

UNIVERSAL
LIBRARY

OU 174289

UNIVERSAL
LIBRARY

ساتھ

LAND REVENUE POLICY

OF THE

INDIAN GOVERNMENT.

*PUBLISHED BY ORDER OF THE
GOVERNOR GENERAL OF INDIA IN COUNCIL.*



CALCUTTA :
OFFICE OF THE SUPERINTENDENT, GOVERNMENT PRINTING, INDIA.
1902.

Price Three Annas.
English Price Four Pence.

*Agents for the sale of Books published by the Superintendent of
Government Printing, India, Calcutta.*

IN ENGLAND.

E. A. Arnold, 37, Bedford Street, Strand, London, W. C.	Luzac & Co., 46, Great Russell Street, London, W. C.
Constable & Co., 2, Whitehall Gardens, London, S. W.	Kegan Paul, Trench, Trübner, & Co., Charing Cross Road, London, W. C.
Sampson Low, Marston & Co., St. Dunstan's House, Fetter Lane, London, E. C.	B. A. Quaritch, Esq., 15, Piccadilly, W. Williams and Norgate, Oxford.
P. S. King & Son, 2 & 4, Great Smith Street, Westminster, London, S. W.	Deighton Bell & Co., Cambridge.

ON THE CONTINENT.

R. Friedländer & Sohn, 11, Carlstrasse, Berlin.	Karl W. Hiersemann, Leipzig.
Otto Harrassowitz, Leipzig.	Ernest Leroux, Esq., 28, Rue Bona- parte, Paris.
Martinus Nijhoff, The Hague.	

IN INDIA.

Thacker, Spink & Co., Calcutta and Simla.	Superintendent, American Baptist Mission Press, Rangoon.
Newman & Co., Calcutta.	Rai Sahib M. Golab Singh and Sons, Mufid-i-Am Press, Lahore.
Thacker & Co., Ltd., Bombay.	
Higginbotham & Co., Madras, and Bangalore.	
A. J. Combridge & Co., Bombay.	

CONTENTS.

	PAGES.
Prefatory Note	v.—vi
CHAPTER I. India—Resolution by the Governor General of	
India in Council, No. 1, dated the 16th	
January 1902	1—49
„ II. Summary of Provincial Reports	50—63

PREFATORY NOTE.



THIS volume contains the Resolution recorded by the Governor General of India in Council on the 16th January 1902 and published in the *Gazette of India* of the 18th idem, on the Land Revenue Policy of the Government. It also contains a series of reports by Local Governments on the same subject. The circumstances which led to the preparation of these reports, and to the promulgation of the views of the Government of India, are explained in the opening paragraphs of the Resolution.

The Resolution is an authoritative exposition of the principles on which the Land Revenue Administration in India has been based in the past, and by which it will be guided in the future. The reports of Local Governments not only afford a reply to criticisms which have recently been levelled at the administration of the Land Revenue in this country ; they furnish valuable materials for a detailed study of the history and methods of the different systems of assessment which have been evolved to meet the widely differing circumstances of the various

provinces. It is considered desirable that these papers should be given a wide publication and be made easily accessible both to the officers of Government and to the public : and with this object it has been decided to issue them in a cheap book form.

The papers have been arranged in chapters and supplied with an index and marginal abstracts to paragraphs for the convenience of those consulting the volume. Arrangements are in progress for the issue in each Province of a translation in the vernacular of the Resolution and of the particular report which concerns the Province.

J. B. FULLER,

Secretary to the Government of India.

CALCUTTA :
DEPARTMENT OF
REVENUE AND AGRICULTURE.
Dated 18th March 1902.

LAND REVENUE POLICY

OF THE

INDIAN GOVERNMENT.

BEING THE RESOLUTION ISSUED BY THE GOVERNOR GENERAL IN COUNCIL ON THE 16TH JANUARY 1902.)

CHAPTER I.—INDIA.

THE attention of the Government of India has lately been called, in a special manner, to the subject of the Land Revenue administration of this country, partly by the series of almost unprecedented calamities which have in recent years assailed the agricultural population, partly by a number of representations which have reached them from sympathetic friends of India, who have devoted careful study to the above-named problem. In the course of 1900, Mr. R. C. Dutt, C.I.E., formerly Acting Commissioner of Burdwan, addressed to His Excellency the Viceroy a series of letters (subsequently published in the form of a book) concerning the Land Revenue system of the different provinces, and he submitted certain recommendations as to future policy and action. At a little later date the Secretary of State transmitted to the Government of India a memorial signed by certain retired officers of the Indian Civil Service, formulating a somewhat similar list of suggestions.

INDIA. 2. The Government of India welcomed the opportunity thus afforded to them of instituting renewed enquiries into a matter that has, for more than a century, been the subject of anxious discussion. The well-being of the agricultural community in India, constituting as it does so overwhelming a proportion of the entire population of the Indian continent, and contributing so large a quota to the Indian revenues, cannot fail to be to the Government a matter of the most intimate concern; nor can it be denied that upon the incidence of the land revenue collections must the prosperity of those classes in a great measure depend. The question may be recognized therefore as one of the highest national importance, transcending the sphere of party or sectional controversy, and demanding at once the most exhaustive scrutiny and the most liberal treatment. When further it appeared that the main contention submitted to the Government by certain of its critics was that the intensity and frequency of recent famines are largely due to poverty caused by over-assessment—a contention the gravity of which cannot be disputed, seeing that it is tantamount to an arraignment of the policy that has been pursued by successive Indian administrations for an entire century—and when this general proposition was accompanied by a series of detailed allegations as regards the system of assessment in vogue in the various parts of the country, it seemed to the Government of India that the opportunity should not be lost of definitely examining the grounds for these assertions; and the letters above referred to were accordingly referred to the Local Governments for their consideration and report. Their replies have been received

and are annexed to this Resolution. The Governor General **INDIA.** in Council is grateful for the labour which has been bestowed upon their preparation, and he hopes that in the comprehensive review of land revenue policy throughout India which has thereby been obtained, may be found a corrective to many current misapprehensions and a source of more trustworthy knowledge in the future.

3. On the present occasion he is, however, less concerned with the individual statements or misstatements that may have been made with regard to particular areas—the replies of the Local Governments which show that an imperfect acquaintance with facts has been the source of much confusion and misunderstanding—than he is with the larger questions affecting our land revenue policy as a whole, and the connection which it is alleged to have with the recurrence and intensity of famine in India. It does

**Alleged connection
between revenue
policy and famine.**

not seem necessary to discuss the economic fallacy that any alteration in the system or scale of assessments can permanently save an agricultural population from the effects of climatic disaster. The relation of cause and effect between a good rainfall, abundant crops, and agricultural prosperity, is not more obvious than is that between a bad monsoon, deficient produce, and a suffering people. When the vast majority of the inhabitants of a country are dependent upon an industry which is itself dependent upon the rainfall, it is clear that a failure of the latter must unfavourably, and in extreme cases calamitously, affect the entire agricultural community. The suspension of the rains means a suspension of labour; the suspension of labour means a drying

INDIA. up of the means of subsistence ; and the latter is necessarily followed by distress and destitution. There is no industry in the world the sudden interruption or the temporary destruction of which is not attended by impoverishment and suffering ; and there is no country in the world, where the meteorological and economic conditions are at all similar to those prevailing in India, that could by any land revenue system that might possibly be devised escape the same results.

4. Nevertheless, if prevention of the inevitable consequences of drought be an ideal incapable of attainment, **mitigation is manifestly an object worthy of the closest attention of the Government.** It cannot but be their desire that assessments should be equitable in character and moderate in incidence ; and that there should be left to the proprietor or to the cultivator of the soil—as the case may be—that margin of profit that will enable him to save in ordinary seasons and to meet the strain of exceptional misfortune. Such aspirations must be even more forcibly impressed upon the Government at a time when, owing to the prolonged continuance of adverse circumstances, the agricultural population has passed through a phase of almost unequalled depression, and needs the fullest measure of encouragement that it is possible to afford. It is with the object of demonstrating how far these objects are capable of being realised under the existing system, or to what extent the latter is susceptible of improvement, that the Governor General in Council now proceeds to examine the general charges that have been brought against it, and the individual modifications that are proposed.

5. By the ancient law of the country—to quote the **INDIA.**
opening words of Regulation XIX of

**The two kinds of
settlement: Perma-
nent and Temporary.**

1793, by which the Permanent Settle-
ment was created in Bengal—the

ruling power is entitled to a certain proportion of the pro-
duce of every acre of land unless it has transferred or limited
its rights thereto. The procedure by which that proportion
is determined is styled a Settlement of the Land Revenue.
A Settlement is of two kinds: permanent, by which the
demand of the State is made fixed and unalterable for ever;
temporary, under which the State demand is revised at
recurring periods of greater or less duration. Inasmuch as
all agricultural land in India must fall within either the
permanently-settled or the temporarily-settled areas, it is
desirable to consider what are the criticisms or proposals
that have been made with reference to each of these two
classes. The permanently-settled districts, as is well known,
cover the greater part of Bengal, parts of the North-
Western Provinces and Madras, and a few other isolated
tracts. At an earlier period the school of thought that is
represented by the present critics of the Government of
India, advocated the extension of the Permanent Settle-
ment throughout India; and although this panacea is no
longer proposed, the Government of India are invited
by Mr. Dutt to believe that had such a policy been
carried into effect 40 years ago, "India would have
been spared those more dreadful and desolating famines
which we have witnessed in recent years." It is
also stated by the latter in his letter upon Land Settle-
ments in Bengal that in consequence of the Permanent

INDIA. Settlement in that province the cultivators are more prosperous, more resourceful, and better able to help themselves in years of bad harvest, than cultivators in any other part of India, that agricultural enterprise has been fostered, cultivation extended, and private capital accumulated, which is devoted to useful industries, and to public works and institutions. The hypothetical forecast above recorded is not rendered more plausible to the Government of India by their complete inability to endorse the accompanying allegations of fact. Bengal, and particularly Eastern Bengal, possesses exceptional advantages in its fertility, in its comparative immunity from the vicissitudes of climate to which other parts of the country are liable, in its excellent means of communication, in its enjoyment of a practical monopoly of the production of jute, and in the general trade and enterprise which radiate from its capital city. But neither these advantages nor the Permanent Settlement have availed to save Bengal from serious drought when the monsoon failure, from which it is ordinarily free, has spread to that part of India. Omitting

Failure of the Permanent Settlement to prevent famine in Bengal.

to notice the frequent earlier famines, that known as the Behar famine of 1873-74 (so called from the part of the Bengal Province most seriously affected) cost the State £6,000,000; while it can be shown that in the famine of 1897 there were at the height of the distress considerably more than $\frac{3}{4}$ million persons on relief in the permanently settled districts of Bengal, and that the total cost of that famine to the Bengal Administration was R1,08,04,000, or

£720,266 (as compared with a famine expenditure of **INDIA.** ₹98,28,000, or £655,200, in Madras, and ₹1,26,37,000, or £842,466, in Bombay), and this although the daily cost of relief for each person was less (Re. .081 in Bengal as compared with Re. .104 in Madras and Re. .106 in Bombay). If the figures of persons in receipt of relief in the permanently settled districts of Western Bengal were compared with those of the adjoining temporarily settled districts of the North-Western Provinces, where the conditions were closely similar, it would also be found that the percentage was more than half as high again in Behar as in the North-Western Provinces. The Government of India indeed know of no ground whatever for the contention that Bengal has been saved from famine by the Permanent Settlement, a contention which appears to them to be disproved by history: and they are not therefore disposed to attach much value to predictions as to the benefits that might have ensued had a similar settlement been extended elsewhere.

