

GOVERNMENT OF INDIA.—FINANCE AND COMMERCE DEPARTMENT.

FINANCIAL STATEMENT FOR 1894-95.

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ACCOUNTS AND ESTIMATES:

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## APPENDIX I.

*Note by the Hon'ble MR. ALLAN ARTHUR.*

In paragraphs 32 and 33 of the Financial Statement, the Hon'ble Member gives certain reasons for the Secretary of State's notification stopping Telegraphic Remittances under the Gold Note Act, and among other matters mentions that the season opened without the assistance of the money that is usually brought out before Christmas by the Exchange Banks. Now it seems to me that the season opened with much heavier remittances from England than has been the case any time during the last six years, and I give the figures showing the sales of Council Bills during the three months October to December for these years:—

	Rs.
1894 . . . . .	6,46,26,000
1895 . . . . .	7,49,27,000
1896 . . . . .	3,88,30,000
1897 . . . . .	1,23,000 (Councils stopped).
1898 . . . . .	6,29,14,000
1899 . . . . .	8,02,65,000

The total Council Bills offered by the Secretary of State in December last amounted to Rs. 175 lakhs, of which the Exchange Banks took Rs. 157 lakhs, while the total tender during December amounted to Rs. 9,92,87,000, the percentage given each week being 5%, 13%, 79% and 1.0%. In addition to Council Bills the Exchange Banks brought out money in the shape of sovereigns, and from the returns of the Paper Currency Department we find that between 22nd November and 22nd December last gold to the value of 94½ lakhs was tendered in exchange for notes or rupees, whereas no additions of the kind were made to the currency during the last month of the preceding five years.

In fairness to the Exchange Banks I feel bound to give these figures, but I do not think any good purpose would be served by discussing further the point as to whether the India Office were or were not justified in making the notification referred to. I think, however, that good might come if I were to point out what was the result of that notification as applied to Indian trade. So far as I can make out the figures from the market reports, the amount of gold and of sovereigns shipped in consequence of the action of the Secretary of State was over £500,000. This was more than the trade of the country required, and Government has suffered through this temporary over-financing by Exchange having declined to a point under 1s. 4/. Had it not been for the action of the India Office, money would have come out only *as required*, and Exchange would probably have remained near import gold point, instead of having advanced as it did a short time ago to 1s. 4½d. and having declined as it has recently done to under 1s. 4d., to the great harassment of trade, and in complete opposition to the declared currency policy of the Government of India which the Hon'ble Member states to be the maintenance of Exchange between two given points, *viz.*, 1s. 4½d. and 1s. 3½d. The general idea here is that if the notification had not been made, Exchange would not have gone above gold import point, and the fact that the Secretary of State was able after his notification to sell telegraphic transfers freely seems to indicate that the notification was unnecessary.

It was with considerable regret that I was informed by the Hon'ble Member last week in reply to a question of mine that it must be distinctly understood that the prolongation of the Gold Note Act implies no undertaking on the part of the Secretary of State to sell remittances under the Act at any specified rate. In other words, there is no certainty that Exchange may not at some future period be again forced up to above gold import point, and I would suggest that the refusal of the Secretary of State to declare a maximum rate under the Gold Note Act may be taken as a sign of weakness, and that if the Government expect any efficacy for their currency measures any sudden retreat from the situation they have taken up cannot fail to constitute an unsolid foundation in the public view.

I cannot think that the Viceroy and the present Financial Member will be satisfied with a currency system that is not somewhat better than anything India has ever had before. On 23rd January of last year His Excellency said: "Relief from the financial uncertainty and the fluctuations which have so long hampered the Government and interfered with trade by a scheme of currency reform which shall give stability to our monetary system is, in my opinion, the first step, though I am far from saying the sole step, towards the economic and commercial revival of India"

and again on 12th February:—

"British capital is therefore a *sine qua non* to the national advancement. I believe it is sound policy to desire that India should become one of the chosen fields of investment, and that this great and expanding dominion should attract some portion of that wealth which appears to be equally at the disposal of petty venal Republics in the Western Hemisphere and of moribund kingdoms in the Eastern."

