



EAST AFR. PROT

P.O. 12931 8-10-14

12931

Monograph of

1914

7ape.

Last previous Paper.

16772/13

Mica lease.

Submit case for reduction of rent & royalty.

Sir G. Fiddes.

I was present when Mr. Monograph & Mr. ... saw Mr. Read. They pointed out the fact that of the low price of the mica - the figures we have had before were based on a few plates of clear mica found at the surface. All the mica now is of much poorer quality - the sample they showed us was in places the colour of glue and nowhere clear.

The ... resolutions ... do not I think confirm what they say as to rent. It is true that for a ... the rent is ... not more than R 1 per acre (\$30/acre)

Ms? Copy comes for 337 ... body comes. Hottley cons. of ... 1933/14

Next subsequent Paper.

14-239

but for a mining lease (§ 50 &  
Schedules C & D) there is a minimum  
dead rent of R1 per acre and, in  
addition, a Surface rent, not greater  
than R1 per acre, for land used  
for the purposes of mining. [I think  
it is clear that mica comes in category  
(2) of Schedule C - not in (1), which fixes  
the minimum rate.]

The Indian royalty is 5% of the  
Sale value at pit's mouth (Schedule A).  
As I was not able to obtain for W.  
through a clear account of how  
Sale value at pit's mouth differed  
from our "selling price less cost of  
transport to market as shown by  
books", but apparently the Indian  
structure is for the mica to be weighed,  
& classified, & valued, at the point of  
shipment presumably according to  
the latest reports for the London  
market. We have not the stuff  
into the

But the Indian dead rent &  
royalty are not independent - only  
the greater of the two is to be paid  
(§ 50 (1)). If this were applied  
G.R.P. the usual amount (on  
the basis of the figures on page 3) the

relief to the extent of £100 or to the  
worth of mica. 15

As regards E.A.P., since the Govt  
annulled the Order of 1912 (as used)  
they have been brought into force from 1/1/1913  
& the repetition, since it has  
been raised (pp 15 et seq of Volume  
herewith). They provided, under  
mineral leases, for a rent of R. 1  
per acre and royalty <sup>not exceeding</sup> 10% on  
net profits.

§ 123

[Incidentally I don't think the  
Govt ought to have provided for royalty  
on profits when in this case the S. of P.  
had required a royalty on output.

The foregoing seems to be very much  
less valuable than was supposed  
and I think it is to be desired  
that these people ought  
to have some relief.

Under the foregoing first alternative  
a p. 4 depends on the value for time to  
time & cannot well be estimated. His  
second alternative gives, on his figures of 3

Rent (27) £45  
Royalty £22 } £67, with 10% on net profits

from ~~the~~ <sup>the</sup> report etc.

I should think it would be sufficient  
to give for

Rent & interest - £43 } on the 1/10/14  
Royalty, and interest - £108 } op. 3.

This would give substantial relief.

If more is necessary to keep the  
Group, we might adopt the Indian

rate off of rent against royalty;

but in that case we ought to  
invest in the area <sup>being</sup> ~~cut down~~ <sup>to one</sup>  
half - at this selection but it would block

his way up unless the matter  
to be treated as one of urgency as

they may have to close down at  
any moment.

? Put the above terms to him,

saying that for the 10% on output

is in existence in Rhodesia & that  
the S. D. is not prepared to waive

this small amount of duty; say that  
the offer is subject to the ~~group~~

concerns about the Gov. who  
has been asked to reply by tel.

Copy of complete to Gov. for answer

(L. 10/10/14)  
C. 10/10/14  
7083  
1677/12)

& C. 10/10/14 reply, & ask him  
to explain how other people have  
got 640 acres, as opposed to  
480 acres offered by S. D. on  
1677/12, and why he has not

sent down copies of the leases  
as asked in that despatch.

G. C. S.  
9/11/14

Off course we ought  
not to make him no of existence. But  
why on earth did we tell Gov. with over  
about it?

at once. W. 4/11/14

to J. Anderson

I submit that I rather doubt whether  
the relief I have suggested will be adequate,  
as it is based on a certain output, but  
the only benefit there in respect of area,  
which is fixed. But we may have to  
propose to raise the bond?

G. C. S. 9/4/14

2931

17

1495

25, Northholme Road,  
12031 HIGHBURY,  
N.

7th April, 1914.

To H. M. Principal,  
Secretary of State,  
Colonial Office,  
Downing Street,



Sir,

BRITISH EAST AFRICA

Mineral Leases for
320 acres at Mukad.
160 " " "
160 " " "

Further to my interview of yesterday with Mr [redacted] and in confirmation thereof, I beg respectfully to point out that the terms of the above leases are so harsh that I am unable to carry on the development of the mica mine unless you can see your way to considerably reduce the rental and royalties.

As I pointed out yesterday, the rental of Rs.5/- per acre per annum for the whole acreage (the greater proportion of which is dead rents) is iniquitous, and far in excess of that charged by the Indian Government, whose charge is 4 annas per acre for areas bearing mica.

(8.)

Again the Royalty of 10% on Market values is so heavy that it is practically impossible to carry on the work at a profit.

I showed Mr Reid yesterday Account Sales of Mica which had averaged 5<sup>1</sup>/<sub>2</sub>d. per lb. for a large Consignment at Public Auction, and I have, as requested, made out a list of actual prices realized at Public Auction in London, the Account Sales of which ~~same~~ can be seen again if required.

When I approached His Excellency Sir H. C. Belfield he pointed out to me that the terms had been arranged at head-quarters, and that he had no power to go beyond them, and I obtained permission from him to approach you directly, with a view to getting the penalties reduced.

come over here from British East Africa at considerable expense to try and get this matter settled. I have in addition spent over £775/- in proving the Properties (640 Acres) the areas were pegged out under the old Mining Regulations of 1902, which have just been replaced by the 1912 <sup>Ordinance</sup> Ordinance. The old Regulations provided for no special rental for Mineral lands, but the new ordinance provides for an annual rental of Rupees one per acre (the same as the maximum rental for India). That means to say that I, the original prospector, would be handicapped against a late-comer, by having to pay five

five times as much as he. He would also be able to procure the same area as myself as per page 2, Part IV, Division IV, para.54, Mining Ordinance 1912.