6. As regards the condition of cultivators in Bengal, who are the tenants of the landowners instituted as a class in the last century by the British Government, there is still less ground for the contention that their position, owing to the Permanent Settlement, has been converted into one of exceptional comfort and prosperity. It is precisely because this was not the case, and because, so far from being generously treated by the zemindars, the Bengal cultivator was rack-rented, impoverished, and oppressed, that the Government of India felt compelled to intervene on his

Its influence on the condition of the tenantry in Bengal.

INDIA. behalf, and by the series of legislative measures that commenced with the Bengal Tenancy Act of 1859 and culminated in the Act of 1885, to place him in the position of greater security which he now enjoys. To confound this legislation with the Permanent Settlement, and to ascribe even in part to the latter the benefits which it had conspicuously failed to confer, and which would never have accrued but for the former, is strangely to misread history. As for the allegation that the Permanent Settlement has been the means of developing in Bengal an exceptional flow of public-spirited and charitable investment, while the Government of India are proud of the fact that there are many worthy and liberal-minded landlords in Bengal—as there also are in other parts of India—they know that the evils of absenteeism, of management of estates by unsympathetic agents, of unhappy relations between landlord and tenant, and of the multiplication of tenure-holders, or middlemen, between the zemindar and the cultivator in many and various degrees—are at least as marked and as much on the increase there as elsewhere ; and they cannot conscientiously endorse the proposition that, in the interests of the cultivator, that system of agrarian tenure should be held up as a public model, which is not supported by the experience of any civilised country, which is not justified by the single great experiment that has been made in India, and which was found in the latter case to place the tenant so unreservedly at the mercy of the landlord that the State has been compelled to employ for his protection a more stringent measure of legislation than has been found necessary in temporarily settled areas. It is not in

fine in the Permanent Settlement of Bengal that the ryot **INDIA.** has found his salvation; it has been in the laws which have been passed by the Supreme Government to check its license and to moderate its abuses.

7. It is, however, to the temporarily settled districts that the bulk of criticism has been directed, and to this branch of the subject the Governor General in Council will now turn. The two sub-divisions of this category will be successively examined; the zemindari tracts (in some provinces called malguzari and talukdari), where the landlord pays the land revenue to the State, whether he cultivates the land himself or by means of rent-paying tenants; and the ryotwari tracts, where the cultivator pays directly to the State.

8. The zemindari tenure is the prevailing form of land tenure in the Central Provinces, the North-Western Provinces and Oudh, and the Punjab. The suggestions with regard to it which the Government of India have been invited to consider, are as follows:—

9. It is nowhere clearly stated, but it may be inferred, that in the opinion of their critics some limit should be placed to the amount of rent which the landlord may take from his tenant. The Government of India would have been better pleased had greater prominence and a more indisputable enunciation been given to this proposition, since it is one with which they are in cordial agreement. It does not seem to

The two classes of Temporary Settlements: Zemindari and Ryotwari.

Suggested reforms in Zemindari Settlements examined.

(1) Limitation of landlord's enhancement of tenants' rents.

INDIA. them to be consistent that great stress should be laid upon the share of the produce which should be taken by the Government, when it deals directly with the tenant, or with the share of the rental that it should take from the landlord when the latter is the intermediary, while little or no attention is devoted to the rent paid by the cultivator in cases where he happens to pay it to a zemindar. If it is the interests of the ryot that are at stake, and that stand in most urgent need of protection, that protection is not less necessary when his payments are made to a native landlord in the form of rent than when they are made in the form of land revenue to the British Government. Such being the logic of the case, it is with satisfaction that the Government of India can point to the fact that the principles here laid down have been, and are still, the basis of the numerous Tenancy Laws which have been enacted by them in recent years. Mention has already been made of the Tenancy Acts in Bengal. Similar legislation has been carried through for the Central Provinces, and in the North-Western Provinces a Tenancy Law has recently been strengthened in the interest of the ryots. The Government of India will welcome from their critics, upon future occasions, a co-operation in these attempts to improve and to safeguard the position of the tenant which they have not hitherto as a rule been so fortunate as to receive.

10. The next contention is that where the land revenue is paid to the State by the landlord, the principle adopted in the Saharanpur Rules of 1855, limiting the State demand to one-half

(2) Limitation of the State's demand on landlords.

of the rent or assets of the landlord, should be univer- **INDIA.**
sally applied. Here it seems to the Governor General in Council to be necessary to utter a word of caution, which will be found to apply both to the present and still more to some of the subsequent proposals that will come under examination. These proposals contain the common suggestion of definite mathematical fractions of rent or produce, as the maximum share of Government. The Governor General in Council, while far from denying the possible utility of such standards as general principles of guidance, must guard himself from any acceptance of them as hard-and-fast rules of practice. It is impossible to apply any one criterion to all parts or classes in one province, much more so to the whole of India. The conditions of uniformity which would alone justify uniformity of treatment, are in many cases lacking. A rule of division which would be light in one case might be harsh in another; a proportion of rent or of produce which would leave a wide margin of profit in one part of India might be vexatious elsewhere. While, therefore, general principles may reasonably be formulated in order, as far as possible, to secure unity and continuity of policy, the Government of India would deprecate, in any case, the hasty acceptance of too precise mathematical formulæ, as likely to tie the hands of their officers, and to produce rigidity, instead of elasticity, in Land Revenue administration.

11. Subject to the above qualification, the Governor General in Council now proceeds to examine the suggestion of a 50 per cent. limitation of the Government

INDIA. share in the landlord's rental. It has already been stated on the authority of Regulation XIX of 1793 that the ruling power in India has always, by the ancient

Ancient right of the State to a share of the produce of the soil.

law of the country, been entitled to share in the produce of the soil. Regulation II of 1793 pointed out that the Government share of that produce was fixed by estimating the rents paid by the tenants, deducting therefrom the cost of collection, allowing to the landlords one-eleventh of the remainder as their share, and appropriating the balance or ten-elevenths, as the share of the State. But if this was the ostensible basis upon which the Permanent Settlement in Bengal was originally made, and if, at the commencement of their fiscal administration, the Government of India thus followed indigenious custom in assessing the revenue they soon began to moderate the severity of the practice. It is unnecessary to trace here in detail the process of mitigation. It will suffice to say that long before the late century had reached its midway point the demand of the State upon the landlord had been limited to two-thirds of the net assets. About the middle of the century, *i.e.*, before the Mutiny, the question of the relative shares of the State and of the landlords in the net produce of the soil came again under careful review in Northern India; and the result of this further consideration of the matter was embodied in what are known as the "Saharanpur Rules" (so called because they were issued in connection with the resettlement of the land revenue of the Saharanpur district of the North-Western Provinces). The Settlement Rules previously in force authorised the

demand of two-thirds of the net produce of an estate, or **INDIA.** rather of its value in money, as the Government share in respect of land revenue. The Saharanpur Rules, issued in

The Saharanpur Rules. 1855, laid down "not that the revenue of each estate is to be fixed as one-half of the net average assets, but that in taking these assets with other data into consideration, the Collector will bear in mind that about one-half, and not two-thirds as heretofore, of the well-ascertained net assets should be the Government demand." These orders have since remained the accepted canon of assessment on landlords' estates in the North-Western Provinces, and they continued to govern assessments in the adjacent districts of the Central Provinces, until the constitution of the latter as a separate administration in 1862. But for the assessment of the Nagpur district of the Central Provinces, which had been escheated to the Government of India in 1854, assessment up to 60 per cent. of the gross rental had been permitted by separate orders issued in 1860, owing partly to the undesirability of introducing too sharp a revulsion from the practice of the previously existing native administration, partly to the great extent of uncultivated land, which enabled the landlords largely to increase their incomes while the Settlement was running its course.