If British capital is to be attracted to India it seems to me that the Government of India should do everything in their power to minimize fluctuations in Exchange, so that capital may flow freely between England and India with the least possible risk of loss on the return opera-

tion. And I would submit that it will be entirely in the general interests if the announcement which was made last week by the Hon'ble Member in regard to the rate for transfers under the Gold Note Act be reconsidered, so that in the future we shall be spared from the unnecessary fluctuations of the past few months.

At the close of paragraph 33 of his statement the Hon'ble Member points to the difficulties which Indian trade is likely to run into if the Banks and Merchants trust to Government always to meet their demands from its resources instead of supplying themselves with funds. And the Secretary of State makes a similar remark in the last paragraph of his despatch of 1st instant. I agree with the Secretary of State and the Hon'ble Member so far as to say that it is only on special occasions and at prohibitive rates that assistance should be expected from State resources. But the Government of India should bear in mind that they are responsible for the laws and regulations under which money can be imported from abroad or manufactured locally, and, if the Government of India for reasons and objects admirable in themselves, place exceptional restrictions on the expansion of the currency and by their own action enlarge and reduce at times the local supply of money, then I think the Banking and Commercial communities have a right to expect that Government will be prepared to assist them temporarily to overcome the difficulties caused by exceptional legislation or State regulations. In all countries, with the exception of England and India, the currency can be readily expanded to meet temporary requirements by the simple and cheap expedient of issuing fiduciary paper money. But in England and India Government has decided that the currency can only be expanded against a deposit of gold; this exceptional restriction works fairly well in England because London can obtain gold without much delay from Paris or Berlin or New York, but in India 3 weeks or more must elapse before gold can be imported and in the absence of gold no fresh money can be issued except under the Gold Note Act. Council telegraphic transfers have saved India from many monetary panics, but they do not expand the currency. They merely transfer currency from the Government Treasuries to the money market. They are limited on the one side by the requirements of the Secretary of State and on the other by the amount spareable from the Government of India's cash balance for remittance to the Secretary of State. When the demand for money exceeds these limits or when the demand is for fresh currency it can only be met expeditiously by the Gold Note Act or some similar arrangement. I do not blame the Government of India for saying there shall be no expansion of the currency in the absence of a deposit of gold; although England is the only other country in the world where such a restriction exists, but I ask the Government of India to make allowance for the distance of India from the central markets for gold and to arrange to issue fresh currency in India on receipt of the gold in London as provided under the Gold Note Act, and, if the Gold Note Act is to be operative, I think it is highly necessary that there should be some maximum at which the Secretary of State will undertake to give rupees in exchange for gold to an unlimited extent, which facility, I take it, will only be availed of at times of extreme pressure.

To make the system work smoothly for Government, it would probably be well for them to take power to purchase silver for coinage purposes against gold paid in London under the Act, as otherwise they might have the difficulty they have lately experienced of not having sufficient rupees in the Paper Currency Reserves to meet all demands. If they had had this power recently it seems to me that it would have been quite unnecessary to have stopped Transfers under the Gold Note Act; the Government would have made a handsome profit on the purchase and coinage of the silver, and in accordance with the recommendations of the Indian Currency Committee could have placed the amount of that profit in gold to a special reserve account for the strengthening of their Currency Policy, and the gold would have been kept in London at a time when it was wanted there instead of being locked up at sea for 3 weeks or more, and locked up afterwards in the Indian Paper Currency Reserve.

