

EAST INDIA (LAND REVENUE).

RETURN to an Address of the Honourable The House of Commons,  
dated 15 July 1867;—*for,*

“ COPY of CORRESPONDENCE between the Secretary of State for *India* in  
Council and the Government of *India* in 1865, 1866, and 1867, on the  
Subject of the Permanent Settlement of the LAND REVENUE in *India.*”

India Office, }  
16 July 1867. }

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FRAS. W. PRIDEAUX,  
Secretary, Revenue Department.

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(*Sir Stafford Northcote.*)

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*Ordered, by The House of Commons, to be Printed,*  
*18 July 1867.*

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C O N T E N T S.

FROM	TO	DATE.	SUBJECT.	PAGE.
Government of India - - - -	Secretary of State -	8 June 1864	Permanent Settlement of Land Revenue in the North Western Provinces.	1
Minute by Lieut. Governor, North Western Provinces.	- - - -	20 July 1863	Measures for arriving at a fair Valuation of Estates as the ground of a permanent Settlement.	1
Note by Mr. Muir - - - -	- - - -	- -	Principle to be adopted in reference to the extension of the permanent Settlement.	3
Minute by Sir C. Trevelyan, K.C.B.	- - - -	18 Aug. 1863	Correcting an error into which Mr. Muir has fallen in the interpretation of an expression in reference to the Settlement being fixed on an average of Cultivation.	5
„ by Mr. Grey - - - -	- - - -	14 Oct. „	Revision of Assessment as a basis of a permanent Settlement; question advantage of proposed measures.	5
„ by Mr. Harington - - - -	- - - -	30 „ „	Remarks on the Lieutenant Governor's proposals; concur with Mr. Grey.	6
„ by Sir C. Trevelyan, K.C.B.	- - - -	21 Jan. 1864	Agency for carrying out the Settlement; doubts as to proposed measures.	11
„ by Sir R. Napier, K.C.B. -	- - - -	31 „ „	Concur with Messrs. Grey and Harington.	12
„ by Mr. Maine - - - -	- - - -	4 Feb. „	Modification of proposed Plans -	12
„ by the Governor General -	- - - -	5 Mar. „	Constitution of the Board of Settlement, and measures for Revision of Assessment.	13
„ by Mr. Harington - - - -	- - - -	5 „ „	Remarks on the above - - - -	21
„ by Mr. Muir - - - -	- - - -	23 „ „	- - ditto - - - -	23
„ by Mr. Money - - - -	- - - -	30 „ „	- - ditto - - - -	30
„ by Lieut. Governor, North Western Provinces.	- - - -	- -	- - ditto - - - -	36
Secretary to Government of India -	Secretary to Government, North Western Provinces.	8 June 1864	Communicating opinion of Governor General on proposed measures.	38
Ditto - - ditto - - - -	- - ditto - - - -	8 „ „	Conditions and Limitations in regard to the Settlement.	39
Circular Order of Board of Revenue, No. 18, 1864.	- - - -	1 Aug. „	Instructions to Settlement Officers -	44
Government of India - - - -	Secretary of State -	5 Dec. „	Reservation of Right of Government to Mines.	47
Note by Mr. Muir - - - -	- - - -	14 May „	- - ditto - - ditto - - - -	47
Minute by Lieutenant Governor, North Western Provinces.	- - - -	- -	- - ditto - - ditto - - - -	49
Secretary to Government of India -	Secretary to Government, North Western Provinces.	1 Dec. 1864	- - ditto - - ditto - - - -	50
Secretary of State - - - -	Government of India	24 Mar. 1865	Review of preceding Documents, and opinions on proposed Plans.	50

FROM	TO	DATE.	SUBJECT.	PAGE
Government of India - - -	Secretary of State -	3 Aug. 1865	Permanent Settlement in connection with Canal Irrigation.	55
Secretary to Government, North Western Provinces.	Secretary to Government of India.	30 June "	Communicating the following Papers on the above subject.	55
Resolution of Lieut. Governor, North Western Provinces.	- - - -	30 " "	Assessment of Estates subject to Canal Irrigation.	55
Note by Mr. Colvin - - -	- - - -	10 May "	- - ditto - - ditto - -	58
Answers to Questions by Mr. Currie	- - - -	- - - -	- - ditto - - ditto - -	62
Ditto - by Messrs. Forbes and Crosthwaite.	- - - -	- - - -	- - ditto - - ditto - -	70
Ditto - by Mr. Money - -	- - - -	- - - -	- - ditto - - ditto - -	70
Ditto - by Mr. Robertson -	- - - -	- - - -	- - ditto - - ditto - -	72
Ditto - by Mr. Shakespear -	- - - -	- - - -	- - ditto - - ditto - -	73
Ditto - by Mr. Martin - -	- - - -	- - - -	- - ditto - - ditto - -	74
Statements showing Profits due to the operation of the Eastern Jumna Canal, Pergunnah Jhinjhana - - -				80
Answers to Questions by Mr. Batten	- - - -	- - - -	Assessment of Estates subject to Canal Irrigation.	83
Ditto - by Mr. Hume - -	- - - -	- - - -	- - ditto - - ditto - -	84
Note by Mr. Martin - - -	- - - -	- - - -	- - ditto - - ditto - -	92
Answers to Questions by Mr. Wynne	- - - -	- - - -	- - ditto - - ditto - -	95
Collector of Etawah - - -	Secretary to Government, North Western Provinces.	9 Jan. 1865	- - ditto - - ditto - -	99
Secretary to Board of Revenue, North Western Provinces.	- - ditto - -	15 Feb. "	- - ditto - - ditto - -	103
Minute by Mr. Money - - -	- - - -	13 " "	- - ditto - - ditto - -	104
Replies to Questions by Mr. Money	- - - -	- - - -	- - ditto - - ditto - -	109
Minute by Mr. Shakespear - -	- - - -	14 Feb. 1865	- - ditto - - ditto - -	110
Replies to Questions by ditto	- - - -	- - - -	- - ditto - - ditto - -	110
Secretary to Government, North Western Provinces.	Secretary to Board of Revenue, North Western Provinces.	7 Mar. 1865	- - ditto - - ditto - -	112
Secretary to Board of Revenue -	Secretary to Government, North Western Provinces.	5 Apr. "	Settlement of Boolundshuhur and Moozuffernuggur.	113
Note by Mr. Money - - -	- - - -	25 Mar. "	- - ditto - - ditto - -	114
Note by Mr. Muir - - -	- - - -	10 May "	Assessment in connection with Canal Irrigation.	127
Secretary to Government of India -	Secretary to Government, North Western Provinces.	27 July "	- - ditto - - ditto - -	135
Ditto - - ditto - - -	- - ditto - -	19 June "	Remarks on Secretary of State's Despatch of the 24th March; Instructions in connection with the above subject.	135
Secretary of State - - - -	Government of India	17 Mar. 1866	Review of preceding Papers -	136
Government of India - - - -	Secretary of State -	20 Nov. "	Settlement of Estates affected by Canal Irrigation.	138
Secretary to Government, North Western Provinces.	Secretary to Government of India.	28 Sept. "	- - ditto - - ditto - -	141
Secretary to Board of Revenue -	Secretary to Government, North Western Provinces.	31 Aug. "	- - ditto - - ditto - -	141
Minute by Lieut. Governor, North Western Provinces.	- - - -	24 Sept. "	- - ditto - - ditto - -	152
Secretary to Government, North Western Provinces.	Secretary to Government of India.	27 May 1862	Forwarding the following Minutes on the general subject.	156
Minute by Mr. Muir - - -	- - - -	5 Dec. 1861	- - - - -	156
" by Mr. Money - - -	- - - -	21 " "	- - - - -	169
" by the Lieutenant Governor, North Western Provinces.	- - - -	27 May 1862	- - - - -	170
Secretary of State - - - -	Government of India	23 Mar. 1867	Settlement of Estates affected by Canal Irrigation.	177

COPY of CORRESPONDENCE between the Secretary of State for *India* in Council and the Government of *India* in 1865, 1866, and 1867, on the Subject of the Permanent Settlement of the LAND REVENUE in *India*.

(Home Department.—Revenue.—No 12 of 1864.)

To the Right Honourable Sir *Charles Wood*, Bart, G.C.B., Secretary of State for India.

Sir,

Simla, 8 June 1864.

WITH reference to your Despatch No. 14, dated the 9th July 1862, we have the honour to transmit, for your information, a copy of the papers noted on the margin, on the subject of the proposed permanent settlement of the Land Revenue in the North Western Provinces.

2. For our views on this important subject, and for the steps which we have taken in connection with it, we beg to refer to the two communications this day made to the Government of the North Western Provinces.

Minute by the Lieutenant Governor, North Western Provinces; dated 20 July 1863, with a note by Mr. Muir, senior member of the Sudder Board of Revenue.  
 Minute by Sir Charles Trevelyan, dated 18 August 1863.  
 Minute by Mr. Grey, dated 14 October 1863.  
 Minute by Mr. Harington, dated 30 October 1863.  
 Minute by Sir Charles Trevelyan, dated 21 January 1864.  
 Minute by Sir Robert Napier, dated 31 January 1864.  
 Minute by Mr. Maine, dated 4 February 1864.  
 Minute by the Governor General, dated 5 March 1864.  
 Minute by Mr. Harington, no date.  
 Remarks by Mr. Muir, dated 23 and 31 March 1864.  
 Note by Mr. Money, dated 30 March 1864.  
 Minute by the Lieutenant Governor, North Western Provinces, no date.  
 Letter to Government, North Western Provinces, No. 543, dated 8 June 1864.  
 Letter to Government, North Western Provinces, No. 544, dated 8 June 1864.

We have, &c.:

(signed) *John Lawrence.*  
*H. Rose.*  
*R. Napier.*  
*H. S. Maine.*  
*C. E. Trevelyan.*  
*W. Grey.*  
*G. N. Taylor.*

PERMANENT SETTLEMENT.

MINUTE by the Honourable the Lieutenant Governor of the North Western Provinces; dated 20th July 1863.

I AGREE generally in the views expressed by Mr. Muir in this note, but he appears to me to have laid too much stress upon the remarks quoted from Sir C. Trevelyan's Financial Statement, which were probably not intended to mean more than what Mr. Muir himself admits, that the permanent settlement should be granted only when the general condition of the estate or district is that of a fair average of cultivation; that is, as explained in a following paragraph, when the cultivation has nearly reached its maximum, and further improvement can be looked for only from that outlay of capital and accretion of wealth, which are the natural results of permanency of tenures.

The sentence \* in Sir C. Trevelyan's statement, however, immediately preceding those extracted by Mr. Muir is, no doubt, inconsistent with the facts in these provinces; for, as explained in the 12th paragraph of Mr. Muir's note, and as proved by all experience, the prospect of either permanent or temporary settlement acts as a check rather than as a stimulus to the extension of cultivation.

The general question of permanently settling the Government demand upon the land in the North Western Provinces has been fully and ably discussed in the Minutes of the late Lieutenant Governor, and of the members of the Board of Revenue, as recorded in the proceedings of this Government, dated 31st May 1862, and already communicated to the Supreme Government; upon which no final expression of opinion has yet been received though, as represented by the Board, the subject is one which calls for early decision.

I, therefore, gladly avail myself of this opportunity of recording some brief remarks upon various matters connected with the practical application of a permanent settlement to these provinces; and I do so the more readily because the satisfactory completion of

“ But everywhere, except where the Land Revenue has been already permanently settled, the hope of obtaining that great boon furnishes a powerful additional motive.”

these settlements will form a very important part of the duties of this Government for several years to come, and there is no question which will more deeply and directly affect the welfare and progress of the people, and upon which therefore it can be more necessary that the policy and procedure of the Government should be maturely considered, and carried out upon sound and intelligible principles.

The propriety of a permanent settlement of the land tax, so soon as the condition of the country will warrant it, and the necessity for a preliminary revision of the assessment, are questions upon which I will assume that there is no longer any difference of opinion; it remains to consider how this great boon may best be conferred with due regard to existing rights, and without unnecessary expense either to the people or the State.

Existing practice, in regard to the investigation and record of rights connected with the land, may be regarded generally as sufficient; but there are some questions affecting under-tenures upon which a more definite understanding is very much needed, and that without delay, and the early revision of settlements, if carefully carried out in the manner I propose, will be the more valuable, as it will tend greatly to allay, if not altogether to remove, that disturbance of customary rights among the agricultural classes, almost amounting to revolution, which has been produced by the enactment of Act X. of 1859, and which in Bengal has been so prolific of ill-feeling between landlords and tenants.

Apart from its effects upon individual rights, the objections which have been made against the permanent settlement in Bengal, and against many of the settlements in these provinces, have arisen principally from the dearth of well qualified supervising officers; from the rapidity with which the assessments were completed, and from the necessarily superficial character of the investigations into the assets of each estate. There is no reason why these errors should be repeated; there is no need for undue haste; the determination of Government to concede a permanent settlement, whenever the condition of an estate may warrant it, having once been announced, the Government may take its own time in converting temporary settlements into permanent ones, according to the evidence adduced, that an accurate and trustworthy valuation of the assets has been arrived at.

For the attainment of this object it has first to be determined what value shall be assigned to the revisions of settlement recently completed or now in progress; and, secondly, whether it will be possible for the future to secure equally or more correct valuations of estates without subjecting their owners and the people generally to those exactions which are admitted to be inseparable from the existing system.

There is one question, however, of great difficulty in connection with any permanent settlement upon which, before proceeding further, it may be well to offer a few remarks; I refer to the question of the claim of the State (in addition to any water rate levied by the canal authorities, which is in the nature of a moderate rate of interest upon the capital expended by the State) to a share in the enhanced profits which may hereafter accrue from the extension of irrigation from canals constructed at the sole cost of Government.

Secretary to  
Western Provinces.

Secretary to Board of Revenue

As respects lands which have already come under the influence of the canals, and where canal irrigation has reached its full development, the Government will obtain its fair share of improvement, but the present revision of assessments in the Western Provinces will obtain its fair share of improvement, but may hereafter benefit by the extension of canal irrigation, the Government will by a permanent settlement apparently forego all right to any future additional revenue. This is urged as an argument against any immediate permanent settlement at all, and the difficulty which it is sought to overcome, and for which a variety of measures have been suggested, is that of reconciling a permanently fixed assessment, with the reservation of a right to participate in future profits.

It seems to me, however, that undue prominence is given to this idea of a Government claim to share in prospective profits. No one would maintain that because a proprietor might in the next 10 years irrigate the greater part of his estate by wells, he should, on that account, be excepted from a present permanent settlement; and if in the case of a canal the expenditure of capital and labour were made not by Government but by a third party, the claim would be for the value of the water, at whatever rate that might be assessed, not for any share in the profits of the soil. So far, then, as Government is concerned, if the annual interest upon that cost is recovered, the fact of increased productiveness from canal irrigation seems to constitute no stronger ground of claim to participate, than enhanced profits from the opening up of railways, or any other circumstance of general progress and development.

In this view the question resolves itself into the rate which should be charged for water supplied from the canals to lands which are not irrigated at the time of permanent settlement; and in this there can be no difficulty, since the exact cost of supplying water to any new customer can be readily ascertained, and the interest upon that sum at 5 per cent., plus any reasonable charge for the water itself, will be the amount of the water rent, and compensation for failure in the supply of water would, of course, be granted at similar rates.

The incidence of this rent might also, with advantage, be so regulated by progressive increase as to meet the disinclination of cultivators to take the first steps towards irrigation. If the water were given in the first instance free of charge for one or two years, it is probable that the area of irrigation would be rapidly extended, and the permission to redeem these water rents at 20 years' purchase, less 10 per cent. for cost of collection, with condition for payment of compensation in the event of failure of supply, might be found more

more acceptable to the people, and would probably be more extensively resorted to than the redemption of the land tax, while it is open to none of the objections which can be brought against that measure.

To return to the question of the revisions of assessment, already completed or now in progress, it seems advisable that these should be accepted as the basis of permanent settlement; but before they are finally adopted, they should be again tested in detail by some agency specially qualified for the work, and with so much permanency of character as to render it available for transfer from district to district as the settlement progresses.

This agency ought also to be equal to the task of securing the people from exaction, and at the same time afford the Government the strongest possible assurance that the work had been done in the most efficient and satisfactory manner that could reasonably be expected from the skill and experience at its command.

This object may be attained, I believe, at a very small cost to Government. The Sudder Board of Revenue at present consists of two members, and the most important part of its duties are those connected with settlements; when these are completed, one member, as was recently observed by Mr. Muir, may probably suffice to carry on the work. It has occurred to me, therefore, that it would be a very beneficial arrangement, saving both time and labour, if the measures proposed for the revision of assessments, and introduction of the permanent settlement were at once placed under the immediate direction of one, say the second member of the Board (leaving the other business to be carried on by the senior member and secretary), with such additional aid as might, on further consideration, appear suitable, probably not exceeding three or four of the principal officers, European and native, already employed on settlement duty.

As regards the second point, the securing a more trustworthy valuation of estates at a smaller cost of money, and convenience both to Government and the people, I see no reason to doubt that this most desirable object also may be attained by a well organised system of local investigation through the ordinary district officers, with no other aid than that of the putwarees and zemindars, and a few ameens for testing measurements, &c., under the direct personal supervision of the collectors; and I am confirmed in this view by Mr. Muir's opinion in regard to the Meerut district (at paragraph 49 of his Minute, dated 5th December 1861), as also by those of experienced local officers.

The saving to Government in settlement establishments, as well as the relief afforded to the people by such a system, would be very great, and a declaration that inaccurate papers or any attempt at fraud would subject the parties to re-survey of the lands according to the former system at the expense of the proprietors; and, at pleasure of the Government, to temporary instead of permanent settlement, would, I have no doubt, suffice to ensure the accuracy of the returns to a far greater extent than is now possible.

The existing settlements of the districts noted in the margin,\* will fall in on the dates specified against them, the intervening period affords time for the careful and efficient revision of assessment by the local officers, and is not more than will be required for the proper settlement in perpetuity of the districts† in which revision has been completed, or is now in progress.

There are many questions intimately connected with the general Revenue Administration of the country, besides those already specified which demand early attention, and could be dealt with most satisfactorily through a Board of Settlement moving about the country, such as I have suggested. I therefore strongly recommend the immediate experimental adoption of the arrangements I have briefly sketched out to the favourable consideration of the Supreme Government, and solicit the favour of early instructions.

• Meerut	- - -	July 1865
Furruckabad	- - -	" "
Budaon	- - -	" 1866
Bijnore	- - -	" "
Azimghur	- - -	" 1867
Bareilly	- - -	" "
Shahjehanpore	- - -	" 1868
Allyghur	- - -	" "
† Seharunpore.		
Goruckpore.		
Boolundshuhur.		
Moozuffernuggur.		

(signed) E. Drummond.

NOTE by W. Muir, Esq., Senior Member of the Sudder Board of Revenue, North Western Provinces, upon the principle to be adopted in reference to the extension of the Permanent Settlement of the Land Revenue.

I HAVE taken the accompanying extract from the late financial statement by Sir Charles Trevelyan.

2. It appears to point to a determination, come to by the Government of India, to grant a permanent settlement, not upon general considerations attaching to a wide extent of country, such as a district or pergunnah, but with individual reference to each estate; that is, the proportion between the cultivated and fallow lands in every estate is to be calculated; where the cultivated area exceeds a fixed ratio, a permanent settlement of the revenue is, *ipso facto*, to be granted; where it falls short of that proportion, the permanent settlement is to be withheld until the said proportion be reached.

"In order to prevent any undue sacrifice, it has been determined that the claim of the Government against an estate is not to be fixed until it has been cultivated up to a fair average, leaving only the usual proportion of waste land for pasture.

"I have long been of opinion that a well considered arrangement for fixing the land tax would, besides indirectly augmenting other sources of revenue, increase the productiveness of the land tax itself.

"The Government can, under no circumstances, demand more than a moderate assessment. When, therefore, the cultivation has nearly reached its maximum, our obvious policy is to fix the assessment, and to trust for the further improvement of the revenue to the outlay of capital and the accretion of wealth, which are the natural results of permanency of tenure, besides diminished expenses of collection and certainty of receipts. Thus the country becomes divided between estates the assessment of which has been fixed, and estates which the owners are endeavouring to cultivate up to the point which will qualify for its being fixed, and it is difficult to say which condition is most conducive to the increase of the revenue."

## CORRESPONDENCE RELATING TO THE

3. This has been resolved on (it is said) as a precaution against "any undue sacrifice" of the Government assessment; and it is also believed that the eagerness of proprietors to have a permanent settlement will prove the utmost possible stimulus to agricultural progress, as no effort will be spared till cultivation is extended up to the required limit.

4. It appears to me that an important element in the motives which operate upon the agricultural community has been left out of account in this statement; but before proceeding to consider it I will advert to one or two minor difficulties.

5. In the first place, fallow land is of every variety, good, bad, and indifferent; from that class which is barely culturable, and which is not brought under cultivation till rent has reached its utmost limit, to the best descriptions which are left out of cultivation purely from indifference, indolence, or want of labour and capital. It will not be easy to lay down "a fixed average," the application of which shall not press hardly upon villages containing a large proportion of the former class of fallow, by shutting them out on that account from the privilege of a permanent assessment, or, on the other hand, unduly favour estates possessed of the latter class. A similar remark obviously occurs in reference to that class of lands which bear cultivation for only a certain number of years, and are then abandoned, to be taken up again at some future period. It is often difficult to distinguish between these and ordinary waste, and yet, to be just and equitable, a distinction would be necessary.

6. If a discretion is to be allowed to the settlement officer in reference to the above points, and an inquiry is to be instituted into the *character* as well as the *extent* of the fallow, the process will become complicated, and may assume an appearance of arbitrariness which would affect the motives it is expected will be created by the system.

7. Again, a more important distinction may prevail between different estates or tracts of country, in consequence of varying kinds and stages of agriculture, than in consequence of the varying proportion of fallow land. A village may be entirely cultivated in the rudest and most indifferent manner, *ex gr.* with wild rice, or *mundooa*, crops hardly yielding a surplus beyond the support of the tillers of the soil. Is such a backward state of things to be accepted as a token that the village is ripe for a permanent settlement? Yet in such an estate there may not be a single acre of actual fallow land. It appears to me that the stage to which agricultural improvement has reached in the vicinity, generally, would be a far surer test of fitness for a permanent settlement than a reference in each case to the simple ratio of waste to cultivated lands.

8. A similar observation is applicable to the scale of rents prevalent in any tract of country. Where there is great agricultural depression, no outlet for resources, a sparse and scanty population, the standard of rent will be low. An estate, even if completely cultivated, would, in such a tract of country, yield only the rates of rent prevalent in the vicinity, and no higher rates. Is the mere fact that an estate happens to be cul-

Secretary  
Western Provinces  
Secretary to Board of Revenue

... sum for ever; or ought it not to be assessed at the same rate as the rest of the tract? If not, what is the ground on which it should be assessed at a higher rate? Is it to be assessed at a higher rate because it is cultivated? If so, why should it be assessed at a higher rate than the rest of the tract? Is it to be assessed at a higher rate because it is in a more advanced state of cultivation? If so, why should it be assessed at a higher rate than the rest of the tract? Is it to be assessed at a higher rate because it is in a more fertile soil? If so, why should it be assessed at a higher rate than the rest of the tract? Is it to be assessed at a higher rate because it is in a more advanced state of agriculture? If so, why should it be assessed at a higher rate than the rest of the tract? Is it to be assessed at a higher rate because it is in a more advanced state of population? If so, why should it be assessed at a higher rate than the rest of the tract? Is it to be assessed at a higher rate because it is in a more advanced state of resources? If so, why should it be assessed at a higher rate than the rest of the tract? Is it to be assessed at a higher rate because it is in a more advanced state of outlet? If so, why should it be assessed at a higher rate than the rest of the tract? Is it to be assessed at a higher rate because it is in a more advanced state of standard of rent? If so, why should it be assessed at a higher rate than the rest of the tract? Is it to be assessed at a higher rate because it is in a more advanced state of yield? If so, why should it be assessed at a higher rate than the rest of the tract? Is it to be assessed at a higher rate because it is in a more advanced state of rates of rent? If so, why should it be assessed at a higher rate than the rest of the tract? Is it to be assessed at a higher rate because it is in a more advanced state of depreciation? If so, why should it be assessed at a higher rate than the rest of the tract? Is it to be assessed at a higher rate because it is in a more advanced state of backward state of the country? If so, why should it be assessed at a higher rate than the rest of the tract? Is it to be assessed at a higher rate because it is in a more advanced state of which consequently share also in the inadequate assessment of the tract?

\* 5th December,  
paragraph 58.

9. On the same grounds, it seems to me that in such a tract as the Terai, or indeed in any outlying and but partially reclaimed quarter, it would be unwise to establish the test proposed, and confer a perpetual settlement on individual villages here and there, which, though they may have a certain proportion of lands under cultivation, cannot but be involved in the general depreciation of all landed property in the vicinity, caused by the backward state of the country, and which consequently share also in the inadequate assessment of the tract.

10. It appears to me that the general state of the district, tract, pergunnah, &c., would be a far more satisfactory test; and that, by following it, any undue sacrifice of the Government revenue would be far more surely guarded against than by taking the ratio of cultivated lands as the test for each estate. Labour, capital, rates of rent, agricultural skill, introduction of valuable staples, all these reach a general level simultaneously over some considerable extent of country; and it is by them that the value of an estate, the estimate of its assets, and the pitch of the Government assessment are effected. Where these are in advance, no estate can well lag behind. Speculators, farmers, purchasers are at hand to supplant the indolent and backward. In all such districts, or portions of districts, the assessment is fixed upon average rates and general principles common to the whole tract. There can be no fear, as a rule, of any loss to Government by declaring the assessment on all such tracts, after careful revision, to be permanent, without any reference in individual cases to the proportion borne by the cultivated to the uncultivated area.

11. Of course, there may exist exceptional cases, where, from some cause, an adequate assessment has not been reached, and where, if a village be not yet prepared for such adequate assessment, it may be expedient to declare the assessment temporary (not indefinitely, but) for a certain term of years. A fixed term is necessary to secure any improvement.

12. And

12. And this brings me to the main objection against the proposed procedure, viz., that it perpetuates in still greater force the evils of temporary settlements. The proprietor is told that his estate is not sufficiently advanced for permanent assessment; that he is to go on improving it; and that, when the cultivation has reached certain limits, the revenue then assessed will be fixed in perpetuity. This is, in effect, to expect that the proprietor will strive to accomplish results, the direct tendency of which will increase the demand of Government against him. The fear of this will altogether outweigh the desire for a permanent settlement. The object of native proprietors is not so much to obtain a permanent assessment, as to obtain a permanently *low* assessment. Indeed, looking more to the present than to the future, they would incomparably prefer a temporary light assessment to a permanent one in any degree higher. The very fact that a permanent assessment is known to be in prospect will render every rupee of reduction vastly more valuable than under a temporary settlement. The sacrifices and devices which are resorted to at our re-settlements, and for some period preceding, to make the assets appear, or actually to become, less, will consequently be practised in a still greater degree, at least the motives for them will be intensified. The result, to my apprehension, will be that, instead of owners being induced "to endeavour to cultivate up to the point which will qualify" for a permanent settlement, the inducement will be directly the reverse. There will be an ever present endeavour on their part to depreciate the apparent value of their properties; thus to over-reach the revenue authorities, and to secure a light assessment. The system will tend to agricultural depression, and to eventual loss in the land revenue.