12. It is, therefore, an erroneous assumption that what

Progressive reduction of the State's share under British rule.

is known as the "half assets rule" anywhere bound the Government to take as its land revenue from a district as a whole no more than 50 per cent. of the actual

INDIA. rental of the land owners. Not only were there no compulsory orders in the matter, but the construction placed on the word "assets" at the time, and for many years later, permitted the Settlement Officer to look beyond the actual cash rental, and to take into consideration prospective increases of income, to assume a fair rent for land held by tenants enjoying privileges as against the landlord, and to consider the profits of *sir* or home-farm cultivation (where the land was held entirely by cultivating proprietors) as well as the rental value of home-farm lands. Hence it arose that the assessments taken, though amounting only to about 50 per cent. of the nominal assets, absorbed as a rule a considerably higher proportion of the realised rental. In recent years, however, there has been a steady movement in the downward direction. In the North-Western and other zemindari provinces prospective assets have been excluded from consideration; allowances have been made for improvements made by the landlord, for precariousness of cultivation, and for local circumstances; and the revenue has been fixed at a share of the actual income of the proprietor, his income including a fair rental value for the lands which he farms himself, or assigns on privileged terms to tenants. The share to be taken as land revenue by Government is thus being brought down in the North-Western Provinces—in the interests of the proprietor—to an average of less than 50 per cent., while in the resettlement of Oudh, now on the point of completion, the average falls below 47 per cent. In the Central Provinces, which have been for a shorter period under British rule, and

where much higher assessments, amounting in some cases **INDIA.** to over 75 per cent. of the actual income, were inherited from the Mahratta Government, there has been a progressive reduction of assessment; but it has not yet reached the very moderate level that is common in the North-Western Provinces. In time, as population increases, and more labour and expenditure are devoted to cultivation, the share taken by Government may be expected still further to diminish, and already (as pointed out in the Report from the Central Provinces) three of the districts in the north of the provinces have recently been re-assessed (from a desire to limit the sudden enhancements that result from long-term settlements) at less than 50 per cent. of the rental. In Orissa the gradual reduction of the Government proportion has been even more striking. In 1822 it was authoritatively declared to be 83·3 of the assets; in 1833 it was lowered to 70—75 per cent.; in 1840 to 65 per cent., with a permissive reduction to 60 per cent., while at the re-settlement just concluded, it has been brought down to 54 per cent. In the Punjab, where proprietary cultivation is common, and where the maximum land revenue that may be taken is the “estimated value of half the net produce”—the principal guide to this being the rents that are paid by neighbouring tenants-at-will—the calculations given in the official reply reveal yet lower proportions. Assessments of 45, 39, 35, and 25 per cent. are recorded in particular cases, and the general average is shown not to exceed 45 per cent. of the net income.

13. From this summary it results that while the standard of 50 per cent. has nowhere been laid down as a

INDIA. fixed and immutable prescription, there has been, and there is, a growing tendency throughout temporarily settled zemindari districts to approximate to it, and in special circumstances a very much lower share is taken. It does not appear to the Government of India to be necessary to issue fresh regulations upon a matter in which their general policy is so clear and where, save in exceptional cases, to be justified by local conditions, uniformity of practice is now so common.

14. The Governor General in Council now passes to the consideration of those parts of

**Suggested reforms
in Ryotwari Settlements:
Revenue to be a definite share
of gross produce.**

the country where, under temporary settlements, the ryotwari or peasant proprietary form of tenure prevails, and where the cultivator pays directly to the State. The principal illustrations of this category are the greater parts of the Presidencies of Madras and Bombay, and the Provinces of Burma and Assam. The recommendations that have been made with regard to these areas will now be examined. It should be noted, however, that there is not complete identity between the two forms of the first recommendation that falls to be noticed; for whereas the memorial sets forward the proposition that "the Government demand should be limited to 50 per cent. of the value of the net produce, after a liberal deduction for cultivation expenses has been made, and should not ordinarily exceed one-fifth of the gross produce, even in those parts of the country where, in theory, one-half of the net is assumed to approximate to one-third of the gross produce," Mr. Dutt, when speaking

for himself, urges that "the impracticable rule of realising **INDIA.** one-half the net produce or one-third the gross produce be abandoned, and the rule of fixing one-fifth the gross produce as the maximum of rent be adopted." It appears, therefore, that whereas Mr. Dutt as a signatory of the memorial does not contemplate the complete abandonment of the net produce standard, he yet, when petitioning on his own behalf, describes it as impracticable, and urges its disappearance. Moreover, in the latter capacity, he advocates a further mathematical criterion, namely, that while the maximum of one-fifth the produce should not be exceeded in the case of any single holding, the average land revenue for a whole district, including wet and dry lands, should be limited to one-tenth, as alleged to be the case in Northern India.

15. These fractional standards illustrate the remarks **Danger of arith-** which were made a little earlier as
metical standards. to the danger of laying down hard-
 and-fast lines; and they also indicate the arbitrary and inelastic nature of the system which the Government of India are now invited to introduce. When Mr. Dutt suggests the analogy of Northern India, which is under an entirely different form of tenure, he appears to confuse rent with revenue, for he has elsewhere said that in Bengal and Northern India the average rents paid by the cultivator to the landlord are equivalent to one-fifth or 20 per cent. (not 10 per cent.) of the gross produce; whereas he here recommends that in Southern India the average proportion should be limited to one-tenth, or 10 per cent. Why there should be this distinction is not made clear.

- INDIA.** 16. The Government of India believe it to be an entirely erroneous idea that it is either possible or equitable to fix the demand of the State at a definite share of the gross produce of the land. There is great practical difficulty in ascertaining what the average produce is. It is dependent upon a number of varying factors, such as the industry and resources of the cultivator, the nature of the crop, the capacity, security, and situation of the holding, and the chance of the seasons. The share of the gross produce which a crop can afford to pay must stand in close relation and in inverse proportion to the amount of expenditure which has been required to grow it, and this will vary very greatly, for instance, in the cases of sugarcane and of wheat. In zemindari districts, accordingly, rental value, and not produce, has for the last 50 years been adopted as the basis of assessments, although the latter have commonly been checked by comparison with produce, with the result, as a rule, of showing that, judged by that standard, they were unreasonably low. In the ryotwari provinces of Madras and Burma, the attempt has been made to fix assessment rates in accordance with produce, but the rules giving effect to this principle fence it round with so many qualifications as practically to involve its abandonment. It is now nearly 40 years since the alternative standard of half the net produce was introduced in Madras, the reason being that the gross produce standard, while it favoured the more fertile, pressed with extreme severity upon the poorer lands. But even the standard thus adopted has not been worked up to in practice. There and elsewhere the
- Impracticability of the suggestion that the land revenue should be fixed at a share of the gross produce.**

net produce has been valued at much less than the current **INDIA** money rates, the outturn per acre deduced from crop experiments has been notoriously underestimated, and liberal deductions have been made for unprofitable cultivation, distance from markets, and vicissitudes of season, so that the rates in actual use for assessment are considerably below the nominal share. There has been a similar reduction in the theoretical measure of assessment, which is also one-half of the net produce, in Burma; and the last assessment report received from the Hanthawaddy district shows that the assessment actually imposed fell short of a quarter (not one-half) of the net produce by nearly 20 per cent. The truth is that assessment of land revenue is subject to so many complicated and varying conditions that any attempt to reduce it to an exact mathematical proportion either of gross or of net produce would not only be impracticable, but would lead to the placing of burdens upon the shoulders of the people, from which, under a less rigid system, if sympathetically administered, they are exempt. Nor must the influence of the personal equation be ignored. Those who are familiar with the realities of assessment know well that among Settlement Officers there is a growing inclination towards leniency of assessment; and that this spirit is encouraged by the avowed policy of Government, of the considerateness of which the progressive reduction of the State demand already indicated affords conclusive proof. The more the officers of Government know of the people, and the more intimate their mutual relations become, the less likelihood is there of severity in the enforcement of public dues. In no official

INDIA. relation does a member of the Public Service come into such close contact with the people as in Settlement work; and it cannot be his desire to aggrieve those among whom he is spending some of the most labcrious years of his life, or to initiate a Settlement which, after a short interval, will break down. Every natural instinct and every recent injunction of the Supreme Government urge him to reasonableness and moderation.

17. Nothing, indeed, can be more clear than that, while
Its effects if the net produce rule itself calls for,
adopted. and is habitually subject to, modifications in the interest of the cultivator, the gross produce standard recommended by the memorialists would, if systematically applied, lead to an increase of assessments all round. The Report from the Central Provinces shows that the proportion to produce of the gross rental ranges from one-sixth to one-fourteenth, and that the enforcement of any such standard would double the liabilities of the ryots. The Bengal Report gives statistical reasons for believing that rents are generally much below one-fifth of the gross produce, and indicates that ryots on Government temporarily settled estates are, judged by this standard, better off than under proprietors with a permanent settlement. The Madras reply says that, "if Government took one-fifth of the real gross produce from its ryots, it would fully double its present land revenue, exclusive of cesses, but inclusive of the total charge for water." In the ryotwari tracts of the Punjab the proportion taken by Government now here exceeds one-fifth of the gross produce, and is more often one-seventh or one-eighth, or

even less. Similar conclusions are borne out by the Report **INDIA**, of the recent Famine Commission (paragraphs 261—268), in which it is stated, as the result of special enquiries, that in the Central Provinces the incidence of land revenue is less than 4 per cent. of the average value of the produce, that in Berar it is about 7 per cent., in Ajmer about 10 per cent., in the Hi-sar district of the Punjab $3\frac{1}{2}$ per cent., in other parts of the Punjab 7 per cent., except in the Delhi district, where it is 10 per cent.; in the Deccan probably above 7 per cent., in the Panch Mahals 5 per cent.; and in Gujarat alone (where the profits on cultivation are very high) 20 per cent.; or the equivalent of the one-fifth pleaded for in the memorial. Since then it has been conclusively established that, under the existing practice, the Government is already taking much less than it is now invited to exact, and since the average rate, so far from showing an inclination to enhancement, is everywhere on the downward grade, the Governor General in Council is unable to accept a proposal which could only have consequences the very opposite of those which are anticipated by its authors.

18. The next recommendation to which the attention of

The term of settlement. Suggested minimum of 30 years.

the Government of India has been drawn is that no term of settlement in temporarily settled districts should be for a shorter period than 30 years. The history of settlements may briefly be summarised as follows. In Bombay the 30 years' term was introduced by the Court of Directors so far back as 1837. From there it was extended to Madras and the North-Western Provinces, where it has been the standard period for the last half century. The

INDIA. same principle was followed in an extension of the Orissa Settlement in 1867, and in confirming most of the settlements made in the Central Provinces between 1860 and 1870. But it never came into general use in the Punjab, where, in the greater part of the province, the shorter term of 20 years has been the recognized rule. The question was exhaustively examined in 1895, when it was finally decided by the Secretary of State that 30 years should continue to be the ordinary term of settlement in Madras, Bombay, and the North-Western Provinces, that in the Punjab 20 years should be the general rule (30 years being admitted in some cases), and in the Central Provinces 20 years also. A 30 years' term has been adopted for the recent re-settlement of Orissa. In backward tracts, such as Burma and Assam, and in exceptional circumstances such as exist in Sind, shorter terms are permitted. The reasons for this differentiation are familiar and obvious. Where the land is fully cultivated, rents fair, and agricultural production not liable to violent oscillations, it is sufficient if the demands of Government are re-adjusted once in 30 years, *i.e.*, once in the lifetime of each generation. Where the opposite conditions prevail, where there are much waste land, low rents, and a fluctuating cultivation, or again where there is a rapid development of resources owing to the construction of roads, railways, or canals, to an increase of population, or to a rise in prices, the postponement of re-settlement for so long a period is both injurious to the people, who are unequal to the strain of a sharp enhancement, and unjust to the general tax-payer,

**Considerations
which determine the
term of settlement.**

who is temporarily deprived of the additional revenue to **INDIA**, which he has a legitimate claim. Whether these considerations, justifying a shorter term of settlement than 30 years, apply with sufficient force to the Punjab and the Central Provinces at the present time ; and, if they do apply at the present time, whether the force of their application will diminish with the passage of time, are weighty questions to which careful attention will be given by the Government of India upon a suitable occasion.