So important is it in the interests of the trade of India and of the Government of India that an easy means of remittance from London to India, such as has been provided by the Gold Note Act during the last two years, should be provided permanently that I have ventured to give my views at some length. I should like to make further a few remarks on the kindred question of the inelasticity of the local central banking funds. Here again all that Government are asked to do is to afford relief from difficulties which they themselves create. In referring to the quantitative theory the Hon'ble Member says that although variations in the quantity of currency circulating may have little effect in Western countries amply equipped with credit money, the quantity of currency being supplied and offering in the Indian market must have an effect in regulating its value in exchange with other commodities, and I presume I may add that variations of the quantity of money in the loan market will have an equally great effect on the rate of interest. This being the case is it not a matter for great regret that Government should withdraw from circulation and lock up a larger amount of money during the busy season when trade demands are heavy than during the slack season, and is it not desirable in the public interest that the scarcity of money thus caused should be relieved by an increase of the Government deposits with the Presidency Banks during the busy season, when this can be done without risk or inconvenience to the State? I understand that Rs. 8 crores are considered an ample working balance with which to work the Treasuries and that a reserve of Rs. 2 crores is deemed ample to meet emergent demands on Government, and all that is asked is that during the busy season the deposits in the Presidency Banks will be enhanced whenever the total cash balances exceed Rs. 10 crores. Then again the Presidency Banks are the only Central Banks in the world which receive no assistance from the Paper Currency. The

Presidency Banks hold a portion of the cash balances, but the Bank of England holds all the cash balances and in addition to this it has power to issue fiduciary notes to the extent of over £14 millions. This is a fixed issue, but all other Governments are still more generous to their central banks and give them power to expand their fiduciary issues freely in order to enable them to meet on easy terms all legitimate demands for local accommodation. The Government of India, for reasons which I approve of, have resolved to issue the Paper Currency themselves and to appropriate all the profit thereby obtained; but they must admit that by so doing they have deprived the central banks of the power that all other central banks, with the exception of the Bank of England, possess of expanding their resources easily and cheaply in order to meet exceptional demands for accommodation, and it is not surprising that under these circumstances the central banks of India ask for some support from the Paper Currency Reserve.

The Bank of Bengal has advocated that the Presidency Banks should be given access to these Reserves upon certain restrictive terms in times of extreme pressure. The Hon'ble Member recently pointed out the difficulties that occurred to him in acceding to this suggestion, and while there is no doubt a great deal in what he said, I venture to think that the facility asked would be so seldom availed of, perhaps never at all, that the suggestion should not be finally rejected. The knowledge that there is an effective last resort in India would be an immense assistance to those who are responsible for the financing of the internal trade of the country, and with the additional banking capital, which there is little doubt will come before long to the country, the dangers, which the Hon'ble Member foresaw if this facility were granted, may not really be so great as he anticipated.

APPENDIX II.

*A Note by the Hon'ble RAI BAHADUR B. K. BOSE, on the Settlement in the Central Provinces.*

Of the two grounds for the enhancements referred to in my remarks on the Budget, the first, progress in cultivation, has received a serious check I beg to be permitted to deal with the question in some detail in the form of a note. My excuse lies in its vital importance. For an enhancement, which might have been borne at some sacrifice of convenience had times been propitious, may, in the present condition of the people, prove oppressive. In 1867-68, when the old settlement was completed, the cropped area was 12 millions and 6 hundred thousand acres. Up till 1893-94, the progress was on the whole continuous. At this period the area under crop stood at 16½ millions, giving an increase of 3 millions and 7 hundred thousand acres or about 29 per cent. in 26 years. At this stage further progress was arrested. For fair comparison Sambalpur, which till the current year always had good harvests and was thus able to profit by others' misfortunes, has to be excluded. Excluding this district the cropped area in 1893-94 was a little over 15½ millions. In 1898-99 it was a little over 14½ millions, showing a shrinkage of little over a million or about 7 per cent. Thus at the commencement of the current season the advance in cultivation as compared with that of 1867-68 was (excluding Sambalpur) about 2½ millions, or an increase of about 20 per cent. in 31 years. The fall in the area under plough does not however, disclose the full extent of the deterioration in cultivation. Speaking generally, of the two crops, the kharif is of importance as supplying the food of the majority of the people. But it is the more valuable rabi, which adds to their resources and staying power. In 1893-94 the ratio of rabi to the total cropped area was 44 per cent., whereas in 1897-98 it shrank to 30 per cent., the area placed under rabi being less than five million acres as against eight millions in 1893-94. The area under wheat, gram and linseed, the three main rabi crops, in 1898-99 was a little over four million acres. Even as regards the rabi, the less valuable gram largely took the place of the more valuable wheat. The total average export of wheat for the five years ending 1892-93 was a little over seven million maunds. In 1897-98 it fell to a little less than three hundred thousand maunds. In 1898-99 it rose to a little over 2½ millions, which is only 35 per cent. of the average of 5 years ending 1892-93. There was a somewhat similar deterioration in rice by which the system known as broad cast was substituted for the transplantation system, the yield of the latter being more than twice that of the former. Rice is the predominant crop in the Chhatisgarh. The export of rice, foreign and local, from it in 1894-95 was 37½ lakhs of maunds. In 1898-99 it was a little less than two-thirds of this amount. Speaking of the enormous money-loss from the contraction of the wheat area during the four years 1894-95 to 1897-98 amounted to only four per cent. of the average for ten years preceding, to half a lakh of maunds against 13 lakhs. In the Nerbudda Division, comprising some of the best wheat lands in the Province, the average of the same four years was 14 per cent. of the decennial average. Mr. Fuller writes: "But it is obvious that so great a decline in production is seriously crippling the people and must retard recovery. In particular it adds to the load of debt both by necessitating fresh borrowing and by the accumulation of interest on previous loans"