13. These results which are to be deprecated not so much for their injury to the revenue, as to the general prosperity of the country, will be obviated by adopting the simple rule that the introduction of a permanent settlement is to depend on the condition of the district, pergunnah, or tract of country; and that all estates (besides such as may be *specialy* excepted) lying within those boundaries shall be permanently settled. The blessings of a perpetually fixed demand will thus be secured to all, and a common impetus imparted in the advance towards improvement.

14. I know not whether Sir Charles Trevelyan's remarks have any special reference to these provinces, or how far they may point to a decision already come to by the Viceroy: but on the supposition that no such decision has been actually come to (as none such has yet been communicated to us, although several references are now before the Supreme Government), and that the subject is yet fairly open to discussion, I think we might, without impropriety, submit our views on this important topic to the Government.

(signed) *W. Muir.*

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MINUTE by the Honourable Sir *Charles Trevelyan*, K.C.B.; dated 18th August 1863.

THE Senior Member of the Board of Revenue of the North West Provinces has, as supposed by the Lieutenant Governor, given a meaning to my words which they were not intended to bear. Indeed, I have been misquoted; for Mr. Muir, in the 5th paragraph of his paper, says, "It will not be easy to lay down a 'fixed average' the application of which shall not press hardly upon the villages containing, &c." I never used the words "fixed average." What I said was, "The claim of the Government against an estate is not to be *fixed* until it has been cultivated up to a *fair* average." This is precisely in accordance with the whole tenor of the instructions in the Secretary of State's Despatch No. 14, dated 9th July 1862 (especially in paragraphs 64, 65, 72, 73), and with what I myself proposed in reference to the Tanjore District in my Minutes dated January 18th and 28th, 1860, noticed in the 54th paragraph of the same Despatch.

But, while there is no real difference between Mr. Muir and myself on this point, I entirely agree with him and the Lieutenant Governor as to the great public importance of instructions being given in reference to the permanent settlement of the North West Provinces.

I request that a copy of this Minute may be sent to the Governor General.

(signed) *C. E. Trevelyan.*

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MINUTE by the Honourable *W. Grey*; dated 14th October 1863.

I HAVE read these papers over carefully more than once, and I regret that I do not feel able to offer any remarks upon them which will be likely to assist his Excellency in coming to a decision upon the points submitted by the Lieutenant Governor of the North Western Provinces in his Minute of the 28th July.

I understand the essential points submitted by the Lieutenant Governor, and on which he requires orders, to be these:—

1st. The proposed establishment of a Board of Settlement to be composed of one member of the Board of Revenue, who is to be relieved of all other duty, with such additional aid as may appear suitable, probably not exceeding three or four of the principal officers already employed on settlement duty.



## CORRESPONDENCE RELATING TO THE

2nd. That under the general direction of the agency thus created the revision of the existing assessment in the several districts of the North Western Provinces shall be conducted by local investigation through the ordinary district officers with no other aid than that of putwarees and zemindars, and a few ameens for testing measurements, &c., under the direct personal supervision of the Collectors.

This is the plan which the Lieutenant Governor proposes for securing a trustworthy revision of the assessments at the least cost of money, and at the least inconvenience both to Government and the people. It is not stated in what manner and to what extent the district officers are to act originally under the Board of Settlement in carrying out the revision, but, doubtless, it is intended that *some* superintendence and control over the original operations shall be exercised by the Board. The chief duty, however, which is to be performed by the Board is *to test the revised assessment in detail*, moving for that purpose from district to district as the settlement progresses.

Now it is obvious that the only question to be considered here is whether this plan is likely to prove as economical and effective, and as trustworthy in its results as the Lieutenant Governor appears to expect, and on this question I do not feel that I could offer any definite opinion which would deserve consideration. I can only say that the very sketchy statement of his plan, which is put forward by the Lieutenant Governor, is insufficient to satisfy me of its soundness. What strikes me on the surface as doubtful is whether the ordinary district officers can generally be relied on to fulfil the Lieutenant Governor's expectations, and whether any declaration of the penalties to follow upon the production of inaccurate papers will have the slightest effect in preventing the proprietors of land from attempting to deceive the officers engaged in revising the assessments. As regards both these points, something, no doubt, would depend on the efficiency of the subsequent test which is to be applied by the Board of Settlement. Beyond the bare statement, however, that this agency is to test the revised assessments "in detail," no information is given in the Lieutenant Governor's Minute as to the manner in which its proceedings are to be conducted. On the whole, I cannot but think that it is to be regretted that the Lieutenant Governor should have proposed this plan in so very important a matter without (so far as appears) any consultation with the Revenue Board; and, for my own part, I am of opinion that no decision upon it can safely be come to until the views of the Revenue Board are known. I should hope that the Board's views on the Lieutenant Governor's plan generally may be elicited by the communication which will be made to them by his Honor consequent on the receipt of the letter from the Secretary to the Government of India, dated the 18th ultimo. On the particular point adverted to in that letter, I may observe that there seems to me to be some misapprehension. There is no doubt that Mr. Muir cited the Meerut District as being exceptionally circumstanced in respect of the necessary steps preliminary to a revision of settlement having been already completed in that district; but the only point which I understand the Lieutenant Governor to refer to in the case of Meerut is, that what *has been done* there *may be done* everywhere else.

Secretary to Board of Revenue  
Western Province  
is to say, he merely uses, as I understand him, the instance of Meerut in support of that part of his plan which proposes that the revised assessments shall be undertaken by the ordinary district officers, aided by the putwarees, &c., instead of by special settlement establishments. This is the essential, and, as I think, very doubtful feature of the Lieutenant Governor's proposition, and regarding which I think the opinion of the Board of Revenue should be explicitly had.

I do not refer on the present occasion to the question of adopting the revised settlements, now in progress, as the basis of a permanent settlement, further than to say that the suggestion, as applicable to most of the districts of the North Western Provinces, is, no doubt, remarkable and consistent with the spirit of the orders received from the Secretary of State. But it is, perhaps, necessary to remind the Government of the North Western Provinces of the precise tenor of the Secretary of State's instructions,\* viz., that as regards districts in which *no considerable increase is to be expected in the land revenue*, and where its *equitable apportionment has been ascertained*, Her Majesty's Government will be ready to sanction on the recommendation of the local Government, supported by that of the Government of India, the settlement in perpetuity of the assessment at the present or the revised rates.

Under these instructions it would seem proper that whenever the revenue authorities and the Government of the North Western Provinces shall be satisfied that in any one or more districts the prescribed conditions are fulfilled, a report should be made to the Government of India, with a recommendation that the assessment, as then existing, be declared perpetual in such district or districts.

(signed) W. Grey.

MINUTE by the Honourable H. B. Harrington; dated 30th October 1863.

I SHARE Mr. Grey's regret that the Lieutenant Governor of the North Western Provinces, before submitting a copy of the Minute recorded by him under date 20th July last, and soliciting the orders of his Excellency the Governor General on the propositions therein contained, did not communicate the substance of that Minute to the Members of the Board of Revenue at Allahabad, and invite their suggestions and remarks in respect to

\* Paragraph 72 of Despatch No. 14, dated 9th July 1862.

to the arrangements considered advisable by his Honor in view to giving to the territories under his government the benefit of a permanent settlement, to which it is the wish of Her Majesty's Government that those territories should be admitted as soon as they are in a condition to warrant the measure.

I also share Mr. Grey's doubts as to the soundness and practicability of the plan put forward by the Lieutenant Governor of the North Western Provinces, in the belief that it will prove alike effectual and inexpensive, and lead to satisfactory results. Had the Lieutenant Governor consulted the members of the Board of Revenue at Allahabad, I cannot help thinking that they would have been able to satisfy his Honor that the measures proposed by him are neither suitable nor adequate to the end in view.

Lastly, I share the hope expressed by Mr. Grey that the views of the members of the Board of Revenue at Allahabad on the Lieutenant Governor's plan generally may be elicited in the manner mentioned in Mr. Grey's note. The Lieutenant Governor, having those views before him, will, I feel sure, experience no difficulty in modifying his plan, and in proposing such arrangements as will be calculated to accomplish, in a satisfactory manner and within a reasonable period, the great object which, as noticed by his Honor, will prove a very important part of the duties of the Government of the North Western Provinces for some time to come.

The question for consideration being as to the mode in which an accurate and trustworthy valuation of the assets of estates, which is to form the basis of a permanent settlement, can best be obtained; the Lieutenant Governor remarks that it has to be determined, first, "what value shall be assigned to the revisions of settlement recently completed, or now in progress;" and, secondly, "whether it will be possible, for the future, to secure equally or more correct valuations of estates without subjecting their owners, and the people generally, to those exactions which are admitted to be inseparable from the existing system.

Before proceeding to notice the decision come to by the Lieutenant Governor upon these two points, I wish to say a few words on an earlier part of the Lieutenant Governor's Minute, where he says, "Existing practice in regard to the investigation and record of rights connected with the land may be regarded generally as sufficient, but there are some questions affecting under-tenures upon which a more definite understanding is very much needed, and that without delay and the early revision of settlements, if carefully carried out in the manner I propose, will be the more valuable, as it will tend greatly to allay, if not altogether to remove, that disturbance of customary rights among the agricultural classes, almost amounting to revolution, which has been produced by the enactment of Act X. of 1859, and which in Bengal has been so prolific of ill-feeling between landlords and tenants."

I am not aware on what grounds the foregoing statement is made as to the effect of Act X. of 1859 upon the agricultural classes. Certainly I have seen nothing in the reports, official or otherwise, to which I have had access, of the working of Act X. of 1859, leading to the belief that such has been the effect of the Act in the territories under the government of the North Western Provinces.

I presume that the particular parts of Act X. of 1859, which the Lieutenant Governor had in his mind when he wrote the remark which I have quoted, are Section 6, and that part of Section 17 which declares that "no ryot, having a right of occupancy, shall be liable to an enhancement of the rent previously paid by him, except on the ground that the value of the produce, or the productive powers of the land, have been increased otherwise than by the agency or at the expense of the ryot," taken in connection with Section 5, which says "ryots having rights of occupancy, but not holding at fixed rates, as described in Sections 3 and 4, are entitled to receive pottahs at fair and equitable rates."

Section 6, Act X. of 1859, declares that "every ryot who has cultivated or held land for a period of 12 years has a right of occupancy in the land so cultivated by him, so long as he pays the rent payable on account of the same;" but this declaration is subject to the proviso in the next succeeding section to the effect that "nothing contained in Section 6 shall be held to affect the terms of any written contract for the cultivation of land entered into between a landholder and ryot when it contains any stipulation contrary thereto." Landholders are thus enabled, by an easy and very simple process, to prevent a prescriptive right accruing to, or being acquired by, any ryot not already possessing the right of occupancy. I do not think that this proviso is sufficiently attended to, or has its due weight with those who object to the part of Act X. of 1859, to which the proviso applies.

As regards the period of occupancy specified in Section 6, is it too much to say that the section is merely declaratory in its nature, and that, as respects the North Western Provinces at least, it does nothing more than maintain and make express law, the rule or practice which has long governed the decisions of the Civil and Revenue Courts generally in those Provinces?

It was declared by the highest revenue authorities in the North Western Provinces many years before the Bill, which eventually became Act X. of 1859, was drafted, that "prescription was the best rule to follow. That those who had, for a course of years, occupied the same field at the same or at equitable rates, were held to possess the right of continued occupancy, while those, whose tenure was not similarly sanctioned, were considered tenants-at-will, and that, in practice, it was not difficult to draw the line."

I have before me a copy of a letter from an old North West Settlement officer, who now fills a high judicial situation in the North Western Provinces, in which he says,

"although previously to the enactment of Act X. of 1859, the positions and rights of the various classes of cultivators were never very clearly defined, that is, where the line was to be drawn between a *Mouroosee* and *ghuer Mouroosee Assamée*" [hereditary or non-hereditary cultivator], "yet to the best of my belief it was a very general practice of settlement officers to record all Assamees, who had held cultivating occupancy for *twelve* years, and who desired or claimed to be so recorded, as Mouroosee Assamees, which is only another term for ryots with right of occupancy." In any future revision of settlements all that the officers making such revision will have to do, will be to maintain the record thus made, where the right has not been lost by failure, to pay the rent legally demandable, or by abandonment, or in some other recognised way, and to follow the practice observed in former settlements as regards any rights of occupancy, intermediately acquired, and to record the same.

\* Para. 134 (page 69).—"It is not easy to define with precision the rates at which cultivators possessing the right of occupancy are entitled to hold. The Regulations (Section 10, Regulation LI., 1795) mention the established rates of the *pergunnah* for lands of the same quality and description, due consideration being had, as far as may be required by the custom of the district, to the alteration of the species of culture, and the caste of the cultivator; and in another place, (Clause 2, Section 60, Regulation VIII., 1793) the *Nirkhbandy* of the *pergunnah*. But in practice such established rates are scarcely ever found to exist. In default of them rents are to be adjusted (Section 7, Regulation V., 1812) according to the rate payable for land of a similar description in the place adjacent, or at rates not exceeding the highest rate paid for the same land in any one year within the period of the three last antecedent years. but both of these rules are difficult of application.

135.—"When the Government fixes its own demand upon an estate, *i.e.*, at the time of settlement, the Government officer is competent to fix the rates payable by the cultivators to the proprietors. He will be very careful not to do this arbitrarily, but he will refuse to admit the principle that because a cultivator paid a low rent before the settlement, he is entitled to hold at the same rate, notwithstanding the Government demand has been re-adjusted. As a general rule, open to exceptions in special cases, the proprietor should be held entitled to raise the rent upon the cultivator until it reach half as much again as the average Government assessment upon land of the same quality.

136.—"When the Government restricts its own demand upon the proprietors, it does not prohibit the proprietors from raising their terms upon the cultivators, in such amount as may be equitable during the period of the settlement. General circumstances affecting the whole *pergunnah*, such as the opening of new markets for the produce, the introduction of new articles of produce, increased facilities of irrigation, or a fall in the value of money, or circumstances having local effect in the village—such as the establishment of a *gunge* or *mart*, the new direction of a road, or the construction by the proprietors of some work for irrigation, may all render it equitable that the proprietor should demand an increased rent, though the Government *juma* remain the same. The law (Section 9, Regulation XXX., 1803) has made provision for securing this right to the proprietors, fair opportunity having been afforded to the cultivators for the improvement of the land, when the improvement of the land is occasioned by the expenditure of capital by the cultivator, the proprietor will not be entitled to enhance the rent even though the cultivator may have neglected to protect himself by a *pottah*."

The tenure of the cultivator, or his right of occupancy, being established, the right to enhance the rent paid by him rests upon other and independent grounds; and here I would also ask, has the Act of 1859, in so far as the North Western Provinces are concerned, really altered the law, or what has always been supposed to be the law, relating to the enhancement of the rents of cultivators having the right of occupancy, and to have been acted upon as such? The quotation in the margin,\* from that very useful work "Directions for Revenue Officers," which was published some years ago under the authority of the Lieutenant Governor of the North Western Provinces, bears immediately upon this question. If what is there stated be compared with the terms of that part of Act X. of 1859, which relates to the enhancement of the rents of cultivators having the right of occupancy, there will be found to be a very general correspondence.

In some parts of the Lower Provinces of Bengal, no doubt, there have been numerous contests between certain landlords and their tenants, on the subject of the rents payable by the latter to the former; but I do not think that it can, with truth, be said that these contests arose from the operation of Act X. of 1859, or that they would not have arisen if Act X. had not been passed.

The suits relating to the rents of cultivators having the right of occupancy, which were pending at the time of the passing of Act X. of 1859, have been already completed.

Romanerstand the Lieutenant Governor has issued.

in the case of Meerut is, that what has been done there more than twenty years ago, and which have lately been brought in, is not in accordance with the provisions of that enactment; but this has been simply because Act X. of 1859 has superseded all previous laws relating to suits for enhancement of rent, and is the only law under which suits for enhancement of rent can now be entertained and decided.

I believe I am fully warranted in saying that the greater portion of the suits between landlords and tenants, which have been instituted during the last two or three years in Bengal, had their origin, not in Act X. of 1859, but in the refusal of the ryots to continue to cultivate indigo on the same terms as formerly.

For many years past the indigo planters, in some of the districts in Lower Bengal, have been willing to accept from their ryots who cultivated indigo plant for them, rent for the land held by such ryots at a much lower rate than they knew they were entitled to demand. When the ryots refused to cultivate indigo, or to cultivate it on the same terms as before, the landlord commenced to assert his right to a higher rate of rent, his claim notwithstanding that Act X. of 1859 had never been passed, though his suits for enhancement would have been brought under a different law—that is, under the regulations which Act X. of 1859 repealed.

I proceed to consider the measures proposed by the Lieutenant Governor preliminary to the introduction of a permanent settlement into the territories under his Government, where such settlement does not already exist.

For a final revision of settlements in the North Western Provinces to be followed by the settlements so revised, being declared permanent, the Lieutenant Governor proposes to constitute an agency consisting of a member of the Board of Revenue and one or more (but probably not exceeding three or four) of the principal officers, European and native, already employed in settlement duty. Such I understand to be the constitution of the agency which the Lieutenant Governor proposes for the duty above mentioned.

This agency is to proceed from district to district, and in the first instance to test in detail the revision of the settlements already completed (by which I understand the Lieutenant Governor to mean the settlements which have recently been concluded), or which are now in progress, and afterwards, the revision of the settlements which will expire between the present time and the year 1874, and which, as they fall in, will also require to undergo the process of revision. The year 1874 is the last of the years mentioned.

Secretary  
Western Province  
Board of Revenue

Secretary  
Board of Revenue  
Western Province

tioned in Act VIII. of 1846 for fixing the duration of the settlement of the North Western Provinces.

From the use of the words "now in progress" in the earlier part of paragraph 14 of the Lieutenant Governor's Minute, it might be inferred that the Lieutenant Governor intended to limit the operations of the proposed agency, in addition to the settlements already completed, to the revision of settlements actually going on at the present time. The words, however, employed at the end of the same paragraph, rather lead to the belief that the Lieutenant Governor does not contemplate that the operations of the proposed agency should be so restricted, but that they should eventually extend to all the other districts, the settlement of which will, according to the Act above mentioned, expire in the course of the next 10 or 11 years; and I think it may fairly be assumed that such is the intention of the Lieutenant Governor. It is not unreasonable to suppose that the Lieutenant Governor would not consider it right that, when the settlements, which have still some years to run, expire, and the districts to which they relate again come under revision of settlement, the settlement then made, before being declared permanent, should not be subjected to a final test to be applied in the same manner and by the same description of agency as proposed by his Honor, for testing the revision of the settlements already or recently completed, or now in progress. This part, therefore, of the scheme of the Lieutenant Governor embraces, as I understand it, the whole of the North Western Provinces, with exception to the permanently settled districts of Mirzapore, Benares, Juanpore, and Ghazepore.

The Lieutenant Governor's Minute contains no information as to the precise mode in which the members of the agency, proposed by him, are to carry on their operations; and I am obliged to ask—Are the members to work together as a body, or are they to work separately? Are they to have co-ordinate powers, or are the members junior to the member of the Board of Revenue to act in subordination to him? Is the decision of the member of the Board of Revenue to be liable to be over-ruled by the other members; if so, or if all the members are to have equal authority, it seems to me that there should be greater equality in official position, experience, and knowledge, between the member of the Board of Revenue, and the other members to be associated with him, than there will be in the commission or agency constituted as proposed by the Lieutenant Governor? If all the members are not to be co-ordinate, what are to be the separate functions of the subordinate members, and what the separate functions of the senior member? Then again, is the agency to carry on its work, as it proceeds from district to district, at the Sudder station of the district alone, or is it to move about the district and visit the interior, where, I need not say, detailed settlement operations can most advantageously be carried on, and with the greatest prospect of satisfactory and trustworthy results. Further, I should wish to know what powers are to be exercised by the proposed agency. Is it to have power to alter or order, or if the result of its testing is unfavourable, what is to be done, and how are the proper remedies to be applied? If the powers to be exercised by the proposed agency have been settled, has it been considered whether the law as it now stands, will admit of the exercise of those powers, or whether any fresh legislation will be required?

The paragraphs (6 and 69) quoted in the margin, which are taken from the "Directions," to which I have already referred, describe the duty of the officer appointed to test in detail, or to supervise, the work of the officer employed in settlement duty in the North Western Provinces, under the system at present followed in those provinces.

If the directions contained in these paragraphs may be accepted as furnishing a general outline of what, under the Lieutenant Governor's scheme, the agency proposed by him will be expected to perform, I would submit, with all deference to the Lieutenant Governor, that the work would be better done, and at no increase of cost, and with, I think, no greater likelihood of extortion and oppression as regards the people, by a single officer of the rank and experience mentioned in the former of the two paragraphs quoted, subject of course to the control of the Board of Revenue and of the local government.

From the list given in the margin of the last paragraph but one of the Lieutenant Governor's Minute, there would appear to be only four districts in the North Western Provinces in which the revision of settlement is now in progress, or has recently been completed, viz., Seharunpore, Goruckpore, Boolundshuhur, and Mozuffernugger.

The Lieutenant Governor has also given a list of eight districts the settlements of which will fall in on the dates specified in the list, or before the end of the year 1868. I do not know why the Lieutenant Governor has omitted from this list the ten districts the settlement now current in which according to Act VIII. of 1846, will expire after the year above

Para. 68.—"The more surely to guard against error of judgment, provision has been made for the supervision of the settlement officer's proceedings by the Commissioner or some other similar officer of mature experience. The essential feature of this supervision is, that it should not be confined to appealed cases, or depend for its effective exercise on the showing of another party; but that it should extend to all the proceedings, and reach to every possible bearing of a questionable principle. It should also be exercised, not simply on perusal of written proceedings, but by personal communication, in the field and amongst the people, as well as in a house or office, and at a distance from the parties interested.

69.—"In the determination of the assessment, this supervision should be exercised with peculiar diligence and discretion. Appeals against over-assessment should not be peremptorily rejected on the ground that the petitioners, by acceptance of the terms of the settlement, have shut themselves out from further appeal, nor ought they to be encouraged by being readily received, and made the occasion of open question and report. It will probably be better to receive them, ascertain exactly the nature of the objections, and lay them aside for consideration on some convenient opportunity, when the subject comes under review in ordinary course, either of personal conference with the settlement officer, or of final report of the proceedings. But under any circumstances, the work will be found so disposed and laid out that it will be easy for the supervising officer, by going over the papers, to detect himself its weak or questionable points, and to seek for full explanation regarding them. If the average falls lighter or heavier upon one village than another, he will ask the reason and inquire not only the cause of the difference, but also the reason why the difference was fixed at the amount he finds it; and he will search whether there were not other causes at work, which ought to increase or lessen the difference, and which had not been brought into the calculation. Any Commissioner who takes to task a settlement officer in this manner, not only on one occasion, or in one pergunnah, or at the close of his work, but repeatedly, in every part of his district, and in every stage of his operations, cannot fail to come to the most distinct understanding as to the character of the settlement, and will find himself able to correct and prevent many erroneous practices and principles, which the most elaborate written instructions could never effect."

mentioned. These are, 1 Allahabad (1869), 2 Futtehpore (1870), 3 Cawnpore (1870), 4 Mynpooree (1870), 5 Muttra (1870), 6 Etawah (1871), 7 Humeerpore (1872), 8 Agra (1872), 6 Moradabad (1872), and 10 Banda (1874).

Whether the settlement which has recently been concluded, or which, being now in progress, may shortly be expected to be concluded, of the four districts first named, that is to say, Seharunpore, Goruckpore, Boolundshuhur, and Mozuffernugger, may, without any further revision, be declared permanent, in reference to the terms and subject to the conditions specified in the Despatch of the Secretary of State, dated the 9th July 1862, is a question upon which I do not venture to offer an opinion. This question can be answered only by the Lieutenant Governor after consulting the Board of Revenue at Allahabad, who possess the best means of forming an opinion on the subject. But I may perhaps be allowed to remark that, from what I know and have heard of the district of Goruckpore, I should much doubt whether, notwithstanding the large addition made at the settlement recently concluded, to the amount at which the district was previously assessed, the present assessment could be declared perpetual without involving a considerable loss of revenue, not, of course, immediately, but after the expiration of the period to which the existing settlement is limited.

But whatever may be the case as regards the four districts above first named, I think we may safely infer, from what is stated in the minutes recorded in the course of last year by the late Lieutenant Governor of the North Western Provinces, and the Member of the Board of Revenue at Allahabad, on the expediency of forming a permanent settlement of the North Western Provinces, that none of the other temporarily settled districts in those provinces could, with a due regard to the public interests, be admitted to the benefit of a permanent settlement without a full and careful revision of the current settlement to be made very much in the same detail and in the same mode, and by agency of the same character as the settlements now in progress. I cannot bring myself to think that the local agency proposed by the Lieutenant Governor would suffice for the purpose; I believe it would be quite impossible for the district officers to give the necessary attention to the work, unless relieved from all other duties. It, of course, matters very little whether the collector and magistrate of the district is appointed to perform the duty, or whether some other officer is specially selected for it, so long as the officer to whom the work of revision is entrusted is competent; but I believe it to be essential to the proper and satisfactory performance of the work, and to its completion within a reasonable period, that the officer employed should be able to devote his whole time and attention to the duty.

The following remarks taken from the Minute of Mr. Muir, the Senior Member of the Board of Revenue, at Allahabad, to which I have already referred, have my entire concurrence:—

Paragraph 47 (page 11).—“It appears to me that every previous effort should be redoubled for securing a strictly equal and impartial assessment, seeing that any inequalities which may be now admitted will soon be beyond our reach to remedy. Especially the European staff for settlement purposes should be advanced to its utmost possible strength; so that as little temptation may be left as practicable to native officials for corruption. The inducements offered to secure favour in a settlement known as about to be a perpetual one will be immense, and it is not in the generality of native officials to resist such inducements.

48.—“Extraordinary arrangements, if calculated to secure this object, ought not therefore to be rejected simply because they are irregular or expensive. An officer, for example, whose standing entitles him to the position of a judge, and whom it might be otherwise desirable to employ in the settlement of a district, should be so employed, notwithstanding the extra expense necessary to provide him with suitable emoluments. Any amount of expense will prove a real saving in proportion to the accuracy thereby obtained in the perpetual assessment.”