19. It may further be pointed out that many of the objections at one time urged to revisions of settlement have become, or are fast becoming, obsolete. The process of re-settlement itself is more rapid and less disturbing than was formerly the case. Where the re-settlement of a district thirty years ago lasted for six or eight years, the work is now, in a large district, usually completed in about four years and often in less. The improvement in the village records, and their punctual correction and maintenance up to date, have to a large extent obviated the necessity for detailed surveys, and for those local enquiries by subordinate officers which were in former times a fruitful source of harassment and extortion to the agricultural community. The aim of the existing policy is to exclude underlings from all connection either with the work of assessment or with the preliminary investigations leading up to it, and to devolve upon the Settlement Officer and his gazetted assistants all the negotiations with the people. The Government of India and the Local Governments will always be ready to carry this policy to further developments, their

Improvements in procedure rendering re-settlements less disturbing.

INDIA. object being to simplify the maintenance, correct and up to date, of the village papers, and thereby to secure an authentic record of the rights and privileges of the people, as well as a trustworthy instrument for the speedy determination of the fair claims of the Government on the land.

20. Again, the principle of exempting from assessments such improvements as have been made by private enterprise, though it finds no place in the traditions of the past, has been accepted by the British Government, and is provided for by definite rules, culminating, in the case of the Bombay Presidency, in legal enactments which secure to the cultivator in perpetuity the whole of the profit arising not only from such irrigation works as private wells or tanks, but from the minor improvements which would count for an increase in assessment under a system of reclassification of the soil. The Madras ryots have a recognized right to enjoy for ever the fruit of their improvements, and the exemption of wells, irrigation channels, and tanks which are private property is provided for by executive orders. Minor improvements are also protected, as in Bombay, by the permanent recognition of a land classification once fairly effected. In zemindari provinces, where the revenue is temporarily assessed on estates as a whole, and not on each particular plot of land composing them, the State has not similarly surrendered its right to all share in improvements in which the capacity of the soil plays a part with the industry or outlay of the cultivator. But the principle followed has been that additional assessments should not be imposed on these grounds until the private labour or capital expended upon them has

had time to reap a remunerative return. In the Punjab and Bengal the term of exemption has been fixed, without reference to the term of settlement, at 20 years for masonry wells, 5 years for canal distributaries, and 10 years for other irrigation works. In the North-Western Provinces and the Central Provinces, irrigation works not constructed by Government are freed for the term of settlement next following their construction, the average period of exemption being 45 years in the former and 30 years in the latter provinces. The rules of all provinces provide for the grant of longer terms of exemption in special cases. This summary of existing procedure reveals a variety in practice which it is not possible to reduce to complete uniformity. It is the intention, however, of the Government of India, in consultation with the Local Governments, to take the whole matter into consideration, with a view to the framing of rules that may stimulate the expenditure of private capital upon the improvement of the land, and secure to those who profit by such opportunities the legitimate reward of their enterprise.

21. The question of the effect upon the domestic life of the community of long as against short settlements has been the subject of much discussion. It may be regarded as certain that long-term settlements leave more money to the people, however large be the revenue enhancement at the close. On the other hand, short-term settlements, which are the familiar practice of Native Rulers, excite less discontent, when not associated with inquisitorial proceedings. An increase of liabilities which comes once in a generation

Effect of long as against short settlements in increasing resources of the people.

INDIA. is said by some to be more acutely resented than one which has been rendered familiar by more frequent repetition. Upon this point it is difficult and perhaps unnecessary to pronounce: attention should, however, be called to a concession made by the Government with a view to reducing its own share of the produce, and leaving more to the landholder. Formerly the basis of assessment was the anticipated average yield of the land during the coming period of settlement. Now it is the actual yield at the time of assessment, so that the landowner enjoys to the full any new advantages that may accrue either from his own outlay or from outside circumstances, in the interval before the next revision is made. Assessment upon actual, as distinct from prospective, assets has thus become a cardinal principle of the land revenue policy of Government.

22. In the foregoing paragraphs a partial answer has been given to the next prayer of the memorialists that in ryotwari tracts "there should be no increase in assessments except in cases where the land has increased in value, (1)

Suggested Limitation of Government enhancements to rise in value due to (1) State improvements, (2) rise in prices.

in consequence of improvements in irrigation works carried out at the expense of Government; (2) on account of a rise in the value of produce, based on the average prices of the thirty years next preceding such revision." The first of the above provisos is not included in Mr. Dutt's independent recommendation, which is to the effect that no enhancement be anywhere permitted at a new settlement except on the ground of an increase of prices. The entire contention will now be examined. The principle that the State in India has a right to share in the

produce of the land carries with it the right to share in any **INDIA** increment of the produce or its value! In the case of increments resulting from the expenditure of private labour or capital, this right, as has already been pointed out, has been altogether waived in some provinces, and materially limited in others. But it can scarcely be contended that such a surrender should equally apply to improvements produced by the growth of population, by the gradual development of the country, by the introduction of new staples or by an increase in the productivity of the soil and in the value of its produce, more particularly if the latter are themselves the result of an expenditure upon irrigation or communications that has been incurred by the State. The concession to the landlord or the tenant of a complete monopoly of the profits of all improvements of the soil in perpetuity, whether created by himself or not, would be a doctrine not merely economically unsound, but without any foundation in native custom or any precedent in history. What happens in practice is this: in zemindari areas the claims of Government to a share in the increasing value of the land are adjusted by a periodical settlement with the landlords for its portion of the rental, subject to a not infrequent sacrifice, in the interest of the tenants, of the fractions which might fairly be claimed. The possibility of making prices the basis of assessment in these tracts was carefully considered, and was finally negatived by the Secretary of State in 1885. Some interesting information may be derived from the Bengal Report as to the inequality of assessment which has resulted in that province from the non-interference of Government during the past century;

INDIA. and from this may be deduced how uneven a settlement would become that was only liable to revision by an all-round enhancement or deduction. Whatever be the case as regards zemindari districts, it is now, however, urged that in ryotwari areas no ground of enhancement but a rise in price should in future be allowed. Attention has already been called to the limitation that has been placed by Government upon the discretion of its officers in respect of changes in land classification as a possible basis of enhancement. In Bombay no change in a classification once definitely accepted is permitted by the law. In Madras, though the Government of India, acting under the instructions of the Secretary of State in 1885, have declined to give a pledge against future revisions of classification, they have intimated their cordial acceptance of the principle that the existing classification, if found to be in the main equitable, shall, on re-settlement, not be disturbed. In these circumstances, to deny the right of the State to a share in any increase of values except those which could be inferred from the general tables of price statistics—in itself a most fallacious and partial test—would be to surrender to a number of individuals an increment which they had not themselves earned, but which had resulted, partly from the outlay of Government money or great public works, such as canals and railways, partly from the general enhancement of values produced by expanding resources and a higher standard of civilisation.

23. The concluding proposal, which it is the duty of the Governor General in Council to examine, and which, in slightly different shapes, finds a place in both memorials, is that no cesses

Limitation of cesses on land.

should be imposed on the rental of land, except for purposes directly benefiting the land, and that a limit should be fixed beyond which it may not be permissible to surcharge the land tax with local taxation. These cesses, which are levied for the construction and repair of roads, the upkeep of schools and dispensaries, and other similar duties appertaining to Local Government Boards, are generally assessed on the assets or rental value, since the land revenue would, in many provinces, be an unfair basis of distribution. The rate in force in Bengal is $6\frac{1}{4}$ per cent. on the rental, and this rate is taken as a fair standard by Mr. Dutt when speaking for himself. When associated with the other memorialists, he admits that the maximum rate may be as high as 10 per cent., a proportion which, as a matter of fact, is nowhere exceeded. But before going into this question, the Governor General in Council desires to record an emphatic dissent from the opinion that primary education is not a proper object of local taxation, and that such taxation should be limited to objects directly connected with the land. The aim of local taxation is the benefit of the community, and the spread of elementary education amongst the cultivating classes is the surest preventive of the carelessness which allows so large a proportion of the increased value that settled government and improved communications have given to the produce of agricultural industry, to slip through the fingers of the people.

24. In the ryotwari provinces of Bombay and Madras and in Coorg the incidence of the **Present incidence of Local Rates.** Local Rates (for roads and schools) is precisely that in force in Bengal. This comparison

INDIA. involves the assumption that ryotwari revenue is the equivalent of rent; but, as a matter of fact, the extent to which sub-letting prevails in ryotwari provinces indicates that the revenue is substantially below the rental value, and the Local Rates are consequently below the Bengal level. In Lower Burma the Local Rates amount to 10 per cent. and in Assam to 8·3 per cent. on the ryotwari revenue. Though higher than elsewhere, they are within the maximum suggested in the memorial. In the Punjab they are equivalent to 5·2 per cent. on the rental value. In no other provinces do they exceed 4 per cent. In the North-Western Provinces they are charged at 6 per cent; but two-fifths of the proceeds are devoted to the maintenance of the village watch, which in Bengal and other parts is a charge upon special contributions assessed and collected apart from the Local Rates.