Revenue Administration Report for 1897-98. the Commissioner of Jubbulpore, Mr. Fuller, has pointed out that the export of wheat

12,621,898.

16,316,904.

15,684,165.

14,607,767.

(Vide Annexure C.)

4,282,067.

7,024,734

280,883

2,555,868

Regarding the other factor, rise in prices, when an agriculturist gets involved is debt and is forced to borrow his seed, his subsistence grain till the

harvest and his cost of cultivation at a high rate of interest, or by agreeing to sell his expected crops in advance at a sacrifice, rise in prices cannot benefit him much. The keen and enterprising grain-dealers, Marwadis, Kuchchis, Bhatias and others, whose organization covers the whole country, intercept a considerable portion of the profits accruing from this cause; and against what is left for the actual tillers of the soil has to be set off the high prices they have to pay for many of the necessaries of life, the increased charges on account of cost and keep of plough bullocks and higher wages that have to be paid for such farm labour as they have to employ. How largely, in spite of favourable prices, the tenants have got into debt would appear from the fact stated in the Central Provinces Famine Report, that only a fourth of them were found to be prosperous and free from debt. Another fourth were deeply involved in debt, while the remaining half were in a constant state of indebtedness, carrying on their agriculture with borrowed capital. This was said in May, 1898. Another and a more disastrous season will now make matters worse and many will be dragged down from the first to the second or third class. How little benefit an impoverished tenantry can derive from rise in prices and what difficulties the *mālguzārs* now experience in realizing rents as fixed at the settlement and which form the basis of the new assessment, will appear from the statement of rent collections annexed to the Revenue Report for 1897-98. Complete figures are given for 11 out of 18 districts. Excluding Sambalpur, the rent collections on current dues in four districts did not exceed half the demand and in four others they ranged from 61 to 56 per cent, while in two only they reached the somewhat satisfactory figure 88. The total collections, both current and arrears, fell short of the total payment on account of public demands in six districts. (*Vide* annexures D and E.)

The impoverishment of the tenantry could not but tell on the proprietors, and the figures relating to the transfers of proprietary right show that this has

\* 428,356  
† 605,365  
‡ 625,327

been the case. In 1893-94 these transfers covered an area of about  $4\frac{1}{2}$  lakhs\* of acres. Next year it went up to six lakhs,† or a rise of 50 per cent., which figure was more than maintained in the following year.‡

In the famine year (1896-97), the people were engrossed in the struggle for existence and had not much time to spare for business, but still the figure was

§ 486,637  
|| 602,048

only a little less than five lakhs.§ The next year, however, it rose to six lakhs|| again.

To add to the miseries of the agriculturists, the Province is deteriorating in another direction: cattle mortality has been increasing since the cycle of bad years began. Accurate records are available since 1896-1897 only.