Now with regard to the Royalties. - Under the proposed system, I would be called upon to pay 10% of the Market price of the Mica, less Transport expenses.

Giving the Mica a full value/average/ of 1/- per lb. (which is a very fair average value) and the output at 2000 lbs. per mensem (which would be a fair average per Mine) the following approximate figures will give you some idea of the position:-

12 months at 2000 lbs. per mensem = 24,000 lbs.  
 24,000 lbs. Cut Mica at 1/- per lb. = £1,200. 0. 0.

Government Rent	0.	0.
" Royalties	0.	0.
White Supervision	0.	0.
Freight, Hail & charges	0.	0.
C/S & portage	58.	0. 0.
50 boys at Rs.10/. per month (food included)	480.	0. 0.
Balance (to meet incidental expenses etc.)	36	40. 0. 0.

You will readily see the unfairness of the charges for rent and Royalty.

It seems to me that the value of the Mineral has been over-estimated, and I beg of you to bring the Rent and Royalties down to a figure to enable me to resume active operations.

May I make the following alternative proposals, which would be more equitable than those already mentioned.

1. Rent 1/- per annum for full acreage.
2. (a) Royalty to be 5% on the nett value of the Mica at the coast valued periodically, similar to the duty charged on Rubber at present.
- (b) A fixed Royalty of 2/- per 100 lbs. net shipping weight, with an exemption from Customs Duty.

I have perhaps made my explanation rather full and labored, but the matter is of the most vital importance to me, as unless you can meet me I stand to lose over £775/.

This expenditure was made after my having received the personal promise of the commissioner of Mines (The Hon. Mr Hobly) (made in front of witnesses) that the Royalties and Rents charged would only be a small item, certainly not at all likely to hinder operations.

I ask for nothing but fair play, and a chance to prove the Mine. I have taken, and will continue to take great risk, and the Government takes none. All I want is to be charged on the same basis as Indian Mica



Mica Miners if you cannot agree with the alternative proposals already made.

I have the honor to be,

Sr

Yours obediently  
W J Moynagh

Enclosed. Copy of Account Sales of Mica.

References. Indian Mineral Lease.

Rules made 20/5/1899 by Governor General India regarding Mineral Leases in British India No.7552 - 7581 - 121 of 15/9/1915.\*

\* Not reported

Encl in No

22

TURING & FINDLAY,

Mica  
Wholesale Co.

11 Gracechurch Street,

London.

7th April.

1914.

TELEPHONE: 509 CENTRAL

TELEGRAMS: "THORITE" LONDON.

A.B.C. 417 & 517 E.O. &  
LONDON - CODES

R.C.

W. G. Moynagh Esq.,

26, Northholme Road,

HIGHBURY. N.

Dear Sir,

In reply to your enquiry of yesterday, we beg to hand you herewith list of prices realised for Bengal Mica:

Lot	Quantity	Description	Price	Unit
435.	1	Case Mica	9d.	per lb.
" 491.	8	Cases "	3 1/2d.	" "
" 494.	19	" "	4 1/2d.	" "
" 498.	5	" "	4 1/2d.	" "
" 501.	1	Case "	5d.	" "
" 502.	47	Cases "	4 1/2d.	" "
" 505.	6	" "	5 1/2d.	" "
" 508.	1	Case "	6d.	" "
" 677.	10	Cases "	5 1/2d.	" "
" 668.	13	" "	7d.	" "
" 681.	23	" "	7d.	" "
" 946.	15	" "	3 1/2d.	" "
" 926.	30	" "	3 1/2d.	" "
" 928.	54	" "	9d.	" "
" 928.	40	" "	7 1/2d.	" "
" 608.	18	" "	5 1/2d.	" "
" 896.	5	" "	4 1/2d.	" "
" 1001.	5	" "	6 1/2d.	" "
" 1002.	7	" "	4d.	" "

Yours faithfully,

Turing & Findlay

No. 7552—7581—121.

GOVERNMENT OF INDIA.

COMMERCE AND INDUSTRY DEPARTMENT.

GEOLOGY AND MINERALS.

Simla, 15th September 1913.

RESOLUTION.

In supersession of the rules published with Resolution Nos. 18—17—2, dated the 20th May 1899, the Governor-General in Council is pleased to prescribe the following rules for regulating the grant by Local Governments of licenses to prospect for minerals and the grant of mining leases in British India :—

*Rules for the grant by Local Governments of Licenses to prospect for Minerals and of Mining Leases in British India.*

The following rules regulating the grant by Local Governments of licenses to prospect for minerals and the grant of leases of mines and minerals have been made by the Governor-General in Council, and sanctioned by the Secretary of State for India in Council.

PART I.—GENERAL.

1. No license to prospect for minerals or lease of mines and minerals can be granted by any Local Government otherwise than in accordance with these rules, except with the previous sanction of the Secretary of State for India in Council, or with that of the Governor-General in Council, or of any general or special authority which he may have received in this behalf from the Secretary of State in Council.

2. In these rules :—

“Collector” means the Revenue Officer in charge of the district ;

“Local Government” includes a Chief Commissioner ; and

“Person” includes, besides individuals, a public company registered in India or in the United Kingdom, having a duly empowered agent resident in India, or a syndicate, partnership or private firm of which one or more of the members reside in India, or which has a duly authorised agent resident in India.

3. A license or lease under these rules may be granted to any person ; in case of the death of the person or any of the persons to whom it is granted, it shall inure for the benefit of his legal representatives.

4. For the purposes of these rules the Local Government may, in Provinces where there is a Board of Revenue or Financial Commissioner, delegate to such authority all or any of the powers conferred on Local Government by these rules.

5. Nothing in these rules shall apply to minor minerals such as slate, building stone, limestone and clay, the extraction of which will continue to be regulated by such separate rules as the Local Government may lay down in accordance with local circumstances and requirements.

6. The issue of exploring licenses authorising the surface of land to be searched for minerals having been discontinued, the surface of unoccupied and unreserved land which is the property of Government may be freely searched without authority. In the case of occupied land search can be made only with the consent of the occupier.