As regards the district of Meerut, which is specially alluded to by the Lieutenant Governor in his Minute, it is evident, I think, from what Mr. Muir says of that district, that he looks upon its condition, in connection with the question of the gradual introduction of a permanent settlement into the North Western Provinces, as quite exceptional. Mr. Muir certainly speaks of the successful manner in which the work of survey and record of the Meerut district has been carried on by the Putwarees and others. It is, however, only a new survey, which forms but a portion of the work of a revenue settlement, or of a revision of such settlement, which in any future revision of the settlement of the Meerut district, preparatory to fixing the *assessment* in perpetuity, Mr. Muir thinks might probably be dispensed with; and in saying this he repeats the opinion previously expressed, that there is no district in the North Western Provinces to which the permanent settlement should be applied without revision.

I fear that, from imperfect information, or from misapprehension, I may, in the foregoing remarks, have done the Lieutenant Governor injustice as regard the arrangements contemplated by him, which I should very much regret.

(signed) H. B. Harington.

MINUTE by the Honourable Sir *Charles Trevelyan*, K.C.B. ; dated 21st January 1864.

I HAVE the same difficulty as Mr. Grey in offering an useful opinion on the points upon which our advice is required in connection with these papers.

Two questions of a practical administrative kind are raised: first, whether one member of the Board of Revenue should be set apart for the general supervision of the operations connected with the Permanent Settlement of the Land Revenue; and secondly, whether the local investigations might not best be conducted through the ordinary district officers, with no other aid than that of the putwarees, zemindars, and a few ameens for testing measurements.

These questions are put without any detail of circumstances or reasons, and the Board of Revenue had not at the time been consulted. The late Viceroy desired that its opinion might be asked; and the Lieutenant Governor and his Board have, probably, already come to an understanding on the subject.

On the first point I should say that the Board of Revenue is quite equal to the duty of superintending the settlement operations without any change of its ordinary constitution. Its duties are not so heavy that it cannot give sufficient attention to whatever happens, at the time, to be the prominent object of interest; and it is found, in practice, that the prevailing subject of the day has an absorbing character, which dwindles other objects and creates leisure for itself. There is already a satisfactory division of labour between the two members of the Board, one of whom takes the eastern districts, which are, for the most part, already permanently settled; and the other the western districts, in which the revision of the settlement is being actively prosecuted.

Although it is only possible to return an abstract answer to an abstract proposition, I entertain great doubts as to the advantage of the other proposal of the Lieutenant Governor. A settlement which is intended to be permanent ought to be made with every available security for its being properly conducted. For this purpose a special selection of the agents employed, and their entire devotion to the work in hand, seem indispensable. The district officers may or may not be possessed of the particular qualifications required; and the evils arising from want of judgment or want of experience, in a matter which will determine the well-being of numerous communities for an indefinite time to come, are so serious that nothing should be left to chance. The putwarees, zemindars, and ameens are liable to similar error, besides often being interested parties, and being in too many instances open to corruption. An effective superintendence over such subordinate agents is indispensable, and the superintendence cannot be effective if it is not based upon practical experience and suitable personal qualities.

Several paragraphs of Mr. Drummond's Minute are directed to the objection that, as regards lands which have not yet, but may hereafter, benefit by the extension of canal irrigation, the Government will, by a permanent settlement, apparently forego all right to any future additional revenue. I cannot admit the validity of any such objection; but, as I have already said, all I have to say upon the subject in a Minute, dated the 30th of October last, on the question of the applicability of private companies to works of irrigation, I will confine myself to a quotation from that Minute:—

“When I was on my official tour in the Godaveri and Kishna districts, I held repeated conferences with the collectors, settlement officers, and the most intelligent of the native revenue officers on this subject; and after my return to Madras, I submitted the conclusions at which we had arrived to the revision of my colleagues in council. One main object distinctly kept in view was, so to simplify and facilitate the collection of the water rate, that it might be easily dealt with either by the Government or by a private company, and I have not heard that the subject has since been attended with any difficulty in Madras. The result was the establishment, in the Madras Presidency, of the system which has been accepted by the Secretary of State, and prescribed by him for adoption in Cuttack. This is based upon a complete separation of the land tax from the water rate. The former was regulated by the rates prevailing in the Madras Presidency according to the nature of the soil, without any reference to the supply, or absence of supply, of water; that is to say, land of equal quality would be equally taxed, whether it was watered by the rain, or by wells, or from irrigation works. The water rate was fixed with due regard to the profit to be derived from the use of the water, but at so low an average as to leave the ryot a considerable advantage. It was ascertained, by the result of an extensive inquiry, that the fertilising qualities of the water on the different descriptions of soil of which the Deltas of the Kishna and Godaveri are composed, were so nearly equal, that a uniform water rate could be imposed.\* This may not be always possible, but the tendency should be to disregard minute distinctions, and to make the charge for water uniform over certain areas, as proposed by Mr. Muir. As the permanent settlement is extended, one element of uncertainty will be obviated, because the land tax will be fixed, and only the water rate will remain to be adjusted.”

Since this was written, another Despatch has been received from the Secretary of State, re-affirming this principle of requiring the payment of a full water rate entirely distinct from the land tax.

Reference is made in the papers to an able and exhaustive Minute of Mr. William Muir on the expediency of forming a permanent settlement of the North West Provinces, and to a Minute of the Lieutenant Governor's upon it, dated the 27th May 1862; but we

are

\* A *précis* of the Madras Correspondence, ending with the orders of the Secretary of State, is enclosed.

are happily no longer under any necessity for entering at large upon the various general questions connected with the permanent settlement of the Land Revenue. The comprehensive and carefully matured Despatch of the Secretary of State, dated the 9th July 1862, has since been received. This contains definite instructions as to the course to be adopted; and all that is required is to give practical effect to them, which the present members of the Board of Revenue at Allahabad, and the many able officers acting under them, are well able to do. It is very desirable that the operations towards this great end should be systematically prosecuted with as much speed as may be consistent with efficiency. The paragraphs which more immediately bear upon the North West Provinces are the 64th, 65th, 72nd, and 73rd; and as attention cannot be too often or too distinctly called to the subject, I will finish what I have to say by transcribing them:—

“ 64. There are, doubtless, parts of the North West Provinces, and probably of the Punjab, where so large a proportion of the soil was already under cultivation when the existing settlements were made, that, assuming the rates of assessment to have been fairly adjusted to the capabilities of the land, little or no increase can be expected in the revenue on the revision which will take place on the expiration of those settlements. Such districts, provided that the assessment is not only adequate in amount, but also equally distributed, may be considered to be in a condition in which the introduction of a permanent settlement might properly be permitted.

“ 65. In other parts of these provinces a large proportion of the land is still uncultivated, and does not consequently yield to the public Treasury a return commensurate with its prospective capabilities; while in recently acquired territories, such as Oudh and Nagpore, which are still unsurveyed, no means exist for determining either the adequacy of the amount, or the equality of the pressure of the present assessment.

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“ 72. I have therefore to announce to your Excellency in Council, as the result of the foregoing considerations, that, as regards all districts or parts of districts in which no considerable increase is to be expected in the Land Revenue, and where its equitable apportionment has already been, or may hereafter be, ascertained to your satisfaction, Her Majesty's Government will be ready to sanction, on your recommendation, or that of the Local Government supported by you, the settlement in perpetuity of the assessment at the present or the revised rates.

“ 73. I have accordingly to request that you will place yourselves in communication with the several Local Governments, in order to ascertain from them the extent to which, in their judgment, it may be expedient to apply this important measure to the territories under their immediate administration. In the North West Provinces, where the revision of the thirty years' settlement has already commenced, it is possible that several districts are now in a condition to justify immediate action. In the Presidency of Madras, the result of the survey and settlement operations, which have been recently commenced, will show how far the districts have yet attained the condition contemplated by Sir Thomas Munro, in the extract already quoted, as warranting the establishment of a settlement in perpetuity; while, in the revised portions of the Bombay Presidency, it will probably be deemed prudent to await the expiration of the thirty years' leases, which will begin to expire in three or four years, before taking any steps for giving permanency to existing arrangements.”

(signed) *C. E. Trevelyan.*

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MINUTE by Major-General the Honourable Sir *R. Napier*, K. C. B. ; dated  
31st January 1864.

As far as I can form an opinion on the subject of the Lieutenant Governor's proposals, I concur with the remarks of Messrs. Harington and Grey.

With reference to the original point from which the correspondence arose, namely, the remarks of the financial member of the Government when submitting his annual Budget, which Mr. Muir appears to have misunderstood, Mr. Muir might have been told, through the Lieutenant Government, that his views on the important topic under the consideration of Government would receive full consideration.

(signed) *R. Napier.*

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MINUTE by the Honourable *H. S. Maine*; dated 4th February 1864.

SINCE reading through these papers which, with the exception of Sir Charles Trevelyan's Minute, are now of somewhat old date, I have been informed by my honourable colleague, Mr. Harington, that he has learned, from conversation with his Honor the Lieutenant Governor of the North Western Provinces, that the plan to which they refer has been either abandoned, or very considerably modified after communication with the Sudder Board. I do not, therefore, think that there will be advantage in my adding anything to a series of documents which cannot now eventuate in any practical step or result.

I imagine

I imagine that Mr. Drummond's Minute was scarcely written in anticipation of the close criticism it has received. The project to which it refers had not been much matured, and the language as to Act X. was, perhaps, hasty.

(signed) *Henry S. Maine.*

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PERMANENT SETTLEMENT.

MINUTE by the Viceroy and Governor General.

1. THE papers which are now to be disposed of relate to a Minute by the Honourable the Lieutenant Governor of the North Western Provinces, dated the 20th July last, on the subject of carrying out the Permanent Settlement in those provinces. The minute has been circulated for the opinions of the Governor General's Council, which opinions have now been recorded.

2. The minute embraces two proposals: 1st, for the establishment of a board of settlement; 2nd, for the revision of the assessment of the land revenue through the agency of the ordinary district officers.

3. I concur with my Honourable Colleagues in considering that both these proposals require further consideration on the part of the Government of the North Western Provinces in consultation with the Sudder Board of Revenue. It appears further that the Lieutenant Governor is actually now revising his plans in communication with the Board. My remarks, therefore, on each point may on the present occasion be brief.

4. In regard to the proposed board of settlement, I am clearly of opinion that such a board will not be necessary. The object contemplated by the Lieutenant Governor in making this proposal is the final testing of the revised assessments in each district previously to their being declared permanent for ever. Now the importance of thus testing the assessments may be fully admitted; but for this object we have already a machinery which is the best obtainable, and is much superior to any such board of settlement as that proposed. There are already the Commissioners of Revenue in the several divisions of the North Western Provinces; there is the Sudder Board of Revenue at Allahabad. It is impossible to have a better supervising and testing agency than this. These high officials are appointed for this express purpose, and I cannot doubt their proving equal to the duty; they are on the spot; they have the best local and general experience: they have ample time for the work. Indeed, I understand that, whenever, of late years, the retention or abolition of some or all of the commissionerships, or of one out of the two members of the Board, has been discussed on financial grounds, it has been held that the present numbers of the Commissioners and Members of the Board ought to be maintained for the particular reason that they are all needed for the work of the approaching permanent settlement. Primarily, therefore, the supervision of the revised settlements must rest with the Commissioners in their respective divisions, under the general direction of the Board. The final testing which the Lieutenant Governor is justly anxious to secure may be very properly carried out by the Members of the Board while on the circuits which are annually undertaken.

5. I would here, however, impress on the Board and on the Commissioners the importance of their giving their whole mind to this great matter of supervision and testing the settlements. The Commissioner should not content himself with merely criticizing when the work is wholly or partly done, but should watch it through every stage of its progress, and rectify every error in practice as fast as it becomes apparent; he should also keep the Board thoroughly informed of the progress of the work. The final proceeding on the Commissioner's part is the submission of the Settlement Officer's Completion Report to the Board. Before according their final approval to the settlement, the Board should communicate personally with the Commissioner, and ascertain from him unreservedly all the conclusions which he may have been able to form. Either the Commissioner can arrange to attend on the Board with his Settlement Report, or else the Board can meet the Commissioner on circuit, so that all the main points in the settlement or in the report may be verbally discussed.

6. In respect to the revision of assessments through the agency of the ordinary district officers, I fully concur in thinking that this agency should be employed in preference to any other, *wherever* the district officers are competent for this particular work, or may be able to afford the time requisite for it. In some districts they have been, and in others they will yet be, found so competent; but I apprehend that they will probably not be so in all. It by no means follows that the collector will always be able to undertake the regular revision of settlement in addition to the charge of his district. If he can, then so much the better; if he cannot, then a separate and duly qualified settlement officer must be appointed. Where a separate settlement officer may be appointed, he should be an officer of adequate experience; and the allowances should be specially fixed with reference to his standing in the service, so as to secure his services in the department so long as they may be required. It were better to avoid appointing junior officers to the important



office of settlement officer. If the settlement be entrusted to the collector, then a settlement officer, or an assistant for settlement, might be appointed under him. Such an officer might conduct the field measurement and such like preliminary operations; the collector might himself do the assessment, leaving it to the settlement officer or the assistant to arrange all details necessary in respect to the tenures, and to adjust the *quotas* of the new assessment to be paid by members of the village communities. As a rule, the assessment of a district can be done in a more leisurely manner if it be made by the collector than if it be made by a separate settlement officer, and there are often advantages in this particular work being done gradually. If the collector spread the work over two or more years, it is of less moment; but a settlement officer, being a separate and special officer, must need show considerable results in each year, and this may sometimes lead to the work being done too rapidly.

7. I may also take this occasion of stating, that I fully concur with the Lieutenant Governor that, "as regards lands which have not yet, but may hereafter benefit by the extension of canal irrigation, the Government will, by a permanent settlement, forego all right to any future additional revenue."

I also agree with his Honor in considering that, "so far as Government is concerned, if the market value of water supplied from canals at the full cost of construction, or a fair annual interest on that cost is recovered, the fact of increased productiveness from canal irrigation seems to constitute no stronger ground of claim to participate, than enhanced profits from the opening up of railways, or any other circumstance of general progress and development."

8. There may be other points in the Lieutenant Governor's Minute, to be noticed hereafter; but having thus disposed of the main administrative points, I desire to add some further observations regarding the mode of carrying out the permanent settlement in the North Western Provinces.

9. While the correspondence now under consideration was pending, I had the advantage of discussing verbally with the Lieutenant Governor the best mode of applying this important measure to the North Western Provinces. His Honor did, afterwards, at my request, mention my views to the Sudder Board of Revenue at Allahabad, and I have received an expression of the Board's general opinion thereon. I apprehend, however, that the various points involved have not yet been fully brought out, and I will take this opportunity of placing the matter in its true light, according to my view.

10. It is not now necessary to advert to the reasons for and against a permanent settlement in India. It has been decided by Her Majesty's Government that the measure shall or may be introduced into those parts of India which fulfil certain conditions laid down as necessary for its reception. Nor is it necessary to recapitulate those conditions here, as they are fully stated in the Secretary of State's Despatch of the 9th July 1862. It is generally admitted that, with one or two exceptions, such perhaps as Goruckpore, the districts in the North Western Provinces do, in whole or in part, fulfil those conditions, and are therefore entitled to the benefit of a permanent settlement. It is clear also, that before the assessment in any district is declared permanent for ever, it ought to be finally revised; and that, as the term of the present 30 years' settlement in each district draws to a close, the opportunity should be taken of revising the assessment finally, with a view to its being declared permanent for ever.

11. But I apprehend that in parts of the North Western Provinces there will be whole tracts of greater or less size, or sets of villages or individual villages, which are more backward than others, and less cultivated than neighbouring tracts, which fail to fulfil the necessary conditions for permanent settlement, and which are, therefore, not yet entitled to that permanency of assessment which may be granted to other places.

12. Now I by no means consider that if the permanent settlement be applied to a district at all, it must therefore be applied to the *whole* district at once; or that, if the measure be allowed at all, it must be extended to at least some considerable tracts; or that it is not admissible to select some tracts, or some individual villages, as entitled to permanency of assessment, and to reject others in the same neighbourhood as being not so entitled. It by no means follows, because a district *generally* is cultivated and improved up to a high standard, that every part of it, or every village in it comes up to that standard. Therefore, it seems to me necessary to select those villages or estates which are fit for permanent settlement, and to postpone the measure in those which are not so fit; unless this be done, then the result must be, either that the measure would be postponed indefinitely until every estate in the district reached a prescribed standard (which in many cases might never be attained); or else that some superior estates would be denied the boon because some estates in their neighbourhood were inferior; or else that some estates, which did not fulfil the conditions, would nevertheless be permanently settled because they were situated in the midst of a district which generally did come up to the standard. Unless, therefore, the principle of selection be adopted, I apprehend being admitted to permanent settlement without being fit for it, or else there would be a sacrifice of the rights of the people, who, though fit for the permanent settlement, would be denied the boon because some of their neighbours were not yet fit.

13. The above remarks are, doubtless, applicable to parts of the North Western Provinces,

vinces, and to some villages in many of the districts of those provinces; they are probably still more applicable to other parts of the Bengal Presidency, such as the Punjab, Oude, and the Central Provinces.

14. But in those tracts, or in those villages which are not yet fit for permanent settlement, it is still of importance to pave the way for the introduction of that measure, and to afford to the people the advantages which arise from the prospective limitation of a demand which is never to exceed a certain specified amount. If this can be done, then the owner of an estate, which is for the present temporarily settled for a fixed period, will yet know that, after the expiry of such period, there is a certain limit above which the assessment will never be raised; that if he improves up to a certain standard, he will be assessed up to a certain sum and no more; and that, whatever improvement may ever thereafter be effected, there will be no further increase of demand. Such an estate, while settled temporarily for a fixed term, would thus have the benefit of a permanent settlement in prospect after the expiry of that term. If such an arrangement could be effected, it would carry with it the same advantages, and be justified by the same reasons as the permanent settlement itself. I believe that it might be carried out in the following manner.

15. The estates or tracts not yet fit for permanent settlement will be those where (in the terms of the Secretary of State's Despatch) a large proportion of the land is still uncultivated, and which do not yield to the public treasury a return commensurate with their prospective capabilities. In this respect then, our concern will chiefly be with estates in which there is much culturable land still uncultivated, or in which the cultivation is inferior to what it might be, or in which the general resources of the estate are not turned to the best account. Such estates are, according to the present system, assessed for a period of 30 years upon their existing assets, that is, upon their cultivated area as it now stands. In this manner the assessment is made for the whole estate, including both the cultivated lands and the lands fit for cultivation, though uncultivated. Sometimes, when the culturable land is particularly good and likely to be soon brought under cultivation, or where it yields some valuable produce, such as superior sorts of grass, fuel, and the like, something may be added to the assessment of the whole estate; but, generally, the proportion of the assessment of an estate due to the culturable land is not large, and *in the main*, the assessment is fixed with reference to the present cultivated area. It is reasonably expected that the assessment having thus been fixed for 30 years, the landholder will have every inducement to bring the culturable land under cultivation, or otherwise develop the resources of the estate; if he do so, then no assessment is to be demanded on such additional cultivation or development for 30 years; and any claim on the part of Government for revenue on such additional cultivation is put off till the next settlement.

16. But although little revenue in any case, and in some cases no revenue at all, can be demanded for 30 years on the culturable land, still it may be quite practicable to *now* fix the maximum or full assessment demandable on such estate, supposing that its resources were fully developed. This might be done separately, and there would thus be two distinct sums assessed, *viz.*, *firstly*, the sum fixed on existing assets, and to be paid during the 30 years' settlement; and, *secondly*, the full sum ultimately assessable on the estate, supposing its resources to be fully developed, which sum would be the maximum demandable at the next settlement, provided that the landholder were willing to accept it. This latter would give the highest sum ultimately demandable from the estate according to the principles of a moderate assessment, and, when once this be accepted, then the assessment might properly be declared permanent. Thus a landholder would have his assessment fixed for 30 years certain upon his existing cultivation; he would also know the maximum assessment to which his estate would be liable if it were to become fully developed.

17. If, on the expiry of that term of settlement, he shall accept the full assessment or highest sum above described, then he may do so without any further inquiry or re-settlement, and the assessment so accepted will then be declared permanent. But it would not be obligatory on him to accept this additional assessment.

18. If he objected to do so then the estate would be re-settled after inquiry in the usual way, on the assets and the cultivation as they might be found to exist at that time. Only it would not follow that the assessment thus made on re-settlement would be declared permanent. If it were less than the maximum previously fixed, it would not be so declared.

19. To illustrate the above, let us suppose an estate assessed at 1,000 rupees on its assets as they now stand at the revised settlement; suppose also that it possessed either culturable waste or other undeveloped resources, and that the full assessment which the estate might ultimately be capable of bearing were fixed at 1,500 rupees (fifteen hundred). Thus the estate would now be assessed at the thousand rupees for the term of 30 years certain; the landholder would be told that 1,500 rupees had been calculated as the maximum demandable on the whole estate at the next settlement, and that if at the *next* settlement he chose to accept that he might do so without further re-settlement, and that the 1,500 rupees would thereafter be declared to be a permanent settlement; and the sum of 1,500 rupees would be recorded as the maximum which Government would ever

demand from the estate. If, after the expiry of the settlement now to be made, that is if 30 years hence he should object to pay the 1,500 rupees, then the estate would be re-settled on the assets as they might then exist.

20. It is to be observed that there would be no difficulty in valuing the culturable lands. At the revision of settlement now being made, we possess full particulars by survey of these lands, as of all others; and their capabilities and resources, according to the circumstances of the present time, and in comparison with the actually cultivated lands, are perfectly well known to the settlement officers. The revenue rates at which they would be assessable, if now cultivated, could be well fixed, and, indeed, would be analogous to the rates of the several kinds of cultivated lands. So, also, if such lands possess other valuable resources, such as grass of the superior sorts, fuel, or the like, which under certain circumstances would bring a large profit, the value of all this can be fairly estimated. Still it may be admitted that to assess now the revenue demandable 30 years hence on culturable or other waste is an operation requiring care. Unless some guiding principles were observed there would be the chance of error; and possibly the assessment now fixed would be unduly light compared with that of cultivated estates, and hereafter might appear too low. To guard against this, then, I would propose some such principle as follows.

21. Under the present system a district is divided by the settlement officer into so many tracts. Each tract comprises estates of a similar character; there may be variety of detail amongst the individual estates, but there will be a generic resemblance between them all in respect to those main features which determine their value, such as character of soil, kind of produce, means of irrigation, facility of transport, proximity of markets, supply of labour, breed of cattle, their fiscal history, and the like. Some estates will be better cultivated than others; in some the resources will be better developed than in others; but the inherent capabilities of the estates are much the same, and therefore they will, or at least ought to, be able to pay much the same revenue rate per acre all round. Those estates which, being imperfectly developed, cannot yet pay this general rate will in due course be able to do so when fully developed.

22. Now, inasmuch as it is laid down that the land tax in an estate ought to be equal to half the assets received by the landlord, or, in other words, half the rent or other income derivable by the landlord from the land, it follows that the best possible basis for the revenue assessment is the rental. If the fair rental could be readily ascertained, it would supply perfect data for such assessment. But it is often difficult or impossible to ascertain accurately the fair and proper rent which a landlord does receive or should be receiving from an estate. The returns of rent are frequently defective or untrustworthy. Again, many items of *bonâ fide* income from the land are not fully exhibited in the declared rental. In some parts of the country average rent rates exist, and are well known; these furnish excellent guides for the valuation of estates. But in many portions of the country, especially where the proprietary body for the most part cultivate their own lands, rent rates are not generally known. Thus it happens that the settlement officer, while collecting and collating all obtainable statistics in regard to rent, must yet check or supplement the returns of rentals by assumed rates, which rates are deduced from the ascertained value and proceeds of the land. In this manner assumed rent rates and assumed revenue rates are obtained. In order, therefore, to determine details in each estate there will be various revenue rates of assessment assumed by the settlement officer; such as a rate for irrigated ground, another for unirrigated; a rate for land fertilized by inundation, another for dry land; a rate for black soil, another for poor soil; and so on. So also there will be one rate for cultivated land generally, and another for culturable though uncultivated land. It is not to be expected that all the culturable land will be cultivated, or that all the culturable land should pay the full rate of assessment on cultivation. A fair margin of culturable land will be allowed to the landholder, which should be assessed at some rate much lower than that of the cultivated area. The rate assessable on culturable land must be low. If the proportion of culturable land to the cultivated land be small, then the estate, being for the most part cultivated, will be fit for a permanent settlement. If the proportion of culturable land be large, then the estate, being less cultivated, will not be fit for permanent settlement. It may be generally assumed that those estates in which four-fifths of the culturable area are cultivated are fit for a permanent settlement.

23. Then, having regard to all the circumstances of the tract, to its past history, its present condition, its future prospects, to its actual or probable rental so far as that might be ascertainable, to the irrigation, the kinds of soil, the resources of the waste, and the like, allowing also for lands for pasturage and other necessary objects which might be left free of land tax, the settlement officer would fix one general revenue rate per acre for the total culturable area, including land actually cultivated and land yet remaining to be cultivated. There would be various rates, as already mentioned, for the determination of details in each village; but the general acreage rate, as above described, would be the main standard by which the estates would be valued either in the present or for the future. This general acreage rate would be fixed on a fair and moderate calculation, so that the average of well-cultivated and developed estates would be able to pay it.

24. Regard would also be had especially to the fiscal history of the tract, to the actual pressure of the revenue upon the estates of a fair average quality, so that the estimates of

of the assets of the estates may be checked by the data of positive experience. This general acreage rate then, being the standard of valuation, the land revenue for all the estates in the tract would be fixed according thereto. The revenue (juma) would be assessed accordingly for each estate, whether it were fully or imperfectly cultivated, or whether it were partly or chiefly waste. Thus there would be obtained a fair valuation of the actual or the possible assets, and of the present or prospective capabilities of each estate; for those estates, then, in which the proprietors might accept the assessments ("juma") thus fixed, the said assessment might properly be now declared perpetual. For those estates which did not come up to this standard, and in which the proprietors could not accept the assessment thus fixed, a settlement would be made on existing assets for thirty years certain; but still the assessment (juma), according to the ultimate valuation, would be recorded, and the proprietor would be informed that, if after the expiry of the 30 years he should accept the ultimate juma as now assessed, he might do so without further inquiry or re-settlement, and that that assessment would be thereafter perpetual.

25. The proposed rules may be thus illustrated: let us suppose a tract containing villages of generally the same character, but in various stages of cultivation; let a rate of three rupees per acre be assumed for the best cultivated or irrigated lands, Rs. 1. 8. for the second best, and 4 annas for land culturable, but not yet cultivated. Let us suppose also that the settlement officer has decided on Rs. 1. 8. per acre as the general acreage rate above described for the whole culturable area, including both land cultivated and land remaining to be brought under cultivation.

26. Then let us take Estates A., B., and C., which are well cultivated, but which have differences in detail. It will be understood that the unassessed land, such as unprofitable waste, site of village, land exempted from revenue (commonly called rent or revenue free) and the like, are in all cases excluded, so that only the Malguzaree or assessable lands are included.