In this year the plough cattle were returned at about 29 lakhs.¶

¶ 2,889,000  
\*\* 2,737,000

In the following year the number went down to  $27\frac{1}{2}$  lakhs,\*\* showing a loss of about a lakh and a half in one year. As regards

previous years, trade statistics afford a fairly reliable basis to go upon. In 1893-94 the export of hides and skins was about 55 thousand maunds. It has been steadily increasing since then. In 1894-95 it rose to 90,000 maunds, in 1895-96 it was a lakh, in 1896-97 a lakh and a third, and in 1897-98 a lakh and a quarter. There was a welcome drop in 1898-99, when it was 70,000, showing that with the return of better times, mortality among cattle went down at once. Under the combined effects of a severe crop-failure and a failure of fodder and water-supply, what the mortality will be this time can well be imagined. As the neighbouring Province of Berar is equally unfortunate in these respects, it will be difficult to replace the heavy loss that is now inevitable, even for those who will be able to afford the money. Any way the loss will be severely felt, for the cost of a pair of plough bullocks is a heavy charge on a cultivator's resources. Thus even with a favourable monsoon next year, the paucity of plough bullocks will, apart from all other depressing causes, seriously affect the area under crop. And as it will take time for the next generation of bullocks to grow up, it will be some years before normal conditions are restored.

The intervening years between the past and the present famine have not been such as to permit of the lost ground being recovered. In 1897-98 the *kharif* was specially good, but the *rabi* was seriously injured by want of dew

and winter rains and in some of the northern districts by want of moisture at sowing time. The yield was generally below the average. The kharif of 1898 was not on the whole more than an average and the rabi of 1899 was distinctly poor. But despite these by no means favourable circumstances,—indifferent harvests, shrinkage of cropped area and substitution of less paying in place of more paying crops—the landholders were not backward in meeting their

Rs. 90,28,538

Rs. 38,29,294

Rs. 91,43,312

\* Taken from the Statement II-A, Revenue Administration Report for 1897-98.

† Taken from the Appropriation Report on Accounts for 1898-99.

liabilities to the State. The demand including cesses in 1897-98 was about ninety lakhs on current, and thirty eight lakhs on arrears, account, making a total of about a crore and a third. They \* paid over ninety-four lakhs, or the whole of the current demand and four lakhs towards arrears. The collections during 1898-99 have been about one crore† (Rs. 99,93,000) which is about  $5\frac{1}{2}$  lakhs more than in the previous year. Statutory loans aggregating 13 lakhs (Rs. 13,04,149) were also paid back. Besides these payments to Government amounting to over two crores, the people must also have paid something to their private creditors. After meeting these liabilities and their private expenses, the agriculturists could not have begun the current season with any appreciable saving. Whatever it was, it must have been exhausted to a great extent in providing for seed and their own subsistence between sowing and the expected harvest. The mournful fact is now too well-known, that when the time came for them to seek a return for all they had spent on their lands, there was heavy disappointment. The kharif failed even more grievously than in 1896, and as regards the rabi such a serious loss has not taken place within living memory. It will thus appear that the end of the current agricultural year will find the landholding classes in a state of great exhaustion. In 1897 we had a noble charity fund to come to their rescue. About 29 lakhs of rupees were given from it to the broken-down peasantry in the Central Provinces for seed and bullocks. With this timely help about  $1\frac{1}{2}$  millions of acres of land were brought under the plough. Thanks to the movement set on foot by Your Excellency, the cry of distress is once more stirring the hearts of the generous public, both here and in England, but owing to various causes, it is not to be expected that anything like the help given last time would be forthcoming on the present occasion. Thus want of seed-grain will operate in the same way as want of bullocks to bring about a serious contraction of the cropped area in the coming season. Apart from the money difficulty, in the Chhaisgarh and in the Bhandara Districts there is an alarming depletion of local seed-stocks, and how to procure the necessary rice-seed is a matter which is seriously exercising the minds of the people and the local officers. It is feared that seed imported from Bengal and elsewhere may not germinate properly.