Provided that in the case of Baluchistan and the North-West Frontier Province, no operations for the exploration of the surface of land for minerals shall be carried on, except under a license granted on such terms as the Local Administration may prescribe.

#### Certificate of approval.

7. No prospecting license or mining lease shall be granted except to a person holding a certificate of approval from the Local Government, within whose jurisdiction the land lies for which the license or lease is asked.

8. A certificate of approval shall have effect from the date thereof, and shall expire at midnight on the 31st of December next following: provided that a certificate issued in the last quarter of the year shall be valid until the 31st of December of the year following. Only one person shall be named in the certificate. The fee payable therefor shall be Rs. 50, and the certificate shall cover applications in respect of minerals of all kinds.

9. A certificate of approval may be renewed at the discretion of the Local Government on payment of a fee of Rs. 10, if the application for renewal is received within one month after the date of expiry of the original certificate. Otherwise the full fee of Rs. 50 shall be charged. The Local Government may delegate to any officer not below the rank of Collector, the power to renew a certificate of approval on payment of the prescribed fee, in any case in which the certificate holder has carried on operations under a prospecting license or mining lease within the jurisdiction of the officer to whom the power is delegated.

10. The names of persons to whom certificates of approval have been granted shall be published in the Local Government Gazette, and every application for a prospecting license or a mining lease shall contain a statement of the number and date of the Gazette notification of the certificate of approval.

11. Before considering an application for a prospecting license or a mining lease, the Collector shall verify the Gazette notification quoted, and shall refuse any application for a license or a mining lease from a person not in possession of a valid certificate of approval: provided that the Collector may at his discretion require the production of the original certificate of approval.

12. Licenses or leases previously granted may be held by a grantee who is no longer in possession of a certificate of approval.

#### PART II.—PROSPECTING LICENSES.

13. A license to prospect for minerals or mineral oil, called hereinafter a prospecting license, shall confer on the licensee the sole right, subject to the conditions contained in the license, to mine, quarry, bore, dig and search for, win, work, and carry away any mineral or mineral oil lying, or being within, under or throughout the land specified in the license.

Provided that the right to prospect for reserved minerals shall be exercised only by British subjects.

14. A prospecting license shall be granted only in respect of land in which the mines, minerals, or mineral oils are the property of Government.

15. Every application for a prospecting license shall, unless the Local Government shall in any case otherwise direct, be made to the Collector of the district in which the land or some part of the land with respect to which the license is required is situate.

16. Every such application shall contain the following particulars, namely:—

(a) The name, profession and residence of the applicant, if he is an individual; or if the applicant is a company, syndicate, partnership or private firm, its name, and nature and place of business; and if the place of business is outside India, the name and residence of a member or duly authorised agent resident in India.

(b) A description, illustrated by a map or plan, showing as accurately as possible the situation, boundaries and area of the land with respect to which the license is required.

17. Should the applicant for a prospecting license desire the Collector to prepare for him the map or plan required by the foregoing rule, or should the map or plan presented by the applicant be insufficient, the Collector may prepare the map or plan required, and may, if he so order, recover the cost from the applicant at such rate or rates as the Local Government may by general order prescribe.

18. The Local Government may declare, in respect of any specified area, that in lieu of presenting an application containing the particulars required in rule 16 above, the applicant for a prospecting license shall adopt the procedure set forth below, or such modification thereof as the Local Government may prescribe:—

(1) He shall, before forwarding his application to the Collector, demarcate the area applied for in the following method:—

(a) At every angle or corner of each boundary line or as near thereto as is practicable, he shall fix pegs of substantial material, standing not less than 2 feet above the surface of the ground, and being not less than 3 inches square or 3 inches in diameter.

(b) If pegs be not obtainable, he may use instead cairns, of stones or mounds of earth, having in each case a height of not less than 2 feet and a diameter at the base of not less than 2 feet.

(c) The direction of the boundary line on each side of each peg, cairn or mound shall be indicated with reasonable care by a trench having a length of 4 feet and a breadth and depth of not less than 6 inches: provided that if trenches cannot be conveniently cut, the direction of the boundary lines shall be indicated by finger posts, or in any other manner suitable for the purpose.

(d) The pegs, cairns or mounds shall bear or have marked thereon some distinguishing mark which shall be described in the application.

(e) In the case of an application for land on the seashore, it shall not be necessary to mark out the land below high-water level.

(f) No peg, cairn, mound, or other mark employed in marking out the land applied for, shall be removed or defaced after the application shall have been filed, without the permission of the Collector.

(2) The application to the Collector shall contain the following particulars:—

(a) The name, profession and residence of the applicant, if he is an individual; or if the applicant is a company, syndicate, partnership or private firm, its name, and nature and place of business, and if the place of business is outside India, the name and residence of a member or duly authorised agent resident in India.

(b) A description, as accurate as possible, and illustrated by a sketch of the situation, boundaries and area of the land with respect to which the license is required.

- (c) A description of the distinguishing mark on the pegs, cairns or mounds constructed to mark out the boundaries of the concession applied for.
- (d) The date of marking out the concession applied for.

(3) The application shall be accompanied by a deposit at such rate or rates as the Local Government may by general order prescribe to meet the cost of survey of the area.

(4) Unless the Collector is of opinion that it is not expedient to grant the license, he shall, as soon as possible after the receipt of the application, cause the land applied for to be surveyed at the expense of the applicant, and the area and all other details ascertained in the course of such survey shall be presumed to be correct. Provided that the Collector may at his discretion dispense with such survey, if the boundaries of the area applied for conform to boundaries already ascertained in a Government survey, e.g., the boundaries of survey numbers in a revenue survey.

19. On receipt of any application under rule 16 or rule 18 the Collector, or such officer as he may authorise to do so, shall note thereon the date and hour of its receipt, and shall deliver to the applicant an acknowledgment stating the date and hour of receipt.

20. The Collector shall then as soon as practicable, inquire whether the grant of the license applied for is inexpedient, either on the ground that the land described in the application is required for a public purpose or otherwise.

21. Should the Collector be of opinion that it is not expedient to grant the license, he shall refuse to grant it. An appeal shall lie from the order of the Collector to the next higher revenue authority.