Estate A.				
Acres.		Rs.	Rs.	
75	×	3	=	225
350	×	1-8	=	525
75	×	0-4	=	19
500				769, assessment on present assets, or by general acreage rate, acres 500 × 1-8 = Rs. 750.

Estate B.				
Acres.		Rs.	Rs.	
83	×	3-0	=	249
317	×	1-8	=	475
100	×	0-4	=	25
500				749, assessment on present assets, or by general acreage rate, acres 500 × 1-8 = Rs. 750.

Estate C.				
Acres.		Rs.	Rs.	
50	×	3-0	=	150
390	×	1-8	=	585
60	×	0-4	=	15
500				750, assessment on present assets, or by general acreage rate, acres 500 × 1-8 = Rs. 750.

27. Now, in these estates the assessment on the present assets about equals that of the ultimate valuation, and might now be declared perpetual. On the other hand, it leaves a fair margin for improvement. The proprietors may convert, by irrigation or other means, a portion of their second class land into first class, or they may bring the culturable under cultivation, and thus much enhance the value of the estate, and still there will never be any increase of demand.

28. Next, take an estate in a slight degree inferior, as D.

Estate D.				
Acres.		Rs.	Rs.	
75		3-0	=	225
325		1-8	=	487
100		0-4	=	25
500				737, assessment on present assets, or by general acreage rate, acres 500 × 1-8 = Rs. 750.

## CORRESPONDENCE RELATING TO THE

In this case the estate is only just below the proper standard. The proprietor may be assessed at the 737 rupees for 30 years certain, and at the next settlement he knows that he may accept the 750 rupees, which will then be declared a perpetual assessment without further inquiry; so this estate virtually has all the advantages of a permanent settlement.

29. Next, take two estates, E. and F., which are not fully developed, though possessing similar capabilities.

## Estate E.

<i>Acres.</i>		<i>Rs.</i>	=	<i>Rs.</i>
100	×	3-0	=	300
150	×	1-8	=	225
250	×	0-4	=	62
<hr/>				
500				587, assessment, on present assets, or by general acreage rate, acres 500 × 1-8 = <i>Rs.</i> 750.

## Estate F.

<i>Acres.</i>		<i>Rs.</i>	=	<i>Rs.</i>
100	×	3-0	=	300
200	×	1-8	=	300
200	×	0-4	=	50
<hr/>				
500				650, assessment on present assets, or by general acreage rate, acres 500 × 1-8 = <i>Rs.</i> 750.

30. Now Estates E. and F. would be assessed at 587 rupees and 650 respectively for 30 years certain; but the 750 rupees would in each case be recorded as the ultimate standard of valuation, and the proprietors would know that if, after expiry of the term, they should choose to accept the 750 rupees, they might do so without further inquiry, and that this amount, viz., 750 rupees, would thereafter be declared perpetual; but they would know also, that, if they should not accept the 750 rupees on expiry of the 30 years, they might still claim a re-settlement on the assets which might at that time be existing.

31. Or, further, take an estate of similar capabilities, but less developed, as Estate G.

## Estate G.

<i>Acres.</i>		<i>Rs.</i>	=	<i>Rs.</i>
50	×	3-0	=	150
100	×	1-8	=	150
350	×	0-4	=	87
<hr/>				
500				387, assessment by present assets, or by general acreage rate, acres 500 × 1-8 = <i>Rs.</i> 750.

Now suppose that in this case the proprietor is a man of some capital and enterprise; then, while assessed at 387 rupees for 30 years certain, he knows that, if he shall largely improve his estate, he will never have to pay more than 750 rupees, and that, after the expiry of the term, he may accept this amount without further inquiry; but that, if he should not be in a position to accept this assessment, he might still claim a re-settlement on the assets which might then be existing. The assurance of a known ultimate limitation, which might be optionally accepted, would prove a great encouragement to his industry.

32. Or again, take an estate in which the assessment by assets brings out a larger sum than by the general acreage rate, as Estate H.

## Estate H.

<i>Acres.</i>		<i>Rs.</i>	=	<i>Rs.</i>
200	×	3-0	=	600
250	×	1-8	=	375
50	×	0-4	=	12
<hr/>				
500				987, assessment on present assets, or by general acreage rate, acres 500 × 1-8 = <i>Rs.</i> 750.

Now here it would be for the settlement officer to decide whether, before declaring a permanent assessment, he would allow a reduction below the amount given by present assets;

assets; though that amount may not in this case be in one sense excessive, still the high valuation arises evidently from the expenditure of capital on the first-class land; and if it be desired that the land tax should not press hard on agricultural capital, then some assessment more nearly approaching to the 750 rupees would be proper. Whether the assessment should be brought down quite so low as 750 rupees would depend on special considerations, such as the amount which the estate had been previously in the habit of paying, the presence or otherwise of exceptional advantages in respect to irrigation, and the like. It is evident that, practically, there can be no need to reduce unduly the revenue in villages which have flourished under a higher assessment.

33. It appears to me that the plan, as thus illustrated, would confer many of the advantages of a permanent settlement on the holders of estates not yet fully cultivated or developed; while on the other hand, it would save the State from any undue sacrifice of revenue. We may remember that while the advantages of a permanent settlement are manifest, yet it has two fiscal drawbacks, namely, *first*, the surrender of revenue on the increased value of crops and improved cultivation; *second*, the surrender of revenue on lands culturable, or on waste possessed of valuable resources, which may hereafter be brought under cultivation, or be otherwise turned to useful account. It is agreed that the State may surrender properly the future revenue from improvement in the crops, and in the style of cultivation, in consideration of the advantages derived from a permanent settlement; but the surrender of future revenue from the cultivation of land now uncultivated, or from the development of resources now undeveloped, cannot be advocated; and the plan I now propose would save the State from any such sacrifice.

34. But as regards the people, the plan would have the advantage of supplying a motive and incentive to industry and enterprise, inasmuch as the landholder, while obtaining a fixed assessment for 30 years at all events, would know the utmost limit of possible revenue which might be demanded after the expiry of that term. It is this prospective limitation, even *after* the expiry of the term of settlement, which is the particular advantage of the plan now proposed, and which is calculated to ensure many of the benefits that evidently attend any permanent limitation of demand.

35. Doubtless a settlement for any long fixed term does so far stimulate industry and improvement. A man knows that if he improves his estate he is safe from increased assessment for 30 years. But still he knows that after that term there will be enhancement of revenue on account of improvements, though how much that will be he does not know. An indefinite prospect of increase at the next settlement is present to his mind. It is certain that this apprehension does in some degree retard improvements, and is specially operative as the term of settlement draws to a close. Moreover, he knows that, though he is safe from inquiry for 30 years, yet *after* that he will be liable to re-settlement, and his assets will be inquired into: this knowledge also in some degree does practically deter people from effecting as much improvement as they otherwise would. But with the proposed plan, the future revenue on increased cultivation or improvement at next settlement would not be indefinite, but on the contrary, would be strictly limited, not only for the next settlement, but for all time thereafter. Nor would there be any apprehension of re-settlement and future inquiry; on the contrary, it would be known that, if the maximum assessment were accepted, there would be no re-settlement and no future inquiry. Thus a man would know that he was safe from increased demand for a fixed term, and that, after that, he would not be charged with more than a certain limited increase, however much he might improve his estate now or hereafter. There can be no doubt that such a prospect would promote exertion and enterprise, both during the 30 years and during the period after that; the advantages would be quite intelligible to the people, and would probably be appreciated by most of them; and if the maximum increase had previously been fixed at fair and moderate rates, it would probably be accepted without any further inquiry being asked for. To those who had sufficient intelligence and foresight to appreciate the advantage a powerful stimulus would be supplied; and those who did not appreciate it would in no wise be obliged to accept the terms. No increase would be demanded of them, without inquiry, at the next settlement. If they did not accept the maximum previously fixed, they might have a fresh inquiry, and a re-settlement would be made according to that.

36. In short, the question may be put thus:—

Every intelligent landholder under a temporary settlement, who improves his estate, knows that at the next settlement there will and must be an increase of revenue.

Will a man, then, foreseeing this, prefer an indefinite prospect of unknown increase, *with* re-settlement and inquiry, which would be the case without the plan now proposed?

Or would he prefer a known fixed increase which would never under any circumstances be enhanced, and which might be accepted without re-settlement and inquiry, which would be the case with the plan now proposed?

I think that he would certainly prefer the latter, and that he would be thereby induced to improve his estate.

37. It may be objected to this plan that there will be difficulty in now assessing the revenue to be paid in future on culturable lands not yet cultivated, and that the ultimate maximum demand will be liable to error. But practically, it is possible to assess on culturable waste the revenue which such waste would pay if it were now cultivated, and

the assessment so fixed would not be materially different from that which is fixed on lands already cultivated. The one, therefore, would be as trustworthy as the other, and both may equally be made the basis for a permanent limitation of the demand. The various kinds of soil in the culturable waste will be the same as those in the cultivated lands. The produce which the culturable land could bear, if cultivated, is well known from the analogy of the cultivated lands in the immediate neighbourhood. A decision, therefore, of what the culturable waste ought to pay, if cultivated, is nearly as valid as the decision of what the cultivated lands are now to pay. It may be that the assessment now fixed on culturable land will, some 30 or 50 years hence, appear light, when those lands shall have become cultivated, owing to the outlay of capital, the general improvement of the country, the opening out of roads and markets, and other changes. It is true that the effect of such changes cannot be fully foreseen; but that would not really be an argument against the assessment being now fixed on the data of the present day. Let such an assessment be made. If hereafter the people can so improve the land, or if the general condition of the country can be so much raised that this assessment shall prove comparatively light, then they are, upon the fundamental principle of a permanent settlement, entitled to the benefit thereof. If the assessment now fixed on culturable waste shall prove too high, the people are not bound to accept it. If they choose to accept it hereafter, they are entitled to the profit therefrom derivable, by the same reasons for which the boon of permanent settlement is conceded.

38. I have given my attention to the remarks in paragraph 12 of Mr. Muir's second Minute regarding the permanent settlement, as bearing on this subject. It is there said: "The object of native proprietors is not so much to obtain a permanent assessment as to obtain a permanently *low* assessment."

I feel the force of this remark, though I think it goes somewhat too far. I would rather say that the landholder scarcely hopes to obtain a permanently low assessment. What he looks to is to obtain a fairly moderate assessment according to the value of land at the present time, and then to get that made permanent for all future time, so that he may improve, without fear of enhancement. Now the plan proposed, while guarding the revenue against undue sacrifice, will yet fix a limit, beyond which enhancement can never go.

39. Again, in the same paragraph it is said—

"The proprietor is told that his estate is not sufficiently advanced for permanent assessment; that he is to go on improving it; and that, when the cultivation has reached certain limits, the revenue then assessed will be fixed in perpetuity. This is in effect to expect that the proprietor will strive to accomplish results the direct tendency of which will increase the demand of Government against him."

Here, also, I feel the force of the remark, but still I think that it goes too far. Every proprietor has known well that, if he improved his estate, there would surely be increased demand on his estate. Notwithstanding that, the landholders have improved, and do still continue to improve, their estates. We *might* therefore expect them to accomplish results which would increase the Government demand, inasmuch as they would themselves profit in even a greater degree. But, so far as the argument has force at all, it is met by the plan proposed, for, in the case supposed, namely, that of an estate not sufficiently advanced for permanent settlement, the proprietor knows beforehand the utmost limit of future enhancement. If that be moderate, then he knows that, on working up to that, he will get a permanent settlement, and that, however much he may work *beyond* that, the gain is all his own, as there can be no further enhancement.

40. It may be thought that the native landholders are by idiosyncrasy and character disinclined to *work up to* a certain pitch of improvement, even though there be hope of thereby obtaining a permanent settlement. It seems to me that this will entirely depend on whether the ultimate limit of demand be moderate or not. If it be *not* moderate, or if it be excessive, then of course the proprietor will not work up to it, because it would be against his interest to do so. If it be moderate, or if it be light, then he may be expected to work up to it, because he knows that, having once done that, he will thereafter secure to himself the exclusive benefit of further improvement.

41. Again, it may be thought that the people would regard the known limit of increase as the consequence of improvement, and would, therefore, keep improvement just below that limit, so as to avoid the increase. But any such idea on the part of the people would be a mere misapprehension. If a proprietor did not think it worth his while to accept the maximum assessment without inquiry, and considered that he had not effected enough improvement to justify the increase, then he has only to decline it, and to claim a re-settlement on the assets of that time; but then such re-settlement would not be permanent, unless the assessment came up to the amount originally fixed; if it were less than that, it would be fixed only for a specified term.

42. If it be thought that the people are not intelligent and far-sighted enough to appreciate the prospective advantages of the plan proposed, then I have to observe that, as these advantages are cognate to those of the permanent settlement itself, the people might be expected to appreciate the one as much as the other. That the people really understand a permanent settlement, and set a higher value on land so settled, seems to be established beyond a doubt.

43. Such

43. Such, in general terms, is the manner in which I should wish to see the permanent settlement carried out in those portions of the Bengal Presidency which are not yet permanently settled, such as the North West Provinces, the Punjab, Oude, and other places; and I believe that by these means we shall best be able to apply the principles, so justly insisted on by Her Majesty's Government, to the actual circumstances and condition of this country.

(signed) *J. Lawrence.*

The 5th March 1864.

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MINUTE by the Honourable *H. B. Harington*; dated the March 1864.

THE points touched upon in the earlier portion of the Minute recorded by the Governor General on the subject of the introduction of a permanent settlement in the North Western Provinces have already been discussed in previous notes.

As regards the agency to be made use of for revising the present settlements with a view to the government demand being declared permanent, wherever this can be done with a due regard to the public interests, I have nothing to add to the remarks contained in my former note.

Where the district officer is competent, I quite agree that he should be employed on the duty in preference to any other officer, particularly if he has been officially connected with the district for any length of time; and it would be well that his services should be secured until the work is completed by keeping him, as regards his emoluments, on a par with his contemporaries, in order that he may have no excuse for seeking promotion elsewhere.

But when the district officer is thus employed, care should be taken that he is provided with such an amount of subordinate agency that while, on the one hand, the work of the settlement is not retarded by reason of the other duties to which the district officer will have to give his attention, on the other no inconvenience and delay will be occasioned in any other department owing to the large quantity of the district officer's time which will necessarily be taken up in the discharge of the important duties connected with the settlement.

Her Majesty's Government having determined that a permanent settlement shall be introduced wherever the state of the country fulfils certain conditions, it only remains to be considered what measures shall be adopted with a view to give effect in the best mode, and at the earliest possible period, to the decision so far as the North Western Provinces are concerned.

I have already expressed it as my opinion that, with exception, perhaps, to the four districts marginally noted, the settlement of which has recently undergone revision, none of the other temporarily settled districts in the North Western Provinces could be admitted to the benefit of a permanent settlement without a full and careful revision of the current settlement to be made very much in the same detail, in the same mode, and by agency of the same character as the settlements now in progress. I understand this to be also the view of the Governor General.

Seharunpore,  
Boolundshuhur  
Mozuffurnugger,  
and Goruckpore (as  
regards Goruckpore, see the next para-  
graph).

As regards the district of Goruckpore, to which allusion is specially made in the 10th paragraph of his Excellency's Minute, I observed in the note to which I have already referred "from what I know and have heard of this district, I should much doubt whether, notwithstanding the large addition made at the settlement, recently concluded, to the amount at which the district was previously assessed, the present assessment could be declared perpetual without involving a considerable loss of revenue, not, of course, immediately, but after the expiration of the period to which the existing settlement is limited."

I agree with the Governor General that the fact of some parts of a district, or of some estates in a district, not fulfilling the conditions laid down as necessary for a permanent settlement, ought not to prevent the admission to the benefits of a permanent settlement of those parts of the district, or of those estates in a district, which do fulfil the prescribed conditions. To exclude some, and, perhaps, the majority of the estates of a district, from a permanent settlement because a few estates are not in a state to admit of this benefit being conferred upon them, would not, in my opinion, be just, and it is certainly not called for by considerations of public policy.

I also agree with the Governor General that all estates in which 80 per cent. of the land is *well* cultivated may at once be permanently settled. Here and there, owing to locality or other causes, a somewhat less amount of cultivation might be accepted as fulfilling the prescribed conditions of a permanent settlement, but the rule should be as above stated, and it should only be departed from on special grounds to be fully reported.

The measure proposed by the Governor General in respect of estates which, owing to the large quantity of culturable land still remaining uncultivated, are not yet fit for a permanent settlement, no doubt, recommends itself by its great simplicity, by the encouragement which it would afford to the holders of estates in the condition mentioned, to bring them up to the prescribed standard of cultivation, and by the advantages which it holds out to those who should succeed in so improving their estates. The



measure has also this further great recommendation, that it would, to the extent to which advantage was taken of it, obviate the necessity of future revisions of settlement, which entail so large an expenditure of money, and are often attended with so much harassment to the people.

But a careful consideration of the measure, aided by the knowledge which we possess of native habits, suggests a doubt whether what is proposed would be as effectual as supposed, and whether, without some greater degree of certainty that the measure would be successful than I think exists, the Government would be justified in binding itself, while leaving perfect freedom of action to the other party to the contract.

Thirty years is a very long time, and the prospective advantages to be obtained after they have elapsed would, I fear, exercise but a small amount of influence on the majority of native landholders in inducing them to employ the intermediate period in doing what would be essential to the enjoyment of those advantages.

The proprietors of estates in the condition mentioned would know that without any exertion or outlay of capital on their part they would not be in a worse condition at the expiration of the temporary or 30 years' settlement than at its commencement; and with the usual apathy of the people of this country it is to be feared that they would be quite satisfied with that condition and desire no alteration. They would probably argue that many changes might take place in the ownership of their estates during the intervening 30 years; that when the time for claiming a permanent settlement arrived, the property might be in the hands of distant relations, or of strangers to whom the proprietary right might have passed by private transfer, or by means of a sale in execution of a decree of court, or in satisfaction of arrears of public revenue; and acting upon the maxim that "sufficient for the day is the evil thereof," they would probably go on from year to year doing little or nothing in the way of increasing or improving the cultivation, so as to enable them in due time to exercise the power reserved to them of claiming a permanent settlement. The consequence would, I fear, in most cases, be that at the end of the 30 years the estates would be found in as backward a state as they were at the commencement of that period.

Upon the whole, I am disposed to doubt the expediency of the Government tying itself down in any way, or coming under any positive engagement, in respect of estates which are not as yet in a condition to warrant their being settled in perpetuity. If the percentage of well cultivated land, which the Governor General proposes shall ordinarily give a claim to a permanent settlement be accepted, the number of estates in the North Western Provinces which, at the next revision of settlement, will be found to possess this qualification, will probably be very large. In the permanent settlement of these estates the Government will afford the strongest assurance of their desire to extend the benefit of a permanent settlement to all parts of the country, in which the land revenue is still subject to periodical revisions; and the proprietors of estates not yet in a condition to receive the boon will have the best guarantee that could be given, that their exclusion from the benefit is only for a time, and that, as soon as they advance their estates to the required condition, the boon will be extended to them also.

At the same time I quite concur with the Governor General that every revision of settlement now made should be in such detail as regards not only the lands under cultivation, but also the lands which, though culturable, remain uncultivated, showing both the extent and character of such lands, and what may be considered as a fair rent for them when brought under cultivation, as will admit of any temporary settlement based upon the results of the revision, so made, being converted into a permanent settlement at any time during the currency of such temporary settlement, or after the expiration of the term for which it is concluded, without any further revision. This will be something gained.

I should hope also that, at the next revision of settlement, something may be done for placing the relations of landlord and tenants having the right of occupancy on a satisfactory footing, thereby remedying the admitted defects of Act X. of 1859 in respect to the grounds on which enhancement of rent can be claimed from a tenant possessing the right above mentioned. The officer revising the settlement should have no difficulty in adjusting the rents to be paid by tenants having the right of occupancy, and in regulating the grounds on which, and the extent to which, any future enhancement shall be claimable.

The record of rights should likewise be very carefully prepared with a view to prevent future litigation as much as possible, and to aid the civil courts, when any dispute arises relating to the under-tenures of an estate, in coming to a right decision.

I have seen the remarks made by the members of the Board of Revenue at Allahabad (Messrs. Muir and Money) on the Governor General's Minute, which was communicated to them demi-officially, with regard to the proposition, that estates to which a permanent settlement could not be immediately extended without a considerable sacrifice of revenue, should be assessed with a progressive jumma, which on reaching, after a given period, the maximum amount at intervals of some years should be permanent, I fear that it would often happen that the time allowed for extending the cultivation so as to enable the estate, from its increased rent-roll, to pay the amount of revenue to which it was proposed that the Government demand should be limited for ever, would be permitted to pass with little or no improvement, and that when the time arrived at which the assessment should become permanent, the Government would be obliged either to relax the terms of the settlement, or, as an alternative, to remove the proprietor and let the estate in farm in the hope that a  
stranger

stranger might be induced to do what the proprietor had failed to accomplish. But I cannot think that this would be desirable or expedient.

Want of capital or the difficulty of procuring labour might be the cause of the failure of the owner of the estate to effect what was required of him, or other causes beyond the control of the owner might have operated in the same direction; and it would be hard to inflict upon the owner of the estate, under such circumstances, the severe punishment which his removal from the management of his estate and its transfer to strangers, though only for a time, would be. I need scarcely say that the sympathies of the landed proprietors generally would be with the excluded landlord, and that any measure which involved consequences such as that mentioned would be exceedingly unpopular.

(signed) *H. B. Harington.*

PERMANENT SETTLEMENT.

REMARKS by *W. Muir, Esq.*, Senior Member, Sudder Board of Revenue, North Western Provinces, in reference to the Minute of His Excellency the Right honourable the Governor General on the Permanent Settlement of the North Western Provinces and other Territories similarly circumstanced.

THE above State paper has been transmitted demi-officially to our Board, in order that Mr. Money and myself may "look at it carefully in all its bearings," and furnish our opinions upon the views and proposals set forth therein. Such invitation removes the restraint otherwise inevitable to our Board in discussing projects which emanate from so high a quarter. I proceed, therefore, freely and unreservedly to state my views upon this important document.

2. The object contemplated in the latter portion of his Excellency's Minute is to secure the advantages of a permanent settlement for villages which, in consequence of undeveloped resources, cannot at present bear a full assessment; and to effect this without eventual serious loss to Government.

Object of his Excellency's Minute.

3. I propose to treat the subject separately; *first*, in reference to districts or portions of districts in which, from the general development of resources, agriculture is well advanced, and rent at a fair level; *second*, in reference to districts or tracts, where, from the backwardness of agriculture, much land is uncultivated, and the scale of rents depressed.

This object considered (1) as regards well advanced; (2) as regards backward tracts.

4. So far as the first description of districts or tracts is concerned, I welcome the principle laid down by the Viceroy; although certain important modifications in the details will, I think, be found expedient.

I. Principle of Minute suitable for first class.

5. The principle is to combine a permanent settlement, with a present temporary abatement in respect of estates which could not at once bear full assessment. Without resort to this expedient, the assessment must frequently be fixed at an inadequate sum, and consequent eventual loss to Government, if the benefits of a fixed demand in perpetuity are to be conferred upon all estates within districts or tracts of the character above supposed. The proposed plan will enable us to meet the claims both of the State and of the proprietors; to secure to the former an eventual fair revenue; to concede to the latter a temporary remission for a period within which they may bring their estates up to a standard equal to the full revenue; and to gain for both, and for the country at large, the general advantages of a permanent settlement.

General principle stated.

6. But, although approving the principle thus broadly stated, I do not think that the particular mode in which it is proposed to be applied will work to the advantage either of Government, the proprietors, or the country generally.

Modifications recommended in details.

7. It is proposed that for partially developed properties a present Juma proportioned to the existing value of each, be fixed for the term of the coming settlement; that is, for 30 years; and a full Juma, to take effect (unless the zemindar should then object) at the close of the settlement. When that period arrives, should the zemindar object to the enhanced Juma, and demand investigation, then a fresh measurement and valuation would take place, and a settlement be made on the assets of the day. The benefit looked for is that a proprietor being assured of the maximum Juma beyond which Government has become bound never to enhance the demand, would set himself zealously to improve his estate, and expend capital thereon, in the confidence that, however much he might enhance its value, the whole profit beyond such maximum would surely and without risk be his own.

Objection against leaving the option to refuse standard Juma hereafter.

8. It appears to me that the scheme of leaving the settlement to be accepted at a future period, and, if refused, making it then open to revision, would involve some serious objections, and in a certain measure forfeit the important benefits of an absolutely permanent settlement. The ultimate assessment may be pitched too high, or, if not absolutely too high, the proprietors may conceive that it is so; at any rate, many of them will hope that, if they object and apply for a fresh measurement and valuation, they may obtain reduction.

Zemindars will hereafter ask for revision in hope of obtaining reduction.

tion. The bare chance even of securing such a boon would lead very generally to that result; by the terms of the Minute, the proprietors would be secure from any enhancement beyond the guaranteed maximum, while they might obtain a lower assessment, possibly lower even than that which they had hitherto been paying.

Which will neutralise benefits of permanent settlement.

9. I submit that the probability of such a contingency makes the proposed measure essentially different from a permanent settlement. The benefits of a *fixed and conclusive* demand would not be certainly obtained; the people would still be often left in expectancy. In some cases, it is true, where the maximum might be pitched *very* low (so low, in fact, as to leave no chances of reduction under any future standard of assessment, however moderate), the measure would, I admit, be followed by benefits "cognate to those of a permanent settlement," as set forth in paragraph 42 of the Minute; but I believe that unless a standard very losing and disadvantageous to Government be adopted, such cases would be the minority. In the remainder, we should have all the evils repeated of our temporary settlements. As the 30 years drew to a close, hopes would spring up in the minds of the zemindars of obtaining better terms; not only would the application of capital and labour be checked, and the vigour and energy inherent in the desire after improvement be paralysed, but device and artifice would be resorted to for the purpose of depreciating in appearance, if not in reality, the value of estates; wells would be masked, and the richer staples foregone for the time in favour of the poorer; in fact, the virtue of the permanent settlement would be lost, and the evils which it sweeps away for ever, would revive in all their vigour.

Remedy proposed.

10. To obviate this, I would propose, first, that the permanent settlement be *concluded* as such at once with the zemindars; and, second, that the highest term or maximum demand be not deferred for a period exceeding 15 years.

Proprietors should engage at once for standard assessment.

11. When the new assessments are declared, the proprietors should in all cases be required definitely to enter into the prescribed engagements for the same. If the permanent (or maximum) assessment take effect at once, the proprietor will sign his "durkhast" or engagement for it; if, on the other hand, a temporary abatement be allowed, and the maximum take effect in five, 10, or 15 years, he would equally be called on to sign his engagement at the permanent demand with specification of the temporary reduction. Thus the settlement will be final and conclusive. When the term of the reduced demand expires, the maximum assessment will come into operation as a matter of course, leaving no possible ground of uncertainty. The evils spoken of above will be avoided, and the full benefit secured of a permanent settlement.