25. It may be objected, however, that the rates which are levied for Local Self-Government purposes are not the only extra charges imposed upon the population, and that count should also be taken of the sums payable by them for the remuneration of the village officers—the watchman, the headman, and the accountant. The support of this village staff has been a charge on the community from time immemorial. In the Central Provinces and Bombay watchmen are still remunerated, according to ancient custom, by grants of land and by fees collected by them directly from the people. Elsewhere they are

**Responsibility of
village communities
for maintaining
rural officers.**

supported by the proceeds of a cess to which in some **INDIA.** provinces non-agriculturists not unreasonably subscribe. The headman is a functionary of more importance in ryotwari than in zemindari villages, and, except in Madras, Sind, and Coorg, his remuneration in ryotwari provinces has been accepted in whole or in part as a charge upon the land revenue which he collects. In the zemindari provinces, the proprietor of a village is also its headman, but where there are several sharers in the proprietorship of a village, one or more of their number represent the remainder, and have a right to a commission on the revenue payable through them, the rate being generally 5 per cent. This represents a communal arrangement of very long standing. The village accountant's functions have been of late years considerably modified by his employment in the maintenance of a connected system of agricultural statistics for his village. This addition to his duties has been acknowledged in some provinces by grants towards his remuneration from the public revenues, but elsewhere than Bombay, Berar, Burma, and Assam, a cess provides, at all events, a part of his salary. The Governor General in Council does not consider that these customary contributions towards the maintenance of the staff of village officers can be classed as local taxation without some important qualifications. The commission paid in zemindari areas by proprietors to their representatives is in no sense a tax, and it is necessary, of course, to exclude from the watchman cess the contribution made in some provinces by non-agriculturists before adding it to the charges on the agricultural population. Assuming, however, that, subject

INDIA. to these deductions, the maintenance of village officers should be accounted as taxation, it is a noteworthy fact that in no provinces but Sind, Madras, and Coorg does local taxation exceed the maximum limit suggested in the memorial, the incidence in these provinces being respec-

General conclusions as to burden of local taxation. tively $12\frac{1}{4}$, $10\frac{3}{4}$, and $13\frac{1}{2}$ per cent. on the ryotwari revenue. There can be little doubt that it would be substantially lower if calculated on the true rental value. The general conclusion of the Government of India is that there is no reason for thinking that local taxation, if properly distributed, is on the whole either onerous or excessive, while, as a general rule, it already falls short of the limit which the memorialists would propose to fix. But there are grounds for suspecting that the distribution is often unfair; and that the landlords shift on to the tenants that share of the burden which is imposed by the law upon themselves. In the present backward condition of so many of the people, it is not possible effectively to redress this injustice: and the question presents itself whether it is not better, as opportunities occur, to mitigate imposts which are made to press upon the cultivating classes more severely than the law intended. The Government of India would be glad to see their way to offer such relief.

26. But the burdens of which complaint is made are by no means confined to the legal cesses, **Illegal cesses exacted by landlords.** which, after all, are few in number and strictly limited in amount. There are also, in some zemindari tracts, a number of practically unauthorized village cesses, of which no mention has been made by the

critics of the existing system, but which are well-known **INDIA** to all those who are familiar with the economy of rural life in India. In many cases these unrecognized and often undesirable imposts exceed the total of the cesses levied under the British administration. Their imposition was prohibited by the Regulation of 1793, and ever since that date has been steadily discountenanced by the Government of India, as vexatious to the ryot and detrimental to the successful cultivation of the soil. Their complete suppression by the action of Government is not practicable in the present state of education among the agricultural classes. But the subject is one to which the friends of the ryot might appropriately devote their concern, and in which their exertions might be of much use in supplementing the opposition of Government to a wholly illegitimate form of exaction.

27. The Governor General in Council has now reviewed the particular suggestions of Mr Dutt and the memorialists. There remains to be noticed the underlying idea by which they have all alike been animated, and which, in some parts of the former's writings, has found definite expression. It is the theory that the amount of the land revenue taken by the Government of India, in one form or another, from the people is mainly responsible for famine, with its corollary that, were the assessments diminished, famine would be less frequent, or that at least, when they do occur, they would cause infinitely less suffering. The Governor General in Council does not believe that countenance to this theory can be derived either from

Detailed examination of alleged connection of revenue assessments with the famine resisting resources of the people.

INDIA. the recorded facts of history, or from the circumstances of the present day. The evidence that has been adduced in this Resolution testifies to a progressive reduction of assessments, extending throughout the last century, and becoming more instead of less active during its second half. If then the severity of famine be proportionate to the weight of assessments, the famines in the earlier part of the 19th century ought to have been incomparably more serious than towards its close; whereas the contention is familiar that the reverse has been the case. Again, the contention that in recent famines the parts of India that suffered most severely were the parts that were most highly assessed, finds (with the exception of Gujarat, which had not been seriously famine-stricken for a century and was soft and unprepared) no support in fact, and was expressly disowned by the recent Famine Commission. It is conclusively disproved in the case of the Central Provinces by the evidence of the Chief Commissioner that, in the famine of 1899-1900, the districts which felt the famine pressure most acutely were those which had been exempted from paying the revised assessments, introduced at the previous revision; while the districts that suffered most from the famine of 1896-1897 were those in which there had been no enhancement for 40 years.

28. The fallacy in question is the result of an imperfect appreciation of the smallness of the land revenue compared with the enormous losses resulting from a widespread failure of crops. It has been estimated that in the Central Provinces the agricultural classes have lost 40 crores of

**Agricultural losses
resulting from
famine.**

rupees, or more than 26 millions sterling, during the past **INDIA** seven years—an amount equivalent to the total land revenue of 50 years; while seven years' land revenue would be required to recoup the State for its famine expenditure in these provinces since the year 1896. Similar calculations could be made with regard to the other famine-smitten provinces. It is clear that no reduction of the land revenue demand, short of its total abolition and not even its abolition itself, could enable any community to hold up its head against a calamity so vast and so appalling.

29. It is not of course disputed that if the Government were largely to abate its demand, and if the amount of such abatement were fairly distributed amongst the cultivating classes and were saved up by them, instead of being thoughtlessly spent, or absorbed by an increase of population, or appropriated by a particular section, a reserve would be created that might enable those classes better to withstand the losses caused by failure of the rains. But, unfortunately, neither in the past nor in the present circumstances of the country can any warrant be found for the belief that the revenue so relinquished by Government would constitute a famine relief fund in the hands of the people. Experience has shown that excessive leniency of the kind in question re-acts prejudicially upon the industry of the agricultural classes, while it encourages the transfer of the soil to money-lenders and middlemen, who swallow the profits intended for the cultivators, and reduce the latter to a condition resembling serfdom. In illustration a reference may be made to Behar, which is permanently

Probable effects of an abatement of the land revenue on the resources of the people.

INDIA. settled at a very light revenue, estimated as equivalent to a concession of at least 80 lakhs of rupees a year to the inhabitants. These advantages, however, have been monopolised by the land-owning section of the community, while the Behar tenants remain among the most heavily rented in India; and as the experience of two famines in the last 30 years has shown, have displayed the least capacity of resistance to the shock.

30. An additional source of error lies in the conception, which is erroneous, that it is from **The classes which suffer from famine.** the rent-paying or revenue-paying classes of the agricultural community that the sufferers in famine and the recipients of famine relief are principally drawn. An inspection of any relief works on a large scale, while it will show that the poorer sections of the tenant class are not unrepresented, will also demonstrate that the great majority are not ryots, but labourers on the land, whom the land revenue assessment practically in no way affects.

31. It is noteworthy that the theory which has here been examined, meets with no encouragement at the hands of the latest expert body that has enquired into the facts of the case, *viz.*, the Famine Commission of 1901. **Theory of connection between land revenue and famines rejected by Famine Commission, 1901.** After stating what was, in each of the provinces visited by them, the pressure of the land revenue on the soil—in figures which have already been cited—they concluded by saying that except in Bombay, where they regarded it as full, the incidence of land revenue is low in moderate years, and that it should in no way, *per se*, be the cause of indebtedness. It

is unnecessary, on the present occasion, to discuss what are **INDIA.** the secondary causes of famine—for as to the primary, there can be no dispute—and of the poverty and indebtedness which famine brings in its train. But it is manifest that anyone who shuts his eyes to the industrial and economic forces that are at work in India at the present time, and that are patent upon the surface of agrarian life, who does not take into account the ever-increasing subdivision of holdings (arising from the land-hunger of the peasant population and the inveterate reluctance of the ryot to move even to the smallest distance from his natal place), the decline of industrial occupations other than agriculture, the rack-renting to which tenants are subjected by the more inconsiderate class of landlords and especially by middlemen of various degrees, the usurious rates of interest demanded by the money-lending class, the speculative expenditure upon litigation, the proneness to extravagance on festival occasions, and the numerous payments, in the form of petty bribes, among the ryots themselves, but who concentrates his entire gaze upon one aspect alone of their poverty, will carry away a most distorted impression both of the malady which he has set himself to diagnose, and of the remedies which it is in the power or is the duty of Government to apply.

32. Before concluding his examination of this problem, **Three possible causes of hardship requiring attention.** the Governor General in Council desires to notice three aspects of the land revenue question involving three possible causes of hardship to the poorer landholder, which seems to him to be of much greater importance than the criticisms which he

INDIA. has so far been engaged in examining. The first of these is the pitch of enhancement; the second is the levy of the same assessment in bad years as in good, on the assumption that savings in the one will meet the losses of the other; the third is the effect of local deterioration upon land revenue payments.

33. That revenue enhancements must often be large
 (1) Large and sudden enhancements of revenue. is of course the direct consequence of long-term settlements, and it is, no doubt, because their disturbing effect furnishes an argument for shorter settlements, that a reference to it has not been found in the fore-front of attack. There can be no question of the hardship which a family must experience in finding its income suddenly reduced by a third or even more, as may happen, for instance, when at the end of a term of settlement it is enjoying 75 per cent. of the assets, and resettlement is made at 50 per cent. The question in the aspect now under consideration is not really affected (as is sometimes assumed) by the grounds on which the enhancement is made: a heavy addition to the assessment is as disturbing if justified by a large increase of cultivation as if resulting from a rise in valuation rates. It may be argued that a family in such a case has profited largely by the enjoyment of income which it would have lost under a shorter term settlement; that it should have saved from its surplus to meet the eventual curtailment of its means; and that the State will find long-term settlements exceedingly disadvantageous if it is not only to lose all increment during their currency, but is also to forego part of its dues at their close. But the question must be considered from a practical point

of view, and with reference to the conditions of human **INDIA.** nature. The State cannot without hesitation call upon people suddenly to effect a great reduction in their domestic expenditure, however well justified in theory its demand may be. A man will look more to the actual increase of his obligations than he will to the arithmetical standards by which it is justified or determined. If for 30 years he has been paying a land revenue of R1,000 and is called upon to pay R2,000 upon re-settlement, it is small consolation to him to be told that, while the former sum represented 50 per cent. of his former assets, the latter only amounts to 47 per cent. of his assets as they now stand. A reduction in percentages is far from compensating him for an enhancement of burdens.