22. Subject to the control of the Local Government, the Collector if he finds that the applicant is in possession of a valid certificate of title, and that there is no objection to the grant of the license applied for, may grant the applicant a license in such form as may be prescribed.

23. In the case of two or more applications affecting the same land, the prior right in a license shall subject to any order to the contrary, which the Local Government may in its discretion pass in any particular case, be assumed to lie with the applicant, who being the holder of a valid certificate of approval and after compliance with the procedure prescribed by the rules, shall have been the first to file his application with the Collector.

24. Every applicant shall, before the license is granted, deposit as security in respect of such license, a sum of Rs. 100 per square mile or part of a square mile of the area covered by the license, or, with the Collector's permission, give security to a like amount to the satisfaction of the Collector.

25. Subject to such deduction on account of compensation for surface damage, penalty, or otherwise as the Collector may order, the amount of any deposit made under the foregoing rule, should the depositor afterwards be granted a mining lease, will be carried to his credit as part of the rents, royalties or deposit money payable under the lease. Or should he decline to receive or fail to obtain any such lease as aforesaid, the amount will be returned to him on his satisfying the Collector that the condition in rule 30 (iii) has been complied with and on his furnishing the Collector with the information required by rule 33.

26. If a license is not executed within three months after leave has been granted for it, the right of the applicant to such license shall be held to have lapsed, unless the Local Government, for special reasons, consents to grant the same notwithstanding the delay or considers that the delay is not attributable to the applicant.

27. A register of applications for prospecting licenses shall be kept in English in the Collector's Office, specifying—

- (1) Serial number,
- (2) Name of applicant,
- (3) Residence of applicant,
- (4) Date and number of certificates of approval granted to applicant,
- (5) Date of application,
- (6) If application received incomplete, the date of completion,
- (7) Situation and boundaries of the land,
- (8) Estimated area,
- (9) Date of license, if granted; (or date of order of refusal),
- (10) Period for which granted, with note as to renewal or extension,
- (11) Fee and royalty payable under rule 30 (ii) and (iii),
- (12) Amount of deposit, and
- (13) Particulars of disposal or refund of deposit.

28. The register shall be open to inspection by any holder of a valid certificate of approval or his duly authorised representative, on payment of such fee as the Local Government may prescribe.

29. A return of licenses granted or refused shall be submitted by the Collector at such intervals and to such authority as the Local Government may direct.

30. Every prospecting license shall contain such conditions as may in any particular case seem necessary, and shall in all cases contain the following conditions:—

(i) The term for which the license shall be granted shall be one year or such shorter term as the applicant may desire. The license may be renewed by the Collector for a further term not exceeding two years, whenever he is satisfied that a longer period than one year is required in order to enable the licensee to complete his search of the land.

Provided that when the licensee has, before the termination of the period of the license applied for, granted a mining lease, the Collector may further extend the period of the license until a mining lease is granted or for such time as he may deem fit.

(ii) The licensee shall pay a fee, not exceeding one rupee, and not less than one anna, per acre of the land covered by the license. When a license is renewed under the last foregoing condition, a fresh fee shall be payable subject to the same maximum and minimum charge, for each year or part of a year for which the license is renewed. But no fee shall be payable for an extension of the term of license under the proviso to that condition.

(iii) The licensee shall pay royalty at a rate not exceeding 15 per cent of the value on all precious stones won and carried away, and a royalty at the rates specified in Schedule A in Part IX of these rules on all other minerals won and carried away over and above such quantity as is allowed in Schedule B to be taken free for purposes of experiment.

(iv) The licensee shall make and pay such reasonable satisfaction and compensation, as may be assessed by lawful authority in accordance with the law in force on the subject applying to the lands over which the license has been granted, for all damage, injury or

disturbance which may be done by him in exercise of the powers granted by the license, and shall indemnify the Government against all claims which may be made by third parties in respect of any such damage, injury or disturbance.

**Note.**—The powers necessary for the proper enjoyment of minerals, the property of Government, together with the methods according to which such powers are to be exercised by Government or by its assignees are governed by the law for the time being in force in each province. Where the law confers such powers on the Local Government or its assignees, the Local Government may make local rules indicating the conditions on which licenses shall have right of access to minerals, the right to use of water in connection with the working thereof, and the like.

The licensee shall not cut or injure any tree on unoccupied and reserved land without the permission in writing of the Collector, or of such officer or officers as he may appoint; nor, without the permission of the Collector, shall he disturb the surface of any road, or enter on any public pleasure ground, burning or burying ground, or place held sacred by any class of persons, or interfere with any right-of-way, well or tank.

(vi) The licensee shall have power to assign his license or transfer any right or interest thereunder to a person holding a valid certificate of approval subject to the following conditions:—

(a) No such assignment or transfer shall be made in favour of any person who, by himself or by those joint in interest with him, already holds a mining lease or leases over ten square miles within the territories administered by the Local Government within whose jurisdiction the land lies for which the license has been granted.

The actual position of the transferee in this matter, if not known to the licensee should be ascertained from the local Government.

(b) Every such assignment or transfer shall be reported to the Collector within one calendar month from the date of its completion, together with full particulars of the transaction.

(c) Every such assignment or transfer shall within a further period of two months be registered in the office of the Collector on payment of a fee of Rs. 50.

Provided that in the case of any particular mineral reserved by order of the Governor-General in Council, the previous sanction of the Local Government to the assignment or transfer shall be required.

The minerals reserved at present are petroleum, chromite, and ores of manganese, vanadium, molybdenum, nickel, and tungsten.

Provided also that in the North-West Frontier Province and Baluchistan no transfer or assignment in the case of any mineral whatever may be made without the consent of the Agent to the Governor-General and Chief Commissioner.

(vii) In case of any breach on the part of the licensee or his transferee or assignee of any of the preceding clauses, the Collector may summarily revoke the license, and thereupon all rights conferred thereby or enjoyed thereunder shall cease; or, should he see fit, he may, in lieu thereof, declare to be forfeited to Government, the whole or any part of the deposit made by the licensee under rule 24. An appeal shall lie to the Local Government against any such order within thirty days from the date of its communication to the licensee.

