a. p.	Rs. a. p.
				Brought forward -	4,807 13 0	2,916 1 -	- - - - -	7,757 4 -
SHIMOGA, HONNALI	Koolhali Block	William George Stephenson, of Stafford.	24 July, 1882, 30 years.	Occupied lands - Unarable waste - Inam lands -	414 14 0 231 24 0 31 3 0	469 8 - 115 14 - 8 4 -	Stamp duty - Registration fees - Stamp for assignment of rights to Wilson & Co. Registration fees for ditto ditto -	16 - - 75 4 - 5 - - 30 4 -
					677 1 0	593 10 -	Deposit money -	1,000 - -
TUMKUR, CHIKNAYAKANHALLI.	Harainhalli, and six other villages.	John Warren Ryan, Henry Valentine Ryan, and Charles Fletcher, of Ootacamund.	2 Feb. 1882, 30 years.	Occupied lands - Arable waste - Unarable waste -	886 33 0 1,053 7 0	572 12 - 520 9 -	Stamp duty - Registration fees - Deposit money -	16 - - 111 4 - 3,000 - -
					1,920 0 0	1,099 5 -		
	Niralkere, &c., villages	Major General Henry Rhodes Morgan, Retired List, Oooty.	7 July 1882, 30 years.	Arable waste land - Unarable " -	163 30 0 476 10 0	90 12 - 238 2 -	Stamp duty - Registration fees - Deposit money -	16 - - 2 8 - 1,000 - -
					640 0 0	328 14 -		
	Ditto - ditto -	ditto - ditto -	10 July 1882, 30 years.	Occupied land - Unoccupied land - Unarable " -	6 0 0 222 5 0 411 35 0	5 4 - 133 8 - 205 15 -	Stamp duty - Registration fees - Deposit money -	16 - - 24 4 - 1,060 - -
					640 0 0	344 11 -		
SHIMOGA, HONNALI	Block No. 5, Palvanhalli	Lieutenant-Colonel G. W. Cole.	Feb. 1882, 30 years.	Occupied land - Inam " - Waste " -	285 14 0 19 34 0 353 31 0	117 8 - 20 - - 176 14 -	Not yet registered - Deposit money -	- - - 1,000 - -
					658 39 0	314 6 -		
	Block No. 13, Chatahalli.	Thomas Craig, Esq.	21 Feb. 1882, 30 years.	Occupied land - Waste " -	121 38 0 603 9 0	46 - - 301 8 7	Stamp duty - Registration fees - Stamp for assignment - Registration fees for ditto -	16 - - 47 8 - 15 - - 27 12 -
					725 1 0	347 8 7	Deposit money -	1,000 - -

Block No. 8, Grigganhalli	T. Otley, Esq.	1 Feb. 1883, 30 years.	Occupied land - Unarable waste - Inam land -	521 19 0 28 39 0 132 23 0	944 8 - 14 8 - 196 13 8	Stamp duty - Registration fees - Stamp for deed of assignment - Registration fees for - ditto - Deposit money -	16 - - 107 - - 5 - - 30 4 - 1,000 - -
Block No. 9, Yaraganhalloo.	A. M. Smith, Esq.	5 May 1882, 30 years.	Occupied land - Arable waste - Unarable waste - Inam land -	252 38 0 384 20 0 4 14 0 38 20 0	326 1 - 288 1 - 2 4 - 66 - -	Stamp duty - Registration fees - Stamp for deed of assignment - Registration fees for - ditto - Deposit money -	16 - - 78 12 - 5 - - 28 4 - 1,000 - -
Block No. 4, Devikop, &c.	Major General C. G. Otley	11 July 1882, 30 years.	Occupied land - Arable waste - Unarable waste - Inam land -	176 15 0 307 14 - 54 30 0 121 21 0	266 2 - 381 - - 27 6 - 151 - -	Stamp duty - Registration fees - Stamp for assignment - Registration fees for ditto - Deposit money -	16 - - 114 8 - 5 - - 30 4 - 1,000 - -
Block No. 3, Chattanahalli and Palvanahalli.	P. A. Cole, Esq., deputy collector, Madras Presidency.	14 Feb. 1882, 30 years.	Occupied land - Arable waste - Unarable waste - Inam land -	344 9 - 24 5 0 187 20 0 77 3 0	460 - - 13 8 - 93 12 - 90 8 -	Lease not yet registered. Deposit money	1,000 - -
Block No. 21	D. E. W. Leighton, Esq., of Messrs. Wilson & Co.	Aug. 1883, 30 years.	Occupied land - Unarable waste - Inam land -	606 10 0 29 35 0 137 25 0	433 8 - 14 15 - 159 12 -	ditto - ditto	1,000 - -
Block, Manyankoppa	Captain O. W. Gray, Travancore.	Aug. 1883, 30 years.	Occupied lands - Arable waste - Unarable waste - Inam lands -	912 19 0 106 30 0 248 16 0 109 21 0	419 12 - 116 - - 124 2 - 148 - -	ditto - ditto	1,000 - -
			Carried forward	14,275 14 0	10,682 - 3		22,628 - -