34. To meet such cases, the Government of India desire to lay much stress upon the principle of gradual and progressive enforcement of sudden increases of other than moderate dimensions. **The remedy applied.** The mitigation of a large enhancement by spreading its imposition over a term of years has been a recognized feature in the settlement procedure of Upper India for a long time past, but has not till recently been brought systematically into practice. In 1895 the Government of India, with the concurrence of the Secretary of State, drew general attention to the advisability of making larger use of progressive enhancements. In the North-Western Provinces, very complete effect has already been given to this principle. Similar rules have recently been used in the re-settlement of the Seoni district in the Central Provinces, and the expediency will now be considered of prescribing it

INDIA. for general guidance in those provinces. The rules on this subject contained in the Bengal Settlement Code are of particular application to ryots and tenure-holders; but they admit the use of progressive assessments in the Orissa settlements, though they lay down no definite scheme of progression, and, as a matter of fact, progressive assessments were most liberally granted in those settlements at a loss to the State of nearly 8 lakhs of rupees. In the Punjab, the use of progressive assessments has been discouraged on the ground that, though an appropriate means of easing an enhancement to a large landholder, they are not suitable to the circumstances of the petty proprietors who hold a very large proportion of the land in that province. Large increases in the demand have been commonly avoided by under-assessment. But it seems open to question whether an expedient which has proved serviceable in other parts of India might not be usefully adopted in the Punjab, and the point will be considered, though the effect of progressive assessments in this province would be to raise, not to lower, the Government revenue. Turning now to ryotwari settlements, a rule of the Madras Settlement Code limits to 25 per cent. the enhancement which may be imposed at once, the balance being imposed by annual instalments, each not exceeding $12\frac{1}{2}$ per cent. on the original assessment. This gives a ryot six years in which to accommodate himself to the doubling of his assessment. In the Bombay Presidency also the levy of substantial enhancements is distributed over a term of years, and the maximum enhancement may not exceed double the former amount. Deviations from these rules have, however, apparently been permitted. The

procedure of ryotwari settlements renders it difficult for an **INDIA.** assessing officer to pay close regard to the circumstances of individuals in framing his proposals, and there is, therefore, the greater need of general rules to obviate hardships in particular cases, even if it be conceded that men who cultivate their own land can support a heavier percentage enhancement than those who subsist upon rental receipts. The question is one that calls for, and will receive, further consideration.

35. The question of varying the revenue demand to meet the character of the season is similar to the preceding, in that it involves departure from the theory of settlement at the cost of some revenue to the State. In theory the Government revenue represents the sum that may fairly be demanded on an average of seasons,

(2) Exaction of a fixed demand where produce fluctuates.

and it is assessed in the belief that cultivators will save from the surplus of good years to meet the deficit in bad. It is manifest, however, that, in tracts where the chances of a bad harvest are high, it must be exceedingly difficult to make allowances for crop failure in framing the assessment rates. And it is also clear that the agricultural classes have not, as a rule, yet learnt to regard a good harvest, not as an occasion for larger expenditure, but as a means of insurance against failure of crops. In truth, to a poor family a short harvest must be a severe calamity. The assessment may absorb but a small share of the gross produce of its land. But its circumstances depend on the net produce, on which the assessment is in higher proportion, and it is obvious that on inferior land a substantial deficiency in the outturn may

INDIA. leave no net produce whatever, so that (in the absence of savings) the assessment can only be paid by borrowing or by stinting the necessities of life. When such a deficiency is frequent, the rigid demand of the land revenue must add very materially to the hardships endured by a poor and uneducated people.

36. In tracts where great variations from the average of produce are not very frequent, such a demand may be suitable enough, its simplicity and educative effect compensating for the hardship that may be felt in individual cases.

Necessity for greater elasticity. But where the produce of the land is liable to great and frequent fluctuations owing to failure of irrigation or vicissitudes of season, there is reason to apprehend that a fixed assessment may ruin people before it teaches them. The revenue system of several provinces—notably those of Madras and the Punjab—have recognized the necessity of special arrangements for the remission of revenue for failure of crops on lands capable of being supplied by State irrigation works. In Madras no revenue is charged upon irrigable land the produce of which has not matured owing to the failure of the water-supply; and in the Punjab this principle has received a further development, a deficiency of produce, not amounting to total failure, entitling the ryot to a proportionate abatement of the assessment rate. This system entails an elaborate procedure of crop inspection, and throws much responsibility upon native subordinates. But it has worked well, and is being extended. Unirrigated lands in the ryotwari provinces of Burma and Assam are ordinarily exempt from payment of assessment if left

unsown; but these provinces afford almost the only excep- INDIA.
tions to the rule that lands which are dependent upon
the rainfall pay a fixed assessment irrespective of their
produce. During the past twenty-five years the advantages,
for lands of this description, of a more elastic system of
collection have been urged at various times on the Govern-
ment of India by very high authority, and have been
carefully debated with Local Governments. The weight of
opinion has been against change; but this seems to be
due partly to the idea that remissions in some years would be
balanced by an increase of assessment in others, and partly
to the difficulty contemplated in appraising the loss
sustained by each of thousands of small holdings. The
Government of India freely admit that a fluctuating
assessment, in the sense of an assessment without a definite
maximum limit in cash, and annually varying with the
outturn of the crops, is exceedingly difficult to work with
fairness, throws an undesirable amount of power into the
hands of subordinate officials, and lacks the influence
for thrift which has been the desire of Government to secure
in its land revenue policy. It would be a retrograde
step, and would imply a reversion to the methods of
native rule. But these objections would not apply so
forcibly to a system under which the produce of particular
harvests would be taken merely to justify the reduction
of a standard demand, when such produce falls below a
point at which relief is, for general reasons, pronounced
to be necessary. Experience, gained on a large scale
during the past years of distress, indicates that when
crop failure affects an entire village, or other separately

INDIA. assessed area, the difficulty of dealing with holdings individually may possibly be met by working from aggregate to detail, by accepting the village, or other such area, as the unit for calculating the amount of reduction to be given, and leaving it to subordinate officials of approved character merely to distribute this amount according to the degree of the loss sustained by individuals. Where a landlord is interposed between the ryots and the Government, his assistance will often be of value in making this distribution, as it is in the interest of his rental collections that it should be fair. Such a system will no doubt offer difficulties of its own, and careful supervision would be indispensable. But the Government of India are not satisfied that, in certain well-known tracts of insecure land, where crops are liable to violent fluctuations in produce, some such plan is not required in the interests of the people, and the question of its introduction will receive fresh consideration. It would be essential that the working of the system should be under the supervision of European officers of experience, at all events during the first years following its introduction.

37. In a country of the size and diversity of India exceptions must occur to the general rule of agricultural progress, and localities are to be found where the conditions are those of actual deterioration. The Governor General in Council has in mind not only the losses of population and of produce which are the unavoidable consequences of severe famine, but the circumstances of tract and villages which lose ground owing to such special causes

(3) Expediency of meeting local deterioration with prompt relief.

as the effect of decimating epidemics of malarial fever or **INDIA;** other conditions, whether connected or not with vicissitudes of season. For some years past the Government of India have insisted upon the importance of the early detection of cases of local deterioration, and have committed to Provincial Departments of Land Records and Agriculture the conduct of systematic enquiries to this end. But the information thus collected has not always been fully utilized, and there have been cases in which a reduction of revenue was not granted till the troubles of the people had been aggravated by their efforts to provide the full fixed demand. It is no doubt true that any alteration of the assessment is in conflict with the terms of the original contract, by which the landholder has undertaken a liability for loss in return for an expectation of profit. But in this matter the interests of the Government are identical with the interests of the people, and it is unwise to exact from impoverished persons a revenue which they really cannot pay, merely because they are under an engagement to pay it. The Governor General in Council is convinced of the desirability of granting prompt relief in these cases, whether they involve tracts or single villages, even though such a course may involve a departure from the strict principles of settlement. The amount of revenue which the concession will cost to the State will be insignificant compared with the advantages obtained in assisting and encouraging an afflicted population.

38. In the review of their land revenue policy which has now been brought to a close, the Government of India claim to have established the following propositions, which, for

Summary of propositions established.

INDIA. convenience sake, it may be desirable to summarise before concluding this Resolution :—

- (1) That a Permanent Settlement, whether in Bengal or elsewhere, is no protection against the incidence and consequences of famine.
- (2) That in areas where the State receives its land revenue from landlords, progressive moderation is the key-note of the policy of Government, and that the standard of 50 per cent. of the assets is one which is almost uniformly observed in practice, and is more often departed from on the side of deficiency than of excess.
- (3) That in the same areas the State has not objected, and does not hesitate, to interfere by legislation to protect the interests of the tenants against oppression at the hands of the landlords.
- (4) That in areas where the State takes the land revenue from the cultivators, the proposal to fix the assessment at one-fifth of the gross produce would result in the imposition of a greatly increased burden upon the people.
- (5) That the policy of long-term settlements is gradually being extended, the exceptions being justified by conditions of local development.
- (6) That a simplification and cheapening of the proceedings connected with new settlements, and an avoidance of the harassing invasion of an army of subordinate officials, are a part of the deliberate policy of Government.

- (7) That the principle of exempting or allowing **INDIA** for improvements is one of general acceptance, but may be capable of further extension.
- (8) That assessments have ceased to be made upon prospective assets.
- (9) That local taxation as a whole though susceptible of some redistribution is neither immoderate nor burdensome.
- (10) That over-assessment is not, as alleged, a general or widespread source of poverty and indebtedness in India, and that it cannot fairly be regarded as a contributory cause of famine.