Which should not be too long postponed.

12. But for this purpose it is necessary that the term after which the maximum assessment will take effect be not too distant. It should not be so far off as to render the prospective enhancement a matter of personal indifference to the proprietor; in short, a mere speculative transaction. The period of 30 years would, I apprehend, be so. Why, 30 years is the measure of a whole generation. Proprietors having obtained favourable terms for the present, would agree to almost any arrangement so remote. It would hardly come into effect in their time, and a score of contingencies might intermediately transpire. "They would say," writes an experienced settlement officer, " '*Dekha chahiye Rish araj jub hoga.*' Who knows what Government we shall have by that time." Even among races far higher in the scale of civilisation, it is only the thoughtful and educated who live out of the present; and from a people so wanting in energy and desire of improvement, so contented with the position they have inherited from their forefathers, as are the inhabitants of India, it is too much to expect that they would seriously consider the bearings of an arrangement to be postponed for 30 years. Enough for them, that they secure the benefits of a present low assessment, and know that they, or their children after them, will have the option of declining the higher standard juma.

But take effect within 15 years at latest.

13. But it would not be so if the term were limited, according to circumstances, to five, 10, or even 15 years. The zemindar would here feel directly and personally concerned; he would at once turn his thoughts deliberately to his fallow lands and other latent resources of his property, reckon their extent and value, estimate the labour and expenditure necessary for their development, and comparing the cost with the expected profit, determine whether the maximum assessment now demanded is moderate or excessive. If satisfied of its fairness, he would accept it and enter forthwith into engagements. If dissatisfied, he would decline the engagement, and urge his objections.

Which will provide a valuable check on over-assessment.

14. And herein, to my apprehension, lies one great virtue of this procedure. The acceptance or refusal by the zemindar would be essential service *as a guide to the settlement officer*, and as a *check upon over-assessment*. Who should know the capacities of the fallow ground so well as the zemindar himself? He is familiar with every inch of his land, has watched it under all varieties of season and circumstance, and is acquainted with each attempt which in times past has been made to bring it under the plough. Who so competent as he, or so vigilant, to limit its assessment within safe and reasonable bounds? If the maximum demand be frequently refused, it would be a fair warning to the settlement officer, and a valuable index to his superiors, that the standard of valuation for fallow had been pitched too high.

Penalty in case of continued refusal.

15. In any case of refusal, that is, where the zemindar should accept the present abated assessment, but decline the prospective maximum, he should be allowed to hold on for the preliminary

preliminary term. At its close he might again be allowed the option of engaging at the permanent demand; and if he still refused, the estate might be farmed in the ordinary manner, as for recusance. In short, there would be no opening for revision. The assessment once fixed would be final.

16. It has been suggested by an intelligent settlement officer that a proportion should be fixed of fallow land, say 40 or 50 per cent. of the cultivated area, as the condition of a graduated assessment. But I should not think it expedient to fix any mechanical rule of this nature. As I have before written, "Fallow land is of every variety, good, bad, and indifferent: from that class which is barely culturable, and which is not brought under cultivation till rent has reached its utmost limit, to the best descriptions which are left out of cultivation purely from indifference, indolence, or want of labour and capital. . . . A similar remark obviously occurs in reference to that class of lands which bear cultivation only for a certain number of years, and are then abandoned, to be taken up again at some future period."\* Where the waste is rich and promising, with facilities for irrigating, draining, manuring, &c., a far smaller proportion of land would render the proprietor liable to prospective increase of assessment, than where the soil is poor, or subject to lie fallow in rotation. In case of reasonable doubt as to certain tracts of waste land being too barren ever to admit of remunerative tillage, the benefit of the doubt should invariably be given in favour of the proprietor, and the land altogether omitted from calculation of prospective assessment, excepting of course the value of its spontaneous produce.

Proportion of waste should be left to settlement officers' discretion.

So also as to the *rate* of assessment; there may be instances where the fallow soil is so rich and the advantages of situation so great as to justify assumption of a rent rate for eventual assessment equal even to that of the lands now under cultivation. Generally, however, a much lower rate would be necessary, chiefly because it is natural to conclude that the best land is always first brought under the plough, and that what remains, being less fruitful, will require a greater expenditure of capital in proportion to its returns. On the other hand, it is found that when waste lands have been reclaimed, and there is no farther capacity of extending cultivation, the scale of rent tends, from competition, upwards.

And rates of assessment.

Too much stress must not be laid on average revenue rates. These, while essential as a standard of comparison, are misleading and dangerous if applied without careful advertence to individual features. In extensive tracts or clusters of estates, it is seldom indeed that the soil is so exactly uniform as to warrant the application of an average rate for the assessment of each; by no amount of classification (and minute classification is inconvenient and objectionable), could a settlement officer so group villages as practically to avoid associating in the same grade lands greatly varying in natural capacity. Wherefore, to justify any assessment at the average rate, the settlement officer must satisfy himself that in point of fact the particular land is not materially below the average, nor materially above the average. A settlement formed by the procrustean application of an acreage rate would be equable and fair neither in respect of Government or the people. The process of assessment is one of discretion; and it is just here that the settlement officer's ability and judgment are put to the severest test.†

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\* Note on Sir Charles Trevelyan's Financial Statement, paragraph 5.

† For the reasons here given, I am opposed to the use of "acreage rates" in the manner illustrated in paragraph 25, *et seq.*, of the Viceroy's Minute, since they would tend to produce serious inequality. Take *e.g.*, the following examples of an estate with area and rates as there assumed—

		Rs.	a.	p.	Rs.	a.	p.
Acres cultivated; first Class,	200	at	3	-	600	-	-
" " second "	50	"	1	8	75	-	-
" culturable Waste	250	"	-	4	62	8	-
Total by revenue rates		-	Rs.		737	8	-
Or by the acreage rate		-			750	-	-

Here, as proposed in paragraph 28 of the Minute, the settlement for 30 years would stand at 737 rupees, with a maximum assessment after 30 years of 750 rupees.

But it is quite possible to suppose this to be a village in which the cultivated lands are under acreage, and instead of being valued at 675 rupees, might be rateable at only 500 rupees; and further, that the waste is hardly worth the labour of breaking up. Even the present assessment of 737 rupees would for such an estate be excessive.

On the other hand, it is equally possible for the same figures to represent a village in which the cultivated lands are above average, and the culturable waste perhaps fully equal to it in natural capacity. Consequently at the end of 30 years the rental might possibly be estimated thus:—

			Rs.
Acres cultivated; first Class	-	-	450 at Rs. 3 -
" " second "	-	-	50 " 1 8
Total	-	-	Rs. 1,425

So that this village might be even lightly assessed at 1,400 rupees, or nearly double the assessment assumed at acreage rates, while the former village would at the same rates be greatly over assessed.

These are of course extreme and unlikely cases: but there may occur every shade of variation between them. And as is held in paragraph 33 of the Minute, that the State is not justified in relinquishing its future revenue from the reclamation of land now fallow (meaning naturally thereby a full revenue at fairly adequate rates, and not a mere nominal acreage), it appears to me that the insufficient assessments of which the second example may be viewed as a type would be inconsistent with the principle declared in that paragraph, while those of the first type would bear hardly on the people.

And margin of land for grazing, &c.

The margin likewise to be left for grazing and other village purposes must equally depend on circumstances. In some districts and localities, as in the poorer tracts of Bundelkhand, no doubt more is required than where, the soil being rich, straw and stubble are produced plentifully with the grain crops.

Above points to be explained in village statements.

In all these respects we could lay down no positive rule with advantage; we must trust to the discretion of the settlement officer, who will give his reasons fully in the English statements for each village.

Graduated assessment.

17. Observations of a similar tenor apply to the length of the preliminary period of temporary abatement, and to the number of terms (if any) of graduated assessment. It might be laid down that the full permanent juma should in any case be fixed at not later than 15 years from the date of settlement; but it might have effect according to circumstances and earlier prospect of the waste being reclaimed at a shorter date: the terms of 5 and 10 years might be adopted for that purpose. It might also be in the discretion of the settlement officer to fix an assessment rising by one, two, or three terms, to the highest or maximum demand.

Fifteen years sufficiently long.

18. I have no doubt but that 15 years is a quite sufficiently long period to admit the development of backward estates in those parts of the country to which the present remarks refer. Any expected improvement stretching beyond that period must belong to the region of distant speculation; and in the practical work of assessment will be far more safely left altogether out of account. With the grand inducements offered by a final and conclusive settlement of the revenue in perpetuity, sufficient stimulus will be given to achieve all those improvements which can justly and reasonably be admitted into calculation as the basis of eventual assessment.

Graduated assessments common under former settlements.

19. Indeed the system thus understood is not an untried one. It was well known under the former settlements as that of a "russuddee," or graduated assessment. And it succeeded well wherever the final term, or "kamil juma" was kept sufficiently low. Many of my own settlements of the deteriorated and broken down estates in the Calpee and Jelalpore Pergunnahs were made thus; in some instances the full assessment was postponed so long as 16 years. I lately passed through that part of the country, and (the full demand having been now for some time attained) found that these villages had recovered under this system, and were prospering.

Danger of over-rating the waste, and pitching ultimate demand too high.

20. But it is essential to success that the later terms should be moderate. And as it was found, in practice, that in fixing such rising jummas the tendency in the settlement officer's mind was to expect too much, and, consequently, to pitch his ultimate demand too high, the system of "russuddee," or graduated assessments, fell into disrepute. The prospect of a heavy and rising demand in the future casts even by anticipation a shadow of gloom and hopelessness over an estate; as the higher terms are reached, the proprietors become involved and break down under over-assessment; and hence the expedient often resulted in failure and damage. I have, therefore, acquiesced hitherto in the line of instructions which our Board have now for many years issued in discouragement of "russuddee" settlements. But, as above explained, the system, judiciously and cautiously used, is capable of being applied with certain success. From the past, indeed, we have gained the experience that it is liable to abuse. In applying the same system to the permanent settlement, it will be necessary not only to caution our officers against the risk of estimating future improvement too highly, but for the supervising authorities themselves to see that this tendency is nowhere yielded to.

Instructions proposed for settlement officers.

21. In order to secure these objects, a carefully prepared set of instructions will be required for the guidance of the settlement officers. These would embrace the following leading points:—

1st. Settlements would ordinarily be concluded at once at the standard juma.

2nd. Where a village is so backward that it could not at present bear a fair assessment, the standard juma may be postponed for a term of 5, 10, or 15 years, according to the extent of unreclaimed land and prospect of improvement, and a lower assessment may be fixed for the present. If there is a likelihood of the improvement being rapidly progressive, the settlement officer may, in his discretion, make the juma rise at any one, or at each, of the terms specified.

3rd. The settlement officer should fix for each pergunnah, or tract, or class of villages, a certain per-centage of fallow land, which may fairly be allowed to pass unquestioned; the grounds on which the per-centage is fixed will be explained in the settlement report. Wherever this proportion is exceeded, he will make it a point to consider whether the character of the waste land affords fair expectation that it will be reclaimed. If there be reasonable ground of doubt, he will decide against assessing it, except for its spontaneous products. If otherwise, he will assess upon it a sum, cautiously calculated, with due advertence to the actual capacity of the land, and the labour and capital required to bring it under tillage. Great circumspection will be needed in not rating fallow land too high. In case of doubt, the settlement officer must incline to the lower estimate. The "malgoozaree" rate of the pergunnah, tract, or class, will afford a useful standard; but even that will often be excessive, seeing that the least profitable lands are generally the last to come under  
the

the plough. The settlement officer will invariably inspect the fallow land with his own eyes, and take all means in his power by local inquiry to test their value.

4th. In all cases where the proportion of waste exceeds the per-centage before noticed, the settlement officer will explain at length; in the remarks of Statements II. and III. the grounds on which he has either allowed it to pass unassessed, or on which he has fixed the demand above or below the average rates, and the reasons which have led to the adoption of a shorter or longer term after which it is to come into effect, or of a graduated assessment, or otherwise.

5th. The number of cases, if any, in which the zemindars have declined the standard juma, will be stated with due explanation.

22. In regard to the districts of which the settlement has already been revised,\* it will be necessary that the whole of the work be gone over again by competent officers, such as I believe are either on the spot, or easily available; and in every case in which the proposed assessment may be found to fall materially short of a fair standard juma, the arrangement must be revised, and the settlement concluded on the principles above laid down. This will involve delay, and some expense; but both will be well rewarded. Indeed, under the principles expounded in his Excellency's Minute, the settlement of these districts could not otherwise, with consistency, be declared perpetual. None of the new settlements have yet been sanctioned and approved by any authority superior to the collector; they have all been concluded subject to the sanction and approval of the higher powers; so that they are open to any modification that may be deemed expedient and proper. The same opportunity can be taken to revise the arrangements regarding cesses and Chowkeedaree Tax, the late orders regarding which will involve extensive changes of record and account.

Districts already assessed how to be treated.

23. I do not think that any serious or insurmountable difficulties will be met with in applying the above principles to the settlement of any portion of the North Western Provinces, with exception to certain tracts which will be noticed below. Nice questions may undoubtedly occur, on which there will be variety of opinion. These will be decided as they arise; but there is one class of cases possessing, perhaps, sufficiently general features to justify farther mention here. Villages farmed by Jats and Koormies afford far higher profits than those cultivated by Goojurs, Syuds, and Rajpoots; and consequently they can bear, and ordinarily do bear, a higher assessment. How far, in the computation of a standard juma, are the rates prevalent in villages cultivated by the industrious classes to be applied to those occupied by the idle and negligent? The subject is adverted to in the Board's Settlement Circular Order No. 1, paragraphs 93 to 97. Of the latter class it is said: "The Board desire to see them so fairly and moderately taxed as may oblige them to adopt habits of industry and management, or to transfer their lands to those who will make that use and improvement of them which is the right and duty of all good governments to enforce." At the same time the Board limit the application of this principle by the terms, "as far as practicable;" adding, "They have no intention to force conclusions, or aim at an impossible equality." The Commissioner of Meerut is an advocate for a more stringent course. He would not only aim at equality of assessment on general grounds, but he regards it as an object desirable in itself that these classes should be fully assessed in order that they may be sold out for balances; and that, reduced to the position of cultivators, they may make way for landholders of more enterprise and greater capital.† I cannot concur in such a view. In special cases, indeed, this course may be unavoidable; and it may be (and I believe has repeatedly been) followed with salutary effects. But to adopt any measure the result of which shall be the general and wholesale eviction of an extensive body of proprietors, cannot, I should think, be approved by any clement and enlightened government. A measure so violent and sweeping, producing so sudden and extensive an unsettlement of existing rights, could not be justified either on political or economical grounds. I assume, therefore, that any such extreme view would not be sustained. It would be, in the words of the Board, "to aim at an impossible equality;" or, if possible, to aim at it by violent and inexpedient means.

Case of Goojur and other negligent proprietary castes considered.

Some are disposed to assess these at full rates.

24. But we may err on the other extreme. There are, for example, two Goojur pergunnahs adjoining each other, Gungoh in Sheharunpore, and Bedowlee in Mozuffernuggur. In the former an endeavour has been made to assess as much as possible at the average standard of the district, and many complaints have reached the Board in consequence.

Others to afford them a perpetual settlement at inadequate rates.

\* Sheharunpore, Mozuffernuggur, Boolundshahur, Goruckpore, and Jaloun.

† The following extract from the Commissioner's last Annual Report will illustrate his sentiments:—

"In estates belonging to Goojurs, and such bad subjects, and bad cultivators, whose lands are not half brought under the plough, the demand of half of the eventual capabilities of the estates could not possibly be enforced, even if the present owners were got rid of by sale, and industrious and energetic proprietors took their places, unless the new proprietors were men of capital, who could afford to pay the excessive revenue. The assessment, therefore, on tracts so inhabited has been necessarily much too low.

"Necessarily, for though capitalists would come forward, indeed I believe European capitalists might be found who would soon transform these lazy thieves into orderly, industrious, cultivators, the propriety of ejecting wholesale those who will not develop the capabilities of the soil, who keep land waste which might be made to contribute food and wealth to the general stock, but who prefer to agriculture their present lawless habits, cattle-lifting, and thievery, has not been recognised.

quence. In Bedowlee, on the other hand, considerably lighter rates have been adopted, and the assessment is believed to be lower than what might be yielded if even the present proprietors paid proper attention to their farms. Both the Viceroy and the Lieutenant Governor have seen an able paper by the settlement officer of the tract in question, advocating that its revenue as now assessed should be made permanent. To impose a full standard juma, either now or in prospect, would involve the proprietors in depression and ruin, and would drive them to robbery and violence, habits to which by descent and inclination they are already too well inclined. The motives of a permanent settlement may be hoped to have some influence even upon these classes. The Goojur inhabitants of a tract similarly circumstanced have been reclaimed from thievish and lawless habits to order and industry, by virtue of the profits and prosperity attendant on canal irrigation. It is the duty of Government to aim at similar results in Bedowlee, not only for the benefit of the people themselves, but in the interest of the country at large, which now suffers from their evil habits. Hence it has been advocated that the assessment should be made perpetual.

The proposed system will admit of a middle course.

25. I believe that a middle course between these views will be found practicable and expedient. Without aiming at "an impossible equality," the assessment of Bedowlee may still be raised somewhat nearer to the general standard of the district, and the enhanced assessment may be appointed to take effect hereafter under the rules above proposed.

II. Backward districts and tracts. Principle of Minute not suitable for such.

To fix now a prospective permanent demand would be to assess at hap-hazard.

26. I now proceed to consider the backward tracts and districts, to which I would not advise that the above system should, for the present, be applied.

27. In my note upon Sir Charles Trevelyan's Financial Statement of 1863, it was not much my object to urge that estates, generally situated in districts or tracts ripe for a permanent settlement, should be admitted to its benefit, although I believe this to be highly expedient, and rejoice in the prospect of its accomplishment held out by the Governor General's Minute. It was rather my object to urge that the simple test of proportion of area under cultivation in each individual estate should not be held the criterion of ripeness for the permanent settlement *without advertence to the general forwardness of the district or tract in which it is situated*. It appears to me self-evident that, in districts or tracts like the Terai and Lullutpore, where agriculture is in the most rudimentary stage, where valuable staples are rarely grown, where the chief object of cultivation is domestic support by the cheap and commoner crops, where the means of communication with the outer world are difficult, or where the climate is inhospitable; where, in fine, everything combines to keep down rent at the lowest scale, it is quite impossible to anticipate the future, or to predict to what degree rent will rise and find its level within the next 10 or 15 years. To attempt a permanent settlement under these circumstances, by fixing an ultimate demand to take effect after a certain term of years, would, in my apprehension, be to assess at hap-hazard. Even the area under cultivation, and its present assets, can afford but a poor idea of what the eventual rental and value of the same land will be. As an experienced and practical officer writes:—"In those districts no approximate calculation of the value of land now cultivated can be made, by which I mean not the value of the present yield or the rent roll, but of the real value of the land when the commerce of the country shall have been opened up, and the proprietors become somewhat better than mere squatters. I would certainly say that such parts of the country are far better off with long lease settlements; for as yet the value of landed property is not known there to the people themselves, and it is impossible to predict at all accurately what the effect of the great advancement, now being made in opening up the country, will have in those regions."

28. It is held, indeed, in paragraph 33 of the Minute, that while the State cannot prudently relinquish the future revenue arising from the tillage of lands now uncultivated, it "may surrender properly the future revenue from improvement in the crops and in the style of cultivation, in consideration of the advantages derived from a permanent settlement." I can understand and appreciate the distinction if confined to the class of advanced districts treated of in the first part of this note; because it supposes that the improvement is traceable to increased labour and capital applied under the motives and guarantee of the permanent settlement. But I cannot perceive that the distinction has any force whatever in the class of backward districts now under consideration. There the anticipated improvement and rise in rent will be brought about by the opening up of the country, by roads, railways, canals, &c.; by causes, in short, altogether unconnected with the skill, labour, and capital of the owners of the soil. The landholders will be carried forward, whether they will it or not, with the tide of improvement, and so their properties will acquire a vastly enhanced value from causes quite independent of their exertions. Lands now of little more use than barely to support the agricultural and local population, and which yield a mere minimum of rent, will thus acquire, in the development of the country, a value which, compared with their former value, will be quite as great a gain as the bringing of fallow lands under the plough. This augmentation of assets, and creation of a new value, is surely as much to be considered in the one case as in the other. In the language of the Secretary of State, the lands in question, though certainly under some sort of cultivation, and bearing a certain rent, "do not yield to the public treasury a return commensurate with their prospective capabilities." And I cannot

cannot understand on what principle Government is held bound not to relinquish the prospective gain in one case, and yet bound to relinquish it in the other.

29. I sincerely trust that a permanent settlement, either present or prospective, will not, for the present, be introduced in these backward regions. If an attempt be made, on the one hand, to estimate the future advance of prosperity and rise of rent, I fear that the prospective demand so fixed would not only be extremely uncertain and unequal, but would in any case at present appear to the proprietors so heavy as to produce discouragement and dejection; while, on the other hand, if the existing scale of rent and assets be adopted, a serious loss will be sustained by Government, and by the rest of the empire which has to make it good; a loss which, so far as I can see, is not counterbalanced by any adequate advantage.

Alternative danger in so doing.

30. The alternative is a temporary settlement. But if this is fixed for 20 or 30 years, the prospect of a permanent settlement will be postponed for that long period. I could wish that the settlements under such circumstances were limited, say, to 15 years, at any rate to 20.\* This would permit of the question being considered at the close of that period, whether the district were prepared for a permanent settlement or not. If not so prepared, the evils of a revision might be avoided by declaring, *three or four years before the conclusion of the settlement*, that it would be prolonged for another period of 10 or 15 years. The bad effects recurring at the close of a temporary settlement would thus be avoided, and the question of permanency still not postponed for a whole generation.

Better to confine settlement to 15 or 20 years.

31. Some special rules will also be required for lands liable to change from fluvial action. But this is a matter of detail.

River lands.

32. I do not think that my opinion is required on any other parts of his Excellency's Minute. The conclusion in paragraph 7, that the Government by a permanent settlement foregoes all claim to the increase of revenue arising from canal irrigation, is the same as that which I advocated in a former Minute.† But it appears to me that the statement on this subject is imperfect without its being placed on record (as I attempted to do in paragraphs 73-75 of that paper) for the consideration of the Irrigation Department, that a higher water rate may fairly be demanded in tracts to which canals *have extended after settlement*, than in tracts which were under canal irrigation at the time of settlement. In these latter the increased assets from canal irrigation have been taken into account in making the assessment; and in so far the water has already yielded a tax merged in the revenue over and above the "water rate." This can never happen where canal irrigation *follows after the settlement*; and here, consequently, the water rate may equitably be higher. I believe this to be the true reason why the water rates on the East Jumna Canal, where the increased assets have been repeatedly taken into account in fixing the land revenue, are so much lower than on the Ganges Canal. It is quite just and proper that it should be so. And it seems to me of importance that the principle on which the difference is founded, and by which it is justified, should be acknowledged by the Revenue Department, when, by the introduction of a permanent settlement, it is about to relinquish henceforth all claim to share in the enhanced assets arising out of canal irrigation.

Water rates on canal irrigation, introduced after settlement may be higher than on irrigation from canals introduced before settlement.

33. I may further be permitted to express my gratification at the first six paragraphs of his Excellency's Minute, regarding the machinery proper for the conduct of the settlement; and the recognition of the importance of the department, in the admission that where the collector of a district is unable to take charge of the work, it should be conducted by a settlement officer *above the rank of a junior officer*. It is not improbable that in the progress of the settlements such a contingency may occur; and I trust that the able assistants now engaged on settlements may be enabled to remain in the department by the creation of a higher grade suitable in emolument to their standing, when they may have emerged from the rank of juniors.

Importance of duties of settlement officer.

(signed) *W. Muir.*

Sudder Board of Revenue, N. W. P., Allahabad,  
23 March 1864.

POSTSCRIPT.—After the above was in type I have had the pleasure to peruse my colleague's admirable Minute on the same subject. Mr. Money and I purposely committed our views to paper quite independently of each other, and with hardly any previous interchange of sentiments. Whatever value, therefore, may attach to the conclusions in which we coincide is naturally increased by the fact of their having been reached by independent courses of reasoning.

My colleague's Minute suggests a few additional remarks:

*First*, as to the districts or tracts proper to be considered in the second class, as excluded for the present from permanent settlement. I alluded to this subject in paragraphs 52 to 58 of my Minute, dated 5th December 1861. Lullutpore (there called Chundeyree),  
Jhansie,

\* The term for which engagements have been taken in the settlements now in progress in Jhansie and Lullutpore is 20 years; which may be allowed to stand.

† Dated 6th December 1861.



Jhansie, and the Terai District should certainly, to my apprehension, be excluded. But I would extend the measure to Jaloun, as being in pretty much the same category as Humeerpore and Banda, which I recommended (paragraphs 52 to 56) to be permanently settled. I had hoped that the greater part of Goruckpore might also have been regarded as prepared for the measure; but I speak with reserve on this point, as Mr. Money, in whose circle it lies, and who is therefore more intimately acquainted with its resources and prospects, has given a contrary opinion. If the general principle to be followed be now laid down by the Viceroy, its application to this and other exceptional cases may be considered, on the merits of each, when the settlements come up for confirmation. It will be one of the most responsible duties of the settlement officer to bring under consideration, in his final report, any tracts the assessment of which he would propose to leave on a temporary footing. There will be such tracts in all the Sub-Himalayan Districts; in Seharunpore towards the Sewalicks; probably also in Jaloun and the other Trans-Jumna districts; and perhaps exceptional villages and tracts in most districts; for example, estates suffering from canal drainage, or other causes, in consequence of which the soil, even if cultivated, yields a poor return. I do not see why estates in the hill districts where, say, 80 per cent. or other fair proportion of the culturable lands are cultivated, should not also be admitted to the permanent settlement.

I concur with Mr. Money in thinking that, ordinarily, 20 per cent. of the Malgozaree area would be a very proper maximum of waste, beyond which rissuddee assessments should be encouraged. But, for the reasons given above, in paragraph 16, I would not insist on this as an invariable standard, but would leave the percentage to be determined, as there proposed, by the settlement officer, according to the circumstances of each district, pergunnah, or group of estates. I think that many of the reasons so forcibly put by my colleague against formulas of assessment being rigidly enjoined by authority tell strongly in favour of this view.

31 March 1864.

(signed) W. M.

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#### PERMANENT SETTLEMENT.

NOTES by R. Money, Esq., Junior Member, Sudder Board of Revenue, North Western Provinces, on the Governor General's Minute on Permanent Settlement.

Paragraph 4.—THE opinions here recorded correspond with those which have been expressed by the Board.