I respectfully submit that with such a radical change for the worse in the economic condition of the country, a change is called for in the principles which have hitherto regulated the re-settlement of the Land Revenue Demand. Almost the whole population depends, directly or indirectly, on agriculture. The only other important occupation of the people, weaving, is a decaying industry, and the mills we have give employment to a small fraction only. Thus agricultural profits constitute almost the sole funds from which any addition to the resources of the people can be effected. The question of assessment therefore is with them a question of life and death. The slightest excess beyond what they can pay with ease is sure to have disastrous after-consequences. For it is not possible that a people raising only coarse agricultural produce, possessed of no large capital, no resources for improved methods of cultivation, in fact the majority of whom are in debt, should be able to meet with ease a revenue enhanced even to a fraction of a degree beyond what their existing condition warrants, and should, under its continued strain, recover even with a succession of good years from the depressing effects of a series of bad seasons. In some distressed tracts, where the payment of the enhanced demand had almost become an impossibility, a change in the shape of an abatement has already been introduced. Liberal remissions have also been



given. But something more than such makeshifts as temporary remissions or reductions is, I submit, now needed in the best interests of the country. A considerable surplus is expected when the famine is at an end. A portion of it may with great beneficial results be utilized in giving some relief to the landholding classes in the Central Provinces. In making this appeal, I only echo what has been suggested in some of the revenue reports for 1897-98. The Commissioner of Jubbulpore writes: "But the revenue management of certain tracts will require careful handling. In the Khurai Tahsíl and in the open country of the Dámón District very liberal general remissions will be required this year, and a re-settlement will be necessary as soon as there are signs of an upward turn. The abatements granted last year have proved inadequate." Regarding Hoshungabad, a district once thought to be one of the richest in the province, the Deputy Commissioner writes that the tenants owe heavy arrears and large sums on account of takkáví in addition to their ordinary debts, that a considerable area of land has become overgrown with "Kans" grass, which it is difficult and expensive to extirpate, and that the málguzárs have not been able to realise 50 per cent of the current rental demand. His conclusions are tersely summarised in the words, "the district is bankrupt and requires at least two good crops to become solvent." The Deputy Commissioner of Balaghat remarks that a large percentage of tenants and málguzárs are heavily in debt, and that it is greatly to be regretted that a few years could not have been given to the district before the imposition of the new settlement to give time to the people to recover themselves and to prevent the transfer of málguzárá rights to the money-lending classes. The Deputy Commissioner of Bilaspore points out that it would require at least 2 or 3 good harvests (perhaps more) before normal conditions would be restored. The Central Provinces Famine Report concludes with these weighty words: "But the ground lost during the past four years will not all be recovered in a season or two. It is a popular saying among cultivators that three good years are necessary to make up for one bad one. The saying may be tinged by the over-despondent tone which the farmer in all parts of the world uses in speaking of the prospects of his agriculture. But it is not unlikely that three years may pass before the province throws off the last signs of the greatest famine of the century." All this was said in 1898. Since then the country has been smitten with the full force of an even greater famine, and unless a liberal revenue policy, the benefits of which will permeate all classes, be adopted, it is difficult to see how the people will be able to recover themselves.

Within the last few months and while yet the province is in the throes of the famine, it has, I am told, been announced in the Bhandara District that the new assessment just completed there will come into force from the next year. The order will perhaps be reconsidered, but still its promulgation at this juncture is apt to make the people lose heart.

Proceedings with a view to a second new settlement are also in progress in Bilaspur and Raipur. These districts, especially the former, were very hard-hit during the last famine. They are no less so this time. They were both newly assessed only about 10 years ago. The enhancement in Bilaspur (Khalsa) was 102 per cent. in some groups and 105 per cent in others. Including two

\* Additional rate and Patwari cess.

cesses\* introduced in the interval between the two settlements, the enhancement under the head of cesses was 8 per cent. in addition to the consequential enhancement from the enhancement of the land revenue. There was besides a full valuation on "sír" land as compared with the half assessment of the old settlement. This process represented an increase in the assessable assets of about Rs. 66,000. The percentage of assets taken as land revenue at the new settlement was also higher. At the old settlement, the total assets including full valuation of "sír" was Rs. 5,26,391 (para. 302 of the settlement report). The Government demand being Rs. 2,51,934, the proportion it bore to the total assets was thus about