The Government of India have further laid down liberal principles for future guidance and will be prepared, where the necessity is established, to make further advance in respect of—

- (11) the progressive and graduated imposition of large enhancements;
- (12) greater elasticity in the revenue collection, facilitating its adjustment to the variations of the seasons, and the circumstances of the people;
- (13) a more general resort to reduction of assessments in cases of local deterioration, where such reduction cannot be claimed under the terms of settlement.

39. In thus defining their policy, the Government of

Conclusion. India would not desire to claim for the land revenue system of British India an exactitude or a freedom from blemish to which it cannot pretend. Historically it owes its immediate origin to

INDIA. practices inherited from the most decadent period of native rule, and its form to changes made slowly, and not without mistakes, by men who were aliens to the country, and could only with difficulty, and by slow degrees, assimilate the requirements or enter into the feelings of the people. Where habit and precedent count for more than wisdom, there has been need for caution in reform; and logical completeness or simplicity could not be expected of a system born amid such surroundings, applied to such manifold conditions and to so heterogeneous a population, and subject, in the various stages of its development, to considerations of practical expediency rather than of abstract symmetry or scientific perfection. Indeed the one claim which the Government of India would decline to make for the land revenue system of this country is that it can properly be regarded as a science at all. In no country can land valuation be so described; and India, in spite of records, estimates, and tables is no exception to the rule. A part of the weakness of the criticisms which have been directed against it, arises from the erroneous assumption that it can be regulated by fixed laws, or shaped by arithmetical standards. Assessments cannot be dictated by the theorist in his study; they elude dogmatic treatment, and can only be safely worked out by the Settlement Officer in the village and on the fields. While they may admit of statistical analysis, they are liable to be hampered by premature statistical definition. The true function of Government is to lay down broad and generous principles for the guidance of its officers, with becoming regard to the traditions of the province and the circumstances of the locality, and to

prescribe moderation in enhancement, and sympathy in **INDIA**. collection. Above all it is its duty to exercise discrimination in the choice of the agents whom it employs for this most critical and responsible of tasks. The Governor General in Council acknowledges with gratitude the services that have been rendered to Government in this respect by a long line of devoted and capable officers, and he believes that the existing system, if pursued upon the lines that have been indicated, is both well suited to the present conditions of the country, and compatible with its future development, and that the revenue which it provides, and which is more lenient in its incidence than at any previous stage of Indian history, is capable of being levied from the people with surprisingly little hardship and without discontent.

CHAPTER II.—SUMMARY OF REPLIES OF THE LOCAL GOVERNMENTS.

In succeeding chapters will be found the replies of the various Local Governments to the particular allegations made with regard to their land revenue system by Mr. Dutt. The Government of India in the Resolution which forms Chapter I have refrained from commenting upon these seriatim, preferring to leave to the local administrations the task of reply. The reproduction of their replies in connected form will, it is hoped, be of public service in resolving doubts which have their origin for the most part in an imperfect acquaintance with the history and development of the land revenue policy of Government. The charges brought by Mr. Dutt against the administration of each province and the rejoinders to them will be here briefly summarized, in sequel to the general exposition which has already been made.

THE CENTRAL PROVINCES.

2. (a) *That both in the settlements of 1863—68 and in recent re settlements the rents of tenants were fixed too high and much in excess of one-sixth of the gross produce.*—In these provinces rents as a general rule are low. The enhancements resulting from the settlements of 1863—68 were not authoritatively imposed by Government, but were obtained by agreement with the landlords and tenants; in more than half of the number of districts there was practically no rent enhancement, and such

enhancements as were secured were paid without difficulty and left rents at a very low level. During the 30 years' currency of these settlements, rents in some tracts rose largely, in the main as the result of landlords' demands. At the recent re-settlements Government intervened for the reduction of such as seemed oppressively high. The enhancements imposed upon tenants whose rents had not been raised by their landlords were moderate, exceeding 16 per cent. in no district but Sambalpur, where the ryots hold direct from Government, the previous assessment having been almost nominal, and the Settlement Officer's figures only raising the rate per cultivated acre to 5½ annas. The existing rents in no district reach a sixth of the gross produce and in most districts are nearer a tenth. To raise them to a sixth would impose a crushing addition, and the propriety of Mr. Dutt's standard has been publicly repudiated by a gentleman—himself a landholder—who lately represented these provinces in the Imperial Legislative Council.

**SUMMARY
OF PROVINCIAL
REPORTS.**

3. (b) *That at the settlements of 1863—68 and at recent re-settlements the assessment on the village proprietors (malguzars) has been unduly severe.*—The settlements of 1863—68 reduced the land revenue of the Central Provinces. during their currency the provinces prospered exceedingly, and there is probably no part of India which showed greater progress, in the ensuing 30 years. The value of land rose rapidly, and a large export trade developed. Of the nine districts, the re-settlement of which has recently been completed, in only two does the share of the landlord's income taken by Government exceed that

**SUMMARY
OF PRO-
VINCIAL
REPORTS.**

formerly taken, and the increase is, respectively, only from 50 per cent. to 51 per cent. and from 49 per cent. to 50 per cent.; in the other seven districts the share was reduced and in some cases very substantially reduced. In districts which were re-settled before the commencement of the period of agricultural depression, such as Raipur and Bilaspur, the new revenue, though largely exceeding the former revenue, was collected without any difficulty. And, finally, even making allowance for the large proportionate area of poor soil, the incidence of the revenue on cultivation is now exceedingly moderate, in only one district approaching one rupee per acre and in four of the nine districts being less than 6 annas per acre.

4. (c) *That by the "half-assets" rule of 1855 the Government was bound to take no more than half of the existing rental as its revenue; and that the common disregard of this rule and its final abrogation by the Government of India in 1888 was a serious injustice to the people.*—The misapprehension on which this criticism is based has already been fully [exposed, and a reference may be made to the Minute by the Honourable the Chief Commissioner for a refutation in detail of Mr. Dutt's contention.

5. (d) *That the method of land valuation employed for the increase of rents is too complicated to be understood by the people and leads to excessive enhancements.*—Land valuation extending to separate fields or holdings must always be a technical process; it is necessary to employ differential rates for the valuation of land of different qualities, and the arithmetical calculations used in

the Central Provinces merely serve the purpose of a sliding scale to facilitate the adoption of valuations which are not averages for a tract but are suitable to particular villages, and do not exceed present payments by a larger sum than can reasonably be imposed. Fixed scales of average rates are unsuitable for a country of very heterogeneous soils, and, where rents are low and uneven, frequently result in larger increments than the tenants can be asked to pay. The object of the system is to moderate enhancement, not to facilitate it, and it has proved of special service in the reduction of oppressive rents which has formed an important feature of several recent re-settlements. The classification of the land is effected in accordance with distinctions and is expressed in terms which are well known to the people, and their opinion has always been taken into careful account in fixing the relative values of the various soil classes.

6. (e) *That over and above the revenue the Government takes cesses amounting to 12½ per cent. on the assets.*—Mr. Dutt has erroneously imagined that cesses are calculated on the assets. They are calculated on the revenue, and under a half asset assessment they amount to only 6½ per cent. on the assets. The addition of cesses to a 60 per cent. assessment raises it to 67½ per cent. and not to between 70 and 80 per cent. as supposed.

7. (f) *That the sufferings of the people during the past seven years have been largely the result of over-assessment.*—The districts which show the greatest deterioration—Saugor and Damoh—have during the past seven years not paid even as much revenue as was due from them under the former* settlement, and it has not been

**SUMMARY
OF PRO-
VINCIAL
REPORTS.**

possible to trace any connection between incidence of assessment and the amount of famine relief which has been required.

MADRAS.

8. (a) *That the principles accepted during the early years of the ryotwari settlement gave the ryots a right to a permanent settlement which has been unjustly confiscated within the past forty years.*—Save for an unauthorized proclamation issued by the Settlement Officer of the Salem district over 100 years ago, no declaration has been made to the people binding the Government to a permanent settlement. During the discussions which attended the introduction and gradual evolution of the ryotwari settlement, opinions were recorded—in some cases by highly-placed officers of Government—in favour of the eventual permanency of the assessment, and so late as 1862 a guarded adherence to this view was expressed by the Secretary of State. But whatever weight may at the time have attached to these views they remained mere expressions of opinion as to the future policy of Government, and were never given practical effect to or adopted as a principle for immediate application. A necessary preliminary to the introduction of a permanent settlement was the fair initial valuation of the land, and this, under the conditions of a ryotwari settlement, was a task of great difficulty which could only be successfully completed after years of experience and the correction of many unavoidable mistakes. Moreover, during the first-half of the last century, the revenue administration of the country was disturbed by the constant necessity of reducing the demand, and the

introduction of a permanent settlement was barred by the impossibility of stereotyping a revenue which was more than the people could pay. Meanwhile a change took place in the views and policy of the Government, and in 1868 the Secretary of State decided finally against making any declaration that the existing assessments should be permanent. The only claim that the ryots of Madras can urge to a permanent settlement rests on the fact that at one date the eventual making of such a settlement was in contemplation, and no rights were affected by the subsequent decision that the time had not come for limiting the maximum amount of the land revenue.

**SUMMARY
OF PRO-
VINCIAL
REPORTS.**

9. (b) *That, accepting the principle that the revenue is to be liable to periodic revision, the people have been subjected to unjust enhancement by the decision of 1885 that revenue might be enhanced on other grounds than a demonstrable rise in prices.*—This contention has been considered in paragraph 22 of the Resolution. It is discussed very completely in paragraphs 24 to 33 of the letter from the Madras Board of Revenue (*vide* Chapter VII).