6. It will, I think, be found impracticable to follow any invariable rule in regard to the distribution of settlement duties between collectors and settlement officers. Unless a collector be relieved of the greater proportion of his district duties, both revenue and criminal, he will ordinarily be unable to find the time that ought to be devoted to the determination of a fair and equable assessment. The officer who superintends the measurements visits all the villages in the pergunnah, and the notes which he records as the result of his personal observation materially aid him in fixing the jummas. The classification of villages whereby the assessment is much facilitated, depends mainly on the settlement officer's personal inspection; and if the collector is merely to adopt the data provided by the settlement officer, the conclusions which he might deduce from them would, perhaps, not be more reliable than those which would be arrived at by the officer who had himself collected and digested all the information that he considered necessary for the formation of his own opinions.

The exact actual assets of an estate are rarely, if ever ascertained. If they could be ascertained, and if the rule for making the settlement at half-assets were invariable, it would not matter whether the assessment were made by the collector or by the settlement officer. But the estimate of the present or prospective value of the rental is affected by many considerations; and, ordinarily, the officer who has conducted the preliminary operations, and personally inspected a village and those which surround it, will be in a better position than any other to fix the jumma that should be demanded. Although some of the settlement officers are young in the service, they are invariably chosen with reference to their proved intelligence and special aptitude for the performance of the duties entrusted to them, and I should therefore regret to see them debarred from working out the result of their labours. On the other hand, however, in accordance with the notification of the Government, North Western Provinces, of 29th April 1863, No. 581 A, they are subjected in all their proceedings to the general control and guidance of the collectors, and the collectors might advantageously be required to examine the assessment of every pergunnah before its submission to the Commissioner. If the collector saw reason to dissent from any of the conclusions of the settlement officer, they might on consultation arrive at unanimity; and if otherwise, the collector would report the grounds of his dissent in submitting the settlement report.

7. Increased productiveness from canal irrigation does appear to me to constitute a stronger ground of claim to participation than enhanced profits from the opening up of railways or any other circumstance of general progress and development, inasmuch as the canal is constructed by Government for the express purpose of increasing the productiveness of lands irrigated by it. On the analogy of the provisions for the enhancement of rent, the Government

Government would apparently have as much right to demand increased revenue as the zemindar to demand increased rent due to improvements effected independently of the action of the zemindar in the one case and of the ryot in the other.

Whether it would be more expedient to relinquish now and for ever all claim to participate in the increased assets which will be derived from the spread of canal irrigation, than to defer the fixing in perpetuity of a settlement on existing assets, is a question which involves a material difficulty. General equability of assessment is admitted to be an essential condition of a permanent settlement. Those lands which have already benefited by the action of the canal have been, or will be, assessed with direct reference to their enhanced productiveness. Other lands, of which it may be certainly predicated that they will be subjected to the action of the canal ere many years have elapsed, will, in the ordinary course of the approaching settlement be assessed, as unirrigated; the assessment would be declared permanent, and so soon as those lands were reached by the canal, the equality of the assessment would be destroyed. There appears to me to be a certain inconsistency in denying a permanent settlement on existing assets to an estate of which the rental might in the course of years be probably doubled by the reclamation of culturable waste land, whilst it is conceded to another of which the assets may in a shorter time be quadrupled by the action of the canal. Might not estates of this nature be held to be excluded from immediate settlement in perpetuity, in the terms of the Despatch of the Secretary of State, as estates "which do not yield to the public treasury a return commensurate with their prospective capabilities?"

Assuming that the permanent settlement is not to be extended to individual or isolated villages situated in tracts which are not generally enough advanced to admit of their inclusion in the measure, it will in the first place be necessary to determine what districts, or portions of districts, should be entirely excluded. In these I would certainly include the whole of the district of Goruckpore. Although it contains many estates in which cultivation has been advanced to an extent which would qualify them for permanent settlement, if they were situated in a district where cultivation had been generally extended in an equal degree, yet the resources of the majority are very imperfectly developed. But as regards this district there is another and a greater difficulty which precludes an immediate assimilation of its settlements to that of the generality of districts in these provinces. In regard to rents it is in a transition state. The rates hitherto paid have been very much lower than those which obtain in other parts of the country; but they are gradually rising, or have already been very much raised in villages of which the settlement has been completed. Estates professedly settled at half-assets have been sold at between 40 and 50 years' purchase of the Government demand, whence it must be inferred that the rents are at least double or treble the amount of the jumma. 10 et seq.

The Terai and the hill districts are obviously unfit for a permanent settlement.

Mr. Muir is much better acquainted than I am with the Jhansie Division, in regard to which I should readily defer to his opinion; but I conclude, from all the information that I possess, that there is no portion of the division in which it would now be expedient to perpetuate the settlement.

There remain the whole of the Doab, Rohilkund, exclusive of the Terai, and the districts of Humeerpore, Banda, and Azimgurh. Setting aside the prospective enhancement of assets due to irrigation in estates to which the operation of the canal has not yet been, but soon may be extended, I would advocate the permanent assessment, at one-half of the present assets, of all estates situated in the last mentioned tracts, provided the cultivation amounted to 80 per cent. of the culturable area.

The following details of area of the tracts in question, exclusive of lakhiraj lands, are taken from the reports of the census of 1853; and although they cannot be held to represent exactly the present status, they may be regarded as sufficient for our present purpose:—

*Doab Statement.*

TRACTS.	Cultivated.	Culturable	Barren.	PER-CENTAGES.		
				Cultivation to total Malgoozaree.	Cultivation to Total Area.	Barren to Total Area.
	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>			
Seharunpore - - - -	7,74,253	2,11,449	3,43,599	78	58	26
Moozuffernugger - - - -	6,70,468	1,53,173	1,53,713	81	69	16
Meerut - - - - -	9,07,758	2,36,021	1,82,256	79	68	14
Boolundshuhur - - - -	7,15,587	1,43,260	2,20,211	83	66	20
Allygurh - - - - -	9,61,076	77,725	2,98,233	93	72	22
Muttra - - - - -	7,33,362	87,224	1,14,307	89	78	12
Agra - - - - -	7,47,536	1,18,104	2,43,437	86	67	22
Farruckabad - - - - -	7,49,023	1,78,345	3,61,332	81	58	28
Mynpoorie - - - - -	6,87,098	1,14,526	4,82,812	86	53	38
Etawah - - - - -	5,57,804	59,927	4,26,402	87	52	40
Cawnpore - - - - -	8,00,438	1,49,232	4,91,037	84	56	34
Futtehpoore - - - - -	5,09,793	1,31,895	3,62,066	79	51	36
Allahabad - - - - -	9,71,558	2,47,255	5,37,727	80	55	31
<b>TOTAL - - - - -</b>	<b>97,85,754</b>	<b>19,08,136</b>	<b>42,17,132</b>	<b>84</b>	<b>62</b>	<b>27</b>

*Rohilcund.*

TRACTS.	Cultivated.	Culturable.	Barren.	Cultivation to Malgoozaree.	Cultivation to Total Area.	Barren to Total Area.
	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>			
Bijnour - - - - -	5,90,622	1,75,553	4,07,207			
Deduct Pergunnahs bordering on Forest, Burrapoorah, Ufzulgurh, Rehur, Nujeebabad - - -	1,10,795	45,838	3,14,386			
TOTAL - - -	4,79,827	1,29,715	92,818	79	68	13
Moradabad - - - - -	8,39,919	3,08,851	2,89,166			
Deduct, Kasheepore - - -	65,942	51,100	1,14,715			
TOTAL - - -	7,73,977	2,57,751	1,74,451	75	64	14
Budaon - - - - -	9,28,299	2,86,055	2,53,103	76	63	17
Bareilly - - - - -	10,56,961	3,94,810	4,60,823			
Deduct, Roodurpore, Gudurpore, Pillibheet, Bilehree, Kilpooree, Nanukmuttah - - - - -	1,24,896	1,59,596	2,64,914			
TOTAL - - -	9,32,065	2,35,214	1,95,909	80	68	14
Shahjehanpore - - - - -	7,16,201	4,53,032	2,75,059			
Deduct Poorunpore, Jubnan, Khotar - - - - -	1,34,551	2,55,945	1,21,315			
TOTAL - - -	5,81,650	1,97,087	1,53,744	75	62	16
TOTAL, exclusive of Forest Purgunnahs - - - - -	36,95,818	11,06,322	8,70,025	71	65	15

*Bundelcund and Benares.*

TRACTS.	Cultivated.	Culturable.	Barren.	Cultivation to Malgoozaree.	Cultivation to Total Area.	Barren to Total Area.
	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>			
Humeerpore - - - - -	7,70,254	3,16,504	3,33,362	71	54	23
Banda - - - - -	8,46,831	5,61,281	4,35,066	60	46	24
Azimgurh] - - - - -	7,98,707	2,13,729	5,57,035	79	51	35
TOTAL - - -	24,15,792	10,91,514	13,25,463	69	50	27

The following statement combines the details of three divisions :—

DIVISIONS.	Cultivated.	Culturable.	Barren.	Cultivation to Malgoozaree.	Cultivation to Total Area.	Barren to Total Area.
	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>			
Doab - - - - -	97,85,754	19,08,136	42,17,132	84	62	27
Rohilcund - - - - -	36,95,818	11,06,322	8,70,025	71	65	15
Bundelcund and Azimgurh - - -	24,15,792	10,91,514	13,25,463	69	50	27
TOTAL - - -	15,897,364	41,05,972	64,12,620	79	60	24

No uniform rule was observed in classifying lands under the respective heads of "Culturable" and "Forest and Jungle." Much of the land which was included in the Minhae as "Forest and Jungle" is actually culturable, or has been already brought under cultivation.

One-fifth, or 20 per cent. of the total area may be regarded as a full and fair average allowance for barren waste, including village sites, roads, banks, tanks, water-courses, and the like; though there are numerous instances in which more than 90 per cent.

cent. of the total area is actually under cultivation. Putting the barren wast at 20 per cent., and adding the difference to the malgoozaree area in the Doab and Bundelcund and Azimgurh, and deducting it from the malgoozaree in Rohilcund, we obtain the following result:—

DIVISIONS.	Cultivated.	Culturable.	Barren.	Cultivation to Malgoozaree.	Cultivation to Total Area.	Barren to Total Area.
	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>			
Doab - - - - -	9,785,754	2,943,064	3,182,204	77	62	20
Rohilcund - - - - -	3,695,818	841,914	1,134,433	81	65	20
TOTAL - - - - -	13,481,572	3,784,978	4,316,637	78	62	20
Bundelcund and Azimgurh - - - - -	2,415,792	1,450,423	966,554	63	50	20
GRAND TOTAL - - - - -	15,897,364	5,235,401	5,283,191	75	60	20

I have exhibited separately the total of the Doab and Rohilcund, because there has been a very considerable increase of cultivation in the district of Azimgurh, and because the districts of Humeerpore and Banda may be regarded as somewhat exceptional. The old returns from which the above data have been obtained are far from representing the present state of the former, and cultivation is increasing and land rapidly rising in value in the latter district.

I think it may be inferred from the above statements that 80 per cent. of the total malgoozaree (that is of the total cultivated and culturable area) should be regarded as a fair proportion to be assumed as the amount of land under cultivation, which should be held to entitle the proprietors of an estate to a settlement in perpetuity at one-half of the present assets (a). As an *average* I have allowed 20 per cent. of the total area to be reckoned as barren, but all calculations for purposes of assessment must necessarily be made on the *bonâ fide* total malgoozaree, or possibly culturable area. There are estates in parts of Rohilcund, where the land is so valuable that the cultivators grudge the small quantity that is required for the strips which separate adjacent fields, and where not a square yard is wasted. Again, there are estates in which large portions of the area consist of sand-hills, or plains of drifting sand, or of utterly barren and impracticable ravines. All land that is actually unculturable, whatever the amount of it may be, should therefore be deducted from the total area as unassessable, and after excluding lakhiraj lands, the assessment should be made on the remainder. It should be the duty of the settlement officer to ascertain in the first instance whether the land under cultivation amounted to or exceeded 80 per cent. of the total malgoozaree, and in either case he would make the settlement in perpetuity, at half assets, under the rules in forcé. It may be said that a proprietor who has already improved his estate to the utmost of its capabilities, is deserving of more consideration than one who still has lands available for future improvement. This has always been admitted. It is impossible to lay down definite rules which should meet every variety of condition, but a general discretion is allowed to officers employed on settlement to lower the rate of assessment on each cultivated acre when the rate on the malgoozaree is found to be disproportionately high.

The manner in which villages should be treated when the cultivation is found to fall short of the prescribed proportion remains to be considered.

Here it should be remembered that the exact assets cannot be ascertained with any certainty. The rule for settlement at half assets is not invariable, but indicates the general proportion of jumma to rent that should be maintained. Much must necessarily be left to the discretion of the settlement officer. Mathematical precision is unattainable, and the variations of conditions are so numerous, that no invariable rule or formula of assessment can be made generally applicable. Where there is no uncultivated culturable land, the settlement officer will feel himself, in fairness, bound to pitch the assessment lower than the amount obtained under the half assets rule; and, on the other hand, he will go beyond that amount if the quantity of uncultivated culturable land is excessive. An assessment made nominally at half assets will, in practice, be found to fall short of that proportion. In all cases where the cultivated area is less than 80 per cent. of the total malgoozaree, the settlement officer might be directed to calculate the jumma that would be assessable if the cultivation were increased to the requisite amount. He would make this calculation at the average half asset rate of the land actually cultivated, unless the uncultivated but culturable land were of inferior description, in which case he would make a proportionate allowance.

The

(a) It had escaped my memory that this is the proportion assumed by his Excellency the Viceroy. "It may be generally assumed that those estates in which four-fifths of the culturable area are cultivated are fit for a permanent settlement." (Minute, paragraph 22). I am happy to find that my inquiries have led me to the same conclusion.

CORRESPONDENCE RELATING TO THE

The assessment at half assets to which an estate would be liable if—  
 malgoozaree area were under cultivation, I will call the *kamil jumma*.  
 In any estate where the cultivation is less than 80 per cent., if the  
 not be more than 60 per cent., or three-fifths of the actual or estimat  
 of settlement, I would make the settlement immediately, in perj  
 jumma.

The following example will illustrate the rule I would propose:—

	Total Cultivation. Acres.	Culturable. Acres.
Actual - - - - -	470 - - - - -	230 - - - - -
Prospectively required - - - - -	560 - - - - -	140 - - - - -

Actual assets of 470 acres, 1,880 rupees  
 Jumma at half assets, 940 rupees.

$$470 : 560 :: 940 : 1,120.$$

1,120 rupees are therefore the kamil jumma.  
 $\frac{3}{5} \times 1,880 = 1,128.$

The kamil jumma is therefore less than  $\frac{3}{5}$ ths or 60 per cent. of the p  
 should be assessed at once.

Existing settlements have been made at rates varying from 60 to  
 estimated assets, and there is therefore no hardship in making a sett  
 at not more than 60 when land is readily available to reduce the rate

The difficulty that has to be overcome is in cases where 60 per cen  
 will not give the kamil jumma. I would not advocate an asse-ment  
 in instances where land had been thrown out of cultivat  
 obtaining a low assessment. In such cases the settlemer  
 so thrown out of cultivation as nearly equivalent to culti

I entirely concur in the remarks in paragraph 22; I  
 paragraph 23, I doubt the practicability of fixing  
 the total culturable area, including land actually cu  
 cultivated." General averages are useful for comp.  
 of each separate estate must be its own basis of the s  
 future assets of land that has not yet been brought under cultivation cannot be determined  
 with any degree of certainty. Where the resources of an estate have been only partially  
 developed, it will generally be found that the best lands have been selected for cultivation,  
 and that the assets could not therefore be increased in proportion to the extension of the  
 cultivated area.

The most important and peculiar feature of his Excellency's scheme is the present  
 assessment, on estates not sufficiently developed for settlement in perpetuity on existing  
 assets, of a kamil jumma, which, at the option of the proprietors, may be declared perpet  
 tual after the expiration of 30 years. I regret that I am unable to concur in the expedi  
 diency of this arrangement. If two jummas, one slightly higher than the other, were  
 fixed on any estate, and the native proprietor were allowed the option of engaging for 30  
 years for the payment of the lower jumma, with the condition that at the expiration of that  
 term the estate would be liable to re-assessment on its assets, whatever they might be, or  
 of engaging permanently for the higher jumma, he would elect for the temporary settle  
 ment, and trust to chance for the future. If, for instance, there were an estate of which  
 1,000 rupees would be a fair and moderate assessment, and the proprietors were allowed  
 the option of engaging for the payment of 1,000 rupees in perpetuity, or for a settlement  
 for 30 years at a jumma of 975 rupees, I feel confident that in 99 cases out of 100 they  
 would elect for the lower demand for the limited period. Whether Hindoos or Mahomedans,  
 they would argue that they thereby secured a certain present gain, and for the future they  
 would trust to fate; the lower demand might possibly be never increased, it might even  
 be diminished. If they were Mahomedans they would be further influenced by their  
 doubts of the permanency of our rule.

If the kamil jumma were considerably in excess of the present assessment, I apprehend  
 that the knowledge of the limit of ultimate demand, so far from acting as a stimulus to  
 exertion, would have an effect exactly the reverse: when the temporary settlement verged  
 on expiration, the proprietors would endeavour, by putting down cultivation, to prevent the  
 proposed enhancement, or at least to reduce its amount. The element of uncertainty in  
 regard to the amount of the future jumma (the proposed prospective demand being regarded  
 as not inevitable), would preclude the realization of the advantages which are expected to  
 accrue from a permanent settlement.

If the development of the resources of a village is very backward, it is generally impos  
 sible to estimate its future capabilities with any approach to accuracy; and it therefore  
 appears to me to be very necessary to fix a limit within which estates which are not  
 susceptible of immediate settlement in perpetuity on existing assets, should have their  
 settlement made permanent with prospective effect. All estates beyond that limit should  
 be only settled temporarily under the rules in force.

The settlements of undeveloped estates now made to have effect after the expiration of  
 30 years will necessarily fall eventually under the classification of

- Too high.
- Fair.
- Too low.

Those

Those of the first class will be merely inoperative.  
 Those of the second will be generally so, for the proprietors will strive to prevent an adequate enhancement of the existing demand. They do not apprehend *over-assessment*, and only consider themselves fortunate when they obtain a settlement at something less than a fair amount.  
 Those of the third class would be perpetuated to the detriment of the State, and the destruction of that general equability of assessment which should be the basis of every permanent settlement.

From the above considerations I have come to the conclusion that every settlement which is intended to be permanent should be definitely engaged for at the time of settlement; and all estates for which definitive permanent engagements cannot now be secured should be temporarily settled under existing rules, subject to permanent settlement hereafter. I apprehend that these exceptions of temporary settlements in the selected tracts would be comparatively very few in number, and I am of opinion that the objections, which might be urged against the allowance of such exceptions, will bear no comparison with the evils to be apprehended from the inequality of assessment, and the uncertainty which would necessarily be involved in the attempt to extend the permanent settlement to estates which are not expected to be ripe for it for the next 30 years.

It now only remains for me to explain the principles on which I would propose to settle permanently those estates whose present assets are not sufficient for the immediate assessment thereon of a kamil jumma.

The settlement of such estates should be rusuddee, or gradually increasing. The demand of the kamil jumma should take effect at a period not later than 12 years from the date of settlement. In exceptional cases, and where the zemindars were themselves desirous to engage for the payment of the rusuddee jumma, the period might be extended to 15 years. This would generally be in the case of villages where the proportion of land under cultivation was less than the minimum which I am about to propose as the measure of the fitness of an estate to be assessed at a jumma rising gradually to the kamil amount.

As in the case of estates on which a *kamil* jumma cannot be immediately assessed at the half assets rate, I would assess all these undeveloped estates at 60 per cent. of the assets.

The limit I would prescribe would be that the present cultivated area should not be less than two-thirds of the required amount, viz., that it should not be less than eight-fifteenths of the malgoozaree. The jumma at 60 per cent. of the assets, on a cultivated area equal to two-thirds of the required quantity, would be four-fifths of the kamil jumma. Four-fifths of the kamil jumma would therefore be the lowest or initiative demand against an estate settled permanently, but prospectively, at the full amount.

In the following Table, the area required to be cultivated, or four-fifths of the malgoozaree, is assumed to be 1,000 acres:—

		<i>Rs.</i>	
Assets, at rent-rate of two rupees		-	2,000
Kamil jumma		-	1,000

  

Cultivated Area at time of Settlement.	Assets at Two Rupees per Acre.	Jumma at 60 per Cent. of Assets.	Term of Rusuddee Settlement.
<i>Acres.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Years.</i>
791½	1,583½	950	6
750	1,500	900	8
708½	1,416½	850	10
666½	1,333½	800	12

The settlement officer might take the entry in any one of the three first columns of the above table as the basis of his calculations, and the result would be the same. Perhaps the entries in the third column afford the data on which the proposed rule can be stated in the most simple form, namely:—

			Term of Rusuddee Settlement.	
If jumma at 60 per cent. of present assets amounts to 95 per cent. of kamil jumma,			6	years.
Ditto - - - ditto - - - 90	ditto - ditto	8	„	
Ditto - - - ditto - - - 85	ditto - ditto	10	„	
Ditto - - - ditto - - - 80	ditto - ditto	12	„	

If less than 80, a permanent settlement will generally be considered impracticable. It may be observed that where the jumma at 60 per cent. of the assets is 80 rupees, the jumma at one-half of the same assets would only be 67 rupees.

In all cases where an estate was held to be susceptible of permanent settlement under the rules above proposed, the proprietors should be called on to enter into engagements accordingly, and should not be allowed the option of electing for a temporary settlement. Should the proprietors refuse to enter into engagements, the settlement at the proposed rusuddee

rusuddee jumma should be made in farm for the term of 12 years, under the provision in Section 3, Regulation VII., 1822. On the expiration of the farming lease the zemindars would be admitted to engagements in perpetuity at the kamil jumma.

In conclusion, I would repeat the observation I have elsewhere made, and which should be constantly held in view by settlement officers, that no rules of assessment are of invariable application. Acting under the spirit of general rules, the settlement officer must take into careful consideration the peculiar conditions which affect each separate estate, and make his settlement accordingly. There may be two partially developed estates in which the quantity and proportions of the cultivated and culturable area, and the assets of the cultivated land, are exactly equal; but it will not necessarily follow that the kamil jumma of both will be the same. The culturable but uncultivated land in one may be more easily reclaimable or of more productive quality than in the other, and due allowance should be accordingly made in fixing the highest assessment.

A very backward village should rarely be assessed prospectively up to the full estimated amount of kamil jumma. More loss is entailed on Government by over-assessment than by inadequate assessment; for a settlement that is made too high will inevitably break down, and the re-settlement which is entailed will invariably be lower than the amount which would have proved sufficiently moderate if it had been originally assessed.

Sudder Board of Revenue,  
N. W. P., Allahabad,  
30 March 1864.

(signed) *R. Money,*  
Junior Member.

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MINUTE by the Honourable the Lieutenant Governor of the North Western Provinces.

THIS important Minute by the Viceroy and Governor General, on the subject of permanent settlement, has been demi-officially communicated to the members of the Sudder Board of Revenue, and has been so ably and exhaustively treated in the admirable notes which they have recorded, and which reached me on the 5th and 6th instant, that little remains to be added beyond the expression of my own opinion, and this, to avoid delay, will necessarily be brief.

2. The occasion of this interesting exposition of his Excellency's views was a Minute recorded by me in July last, in which I advocated, in a general and imperfect form, a more personal and direct supervision of settlement establishments, and a more generous treatment of the landholders in regard to the mode of valuation of their estates, than it appeared to me had hitherto prevailed.

3. As observed, however, in the letter transmitting the Board's communication of the 24th October last, which has been purposely delayed to afford full time for inquiry, the representations of the Board, and more extended opportunities of information, have considerably modified my views on both these points, and, without re-opening the subject here, it will be sufficient to observe that, though I cannot altogether retract my opinion in respect of the existing system of supervising and testing agency, I am very willing to admit that, if the duty is fulfilled in spirit of paragraphs 4 and 5 of his Excellency's Minute, there is no sufficient cause for change; but I may add, that the question, to my mind, was not of the qualifications of the officers concerned, but of the experience of utilising the experience of one or other of the members of the Board, specially in the work of settlements, instead of leaving it hampered and over-ridden by routine duties.

4. The chief topics for discussion raised by the present Minute are—first, the principle of selection of estates to be admitted to permanent settlement, according to individual rather than general development; and, secondly, the immediate assessment, both of the present and of the ultimate value of the assets of estates not fully developed; the existing assets being taken as the basis of a thirty years' settlement; the full sum, assessed as the ultimate prospective value, being the maximum demandable at the next settlement, provided the landowner were willing to accept it.

5. My first impression of his Excellency's intention was, that the option given to the landowner of converting the temporary into a permanent settlement would be confined to the currency of the temporary settlement; so that, if he failed to avail himself of the boon, he entailed upon himself the inconvenience and cost of a re-assessment on the expiry of the temporary settlement, and the almost certainty of an enhancement of revenue demand; and in this view I entirely concurred in the proposed measure, believing that the advantages to be gained on the one hand, and the inconvenience to be avoided on the other, were sufficiently obvious to ensure the acceptance of the permanent assessment; immediately, whenever the demand did not exceed 60 or 66 per cent. of the gross assets, and prospectively, so soon as the development of the resources of the property would warrant the step.

6. The proposal, however, in his Excellency's Minute so far differs, that the pressure, upon which I had relied, is entirely removed, and the landowner would enjoy the benefits of a light assessment for 30 years, with the assurance, that under no circumstances would the ultimate demand exceed the sum now fixed as the permanent assessment.

7. In

7. In this view it seems to me that the proposed measure is open to the objections stated by Messrs. Muir and Money, and, as a rule, I conceive it probable that no one would convert his temporary settlement into a permanent one during the currency of the former, unless he did so to enhance the market value of his property preparatory to sale.

8. In the form in which I first apprehended it, the measure still recommends itself to my judgment; but I am of opinion that it may be very greatly improved, in accordance with the experienced suggestions of Messrs. Muir and Money, which I will now proceed to consider.

9. The principal modification, recommended by Mr. Muir, is that a standard assessment of maximum demand having been declared, the landowners should be required to engage for its payment, either immediately or, in cases of temporary abatement, prospectively within certain moderate periods.

10. Mr. Money has shown very clearly in his excellent paper how such a rule would probably work, and that there is really no hardship in making settlements in perpetuity, at not more than 60 per cent. of the estimated assets, where the means are readily available for reducing the rate to 50 per cent.

11. As regards undeveloped estates, not yet in a condition to pay the fair maximum demand, I think a graduated assessment, upon the principles recommended by Mr. Money, would be found to work well. No doubt such assessments are open to the objections noticed by Mr. Muir; but when carefully applied, and not pressed too far, my own experience is altogether in favour of them, as providing exactly that moderate pressure which is needful to incite exertion.