(viii) Save in the case of land over which the licensee shall have been granted a mining lease on or before the determination of the license, he shall within six months next after the determination of the license or the date of the abandonment of the undertaking, whichever shall first occur, securely plug any bores and fill up

or fence any holes or excavations that he may have made in the land to such extent as the Collector may require, and shall to the like extent restore the surface of the land and all buildings thereon which he may have damaged in the course of prospecting.

Provided that the licensee shall not be compelled to restore the surface of land or any buildings in respect of which full and proper compensation has already been paid under condition (v).

(ix) Should any question or dispute arise regarding the license, or any matter or thing connected therewith or the powers of the licensee thereunder, or the amount or payment of the fee or royalty made payable thereby, the matter in difference shall be decided by the Local Government whose decision shall be final.

31. All operations conducted under the authority of these rules within a reserved or protected forest shall be subject to such conditions as the Local Government may by general or special order from time to time prescribe. It shall be a condition of every license granted under these rules that, before the commencement of prospecting within a reserved or protected forest, 30 days' notice shall be given to the District Forest Officer of the intention to commence operations, and that the operations shall be conducted subject to any conditions regarding the use of fire that he may prescribe.

32. On or before the determination of his license, the licensee shall have a right—

(a) in the case of a mineral oil or minerals other than precious stones, to a mining lease in accordance with the terms contained in the rules for mining leases;

(b) in the case of precious stones, to the first offer of such mining lease as the Governor-General in Council may think fit to grant.

Such lease may include so much land, comprising the whole or a part only of the area for which the prospecting license was granted, as shall not exceed the area specified with respect to mining leases in rule 45.

33. If so required by the Local Government the licensee shall, before the deposit made under rule 24 is returned, disclose confidentially to the Collector, all information acquired in the course of the operations carried on under the license, and with the minerals obtained, as to the geological formation of any area not taken up by him under a mining lease.

#### PART III MINING LEASES

34. Every application for the grant of a mining lease, not being a lease of a mine of precious stones, shall be presented to the Collector in whose district the land or some part of the land with respect to which the lease is required, is situate. The Collector shall forward the application through the proper channel to the Local Government.

35. A mining lease shall be granted only in respect of land in which the mines, minerals, or mineral oils are the property of Government.

36. With the application, the applicant shall deposit as security in respect of preliminary expenses such sum, not exceeding Rs. 500, as the Collector may determine, or with the Collector's permission, give security to the like amount to the satisfaction of the Collector. If the application relates to an area for which the applicant holds a prospecting license, any amount held in deposit under rule 24 in respect of such prospecting license, will be carried to his account.

37. The amount of the deposit made under rule 36, less any expenses incurred by or on behalf of Government, shall if the depositor be granted a mining lease, be carried to his credit, as part of the rent or royalties payable under the lease, or if he declines or fails to obtain any such lease as aforesaid, will be returned to him.

38. Every application for a mining lease shall contain the following particulars, namely:—

- (a) the name, residence and profession of the applicant if he is an individual, or if the applicant is a company, syndicate, private firm or partnership, its name and nature and place of business, and if the place of business is outside India, the name and residence of a member or duly authorised agent resident in India;
- (b) a specification of the mineral or minerals for which the applicant intends to mine;
- (c) a description, illustrated by a map or plan, showing as accurately as possible the situation, boundaries and area of the land with respect to which the lease is required;
- (d) a statement showing all areas within the jurisdiction of the Local Government already held by the applicant, or by any person joint in interest with him in prospecting or mining right;
- (e) the period for which the lease is required.

39. Should the applicant for a mining lease desire the Collector to prepare for him the map or plan required by the foregoing rule, or should the map or plan presented by the applicant be insufficient, the Collector may prepare the map or plan required, and may, if he so order, recover the cost from the applicant at such rate or rates as the Local Government may by general order prescribe.

Note.—It shall be competent to the Local Government by general order to direct that an accurate survey be made at the expense of the lessee of all lands granted on mining lease, if a map or plan has not been already prepared by the Collector. Such survey may be made at any time after it is decided to grant the lease, the object being to secure an authoritative record of the areas covered by the lease.

40. The Local Government may declare in respect of any specified area, that in lieu of presenting an application containing the particulars required in rule 38 above, every applicant for a mining lease over an area, in respect of which he is not already in possession of or has not submitted an application for a prospecting license, shall adopt the procedure set forth below, or such modification thereof as the Local Government may prescribe:—

(1) He shall, before forwarding his application to the Collector, demarcate the area applied for in the following method:—

- (a) At every angle or corner of each boundary line, or as near thereto as is practicable, he shall fix pegs of substantial material standing not less than 2 feet above the surface of the ground, and being not less than 3 inches square or 3 inches in diameter.
- (b) If pegs be not obtainable, he may use instead, cairns of stones or mounds of earth, having in each case a height of not less than 2 feet and a diameter at the base of not less than 2 feet.
- (c) The direction of the boundary line on each side of each peg, cairn or mound shall be indicated with reasonable care by a trench having a length of 4 feet, and a breadth and depth of not less than 6 inches, provided that if trenches cannot be conveniently cut, the direction of the boundary line shall be indicated by finger posts, or in any other manner suitable for the purpose.
- (d) The pegs, cairns or mounds shall bear or have affixed thereto some distinguishing mark which shall be described in the application.
- (e) In the case of an application for land on the seashore, it shall not be necessary to mark out the land below high-water level.
- (f) No peg, cairn, mound, or other mark employed in marking out the land applied for shall be removed or defaced after the application shall have been filed without the permission of the Collector.

(2) The application to the Collector shall contain the following particulars, viz.:—

- (a) The name, profession and residence of the applicant, if he is an individual; or if the applicant is a company, syndicate, partnership or private firm, its name and nature and place of business, and if the place of business is outside India, the name and residence of a member or duly authorised agent resident in India.
- (b) A description, as accurate as possible and illustrated by a sketch, of the situation, boundaries and area of the land with respect to which the lease is required.
- (c) A description of the distinguishing mark on the pegs, cairns or mounds constructed to mark out the boundaries of the concession applied for.
- (d) The date of marking out the concession applied for.
- (e) A specification of the mineral or minerals for which the applicant intends to mine.
- (f) A statement showing all areas within the jurisdiction of the Local Government already held by the applicant or any person joint in interest with him in prospecting or mining right.
- (g) The period for which the lease is required.