REGISTER of Leases granted by the Government of Mysore for Gold Mining in the Province of Mysore—continued.

District and Taluk.	Name of Property.	Name of Lessee.	Date and Term of Lease.	Description of Land.	Extent.	Annual Assessment Payable to Government.	REMARKS,		
							Showing Stamp Duty and Registration Fees, and Redemption Fine and Deposits.		
					Acres. G. Yds.	Rs. a. p.	Rs. a. p.		
Brought forward - -					14,275 14 0	10,682 - 3	22,628 - -		
SHIMOGA, HONNALI—contd.	Block No. 18 - -	Messrs. Wilson & Co., Madras.	August 1888, 30 years.	Occupied lands - -	585 21 0	420 12 -	Lease not registered	- - - - -	- - - - -
				Unarable " - -	946 32 0	473 5 -	Deposit money	- - - - -	2,000 - -
				Inam lands - -	106 38 0	138 - -			
					1,639 11 0	1,030 1 -			
	Belagutti Block - -	Henry Bill, Esq., of Messrs. Wilson & Co., Madras.	ditto - -	Occupied lands - -	584 21 0	932 12 -	Lease not registered	- - - - -	- - - - -
				Unarable " - -	117 18 0	58 12 -	Deposit money	- - - - -	1,000 - -
				Inam lands - -	97 10 -	158 12 -			
					799 9 0	1,148 4 -			
	Block No. 16 - -	A. F. Beaufort, Bombay - -	ditto - -	Occupied lands - -	572 16 0	587 12 -	Lease not registered	- - - - -	- - - - -
				Unarable " - -	24 1 0	12 - -	Deposit money	- - - - -	1,000 - -
				Inam lands - -	153 14 0	119 9 6			
					749 31 0	719 5 6			
MYSORE, NAGAMANGALA -	Hogginvalce, Surahalli, and Volageri villages.	G. G. Brown, Esq., Bangalore	June 1882, 30 years.	Unarable waste - -	657 8 39	328 9 8	Lease not registered	- - - - -	- - - - -
				Arable " - -	8 36 40	10 9 7	Deposit money	- - - - -	1,000 - -
				Inam land - -	30 0 0	The lessee has obtained the land from the Inamdar.			
					696 4 79	338 13 3			
HONNALI TALUK, SHIMOGA	In Devikoppa, &c., villages.	Messrs. Wilson & Co. - -	30 Sept. 1881	Occupied Inam, &c.-	1,964 7 0	1,739 - -	Deposit money	- - - - -	3,000 - -
				TOTAL since the Rendition	18,159 29 79	15,657 8 -			30,628 - -
GRAND TOTAL - -							Rs. 46,285 8 -.		

* The Stamp and Registration fees for (9) nine grants which are at present not ascertainable are not included in this total.

Bangalore, 31 August 1883.

K. Sheshadri Iyer, Dewan of Mysore.

— No. 11. —

DEMI-OFFICIAL LETTER from *J. B. Lyall*, Esq., Chief Commissioner of Mysore, to *C. Grant*, Esq., c.s.i., Secretary to the Government of India in the Foreign Department, dated Bangalore, 12th September 1883.

IN your demi-official letter of the 4th instant you press for a speedy reply to your letter, calling for a report on the mining concessions granted in Mysore during the minority of the Maharajah, and the connection of British officials therewith. I submit this report in my No. 1312-216 of to-day's date, which, but for a delay in the office, would have been dispatched a week ago. As you will see from the date of the Dewan's letter therein enclosed, the delay was entirely in the Dewan's office. It always takes time to get a reply from that office; it works slowly when the matter is one of reporting, and is moreover at present in arrears. The only special cause of delay on this occasion was that a small part of the correspondence had got separated from the rest of the file, and could not be found till lately. The Dewan did not like to report till this was found, thinking that some of the papers might turn out to be important.