12. I would, however, carefully attend to the principle of selection, and admit no estate, wherever situated, to permanent settlement, unless its present revenue, at 60 per cent. of the assets, equals four-fifths of the ultimate prospective demand (as explained at page 10 of Mr. Money's note). I do not participate in the objections, sometimes raised, to having temporarily settled villages interspersed with permanently settled ones, on the score of inconvenience and additional cost in the management. No such effects were experienced in the Behar districts, in which I have served, where at one time such intermixture was very extensive.

13. Besides the general rule to the above effect, I would specially except, for the present, the districts of Goruckpore, Jhansi, Lullutpore, and Terai from the operation of the permanent settlement. In these the procedure might, with advantage, follow the course suggested by Mr. Muir in his 30th paragraph. I do not think that the permanent settlement should at present be extended to the hill districts.

14. As regards matters of detail, these may be worked out by the Board of Revenue in communication with the Government, and a carefully prepared set of instructions issued for the guidance of settlement officers, as proposed by Mr. Muir; too much stress cannot be laid upon the dangers of over-assessment of unreclaimed land, and the importance of distinguishing between good land, which has remained uncultivated for want of labour or capital, and land of which the yield is below the average of remunerative crops.

15. Districts of which the settlement has already been revised will necessarily be treated as proposed in Mr. Muir's 22nd paragraph.

16. It was at one time my intention to suggest the propriety of fixing the assessment for the permanent settlement in grain instead of coin; that is, that the average rate of produce per acre of the principal descriptions of crop should constitute the standard of valuation, the cash equivalent for which should be regulated by the market value of the produce, liable to re-determination, say every 20 years. Such a provision would meet all objections founded upon variations in the value of the precious metals, and of prices; but, upon full consideration, I apprehend that it might lead to doubts as to the *bonâ fide* permanence of the assessment; it is, I think, an open question whether some such provision should not be admitted into the engagements of the ryots with their landlords.

17. As regards recusant proprietors, I concur in the opinion expressed in the 15th paragraph of Mr. Muir's note.

18. I have omitted to notice the question raised by Mr. Muir in paragraphs 23 to 25, in connection with the Goojur estate of Bedowlee, in Mozuffernugger. I agree generally with Mr. Muir, that it is the duty of Government to treat cases of this description with all possible forbearance; but I cannot advocate any action which could be construed into a reward for misconduct. Such cases ought, it appears to me, to be treated altogether exceptionally, assessed for the present at very moderate rates, tacitly leaving a considerable margin of profit, and subjected hereafter to the same procedure as recommended in paragraph 30 by Mr. Muir, for other backward tracts.

(signed) E. Drummond.



From *E. C. Bayley, Esq.*, Secretary to the Government of India, Home Department, to *R. Simson, Esq.*, Secretary to the Government of the North-western Provinces (No. 543); dated Simla, 8th June 1864.

Letter from Government, North Western Provinces, No. 907 A., dated 6th August 1863, and enclosures.

Minute by the Governor General, dated 5th March 1864.

Remarks by Mr. Muir, dated 23rd and 31st March 1864.

Remarks by Mr. Money, dated 30th March 1864.

Minute by the Lieutenant Governor (no date).

WITH reference to the papers marginally noted, I am now directed to communicate the following observations and orders by the Government of India.

2. The minute of the honourable the Lieutenant Governor embraces two propositions; *first*, for the establishment of a board of settlement; *second*, for the revision of the assessment of the land revenue through the agency of the ordinary district officers.

3. The Governor General in Council, I am to state, is of opinion that both these proposals require further consideration on the part of the Government of the North-western Provinces, in consultation with the Sudder Board of Revenue.

4. In regard to the proposed Board of Settlement, his Excellency in Council is clearly of opinion that such a Board will not be necessary. The object contemplated by the Lieutenant Governor, in making this proposal, is the final testing of the revised assessments in each district previously to their being declared permanent for ever. Now, the importance of thus testing the assessments may be fully admitted. But for this object, a machinery, which is the best obtainable, already exists, and it must be held to be much superior to any such Board of Settlement as that proposed. There are already the Commissioners of Revenue in the several divisions of the North-Western Provinces; there is the Sudder Board of Revenue at Allahabad. It is, his Excellency in Council considers, impossible to have a better supervising and testing agency than this. These high officials are appointed for this express purpose, and are, in the opinion of his Excellency in Council, fully equal to the duty; they are on the spot; they have the best local and general experience; they have ample time for the work. Indeed, it is understood that, whenever of late years the retention or abolition of some or all of commissionerships, or of one out of the two members of the Board, has been discussed on financial grounds, it has been held that the present numbers of the Commissioners and members of the Board ought to be maintained for the particular reason that they are all needed for the work of the approaching permanent settlement. Primarily, therefore, the supervision of the revised settlements must rest with the Commissioners, in their respective divisions, under the general direction of the Board. The final testing which the Lieutenant Governor is justly anxious to secure may be very properly carried out by the members of the Board while on the circuits which are annually undertaken.

5. The Governor General would here, however, impress on the Board, and on the Commissioners, the importance of their giving their whole minds to this great matter of supervising and testing the settlements. The Commissioner should not content himself with merely criticizing when the work is wholly or partly done, but should watch it through every stage of its progress, and rectify every error in practice, as fast as it becomes apparent; he should also keep the Board thoroughly informed of the progress of the work. The final proceeding on the Commissioner's part is the submission of the settlement officer's completion report to the Board. Before according their final approval to the settlement, the Board should communicate personally with the Commissioner, and ascertain from him unreservedly all the conclusions which he may have been able to form. Either the Commissioner can arrange to attend on the Board with his settlement report, or else the Board can meet the Commissioner on circuit, so that all the main points in the settlement or in the report may be verbally discussed.

6. In respect to the revision of assessments through the agency of the ordinary district officers, the Governor General in Council fully concurs in thinking that this agency should be employed in preference to any other, *wherever* the district officers are competent for this particular work, or may be able to afford the time requisite for it. In some districts it is believed that they have been, and in others, will yet be found so competent, but his Excellency in Council apprehends that they probably will not be so in all. It by no means follows that the collector will always be able to undertake the regular revision of settlement in addition to the charge of his districts.

If he can, then so much the better: if he cannot, he can either be relieved of all or a portion of the ordinary duties so as to leave him full time for this special work, or a separate and duly qualified settlement officer must be appointed. Where a separate settlement officer may be appointed, he should be an officer of adequate experience; and the allowances should be specially fixed with reference to his standing in the service, so as to secure his services in the departments so long as they may be required. It is better, his Excellency in Council considers, to avoid appointing junior officers to the important office of settlement officer. If the settlement be entrusted to the collector, then a settlement officer, or an assistant for settlement, may be appointed under him. Such an officer might conduct the field measurement, and such like preliminary operations; the collector might himself do the assessment, leaving it to the settlement officer, or the assistant, to arrange all details necessary in respect to the tenures, and to adjust the quotas of the new assessment to be paid by members of the village communities.

As a rule, the assessment of a district can be done in a more leisurely manner if it be made by the collector, than if it be made by a separate settlement officer, and there are often advantages in this particular work being done gradually. If the collector spread the work over two or more years, it is of less moment; but a settlement officer being a separate and special officer, must needs show considerable results in each year, and this may sometimes lead to the work being done too rapidly.

7. His Excellency in Council trusts that, under the foregoing instructions, the Government of the North-western Provinces will be able to arrange for the early formation of the establishments required for the early introduction of the permanent settlement. The prescribed schedules should be submitted for sanction in the usual form.

8. The views of the Government of India, on the general subject of the permanent settlement, will be communicated for the information of the Lieutenant Governor in a separate despatch.

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From *E. C. Bayley*, Esquire, Secretary to the Government of India, to *R. Simson*, Esquire, Secretary to the Government of the North Western Provinces (No. 544); dated Simla, 8 June 1864.

His Excellency the Governor General in Council having maturely considered the written opinions of the Honourable the Lieutenant Governor and of the members of the Board of Revenue, concerning the conditions and limitations under which the permanent settlement of the land revenue may be most advantageously introduced into the North Western Provinces, and having conferred personally on the subject with his honour and the Board, directs me to communicate, for the information and guidance of the Local Government, the following observations and instructions:—

2. It must be premised that it is not now necessary to advert to the reasons for and against a permanent settlement in India. It has been decided by Her Majesty's Government that the measure shall or may be introduced into those parts of India which fulfil certain conditions laid down as necessary for its reception. Nor is it necessary to recapitulate those conditions here, as they are fully stated in the Secretary of State's despatch of the 9th July 1862. The present object of the Government is to confer upon the landholders of India the great advantages of a permanent settlement without undue sacrifice of revenue, and without the creation of future serious inequalities of taxation.

3. It is generally admitted that, with some exceptions, the districts in the North Western Provinces do, in whole or in part, fulfil those conditions, and are therefore entitled to the benefits of a permanent settlement. It is clear also that, before the assessment in any district is declared permanent for ever, it ought to be finally revised; and that as the term of the present thirty years' settlement in each district draws to a close, the opportunity should be taken of revising the assessment finally, with a view to its being declared permanent for ever.

4. But there will doubtless be whole tracts of greater or less size, such as apparently are the Terai and Lullutpore, in which, as compared with the country generally, agriculture is backward, and rent not fully developed, but which may be expected to improve in time as population and wealth advance. In tracts also where cultivation is not below the average standard, there will still be found both estates which, from particular circumstances, have deteriorated from their normal condition, and estates as yet imperfectly tilled, embracing a large extent of waste land not cultivated within the memory of man. Such tracts and estates must be considered as exceptional, as not fulfilling the conditions for permanent settlement, and therefore not yet entitled to its benefits.

5. But his Excellency in Council does not consider their occurrence as any impediment to the general introduction of the measure. The experience of the Lieutenant Governor in Behar that terminable assessments may co-exist with permanent assessments, without causing inconvenience, supports this opinion. All that is necessary is to select for permanent settlement such tracts and estates as are fit for it, and to postpone it in the case of those which are not. Unless this be done, then the result must be either that the measure will be postponed indefinitely until every estate in the district reaches a prescribed standard (which in many cases may never be attained); or else that superior estates will be denied the boon, because some estates in their neighbourhood are inferior; or else that some estates, which do not fulfil the conditions, will nevertheless be permanently settled, because they are situated in the midst of a district which generally comes up to the standard. Unless, therefore, the principle of selection be adopted, it is to be apprehended that, in many cases, there will be an undue sacrifice of revenue by some villages being admitted to permanent settlement without being fit for it; or else there will be a sacrifice of the rights of the people, who, though fit for the permanent settlement, will be denied the boon, because some of their neighbours are not yet fit.

6. The above remarks are doubtless applicable to some parts of the North Western Provinces, and to some villages in many districts of those provinces; they are probably still

more applicable to other parts of the Bengal Presidency, such as the Punjab, Oude, and the Central Provinces.

7. I am now briefly to indicate, in general terms, the manner in which his Excellency in Council conceives that the varying circumstances of tracts and estates of all kinds may be practically dealt with.

8. As regards undeveloped and backward tracts of country, which shall be determined by the Lieutenant Governor in consultation with the Sudder Board, to be unfit for permanent settlement, his Excellency in Council will not object to their assessment on the basis of their existing assets for a term of 30 years. Time will thus be afforded for their full agricultural improvement, and, at the same time, the final limitation of the revenue demand will not be deferred for too protracted a period. But in special cases it may still be advisable, even in such tracts, to grant a permanent settlement. For instance, in the Dehra Doon, where there is a demand for land by capitalists, his Excellency in Council is of opinion that it will be good policy to relinquish all future increase of revenue under equitable conditions. Thus, if the existing average rate of assessment on land, fit for tea or other cultivation, be one rupee per acre, during the term of 20 or 30 years' settlement, and for the sake of obtaining a final assessment, the proprietor shall agree to pay two rupees per acre for ever, the compromise should be sanctioned; for, whilst the proprietor is thus secured from all future enhancement of revenue, the Government is compensated by an immediate or early moderate increase.

9. Excluding these exceptional tracts, it is very desirable that the landholders in all others should be apprised of their ultimate liability to the imposition of land revenue. Even in the case of deteriorated or half-cultivated estates, it is important to pave the way for the introduction of the permanent settlement. For, if the revenue demand be limited prospectively, then the owner of an estate, which is temporarily settled for a fixed period, will yet know that, after the expiry of that period, there is a certain point above which the assessment will never be raised; that if he improves up to a certain standard, he will be assessed up to a certain sum and no more; and that whatever improvement may ever thereafter be effected, there will be no further increase of demand. Such estates, while settled temporarily for a fixed term, will thus have the benefit of a permanent settlement in due prospect, after the expiry of that term. If such an arrangement can be effected, it will carry with it the same advantages, and be justified by the same reasons, as the permanent settlement itself.

10. The tracts or estates not yet fit for permanent settlement will be those where (in the terms of the Secretary of State's despatch) a large proportion of the land is still uncultivated, and which do not yield to the public treasury a return commensurate with their prospective capabilities. In this respect, then, our concern will chiefly be with estates in which there is much culturable land still uncultivated, or in which the cultivation is inferior to what it might be, or in which the general resources of the estate are not turned to the best account. Such estates are, according to the present system, usually assessed for a period of thirty years upon their existing assets, that is, upon their cultivated area as it now stands. In this way the assessment is made for the whole estate, including both the cultivated lands and the lands fit for cultivation, though uncultivated sometimes; when the culturable land is particularly good, and likely to be soon brought under cultivation, or, where it yields some valuable produce, such as superior sorts of grass, fuel, and the like, something may be added to the assessment of the whole estate. But, generally, the proportion of the assessment of an estate due to the culturable land is not large; and, in the main, the assessment is fixed with reference to the present cultivated area. It is reasonably expected that the assessment being thus fixed for thirty years, the landholder will have every inducement to bring the culturable land under cultivation, or otherwise develop the resources of the estate. If he do so, then no assessment is demanded on such additional cultivation or development for thirty years; and any claim on the part of Government for revenue, on such additional cultivation, is put off till next settlement.

11. In several of the districts of the North Western Provinces, settlements have recently been concluded; but as they have not yet been sanctioned by the Local Government, the arrangements can be revised under the present orders without any infringement of the terms; and as other settlements expire, they may be renewed on the principles now laid down.

12. Under the usual plan pursued by settlement officers, a district is divided into so many tracts. Each tract comprises estates of a similar character; there may be a variety of detail amongst the individual estates, but there will be a generic resemblance between them all in respect to those main features which determine their value, such as character of soil, kind of produce, means of irrigation, facility of transport, proximity of markets, supply of labour, breed of cattle, their fiscal history, and the like; some estates will be better cultivated than others; in some the resources will be better developed than in others; but the inherent capabilities of the estates are much the same, and therefore they will, or at least ought to, be able to pay much the same revenue rate per acre all round. Those estates, which being imperfectly developed, cannot yet pay this general rate, will, in due course, be able to do so when fully developed.

13. Now, inasmuch as it is laid down that the land tax in estates ought to be equal to half

half the assets received by the proprietors, or, in other words, half the rent or other income derivable by the proprietors from the land, it follows that the best possible basis for the revenue assessment is the rental. If the fair rental could be readily ascertained, it would supply perfect data for such assessment. But it is often difficult or impossible to ascertain accurately the fair and proper rent which a landlord does receive, or should be receiving from an estate. The returns of rent are frequently defective or untrustworthy. Again, many items of *bonâ fide* income from the land are not fully exhibited in the declared rental. In some parts of the country average rent rates exist and are well known; these furnish excellent guides for the valuation of estates. But in many portions of the country, especially where the proprietary body, for the most part, cultivate their own lands, rent rates are not generally known. Thus it happens that the settlement officer, while collecting and collating all obtainable statistics in regard to rent, must yet check or supplement the returns of rentals by assumed rates, which rates are deduced from the ascertained value and proceeds of the land. In this manner assumed rent rates and assumed revenue rates are obtained. In order, therefore, to determine details in each estate, there will be various revenue rates of assessment assumed by the settlement officer, such as a rate for irrigated ground, another for unirrigated; a rate for land fertilised by inundation, another for dry land; a rate for black soil, another for poor soil; and so on. So also there will be one rate for cultivated land generally, and another for culturable though uncultivated land. It is not to be expected that all the culturable land will be soon cultivated, or that it should at once pay the full rate of assessment on cultivation. A fair margin of culturable land will be allowed to the landholder, which should be assessed at some rate much lower than that of the cultivated area. The rate assessable on culturable land must be low. If the proportion of culturable land to the cultivated land be small, then the estate, being for the most part cultivated, will be fit for a permanent settlement. If the proportion of culturable land be large, then the estate, being less cultivated, will not be fit for permanent settlement. It may, his Excellency in Council considers, be generally assumed that those estates in which four-fifths of the culturable area are fairly cultivated are fit for a permanent settlement.

14. Then, having regard to all the circumstances of a tract, to its past history, its present condition, its future prospects; to its actual or probable rental, so far as that might be ascertainable; to the irrigation, the kinds of soil, the resources of the waste, and the like, allowing also for lands for pasturage, and other necessary objects, which might be left free of land tax, the settlement officer may fix one general rate per acre for the total culturable area, including land actually cultivated and land yet remaining to be cultivated. There may be various rates, as already mentioned, for the determination of details in each village, but the general acreage rate, as above described, may be employed as a standard by which estates may be valued either in the present or for the future. This general acreage rate should be fixed on a fair and moderate calculation, so that the average of well cultivated and developed estates may be able to pay it.

15. Regard should also be had to the fiscal history of the tract, to the actual pressure of the revenue on the estates of a fair average quality, so that the estimates of the assets of the estates may be checked by the data of positive experience. This general acreage rate, then, being the standard of valuation, the land revenue for all the estates in the tract might be fixed according thereto. The revenue (*jumma*) might be assessed accordingly for each estate, whether it were partly or chiefly waste. Thus, there would be obtained a fair valuation of the actual or the possible assets, and of the present or prospective capabilities of each estate.

16. In the foregoing remarks it is the intention of his Excellency in Council to exemplify one efficient method of fairly estimating the comparative capabilities of similar estates. But the experience of the revenue officers of the North Western Provinces will supply analogous processes for effecting the same end, and these may safely be applied under the superintendence of the Commissioners and the Sudder Board. His Excellency in Council would further urge the expediency of resisting the revenue demand on the land to a fair and moderate sum. This is a cardinal point which should be rigidly insisted upon. It is needless to enter upon details, but the cases of estates thoroughly irrigated from wells worked at great expense, of those so completely cultivated as to leave but a narrow margin of fallow land, and of those farmed by the industrious tribes. All present features which have frequently given rise to over-assessment and consequent depression of enterprise and exertion, which greater consideration of the circumstances might have avoided.

17. Having determined the assessment of all villages qualified for permanent settlement, the settlement officer will take from the proprietors the usual engagement, and, when confirmed by competent authority, such settlements will be in perpetuity and unalterable.

18. As regards villages not so qualified, the Governor General in Council desires that the following procedure may be observed:—

19. Where the proportion of good culturable waste exceeds, say 20 or 25 per cent. of the area under cultivation, a *jumma*, calculated according to the existing assets, and, in addition, a maximum *jumma*, deduced from an estimate of the full future assets of the estate, shall be fixed. The maximum *jumma* should not exceed the initial *jumma* by more

than from 25 to 50 per cent. The proprietors may engage for the maximum jumma or not, as they think proper. If they do engage for it, they must do so in perpetuity. The jumma will not be subject to revision, and the maximum will be leviable after 15 years. But it will rest with the settlement officer to decide by what steps, and at what intervals, the maximum shall be progressively demanded, whether in 5, 10, or 15 years, or otherwise. If the proprietors decline to engage for the maximum in perpetuity, then a settlement, terminable in 30 years, shall be made with them at the initial jumma.

20. It has been argued that if the proprietors be allowed the option of declining the assessment progressively rising to a maximum in 15 years, they will be tempted to refrain from the labour and care necessary to the fair cultivation of their lands. But I am to state that his Excellency in Council is of opinion that such a result need not be apprehended. Even, hitherto, every proprietor has known well that if he improved his estate, there would surely be increased demand on it. Notwithstanding this the landholders have improved, and do still continue to improve their estates. A proprietor may not be willing to bind himself to improve his land within 15 years to the degree entitling him to a permanent assessment, yet it does not follow that he will neglect its cultivation. In point of fact, there has been great agricultural improvement under the 30 years' settlements, and there is no reason to expect there will be less because the proprietors, not truly realising the advantages of a permanent settlement, or fearing the risks involved in the progressively advancing assessments, elect, as heretofore, for a 30 years' lease. Still, much will depend on the real moderation of the permanent demand. Wherever this is certain, there will be a strong incentive to the proprietor to engage in perpetuity. On the other hand, to compel the proprietors to engage for a maximum jumma within so short a term as 15 years, under penalty of alienation from the management of their estates, might, his Excellency in Council anticipates, in some cases, give rise to hardship. Moreover, although the proprietors have no legal title to demand a 30 years' settlement, yet the course of our administration has led the people to expect it; and if they decline the proffered settlement in perpetuity, and prefer one on the ordinary principles for 30 years, his Excellency in Council would not place them in what they might consider a disadvantageous position by making the permanent settlement obligatory on them.

21. Two cases have now been supposed in which the settlement may be temporary and terminable in 20 or 30 years. First, in tracts, the agricultural resources of which are imperfectly developed; secondly, in scattered estates imperfectly cultivated, the proprietors of which decline to engage for an assessment in perpetuity. In both these cases, his Excellency in Council is of opinion that the settlement officer should be required to record an estimate of the assessment which he considers should be levied finally and in perpetuity, wherever he may find that he has reasonable grounds for coming to a conclusion on the subject. This estimate, his Excellency in Council observes, would at any rate be of assistance in future assessments, and might be possibly of sufficient accuracy to be hereafter adopted without further measurements or inquiries as the basis of a permanent settlement.

22. It has been said that, as a general rule, villages in which the fallow land exceeds 20 or 25 per cent., cannot be considered fit for permanent settlement. As suggested by the senior member of the Sudder Board, any portion below that ratio may fairly be allowed to pass unquestioned; the grounds on which the per-centage fixed being recorded. Wherever this proportion is exceeded, the *quality* of the fallow land must be considered, as on this depends the facilities for reclaiming it. If there be reasonable doubt concerning its capabilities of cultivation, it should not be assessed, except for its spontaneous products. Otherwise, the assessment should be carefully proportioned to the quality of the land and to the labour and expense of reclaiming it. Great circumspection will be needed in not rating fallow land too high. In case of doubt, the settlement officer must incline to the lower estimate. The rates on assessable land in tracts and pergunnahs adjacent will afford a useful standard, but even that is liable to be excessive, seeing that the least profitable lands are generally the last to come under the plough.

23. In some parts of the country it may happen that tracts possessing facilities for the construction of wells are owned and cultivated by a poor or sparse population, and that these facilities have not been availed of. If the proprietors were admitted to a permanent settlement, and subsequently multiplied or became better off, it is probable that in no long time wells would be numerous, and irrigation extensive. In such a case, there would result an inequality of assessment as compared with other tracts irrigated from wells made prior to the permanent settlement. It does not seem possible to avoid such inequalities altogether compatibly with the speedy and general limitation of the revenue demand in perpetuity. The best remedy, in the opinion of the Governor General in Council, is not to place any check on the investment of capital in wells by taxing them specially when made, nor, on the other hand, to sacrifice revenue unnecessarily by doing away altogether with the high rates which have been paid on well irrigated land from time immemorial; but rather by carefully assessing land possessing facilities for irrigation with some advertence to this advantage, and by guarding against the incidence of excessive taxation on wells already at work.

24. Inequality of assessment is also liable to be produced hereafter in other parts by the extension of irrigation from canals. It is seldom that the water tax taken by the Canal  
Department

Department equals the full increase of revenue resulting from the irrigation. Generally, land so irrigated is rated by the settlement officer in a higher ratio than unirrigated land of the same quality. His Excellency in Council is of opinion that when such irrigation is already enjoyed, to change the practice of assessment might cause a needless loss of revenue, and would involve much trouble. Therefore, the case of estates receiving irrigation from canals, subsequent to permanent settlement, need alone be considered, and for this it is prescribed by the Governor General in Council that revised canal rates shall be imposed by the Canal Department, such as will not be unequal to the total demand on lands similarly irrigated prior to permanent settlement. In this manner future inequality of assessment will be prevented, and the fair market value be obtained from water supplied from the canals.

25. An ancient cause of unequal assessments is known to exist in the character and qualifications of the various tribes holding estates. Practically it has been found impossible to tax land held by Goojurs, Syuds, and Rajpoots at the same rates as may easily be levied from Jats and Koormees. His Excellency in Council believes it will be impossible to ignore the distinctions of race which render one tribe so inferior as farmers to another, and he concurs in the opinion expressed by the senior member of the Sudder Board on this subject, that whilst it may be impracticable to admit the bad cultivators to a permanent settlement on account of the backward state of their lands, yet their assessment may, in some instances, be brought nearer to the general standard by giving them the option of a settlement in perpetuity, provided they agree to pay such progressive increase of jumma as may be demanded.

26. The main points which demand attention in introducing a permanent assessment have now, it is believed, been touched upon. It appears to his Excellency in Council that, in the manner indicated above, many of the advantages of a permanent settlement may be conferred on the holders of estates not yet fully cultivated or developed; while no undue sacrifice of revenue will be entailed on the State. It is to be remembered that while the advantages of a permanent settlement are manifest, yet it has two drawbacks, namely, *first*, the surrender of revenue on the increased value of crops and improved cultivation; *second*, the surrender of revenue on lands culturable, or on waste possessed of valuable resources, which may hereafter be brought under cultivation, or be otherwise turned to useful account. It is agreed that the State may surrender properly the future revenue from improvement in the crops and in the style of cultivation, in consideration of the advantages derived from a permanent settlement; but the surrender of future revenue from the cultivation of land now uncultivated, or from the development of resources now undeveloped, cannot be advocated. The plan now proposed by his Excellency in Council will, it is hoped, save the State from any such sacrifice.

27. As regards the fixation of a maximum assessment available at pleasure to the proprietor of an estate temporarily settled, his Excellency believes that it possesses the advantage of supplying a motive and incentive to industry and enterprise, inasmuch as the landholder, while obtaining a fixed assessment for 30 years at all events, will know the utmost limit of possible revenue which can be demanded after the expiry of that term. It is, in the judgment of his Excellency in Council, this prospective limitation, even after the expiry of the term of settlement, which is the particular advantage of the plan now proposed, and which is calculated to insure many of the benefits that evidently attend any permanent limitation of the demand.