(3) The application shall be accompanied by such deposit, in addition to that prescribed in rule 36 above, as the Local Government may by general or special order declare to be required to meet the cost of survey of the area.

(4) The Collector shall, as soon as possible after the receipt of the application, cause the land applied for to be surveyed at the expense of the applicant, and the area and all other details ascertained in the course of such survey shall be presumed to be correct.

41. On receipt of any application under rule 38 or 40 above, the Collector, or such officer as he may authorize to do so, shall note thereon the date and hour of its receipt and shall deliver to the applicant an acknowledgment stating the date and hour of receipt.

42. In the case of more applications affecting the same land and presented by applicants who are not in possession of, or have not applied for, prospecting licenses, the prior right to a lease shall, subject to any order which the Local Government may pass in any particular case, be deemed to be in favour of the applicant who, being the holder of a valid certificate of approval and after complying with the procedure prescribed by the rules, shall have been the first to file his application with the Collector.

43. A register of applications for mining leases shall be kept in English in the Collector's office specifying, as far as may be, the matters prescribed by rule 27 for the register of applications for prospecting licenses.

44. The register shall be open to inspection by any holder of a certificate of approval or his duly authorised representative on payment of such fee as the Local Government may prescribe.

45. On receipt of the application from the Collector, the Local Government may, if the applicant is entitled to a lease under rule 22, or if it considers that the applicant should be granted a mining lease, grant the same in accordance with these rules over such area as it may think fit:

Provided that no mining lease shall be granted by the Local Government under these rules, so as to cause the total area held under mining leases for minerals of whatsoever kind by the lessee or by those joint in interest with him to exceed ten square miles within the territories administered by the Local Government.

46. If a lease is not executed within six months after leave has been granted for it, the right of the applicant to such lease shall be held to have

lapsed, unless the Local Government for special reasons consents to grant the same notwithstanding the delay, or considers that the delay is not attributable to the applicant.

*Note.*—Every lease shall before it is executed be approved by the Advocate General or other legal adviser, if any, appointed for the Province.

47. Without the previous sanction of the Governor-General in Council, the length of an area held under the mining lease shall not be allowed to exceed four times its breadth:

Provided that this rule shall not apply to areas in over beds held on lease for dredging purposes, in respect of which the Local Government may, with the sanction of the Governor-General in Council, make rules as to the dimensions and shape of areas for which such leases may be granted.

48. The Governor-General in Council may delegate to the Local Government the power to grant exemption from the operation of this rule, in respect of specified minerals and subject to such restrictions as to limit of length or otherwise as he may think fit.

49. The boundaries below the surface of all areas given out on mining lease under these rules shall be considered to run vertically downwards towards the centre of the earth.

50. The term for which a mining lease may be granted shall not exceed 30 years, but the lease may contain a clause permitting renewal for a period not exceeding 30 years, on a dead and surface rent not exceeding twice the original dead and surface rent respectively, the royalty payable being that which may on the day next following that on which the original lease shall determine, be in force under the orders of competent authority.

51. Every mining lease shall contain such conditions and stipulations as the Local Government may in each case consider necessary, and shall in every case contain the following conditions, namely:—

(i) The lessee shall pay a royalty or royalties at the rate specified in the lease, which rate or rates shall be those fixed for the particular mineral or minerals in Schedule A in Part IV of these rules; and if any other mineral shall be discovered by him, then the royalty shall be paid therefor at such rate, not being less than 40 per cent of the value thereof, as the Local Government may determine, until a mining lease has been obtained in respect of such mineral; but the lessee shall be entitled within twelve months from the discovery of such mineral to require and obtain such lease for the term then unexpired of his original lease; provided that, if he declines to take a lease as above provided, the Local Government may give a lease in respect of such mineral to any other person.

(ii) The lessee shall also pay for every year after the first year, a fixed yearly dead rent at a rate not less than that laid down in Schedule C in Part IV of these rules; provided that no lessee shall pay both royalty and dead rent in respect of the same lease, but only, each one of them as may be of the greater amount.

(iii) The lessee shall also pay for all land which he may take up, use, or occupy for the purpose of the mine a surface rent at the rate specified in Schedule D.

(iv) The lessee shall at his own expense erect and at all times maintain and keep in repair boundary marks and pillars according to the demarcation to be shown in a plan annexed to his lease.

(v) The lessee shall make and pay such reasonable satisfaction and compensation, as may be assessed by lawful authority in accordance with the law in force on the subject applying to the lands over which the lease has been granted, for all damage, injury or disturbance which may be done by him in exercise of

the powers granted by the lease, and shall indemnify the Government against all claims which may be made by third parties in respect of any such damage, injury or disturbance.

*Note.*—The powers necessary for the proper enjoyment of minerals, the property of Government, together with the methods according to which such powers are to be exercised by Government or by its assignees, are governed by the law for the time being in force in each province. Where the law conferring such powers on the Local Government or its assignees, the Local Government may make local rules indicating the conditions on which lessees shall have right of access to minerals, the right to use of water in connection with the working thereof, and the like.

(vi) The lessee shall not cut or remove any tree reserved in the lease.

(vii) The lessee shall have power to assign his lease or transfer any right or interest thereunder to a person holding a valid certificate of approval subject to the following conditions:—

(a) No such assignment or transfer shall be made in favour of any person who, by himself or by those joint in interest with him, already holds a mining lease or leases which is or are, or which with the addition of the area now proposed for assignment or transfer will be over ten square miles within the territories administered by the Local Government within whose jurisdiction the land lies for which the lease has been granted. The actual position of the transferee in this matter, if not known to the lessee, should be ascertained from the Local Government.

(b) Every such assignment or transfer shall be reported to the Collector within one calendar month from the date of its completion, together with full particulars of the transaction.

(c) Every such assignment or transfer shall within a further period of two months be registered in the office of the Collector on payment of a fee of Rs. 50.

Provided that in the case of any particular mineral reserved by order of the Governor-General in Council, the previous sanction of the Local Government to the assignment or transfer is required.

The minerals which at present are petroleum, chromite and iron, manganese, vanadium, molybdenum, nickel and tungsten.