New assessment at full all-round rate of 10 annas 10 pies	=Rs. 1,49,290
Old settlement assessment at half the full rate (vide para. 302 of the report)	=Rs. 83,030
Difference	Rs. 66,260

48 per cent. As prospective profits from progress of cultivation and miscellaneous sources, for which there were large openings at the time, were not taxed, the burden of the Government demand became lighter year after year, until in the year preceding the new settlement it was only 40 per cent. of the raiyati rents, leaving the remaining 60 per cent. and the whole of the "sír" and miscellaneous

profits to be enjoyed by the málguzárs. At the new settlement, the total assets were fixed at Rs. 8,77,950, and the Land Revenue at Rs. 4,74,648. Thus the proportion which the latter bear to the former is 54 per cent. or 6 per cent. more than at the old settlement. The large reduction in the profits hitherto enjoyed, which these operations involved, must have been keenly felt. At the new

DETAILS.		Rs.
Existing rents . . . . .	.	6,09,940
Enhancement on above by S. O. . . . .	.	70,090
Full valuation of sír . . . . .	.	1,49,290
Miscellaneous profits . . . . .	.	48,030
<b>TOTAL</b>	.	<u>8,77,950</u>

settlement the rise in prices from the opening of the Bengal-Nagpur Railway was presumably taken into account, the tenants' rents being raised by Rs. 70,000. Since then the district instead of prospering has distinctly deteriorated. It is difficult therefore to conceive on what ground a second new settlement can, under existing conditions, be justified so soon after the first. A new settlement, however carefully conducted, must unsettle men's minds, make them suspicious of the intentions of Government and subject them to the harassments inseparable from the visits of official underlings. I am afraid, even with a good season next year, in place of stimulus of hope, there will be discouragement of uncertainty, and this feeling will paralyze all exertions to recover from the effects of the famine.

## FINANCIAL STATEMENT OF THE

## ANNEXURE A TO APPENDIX II.

*Statement showing enhancement of Land Revenue demand under the new Settlement:  
(taken from Statement VI, Revenue Administration Reports.)*

District.	Percentage of enhancement on previous demand in various assessment groups in the District.
Saugor . . . . .	68, 42, 53, 48
Damoh . . . . .	55, 73
Jubbulpore . . . . .	50, 44, 62, 86, 64, 77
Mandla . . . . .	61, 66
Seoni . . . . .	95, 97, 55, 92, 50
Narsingpur . . . . .	57, 46
Hoshungabad . . . . .	69, 87, 96
Nimar . . . . .	58, 56
Betul . . . . .	55, 63, 8, 57, 37
Chindwara . . . . .	45, 55, 47, 25
Wardha . . . . .	26, 28
Nagpur . . . . .	20, 21, 28, 24
Bhandara . . . . .	40, 38, 30, 52
Balaghat . . . . .	48
Raipur . . . . .	82, 98
Bilaspur . . . . .	102, 105
Sambalpur . . . . .	34

*The 28th March, 1900.*

B. K. BOSE.

ANNEXURE B TO APPENDIX II.

*Statement showing average enhancement in the whole district on the previous demand.*

District.	Enhancement under Land Revenue alone.	Enhancement under Land Revenue and cesses combined inclusive of additional rate and Patwari cess imposed during the currency of the old settlement.
Saugor . . . . .	49 per cent.	61 per cent. } Abated— details not known.
Damoh . . . . .	60 "	70 "
Jubbulpore . . . . .	65 "	78 "
Mandla . . . . .	71 "	86 "
Seoni . . . . .	80 "	95 "
Narsinghpur . . . . .	50 "	60 "
Hoshangabad . . . . .	87 "	99 "
Nimar . . . . .	59 "	73 "
Betul . . . . .	46 "	57 "
Chhindwara . . . . .	38 "	50 "
Wardha . . . . .	26 "	35 "
Nagpur . . . . .	20·6 "	28 "
Raipur including zamindaris . . . . .	57 "	71·8 "
Bilaspur including zamindaris . . . . .	93 "	111 "
Sambalpur including zamindaris . . . . .	46 "	56 "

NOTE.—The settlement of Bhandara and Balaghat is not yet complete.