I am quite sure that the Darbar has neither attempted to conceal anything or to delay its reply. No one here doubts that the terms made with the gold mining concessionaires were good and fair, as far as the interest of the Mysore State was concerned, and the ryots whose cultivating rights were bought out by the concessionaires got very high prices.

— No. 12. —

(Home Department.—Public—No. 1659.)

LETTER from *A. Mackenzie*, Esq., c.s., Secretary to the Government of India, to the Secretary to the Government of Madras.

Sir,

Simla, 9 November 1883.

WITH reference to the Despatch of the Government of Madras to Her Majesty's Secretary of State, No. 2, dated the 30th of January last, relating to the promotion of Gold Mining Companies by Government officials, I am directed to forward copies of the correspondence with the Resident in Mysore noted on the margin, and to communicate the following observations.

From Foreign Department, No. 936, dated 13th April 1883. See page 15.
From Resident, No. 1312, dated 12th September 1883, with enclosures. See page 16.

2. The Governor General in Council is unable to concur in the opinion of the Madras Government, as given in the Despatch under notice, to the effect that those civil and military officers of the Government who were parties to the Kolar concession in Mysore did not transgress the rules in force with reference to the holding of land by Government servants. The parties to the concession appear to have clearly infringed both the orders of the Secretary of State contained in his Despatch of 25th November 1862, prohibiting the holding of land in Native States by the civil and military servants of the Government for any purpose whatever (and not merely for agricultural purposes, as assumed in paragraph 12 of the Madras Government's Despatch to the Secretary of State); and also those in his Despatch of 26th August 1873, approving the views of the Government of India which were directed not merely against habitual speculation (as assumed in paragraph 14 of the Madras Government's Despatch), but against all transactions connected with land which are in themselves of a purely speculative character. The parties to the concession were not shareholders in a mining company formed for the development of the resources of the country, but were originally merely the joint and several proprietors of the land itself, the subject of the concession, in connection with which mining companies might or might not be formed. The terms on which the land was acquired from the Government of Mysore appear, no doubt, to have been fair and reasonable. But the object of the concessionaires in thus securing a tract of country believed

to be auriferous was purely speculative. It cannot be pretended that it was their intention to open or work mines in the land. Their sole object was to dispose of the land, the monopoly of which they held, to companies which they trusted would be formed and promoted for the purpose of acquiring it, and it was their interest to induce such companies to purchase the land at extravagant prices and to secure for themselves a profit on the transaction exceeding that obtainable on ordinary investments. Operations of this sort cannot be characterised as other than speculative, and officers in the actual service of the Crown are distinctly prohibited from engaging in such transactions by the orders already cited. The fact that the concessionaires have since registered themselves as a company does not, in the opinion of the Government of India, make any material difference in the position of those shareholders who are servants of Government.

3. The Madras officials engaged in these transactions, and who are still in active service, are understood to be (Colonel Shaw-Stewart, Secretary in the Public Works Department, Mr. Gribble, of the Civil Service, and Mr. Shaw, the Inspecting Veterinary Surgeon); and I am to request that under the orders of his Excellency the Governor in Council, instructions may be issued to these officers and to any others concerned, if such there are, to dispose of their interest in the concession within three months from the receipt of these orders.

4. With reference to the statement appended to the Despatch, I am to request that further and complete information may be furnished in regard to the "North Travancore Land Planting and Agricultural Society," and the nature of its provisions. This information should be accompanied by a copy of the Society's deed of incorporation and its rules of business. In entry No. 24 of the same statement, Mr. Grigg, a civil servant, is shown as holding ten shares of 500 rupees each in the Ootacamund Cinchona Planting Association. As Ootacamund is understood to be Mr. Grigg's head-quarters for half the year, he is apparently prohibited by the rules from holding these shares. The Government of India would be glad to have some information on this point. A few civil servants are also shown as connected with a company described as the "Talliar Planting Company." I am to desire that inquiries may be instituted by the Government of Madras as to whether the connection of these officers with the Company is an infringement of the standing orders or not.

5. With reference to the case of Mr. Garstin disposed of in the proceeding^s of the Madras Government, Revenue Department, No. 157, dated 3rd February 1883, a copy of which was forwarded to the Department of Revenue and Agriculture with your endorsement No. 157 A of the same date, I am to observe that the decision therein arrived at is, in the opinion of the Government of India, in accordance with the orders on the subject.

— No. 13. —

(Public—No. 31.)

DESPATCH from the Secretary of State for India to the Government of India, dated 24th of April 1884.