Provided also that in the North-West Frontier Province and Baluchistan no transfer or assignment in the case of any mineral whatever may be made without the consent of the Agent to the Governor-General and Chief Commissioner.

(viii) Unless prevented by reasonable cause of which the Local Government shall be the judge, the lessee shall commence operations within one year from the date of the execution of the lease and shall thereafter carry them out diligently in a proper, skillful and mining-like manner. Should the lessee cease without such cause to work the mine for a period exceeding two years in such a manner as to produce sufficient mineral to earn a royalty at least equal to the dead rent, it shall be deemed a breach of this condition.

*Note.*—For the purpose of the first part of this condition, such measures as the erection of machinery for the purpose of working the mine, although not necessarily on the land covered by the lease, or the construction of roads or tramways in connection with the mine, shall be deemed to be sufficient compliance with the requirement of commencing operations.

(ix) The lessee shall keep correct accounts showing the quantity and particulars of all minerals obtained from the mine and the number of persons employed therein, and also complete plans of



the mine, and shall allow any officer authorised by the Local Government in that behalf at any time to examine such accounts and plans, and shall furnish the Local Government with such information and returns in respect of the aforesaid matter as it may prescribe.

- (x) The lessee shall allow existing and future license or lease-holders of any land which is comprised in or adjoins or is reached by the land held by the lessee, reasonable facilities of access thereto.
- (xi) The lessee shall allow any officer authorised by the Local Government in that behalf to enter upon the premises comprised in the lease for the purpose of inspecting the same.
- (xii) The lessee shall without delay report to the Collector the discovery on or within any of the lands or mines demised by the lease of any mineral not specified in the lease.
- (xiii) Should the royalty or rent reserved or made payable by the lease be not paid within two months next after the date fixed in the lease for the payment of the same, the Local Government may enter upon the said premises and detain all or any of the minerals of movable property therein, and may order the sale of the property so detained or so much of it as will suffice for the satisfaction of the rent or royalty due and all costs and expenses occasioned by the non-payment thereof; and, if any royalty or rent remain at any time unpaid for six calendar months after the date on which it is due, the Local Government may determine the lease and take possession of the premises comprised therein.
- (xiv) In case of any breach on the part of the lessee of any covenant or condition contained in the lease, the Local Government may determine the lease and take possession of the said premises; or, in the alternative, may accept payment of a penalty, not exceeding twice the amount of the annual dead rent, from the lessee.
- (xv) At the end or sooner determination of the lease, the lessee shall deliver up the said premises and all mines (if any dug therein in a proper and workman-like state, save in respect of any working as to which the Local Government may have sanctioned abandonment.
- (xvi) Should any question or dispute arise regarding the lease of any mine or thing connected with the mine and minerals leased or the working or non-working thereof or the amount of payment of the royalty or rent reserved or made payable by the lease, the matter in difference shall be decided by the Local Government, whose decision thereon shall be final.

51. All operations conducted under the authority of these rules within a reserved or protected forest shall be subject to such conditions as the Local Government may by general or special order from time to time prescribe. It shall be a condition of every lease granted under these rules that before the commencement of work within a reserved or protected forest, 30 days' notice shall be given to the District Forest Officer of the intention to commence operations, and that the operations shall be conducted subject to any conditions regarding the use of fire that he may prescribe.

52. Every mining lease which includes any portion of a reserved or protected forest shall, if it authorises the lessee to fell timber for mining purposes, specify the area within which, or the quantity up to which, and the terms and conditions upon which, he may exercise that authority.

53. No lease of a mine of precious stones shall be granted except by the Governor-General in Council. The procedure for obtaining, and the conditions

of such lease shall be those prescribed by rules 34 to 50, read as if the Governor-General in Council were substituted for the Local Government.

54. The lessee shall be at liberty to determine the lease at any time on giving not less than twelve calendar months' notice in writing to the Collector; and upon the expiration of such notice, provided that all sums due on account of the lease shall have been paid, the lease shall be determined. When a lessee exercises his option of determining a lease, he shall not be granted subsequently a new lease over a portion only of the land covered by the original lease.

#### PART IV.—RENTS AND ROYALTIES

##### SCHEDULE A.

Royalty—Rule 30 (iii) and 50 (i).

Coal, exclusive of dust and coal used on the works	...	5 per cent on the sale value at the pit's mouth, with a minimum of 2 annas per ton.
Coal dust	...	Half the rates fixed for coal.
Mica	...	5 per cent on the sale value at the pit's mouth.
Oil	...	8 annas per 40 gallons or 5 per cent <i>ad valorem</i> on gross value.
Gold and silver	...	7½ per cent on the profits* of each year taken separately or 2½ per cent on the gross value, at the option of the Local Government.
Iron	...	1 anna per ton of iron stone.
Precious stones	...	30 per cent on the net profits of each year taken separately (for mining leases only).
All other minerals specified above	...	2½ per cent on the sale value at the pit's mouth, or on the surface of the dressed ore or metal, convertible at the option of the Local Government to an equivalent charge per cent to be fixed annually or for a term.

\* Profits shall be taken to mean the excess of the revenue which is wholly derived from the sale of the mineral or minerals specified over expenditure after all costs and expenses chargeable to the actual working and management of the mine shall have been included. But neither depreciation on the investment of the proprietors' fees, nor any revenue or expenditure obtained or incurred on account of share or capital transactions, or by trading, shall be brought into the account, provided that the fees of such Director or Directors as may actually direct technical operations and are specifically denoted as Managing Director or Managing Directors may be included in expenditure.

##### SCHEDULE B.

Maximum quantities removable free of royalty—Rule 30 (iii).