10. (c) *That in calculating "net produce" as the basis of assessment an insufficient deduction for cost of cultivation is made from the produce of inferior soils.*—It is extremely difficult to estimate a ryot's expenditure in the cultivation of land of different qualities, but the Madras Government has always safeguarded itself by liberal deductions from the gross produce on other grounds, and, further, by the general adoption of assumed rates which are below those indicated by its calculations. It is obvious that as a

**SUMMARY
OF PRO-
VINCIAL
REPORTS.**

general rule, less money or trouble is spent on the cultivation of poor than of good land : it is impossible to frame a scale of charges which is more than approximately correct ; but there is nothing to show that the minimum deduction employed to represent cost of cultivation is unduly small. When Mr. Dutt writes that Rs do not cover the cost of cultivation of any culturable soil in India, he must have omitted to consider, for instance, the large area of poor land which is sown after perfunctory ploughing with the smaller millets. It is shown, moreover, that the deductions made from the produce of poor soils, though low in themselves, are relatively higher than those allowed in the case of good soils, and their sufficiency is further illustrated by the fact that accepting the produce estimates as adequate, they would leave little or no margin of profit to a ryot cultivating on the half produce rent which is commonly exacted by sub-leases. But, as has been pointed out in paragraph 16 of the Resolution, these calculations of the produce and expenses of cultivation have never been pressed to their full conclusion, and the exact rates employed are much below those which the " half net produce " principle would justify. It may be remarked that there is no warrant for the statement referred to by Mr. Dutt that the severity of the rates used for assessing poor land has kept three million acres out of cultivation. Under the ryotwari settlement cultivation has increased very largely—by no less than 63 per cent. during the latter half of the past century—and the area now recorded as unoccupied consists in great part of land which is only nominally culturable.

11. (d) *That the adoption of 30 per cent. of the gross produce as a maximum limit of assessment has led to over-assessment.*—This proportion of the assumed gross produce was referred to by the Madras Government in 1856 as a measure of assessment. But its adoption as a guide was objected to by the Court of Directors and was finally negatived in 1864. A reversion, according to Mr. Dutt's advocacy, to the gross produce as the basis of assessment and the adoption of a fifth share as the portion of the Government would double the existing revenue, which is calculated to be equivalent to about one-eleventh of the produce of the land, excluding live stock from calculation and the value of such secondary products as straw.

**SUMMARY
OF PRO-
VINCIAL
REPORTS.**

12. (e) *That the ryots are unjustly treated by the compulsory levy under the Irrigation Act of 1900 of water-rate for land commanded by an irrigation work.*—Lands are not liable to water-rate unless they necessarily receive sufficient water to grow an irrigated crop and no charge is made when the effect of percolation from a Government irrigation work is merely to facilitate irrigation from wells. The Act was passed after the fullest consideration by both the Madras and the Supreme Governments subject to the condition, insisted upon by the latter, that the water-rate should only be levied in cases where a full and constant supply of water is assured; and its general effect is to relieve the tax-paying community of a share of the cost of State irrigation works by taking a small contribution from the individuals whose land they assist to enrich.

**SUMMARY
OF PRO-
VINCIAL
REPORTS.****BOMBAY.**

13. (a) *That since the country passed under British rule, the land revenue has been continuously raised and is now enormously in excess of its amount at the time of cession.*—A comparison made in the year 1880 showed that the land revenue demand of 1878-79 was very nearly the same as that paid by the country during the latter days of native rule. Enhancements imposed since 1878-79 have raised the demand by 15 per cent. only and the general result is that the re-assessments of the past 30 years have done little more than recover reductions made during the earlier portion of the last century.

14. (b) *That the assessments are made without reference to either produce or prices and are excessive, absorbing more than a fifth of the gross produce which is suggested as a maximum limit.*—The process of revenue assessment in Bombay works from aggregate to detail, as must indeed be almost always the case, whatever be the theoretical basis of assessment, when Government is dealing with the cultivators direct. An examination is made of the circumstances of each tract with special reference to those which indicate the increase in the value of land since the last preceding settlement. An estimate is framed of the revenue enhancement which may be fairly imposed on each tract—or group of villages—and this enhancement is distributed over the ryots' holdings according to a holding valuation based on a survey of the area and of the quality of the soil. The valuation is relative, not absolute, and is practically used for distribution only, the actual

amount of the assessment depending on the judgment formed of the aggregate assessment which can be fairly imposed on the tract or group of villages. The total enhancement is not framed with exclusive regard to prices, but prices are among the factors considered, and it can be shown that enhancements have commonly fallen short of the limit which the rise in prices would have justified,—a fact which is borne out by the rapid increase in the value of land, and the desire of the trading and money-lending classes to invest money in its acquisition. No attempt is made to reconcile the assessments with any theoretical share of the gross produce, but it can be shown that, taking the Presidency as a whole, the assessment falls much below a fifth of the gross produce, and is indeed nearer a tenth, even allowing for the chance that one year in every three should prove unfavourable. In the fertile country of Gujarat the assessments are much higher in proportion to produce than elsewhere, and reach their maximum in the Broach district, where they are equivalent to about a fifth of the gross produce *in grain*, but to less than this if allowance be made for the superior value of the cotton crop which covers a large portion of the land. The ryots commonly sublet at a rent of half the gross produce, and the assessment is on the average equivalent to about a fifth of the amount which such a rent would bring the revenue-payer.

**SUMMARY
OF PRO-
VINCIAL
REPORTS.**

15., (c) *That enhancements on individuals should not exceed the limits imposed by law in Bengal on the judicial enhancements by landlords of tenants' rents, and that the proceedings of assessing officers should be liable to be*

**SUMMARY
OF PROVINCIAL
REPORTS.**

called in question in the Civil Courts.—This contention appears to rest on the assumption that the revenue of the State is of no more importance than the income of individuals, and that the State cannot safely be trusted with special powers for the assessment and collection of its taxes. Such powers are taken universally, and without them Government would be impossible. The limitations which the law of some provinces has placed on landlords' rent enhancements are specially directed to increasing the tenants' share of the profits left for division among private interests by the demands of the State, and could not reasonably be adopted to the detriment of the public revenue. Moreover, it is not the case that the Bengal Tenancy Act imposes definite limits to judicial rent enhancements which rest on the ground that the existing rent is below the prevailing rate or has been depreciated by a rise of prices. In the latter case enhancement is not permitted to the full extent of the rise; but under the Bombay settlement procedure such a margin is invariably left when the course of prices is used as a basis for enhancing the revenue. An instance in point is given in paragraph 10 of the Bombay Report.

16. (d) *That the land revenue assessment is generally excessive, and that it has impoverished the people and made them resourceless and helpless in years of bad harvests.*—It has already been remarked that the land revenue is much lighter than it would be under Mr. Dutt's proposal of one-fifth of the gross produce. It falls short of the rent at which most of the land is sublet with a profit of from 200 to 300 per cent. on the assessment. That the

rates employed for the assessment of unoccupied land have not checked its reclamation seems evident from the fact that the 40 years ending with 1895-96 witnessed an expansion of 60 per cent. in cultivation—double the rate at which population increased. There is nothing to show that the revenue demand is exorbitant. But its effect on the people has undoubtedly in recent years been seriously complicated by the great uncertainty of the seasons. The regulation of the assessment by an average which allows for this uncertainty assumes that the people will save in good years to meet the losses of bad years,—an assumption which experience has hardly justified. Nevertheless a comparison of the features of last year's famine with those of the famine of 1876-77 shows much that is encouraging. There was but little of the relinquishment of land in the Deccan which was so marked 25 years ago, and the proportion of cultivators who sought relief on famine work was much smaller. Indeed, save in Bijapur and Sholapur, where the failure of crops was complete, the cultivators were able to maintain themselves without State assistance, and in these two districts the proportion seeking relief never exceeded 12 per cent. of their number.

**SUMMARY
OF PRO-
VINCIAL
REPORTS.**

THE PUNJAB, THE NORTH-WESTERN PROVINCES AND OUDH, AND BENGAL.

17. There is but little which remains for remark in Mr. Dutt's criticisms so far as they apply to the northern provinces. It is shown that the adoption of one-fifth of the gross produce as the standard of the Government

**SUMMARY
OF PRO-
VINCIAL
REPORTS.**

revenue in the Punjab would lead to a very large enhancement in the demand—probably indeed a larger enhancement than in any other province, since the assessment is notoriously light and very much below the pitch justified by the half-assets principle in its narrowest sense. The reports from the North-Western Provinces similarly indicate the care which Government has taken not to use this principle to enforce its rights to very large enhancements, the assessments of the eighteen districts which have been re-settled during the last 15 years falling at only 47 per cent. of the assets

18. In regard to these provinces, Mr. Dutt has raised the expediency of further interference by the State to prevent the ejection and rack-renting of tenants by their landlords. The relation of landlord and tenant is not of course peculiar to Upper India. Under the ryotwari systems of Bombay, Madras, and Burma a large and increasing proportion of the land is regularly sublet at a rent of half the produce, and the growth of a tenant class who find a means of livelihood between the land and its nominal cultivators is at once a consequence of a moderate land revenue assessment and a proof of its moderation. In the northern provinces of India, however, the employment of tenants for the cultivation of the land is not a comparatively recent outgrowth of our revenue system, but a practice of long standing, generally due to the grant or seizure by private individuals of rights intermediate between those of the actual cultivator and those of the State; and in these provinces the Government has interfered to protect by law, at all events, a section of the tenants from the pleasure of

their landlords. It is of the utmost economic importance that the man who actually cultivates the soil should have the energy and resources to cultivate it well, and it is a matter for regret that in recent settlements in the North-Western Provinces and Oudh it has not been found possible actually to reduce rents which were too exorbitant to be taken as a basis of assessment. But interference in the interest of the tenant-cultivator not uncommonly misses its object; and when, as frequently happens, its result is merely to secure to one class a surplus which is discounted by sub-letting to another, it serves no public end except in so far as it may tend to the general orderliness of the population. Within the last 15 years the Legislature has created a strong body of occupancy tenants in Bengal, has secured the tenantry of Oudh against enhancement at over-frequent intervals and in immoderate proportion, and has practically given to every tenant in the Central Provinces fixity of tenure at a fair rent. Nearly two-thirds of the tenant area in the North-Western Provinces and about a fifth in the Punjab are held by tenants with rights of occupancy. This is not the place to discuss the measure for extending tenant right in the North-Western Provinces which has recently passed the local Legislative Council. As regards the Punjab, the opening given to cultivators by the canal colonization schemes, which are among the most successful features of recent land administration, have probably obviated for some time to come any need of interference to protect the tenant class from the effects of competition for their holdings.