My Lord Marquis,

Para. 1. I HAVE considered in Council the letter of your Excellency in Council, dated the 22nd of January last, No. 10 (Foreign Department, Political), regarding the grant of mining leases in Mysore to certain Government officials and others.

2. In my Despatch of the 19th April 1883, I requested that the Resident at Mysore might be called on for a full report on all the circumstances connected with the grant of these leases. The papers now received do not comprise a complete report; but this deficiency may perhaps be in some measure due to the breaking up of the office of the Chief Commissioner on the transfer of the province of Mysore to the Government of His Highness the Maharaja.

3. The following are the main facts to be gathered from your letter and its enclosures, as regards the connection of Government officials with the mining leases

leases in the Kolar district. The original Kolar mining concession was applied for by Mr. Lavelle in 1873, and a formal deed granting him the concession was signed in February 1875, Sir Richard Meade being at that time the Chief Commissioner. In February 1877 (Mr. Saunders being the Chief Commissioner) Mr. Lavelle gave up his concession, and a new concession was granted in favour of Colonel Beresford of the Madras Staff Corps, then Officiating Assistant Adjutant General, and Mr. Mackenzie, a member of the firm of Messrs. Arbuthnot & Co., of Madras. Shortly afterwards Mr. Mackenzie assigned all his interest in the concession to Colonel Beresford, in whose sole name it henceforth stood. The term of the concession was extended in favour of Colonel Beresford by Mr. Saunders to February 1880; and again to February 1883, by Sir James Gordon, who became Chief Commissioner on the 1st of April 1878. In March and in August 1880, Sir James Gordon granted to Colonel Beresford the leases of two blocks selected by him under his concession; and the grant of these leases and their terms were, in August 1880, reported by the Chief Commissioner to the Government of India. Some correspondence thereupon ensued as to the terms of these leases and generally as to the conditions which should be inserted in mining leases; but it was never suggested that the granting of the leases was objectionable because Colonel Beresford was a Government servant. In March 1881 nine other leases of selected blocks of land were granted to Colonel Beresford; and subsequently, on the 24th of March 1881, the Government of Mysore was restored to His Highness the Maharaja. In December of that same year a copy of a deed, dated 6th December 1881, under which the Kolar Concessionaires Company appears to have been constituted, was furnished to the Government of Mysore, which thereby for the first time received formal notice of the names of the persons interested with Colonel Beresford in the concession. From that deed also it was learnt, for the first time, that, by a deed of February 1880, Colonel Beresford had been declared to hold the concession as a trustee for thirteen (13) shareholders, of whom he himself was one. In 1880 and 1881 many leases and agreements were entered into between Colonel Beresford and his associates and various mining companies or their promoters; but when or how these latter documents were brought to the knowledge of the Mysore Government is not stated.

4. Your Excellency is of opinion that it is clear from the papers that the Orders of 1862 prohibiting civil and military officers from holding land in Native States were overlooked alike by Mr. Dalyell and Mr. Saunders. But if so, it is certainly not less clear that they were overlooked by Sir James Gordon and by the Government of India in 1880 and 1881. It may very possibly be, however, that in the earlier stages of these transactions it was not so much that the orders of Government were overlooked as that, from the specific mention which they made of lands held for agricultural purposes, they were deemed inapplicable to a concession such as this. I agree, nevertheless, with your Excellency in the interpretation which you have put on the orders which have from time to time been issued as to Government servants taking part in the management of companies, and engaging in transactions which are in themselves of a purely speculative character, and I approve of your proposal to publish the orders anew in a revised and concise form.

5. With reference to the officials still in active service who are concerned in these transactions, while I do not doubt that they acted originally in the belief that they were not contravening the orders of Government in acquiring their shares in this concession, I concur with your Excellency in Council in thinking it essential that their interests in it should cease at once.

6. I shall only add that I observe with satisfaction that on a review of all the circumstances, your Excellency in Council is of opinion that the transactions, though objectionable (so far as Government officials were interested in them) as contravening the rules, were conducted in a fair and open manner, and without any intention of concealment or of injuring the interests of the Mysore State.

I have, &c.
(signed) *Kimberley.*

EAST INDIA (MYSORE GOLD MINING).

COPY of, or EXTRACTS from, further CORRESPONDENCE respecting alleged Participation of BRITISH OFFICIALS in MYSORE GOLD MINING TRANSACTIONS, and respecting ALIENATION of STATE DOMAINS in MYSORE (in continuation of Parliamentary Paper, No. 61, Session 1883).

(*Mr. Justin M'Carthy.*)

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