Class A.—Separated gold, platinum and other precious metals occurring in the native state	...	Nil
B.—Auriferous rock and ores	...	2 tons
C.—Metalliferous ores such as those worked for aluminium, iron, or manganese	...	...
D.—Metalliferous ores, such as those worked for antimony, arsenic, bismuth, chromium, copper, lead, nickel, tin, titanium, tungsten, zinc	...	5 "

- Class E.—Metalliferous ores such as those worked for cadmium, cobalt, mercury, molybdenum, silver, thallium, vanadium. 2 tons.
- " F.—Compound ores containing the metals of class E in smaller quantities than those of class D. 5 "
- " G.—Concentrates of the ores enumerated in classes D to F ... 2 cwt.
- " H.—Coal, lignite ... 50 tons.
- " I.—Petroleum ... 200 gallons.
- " J.—Minerals of the so-called "rare earths," such as minerals worked specifically for caesium, cerium, columbium, didymium, erbium, gallium, germanium, indium, lithium, niobium, rubidium, tantalum, thorium, uranium, yttrium and zirconium. 1 ton.
- " K.—Minerals used in agriculture and chemical manufactures, such as bauxite, gypsum, iron pyrites, and pyritous shales. 10 tons.
- " L.—Minerals used in various arts, such as barytes, bitumen, borax, corundum, emery, felspar, fluor spar. 1 ton.
- " M.—Asbestos, graphite, mica, and native sulphur. ... 1 cwt.
- " N.—Precious stones and gems such as agate, amber, ambygonite, amethyst, aquamarine, beryl, chrysoberyl, chrysolite, diamond, emerald, garnet, jade and jadeite, jasper, lapis lazuli, moonstone, opal, ruby, sapphire, spinel, topaz, tourmaline, and turquoise. Nil.

## SCHEDULE C.

## Minimum Dead Rent—Rule 50 (ii).

Mineral.	Dead rent per acre (minimum).
(1) Coal lignite, minerals used in agriculture and chemical manufactures, such as bauxite, gypsum, iron pyrites and pyritous shales.	4 annas per acre.
(2) Gold and silver, precious stones, and all minerals [not included in (1) above, except iron-ore].	1 rupee per acre.
(3) Iron-ore	2 annas

Note.—These minima are purposely fixed low, but they are liable to be increased according to the value of the deposit and degree of development.

## SCHEDULE D.

## Surface Rent—Rule 50 (iii).

The rent rate assessable under the revenue and rent law of the Province, or, if no such rent is so assessable, the rate which may be fixed by Government, subject to a maximum of one rupee and a minimum of four annas per acre.

ORDER. Ordered, that a copy of this Resolution be forwarded to all Local Governments and Administrations for information and guidance, and that a copy be forwarded to the Foreign and Revenue and Agricultural Departments, to Chambers of Commerce, and to the Director, Geological Survey of India, for information.

Ordered, also, that the Resolution be published in the Supplement to the Gazette of India for general information.

J. F. GRUNING,

Offg. Secretary to the Government of India.

12931

7th APR 1914

30/4/14



15 April 1914

DRAFT.

W J Maynard Esq.

Ansrd. 1/8/14

MINUTE.

- Mr. H. H. M. 9.4.14
- Mr.
- Sir G. Fiddes.
- Sir H. Just.
- Sir J. Anderson.
- Lord B. Smith.
- Mr. Harkourt.

for course

\* No 12931.

copy Hally cons 7 July 14. 10/22633.  
 copy for 207 cons 15 April 14

Sir,

I am directed by the Secy. Harkourt to acknowledge the receipt of your letter of the 7th of April, in the subject of the terms of the license granted to you and Mr. Payashi for the purpose of mining for iron on the East Africa Protectorate.

2. The Hon. Secy. is not prepared to state a final decision on the matter without the concurrence of the Govt., before a copy of this consp. is being sent with a request for a reply by telegraph, but

he is willing, as at present  
stands, to give to the  
reduction of the rent to  
one shilling per acre,  
the sum

of the land offered, from  
the C of the Revolution  
of 1713, to be the  
maximum rate for  
dead rent in the case

of any lease in India, unless there is in addition  
a surplus rent not exceeding one sixth part of the land actually  
used in commerce with present operations.

He respects however  
that as at present stands  
he is not prepared to  
give a lower rate of rent than

than 70%, based on  
selling price less cost of  
transport to market as  
shown by books, as  
a maximum to be paid  
the rate is already in  
force in Rhodasia &  
the same time he is  
willing to surrender you

widely a to be taken, and  
he could be equal, if you  
consider it essential, to  
the adoption of the principle  
laid down in para 506  
of the Indian resolution,  
by which dead rent and  
royalty are not both  
paid, but only the  
greater of the two amounts.

4. If however this  
principle is adopted, the  
Hauzdar considers that it would  
be necessary to reserve the  
power, in case of the failure  
of the possibility of a large amount  
of land being locked up  
unproductively and without  
any return to the Govt. either  
in rent or royalty; and  
he would propose that  
the area should be returned  
to one-half, to be selected  
at the choice of the Government  
but so as to form a  
total which in the case of

12/2/14

5/11/14  
12931

32

1493



15 April 1914

ansd 22603

DRAFT.

E.A.P. (no. 337)

For

Belfield

MINUTE.

Mr. B. H. H. 19 & 14

Mr.

Sir G. Fiddes.

Sir H. Just.

Mr. J. A. ...

Lord Emmott.

Mr. Harcourt.

For ...

W. H. ...  
11/12/14

15 April  
2nd ...

\* No. 16777  
African No. 998  
+ No. 15937

Sir,  
I have the honor to  
transmit by air, with  
ref. being despatched 201405  
of the 28th of May, 1913,  
the second copy of copy of  
correspondence with the  
Parliament on the subject  
of the Africa leaves held  
by him and his Progenitor  
with the E.A.P. I shall be  
glad if you will send me  
a telegraph address so  
I can be the revision of  
the leaves on the lines  
indicated in the letter  
of the 15th of April.

10/22/14  
1 July 14  
copy ...

2. Mr. [unclear] has proposed  
later, his application  
was made after discussion  
with you and with your  
permission, I venture  
to suggest that it would  
be better if you  
had communicated  
with me on the subject,  
as it is one on which  
I should naturally  
prefer to have your  
views, especially as I  
am not fully informed  
of the existing circumstances.

3. There would appear to  
have been a third lease  
of 160 acres in addition  
to the two (of 320 and  
160 acres) referred to  
in my report under  
reference A that  
referred to, also, I requested  
you to furnish me with

of the lease, and  
I draw your attention to  
the matter in my  
interim report of the  
25<sup>th</sup> of October 1905

I have do.

L. HARCOURT

\* No  
7 No