B. K. BOSE.

The 28th March, 1900.

## ANNEXURE C TO APPENDIX II.

Statement showing area under crop in the seventeen distressed districts in 1893-94 and 1898-99:—

Districts.	1893-94.	1898-99.	Decrease— or Increase + in 1898-99 as compared with 1893-94.
	Acres.	Acres.	Acres.
Saugor . . . . .	1,015,570	697,771	—317,859
Damoh . . . . .	556,473	403,344	—153,129
Jubbulpore . . . . .	1,999,855	942,666	—1,057,189
Mandla . . . . .	547,995	483,027	—64,968
Seoni . . . . .	726,091	595,812	—130,279
Narsingpur . . . . .	634,376	539,723	—94,653
Hoshungabad . . . . .	1,051,126	857,342	—193,784
Nimar . . . . .	506,599	578,966	+72,367
Betul . . . . .	649,318	568,518	—81,200
Chhindwara . . . . .	701,400	720,544	+19,144
Wardha . . . . .	924,381	903,035	—21,346
Nagpur . . . . .	1,250,937	1,224,818	—26,119
Chanda . . . . .	622,336	798,394	+176,058
Bhandara . . . . .	897,808	826,451	—71,357
Balaghat . . . . .	492,295	373,423	—118,872
Raipur . . . . .	2,532,283	2,486,231	—46,052
Bilaspur . . . . .	1,474,922	1,607,762	+132,840
<b>TOTAL</b>	<b>15,684,165</b>	<b>14,607,767</b>	<b>—1,076,398</b>

*Note.*—In 1898-99 there was a fall in cultivation in every district except Nimar, Chhindwara, Chanda and Bilaspur. As regards the last three of these four districts, the increase is, I believe, only nominal and is due to the fact that whereas the 1893-94 figure either does not include at all or only partially includes the zamindari area, the figure for 1898-99 includes either the whole or a considerable portion of the zamindaris, the survey operations having progressed in the interval. The loss in the remaining thirteen districts is 1,476,907 acres or nearly one million and a half.

B. K. BOSE.

The 28th March, 1900.

## ANNEXURE D TO APPENDIX II.

Statement showing rental on tenant area on account of current demand and realization on account of the same for 1897-98 in 10 out of the 17 distressed districts for which alone figures are available:—

Districts.	Demand.	Collection.	Percentage of collection on demand.
Damoh	545,767	336,030	62
Jubbulpore	1,281,131	818,177	64
Mandla	233,697	143,841	61
Seoni	414,070	272,301	66
Narsingpur	940,284	434,010	46
Hoshungabad	1,134,208	558,593	50
Nimar	223,752	109,494	50
Betul	347,191	164,847	47
Wardha	816,100	718,079	88
Nagpur	1,213,369	10,741,591	88

B. K. BOSE.

The 28th March, 1900.

## ANNEXURE E TO APPENDIX II.

Statement showing total realizations from tenants on current and passed demands and total payment made to Government on current and passed demands on account of land revenue and cesses in 1897-98 in 10 out of the 17 distressed districts for which figures are available:—

Districts.	Realization from tenants.	Payment to Government.	+ Excess or — deficiency of realization against payment.
Damoh . . . . .	337,280	377,901	—40,621
Jubbulpore . . . . .	1,055,114	1,162,818	—107,704
Mandla . . . . .	194,231	134,170	+60,061
Seoni . . . . .	313,231	224,987	+88,244
Narsingpur . . . . .	810,558	867,406	—56,848
Hoshungabad . . . . .	736,696	788,230	—51,534
Nimar . . . . .	110,001	243,384	—133,383
Betul . . . . .	176,742	215,492	—38,750
Wardha . . . . .	815,321	696,230	+119,091
Nagpur . . . . .	1,200,959	1,070,218	+130,741

Note.—In six districts the realizations from tenants fell short of the payments to Government by an aggregate sum of Rs. 4,28,840. This sum was met from the profits of the *sir* and other sources.

B. K. BOSE.

The 28th March, 1900.