28. Doubtless, a settlement for any long fixed term does so far stimulate industry and improvement. A man knows that if he improves his estate, he is safe from increased assessment for 30 years. But still he knows that after that term there will be enhancement of revenue on account of improvements, though how much that will be he does not know. An indefinite prospect of increase at the next settlement is present to his mind. It is certain that this apprehension does, in some degree, retard improvements, and is especially operative as the term of settlement draws to a close. Moreover, he knows that though he is safe from inquiry for 30 years, yet *after* that he will be liable to re-settlement, and his assets will be inquired into; this knowledge also does, in some degree, practically deter people from effecting as much improvement as they otherwise would. But with the proposed plan, the future revenue on increased cultivation or improvement at next settlement will not be indefinite, but on the contrary will be strictly limited, not only for the next settlement, but for all time hereafter. Nor will there be any apprehension of re-settlement and future inquiry; on the contrary, it will be known that if the maximum assessment be accepted, there will be no re-settlement and no future inquiry. Thus a man will know that he is safe from increased demand for a fixed term, and that after that he will not be charged with more than a certain limited increase, however much he may improve his estate now or hereafter. There can be no doubt that such a prospect will promote exertion and enterprise, both during the 30 years and during the period after that; the advantages will be quite intelligible to the people, and will be probably appreciated by most of them; and if the maximum increase be previously fixed at fair and moderate rates, it will probably be accepted without any further inquiry being asked for. To those who have sufficient intelligence and foresight to appreciate the advantage a powerful stimulus will be supplied, and those who do not appreciate it will in no wise be obliged to accept the terms. No increase will be demanded of them without inquiry at

the next settlement. If they do not accept the maximum previously fixed, they may have a fresh inquiry, and a re-settlement will be made according to that.

29. In short the question may be put thus—

Every intelligent landholder, under a temporary settlement, who improves his estates, knows that at the next settlement there will and must be an increase of revenue.

Will a man then, foreseeing this, prefer an indefinite prospect of unknown increase *with* re-settlement and inquiry, which will be the case without the plan now prescribed?

Will he prefer a known fixed increase which will never under any circumstances be enhanced, and which may be accepted without re-settlement and inquiry, which will be the case with the plan now prescribed?

His Excellency in Council thinks that he will certainly prefer the latter, and that he will be thereby induced to improve his estate.

30. It may be thought that the native landholders are, by idiosyncrasy and character, disinclined to *work up to* a certain pitch of improvement, even though there be thereby a hope of obtaining a permanent settlement. It seems to the Governor General in Council that this will entirely depend on whether the ultimate limit of demand be moderate or not. If it be *not* moderate, or it be excessive, then of course the proprietor will not work up to it, because it will be against his interest to do so. If it *be* moderate, or if it be light, then he may be expected to work up to it, because he knows that, having once done that, he will hereafter secure to himself the exclusive benefit of further improvement.

31. Again, it may be thought that the people will regard the known limit of increase as the consequence of improvement, and will, therefore, keep improvement just below that limit so as to avoid the increase. But any such idea on the part of the people would be a mere misapprehension. If a proprietor does not think it worth his while to accept the maximum assessment without inquiry, and considers that he has not effected enough improvement to justify the increase, then he has only to decline it, and to reclaim an assessment on the assets of that time; but then such re-settlement will not be permanent, unless the assessment come up to the amount originally fixed: if it be less than that, it will be fixed only for a specified term.

32. His Excellency in Council has thought it proper to give thus, at length, the reasons for permitting the fixation of the permanent demand on estates, whether the proprietors agree to engage for it or not, as he considers that by this arrangement many of the advantages of the permanent settlement are held out to the landholders. And the Governor General in Council believes that, in the manner which has now been described in general terms, the permanent settlement may be carried out to a great extent without long postponement; and the principles so justly insisted on by Her Majesty's Government most beneficially applied to the actual circumstances and condition of the country.

• CIRCULAR ORDER, No. 18 of 1864.

From the Officiating Secretary, Sudder Board of Revenue, North Western Provinces.

Sir,

Dated Allahabad, 1 August 1864.

THE Sudder Board of Revenue, North Western Provinces, under instructions from Government, are pleased to publish, for the information of all officers employed in the Settlement Department, the accompanying Despatches directing the formation of a permanent settlement of the land revenue in these provinces, and embodying the views of his Excellency the Viceroy and Governor General, as to the principles under which it is to be carried into effect.

2. At the same time the Board, in pursuance of the wishes of Government, issue the following subsidiary instructions:—

3. Districts or tracts of country may be divided broadly into two classes:—

*First*, backward in agriculture, with low rates of rent.

*Second*, those which are more or less advanced in both respects.

4. To the first or backward class, the permanent settlement will not, for the present, be extended. The existing rules and procedure for their settlement are not therefore affected by these orders, excepting in one respect which is noted below, paragraph 17. The local government will determine as they come under re-settlement what districts or tracts belong to this class, of which the settlements will continue to be made for a term of 20 or 30 years, as the case may be.

5. Districts, or tracts of country, belonging to the second class, will be admitted to the privilege of a permanent settlement under the following conditions:—

6. Estates in these districts belong to one of two kinds: (1) those which are fully or fairly cultivated; (2) those which have never been fully cultivated, or having been so, have from any cause become deteriorated.

7. As

Present:  
W. Muir, Esq., senior member.  
R. Money, Esq., junior member.

I. Backward tracts excepted from permanent settlement.

II. Other districts ready for permanent settlement.

Village divided into two classes.

7. As a general standard, from a fifth to a sixth of the total cultivated and culturable (malgoozáree) area may be allowed as a margin for fallow land; where this is not exceeded an estate will fall into the first class. If, on the contrary, the culturable but uncultivated land exceed 20 to 25 per cent. of the cultivated area, the estate will fall into the second class. These proportions are not laid down absolutely, but as an approximate standard. Where land is good, and water available, the margin for waste may be equitably fixed at even a smaller proportion; where the soil is poor and dry, and especially where it must be left fallow in rotation, the proportion may, if necessary, be extended. Wherever the settlement officer may see occasion to fix the margin for a district or part of a district materially above or below the percentage indicated, he will state his reasons for so doing in his general report; and similarly wherever he treats an estate having more than the prescribed proportion of waste as of the first class, or *vice versa*, he will detail his reasons at length in the "miscellaneous remarks" in the village Statements II. and III.

Principle of classification.

8. Of the first class, that is of villages having a sufficient portion of their area cultivated, the assessment will be formed under the standing instructions, precisely as if the settlement had been one for 30 years. The procedure detailed by his Excellency as illustrative of the manner in which an effective standard of comparative values may be secured\*, will be perused with interest by settlement officers, who will recognise therein a process with the use of which they are familiar. The earnest instructions† as to the necessity for keeping the assessment moderate, will not be lost upon settlement officers; and this consideration is the more urgent where from high farming an estate has reached, or nearly reached, the culminating point of production; for in the chances of the future, any material change in its fortunes must be on this side of deterioration, and for such contingencies in the formation of an assessment which is to last for time, some allowance must be now made. The converse case of villages cultivated in an imperfect manner by idle castes will be noticed below. (Paragraph 18.)

First class, or estates sufficiently cultivated.

\* Paras. 13-15, of the Government India letter, No. 544.

† Para. 16.

9. The only material difference, then, in respect of the new procedure for the class of estates under notice is that the engagement (*durkhast*) will be taken in perpetuity. A specimen form will be circulated hereafter.

Para. 17.

10. For the second class of villages, that is, where the proportion of culturable but uncultivated land exceeds the proportion above contemplated, the assessment will be fixed also under the existing rules, with this exception, that a special advertence must be had to the culturable waste land, and a suitable addition made to the juma in reference thereto. In conceding the benefits of a permanent assessment, his Excellency has laid down that "the surrender of future revenue from cultivation of land now uncultivated, or from the development of resources now undeveloped, cannot be advocated." Waste culturable land when it exceeds the prescribed proportions, must therefore bear a certain amount of assessment, to come into operation within any period not exceeding 15 years.

Second class: imperfectly cultivated villages.

11. The cautions enforced by the Governor General‡ against overrating the waste, must be carefully observed in order to guard the settlement officer against the danger of pitching the prospective assessment too high. "The *quality* of the fallow land must be considered, as on this depends the facilities for reclaiming it. If there should be reasonable doubt concerning its capabilities of cultivation, it should *not be assessed* except for its spontaneous products. Otherwise the assessment should be carefully proportioned to the quality of the land, and to the labour and expense of reclaiming it. Great circumspection will be needed in not rating fallow land too high. In case of doubt the settlement officer *must incline to the lower estimate*. The rates on assessable land (*malgoozaree* rate) in tracts and pergunnahs adjacent will afford a useful standard; but even that is liable to be excessive, seeing that the least profitable lands are generally the last to come under the plough."

‡ Para. 22. Cautions to be observed in the prospective assessment of the waste.

12. In pursuance of the inculcation contained in the last sentence, the assessment for each estate, calculated at the *malgoozaree* rate of the new juma of the pergunnah or class, will always be entered in the "miscellaneous remarks" in the village statements II. and III., and in case of any material departure from the same, it should be explained.

13. The sum to be thus assessed prospectively should not, under ordinary circumstances, exceed from 25 to 50 per cent. of the initial Juma. Where, for any special reasons, the settlement officer may recommend a higher sum than this, the reasons for so doing will be fully detailed in the settlement report.

Para. 19. Limits of the prospective increase.

14. Whenever the immediate assessment of a sum not exceeding 60 per cent. of the estimated average assets, would secure a juma fairly adequate to the value of the estate, including the waste land, it will be better to assess such sum at once, rather than resort to a rising assessment. In this case, the settlement will be concluded as directed for villages of the first class. Otherwise, the increase may be appointed to take effect in one or more terms; but so as that the whole shall in any case come into effect at latest within 15 years.

15. Where the Juma is thus graduated, the proprietors may engage for it or not, as they think fit. If they do engage, it will be, as in the first class, in perpetuity. If they decline, "then a settlement, terminable in 30 years, shall be made with them at the initial Juma."

Option to be left to proprietors.



Juma." Such initial Juma will, in this event, be nothing more or less than the assessment which, under existing rules, would have been made, had no permanent settlement been proposed. It will be at the half asset standard, but will of course, as heretofore, have due reference to the waste lands, where there is a prospect of early reclamation, and to the capacities of the estates generally.

Villages too backward for such prospective assessment, to be settled as before.

16. Where the amount of fallow land is so great that an adequate assessment could not be framed under the above rules, such estates will be altogether excluded from their operation, and a settlement made under existing rules for 20 or 30 years, as may be directed.

Para. 21.  
Where the settlement is temporary, the settlement officer, if possible, to declare what a suitable permanent juma would be.

17. But in all cases whether of backward tracts, or backward villages, or of estates, the proprietors of which decline the rising assessment, the Governor General is desirous that the benefits of a prospective limitation in perpetuity of the Government demand may, in so far as practicable, be secured: and this is contemplated by requiring the settlement officer, wherever he is in possession of data sufficient for the purpose, and feels that he can safely hazard an opinion, to declare at what limit the permanent assessment should eventually be fixed. This, though not in any measure authoritative, will remain on record. As such estimates will "at any rate be of assistance in future assessments, and may possibly be of sufficient accuracy to be hereafter adopted without further measurements or inquiries as the basis of a permanent settlement," all officers in the department will perceive how responsible and difficult a duty is here imposed upon them. Wherever grounds exist, they will not shrink from recording their opinion of what appears to them a suitable ultimate assessment; at the same time they will not venture upon any mere conjectural process, and endanger the interests of the Exchequer on the one hand, or of the people on the other by crude or random attempts, or even by careful and laborious calculations where the materials for a prospective judgment may be absolutely wanting.

Assessment of villages badly cultivated by idle classes.

18. The above instructions contain the general principles to be observed in the application of this great measure to the land revenue settlement of these provinces. Without attempting a theoretical and absolute equality of incidence, the object is to secure as great an uniformity as can practically be attained. There will still remain villages in which the uniformity will be only approximate. One of these is alluded to in paragraph 25 of the Governor General's despatch, viz., estates cultivated by improvident and idle classes. To assess these at the same acreage rate as that of similar villages cultivated by the industrious and skilful castes, however equitable in theory, would be tantamount to the wholesale eviction of the proprietors. Yet by careful consideration it may not be found impossible to bring the procedure now introduced to bear even upon such estates. Without insisting on an impossible equality on the one hand, or consenting to an unjustifiable relaxation of the Government demand on the other, the general standard of the Pergunnah or class may be so nearly approached as to warrant the offer of the terms in perpetuity.

Para. 25.

Para. 24.  
Canal irrigation.  
\* See C. O. No. T., dated 17th August 1861.

19. The instructions as to the assessment of lands available for canal irrigation, support the principles already laid down by the Board,\* viz., that the revenue is to be assessed, as elsewhere, on the estimated average rental. The provision for securing higher water rates on tracts brought subsequently to settlement under the influence of canals will be the care of the irrigation department.

Para. 11.

20. The case of districts the assessment of which has been already completed, in whole or in part, has been anticipated in paragraph 11 of the Governor General's orders. It will be necessary for the collector or other officer charged with the conduct of the settlement, to review the whole of the assessments in the light of the present orders. He will first settle for the district, or for each Pergunnah, the exact per-centage of waste which may suitably be allowed as a margin, and he will make a list of the estates in which this per-centage is exceeded. He will then, with reference to the actual character of the waste, determine whether any and what prospective addition is to be made for it, and in what term or terms it should take effect. If the proprietors agree to the terms, engagements will be taken from them in perpetuity, otherwise the engagement will be held to be temporary for the original term. But his review will not be confined to these estates: In every case he will, upon a consideration of the grounds of assessment and capacities of the estate, as shown in the settlement records, or otherwise ascertained, determine whether the assessment is fit to be recommended for confirmation in perpetuity or not, and he will note the same in the remarks to Statements II. and III. This is evidently necessary as there are many estates in which for reasons other than the extent of waste, the settlement officer has allowed the assessment to stand below the general average.

21. For carrying out these inquiries if any special establishment is found necessary, the collector will report what is required.

22. In all cases of reporting settlements, the amount of the assessment engaged for in perpetuity, will be shown separately from that temporarily settled; and in the general Statement, No. IV., the two classes of villages will be distinguished by the letters P, and T, entered after the serial numbers.

Alluvial lands.

23. Special rules will hereafter be issued in respect of the terms on which lands subject to fluvial action are to be settled.

24. The instructions now communicated will, the Board trust, be found amply sufficient for the guidance of all officers in the department. Wherever any doubt or uncertainty may be felt, Commissioners and settlement officers will freely communicate with the Board. The Commissioners will observe the prominent position assigned to them in the first despatch of the Supreme Government, No. 543. The effective check and supervision there required, does not indeed differ from what under the standing rules has always been expected from them; but enforced as it now has been by the high authority of the Viceroy, the Board look to Commissioners redoubling their efforts, so that the great measure now resolved upon shall be carried out by every grade in the department with the care and intelligence, the industry, devotion and energy, which it so emphatically demands.

I am, &c.  
(signed) *W. C. Plowden,*  
Officiating Secretary.

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ABSTRACT.

Board, under instructions from Government, publish for the information of all officers employed in the settlement department, the despatches directing the formation of a permanent settlement of the land revenue in the North Western Provinces, and embodying the views of his Excellency the Viceroy and Governor General as to the principles under which it is to be carried into effect; and issue subsidiary instructions in pursuance of the wishes of Government.

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(Home Department.—Revenue.—No. 20 of 1864.)

To the Right Honourable Sir *Charles Wood*, Bart., G.C.B., Secretary of State for India.

Sir,

WE have the honour to transmit, for your information, a copy of correspondence with the Government of the North Western Provinces, as noted on the margin, on the subject of reserving the right of Government to Mines at the coming Permanent Settlement.

We have, &c.

(signed) *John Lawrence.*  
*R. Napier.*  
*H. B. Harington.*  
*H. S. Maine.*  
*C. E. Trevelyan.*  
*W. Grey.*

From Government, North Western Provinces, No. 1237 A, dated 5th October, and enclosures. To Government, North Western Provinces, No. 5944, dated 1st December.

Fort William, 5th December 1864.

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(Revenue Department.—No. 1237 A of 1864.)

From *R. Simson*, Esq., Secretary to the Government of the North Western Provinces, to *E. C. Bayley*, Esq., Secretary to the Government of India, Home Department; dated Nynee Tal, the 5th October 1864.

Sir

I AM directed to forward, for the information of his Excellency the Governor General in Council, the accompanying copy of a note drawn up by the Senior Member of the Sudder Board of Revenue, North-Western Provinces, on the expediency of reserving the right of Government to Mines at the coming Permanent Settlement, together with the copy of a Minute recorded by the Lieutenant Governor on the subject.

I have, &c.

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NOTE on the expediency of reserving the Government right to Mines at the coming Permanent Settlement, by *W. Muir*, Esq., Senior Member of the Sudder Board of Revenue, North-Western Provinces.

ON the eve of a permanent settlement, it seems proper to consider whether the settlement should convey, as has been ruled in Bengal, an absolute right to mines, or whether the right to mineral produce beneath the surface, or at least to metals and coal, should not be reserved.

In the "official papers" attached to the Calcutta Gazette of 12th February 1862, the question has been discussed as respects Bengal; but the discussion turns mainly upon the nature and terms of the permanent settlement, as it there exists, rather than upon what

those terms should have been. It has consequently been decided that in Bengal there can be no reservation of any future right to tax the mineral products; and in view towards "the removal of every impost which can have the effect of discouraging the working of mines by their owners, or of raising the price of coal to consumers," the Government has further relinquished its right to derive revenue from coal in unsettled estates being private property, or to include in the future settlement of any such estate the produce of coal mines as an asset of the same.

This latter argument assumes that the proprietor of the surface of the soil is equally the proprietor of all that lies below it, to whatever depth; and that it would be inexpedient to throw any impediment in the way of his making the most of the subterraneous products.

But there is nothing in the nature of property in these parts, nor in the settlements made by Government, or the general course of the administration, which would lead to the conclusion that the property in the soil recognised, or conferred, by the British Government, carried more with it than the right to the surface, and the products which lie upon the surface, or at least within the upper stratum of the soil.

For example, the right of the zemindar to kunkur, a formation on the surface, or a little below it, has always been admitted, "Every proprietor has a right to quarry the kunkur himself, and to use or sell it." He can make what terms he chooses with persons who seek to dig for it\*.

So with stone quarries. The Government has not asserted any right of ownership, excepting at Mirzapoor, in stone found upon the surface, or below the surface; and the zemindars make their own terms with persons engaged in quarrying †.

The same right ordinarily extends to lime-pits, saltpetre, kharee, &c. A paper by Mr. E. A. Reade ‡ on the salt question in the Benares division, show that, barring some specially excepted tracts, the title to the proprietary right in the saline surface is vested in the zemindars, though it was not taken into account as an asset of settlement. The same remark applies generally to these provinces.

The only localities in which (excepting metals) the right of Government to the surface minerals has ever been reserved by Government, appears to be in the jungle grants. (See form of grant, pp. 454 and 456 of "Direction to Collectors.")

The case is different in respect of metals; but here we have the difficulty that mines or quarries for these are practically unknown in the regulation provinces. Wherever they occur in the non-regulation provinces, they are, I believe, held to be entirely distinct from the ordinary zemindaree title, and are farmed on the part of Government. (See notice on "the Iron and Copper Mines of Kumaon," p. 70, vol. 3, of the Selections.) The same course has, I believe, been followed wherever iron is manufactured. The diamond mines of Myra (since given up to Punna) were held, I think, to vest in the resident communities, the Government confining themselves to a royalty; but that might be held more of the nature of a surface deposit.

Upon the whole, I believe that nothing in our settlements has led to the expectation that the zemindaree right conveys any title to deep and subterraneous quarries, or to metals, whether on the surface or under ground. It seems, therefore, very necessary that, while it is contemplated to make a settlement not only of the land revenue, but of the proprietary title in perpetuity, as against the Government, it be clearly defined in whom shall vest the right to deep mines and metals.

The decision in Bengal of resigning the title to the zemindar, unfettered by any tax to Government, was based on the desire to place no obstacle in the way of the development of the resources of the country. But the question there was rather,—granting that the proprietary title rests with the zemindar, and that he consequently is the person who would work the mines, or by whose permission they would be worked, is it expedient to burden it with a tax present or prospective? The question here is different, for (if the above premises be accepted) we do not admit any proprietary right at all.

Is it then expedient to relinquish to the zemindar the exclusive title to work such mines? If this question were answered in the affirmative, I would concur with the ruling in Bengal that the less the right be burdened with any tax present or prospective, the better. But I question the expediency of any such relinquishment. As a rule, the zemindar will not be the person to make the discovery of the presence of minerals, or, having made it, to work them. His action, therefore, so far as we give him a title now, will be simply obstructive; and the tax he levies an additional impost, which will go to raise the price of the material to the public.

I hold therefore that it will be politic and in the interest of the public to reserve to Government the sole and exclusive title to all mines of metal and coal, which Government would then be free to farm or lease on any terms that might be deemed best.

The zemindars should of course be secured from unnecessary intrusion, and his title admitted to full compensation for any loss occasioned by the opening up of mines or quarries; and this might be done by requiring a procedure to be followed in each case of lease or authority to work analogous to that prescribed for the taking up of land for public works under Act 22, 1863.

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\* See letter of Secretary to Government, No. 730, dated 19th February 1852; p. 243, Vol. II. of Thomason's despatches.

† See a collection of papers on the subject in the "Selections from Public Records, Vol. II., pp. 178 to 193."

‡ Note on the Salt Lands of the Jounpoor District, dated 13 January 1854.

Perhaps it will be hardly worth while to enter any stipulation to the above effect in the zemindar's engagement; for, at the present day, the question of mines for coal or metals is one that practically is never thought of. It may be better to enter the provision in the enactment which I presume the Government will pass to provide for the formation of a permanent settlement.\*

All rights to surface productions, stone quarries, &c., at present enjoyed, should of course stand as they are; and the exceptions be confined to mines for coal and metal.

The discussion of this question need not interfere with the issue of the orders laying down the principles and procedure for permanent assessment, which it is of extreme importance should issue soon, seeing that the settlement is in full progress in so many quarters.

Allahabad, 14 May 1864.

(signed) *W. Muir*, Senior Member.

*P.S.*—It has been urged in the course of the discussion as regards Bengal, that in England the right to subterranean products is private property, and is connected with the title to the surface. But I apprehend that England is an exception to the general law on the subject. There is certainly no reason in the nature of things why property should exist under such conditions. And as the custom of the country here certainly involves no connection of subterranean right with the title to the upper surface of the land, the relinquishment of its right by Government could only be justified by expediency, and expediency lies all the other way.

(signed) *W. Muir*, Senior Member.

\* See paragraph 79 of my note on the permanent settlement, dated 5th December 1861.

MINUTE recorded by the Honourable the Lieutenant Governor of the North Western Provinces, on the Reservation of Right of Government to Mines and Minerals.

BEFORE entering upon the question of the expediency of reserving the Government right to mines in the North Western Provinces, at the coming permanent settlement, it seems necessary to determine whether any such right exists.

Mr. Muir observes "that there is nothing in the nature of property in these parts, nor in the settlements made by Government, or the general course of the administration, which would lead to the conclusion that the property in the soil recognised or conferred by the British Government carried with it more than the right to the surface and the products which lie upon the surface, or at least within the upper stratum of soil;" and in a *P.S.* he adds:—

"It has been urged in the course of the discussion, as regards Bengal, that in England the right to subterranean products is private property, and is connected with the title to the surface. But I apprehend that England is an exception to the general law on the subject. There is certainly no reason in the nature of things why property should exist under such conditions; and as the custom of the country here certainly involves no connection of subterranean right with the title to the upper surface of the land, the relinquishment of its right by Government could only be justified by expediency, and expediency lies all the other way."

I am unable to assent to this reasoning; I believe the law of England in this matter to be no exception to the general law, which is founded on reason and the nature of things, and everywhere rules that *cujus est solum ejus est a cælo usque ad centrum*; and it seems to me that the very facts quoted by Mr. Muir in support of his views clearly show the universal admission of this principle in India as elsewhere.

No doubt, under previous Governments, the right to mines and minerals was vested in the State, but so also was the right in the soil; when, however, the British Government divested itself of its right to the soil, and conferred it upon private parties, it would require some very clear and distinct evidence of intended reservation of mines and minerals to show that the grant was not complete, and to justify any present claim to rights which are inherent in the soil.

But, far from our having any such evidence, it is all the other way; in all the instances cited by Mr. Muir, the principle has, it seems to me, been recognised that, except as owner of the surface, the Government has no right of property in that which is beneath it.

Mr. Muir, indeed, admits the property of the zemindar in products which lie upon the surface, or at least within the upper stratum of the soil, as proved by the action of Government in regard to kunkur or stone quarries, excepting those at Mirzapore, which Government retained in their own possession; but why should the upper stratum of the soil be the limit, and how is the extent of that upper stratum to be determined? Some of the stone quarries in the Agra district are 20 cubits deep.

The reason of the general law is obvious; without a distinct reservation of right, it would not be possible to arrive at subterranean products, without disturbing the surface or the upper stratum of the soil, the property in which is in the zemindar; and therefore, even admitting the existence of a right, it could not be used without reservation of a right of entry, and must therefore become void.

Mr. Thomason includes kunkur with other manorial rights under Sayer; and Mr. E. A. Readeshows in his note that sayer or sewai collections belong to the proprietors of land throughout the ceded and conquered provinces, as expressly declared by Regulation 9 of 1825, but he considers the sayer to have been excluded from the settlement in the province of Benares, though I am not quite sure, from the wording of clause 2, section 5, Regulation 27 of 1795, "Sayer collections or any other internal duties," whether this opinion can be sustained.

Be that as it may, if the Government admits mines and minerals to be part of the manorial rights of proprietors of land generally throughout the provinces, they would scarcely think it expedient to assert a separate right now in the province of Benares.

The state of things in Kumaon and Gurhwal is in perfect accordance with the above views. There the manorial rights, and in jungle lands the entire property, has been distinctly reserved by Government, and they are, therefore, at perfect liberty in those districts to deal with the question as may appear most expedient.

As a question of expediency, I am not in favour of any further reservation than that which now exists, even if it were possible. The decision arrived at in Bengal is, in my opinion, the dictate of sound policy, and to have a different rule in these provinces would in itself be inexpedient. The action of the zemindar may prove simply obstructive, but it seems to me more reasonable to suppose that in this, as in everything else, individuals will be governed by the overruling influence of self-interest, and that if it is obviously advantageous to work a mine, the proprietor of the land will assuredly do so; such tax or royalty as he may levy, being rather a reduction of profit to the workers than an enhancement of price to the public, who will, under any circumstances, be made to pay as much as they will consent to give.

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(Home Department.—Revenue.—(No. 5944.)

From the Honourable *R. N. Cust*, Officiating Secretary to the Government of India, to *R. Simson*, Esq., Secretary to the Government, North Western Provinces; dated Fort William, the 1st December 1864.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 1237, dated the 5th October, forwarding a copy of a Minute recorded by Mr. Muir, the senior member of the Sudder Board of Revenue, North Western Provinces, on the expediency of reserving the right of Government to mines at the coming permanent settlement.

2. The Governor General in Council is of opinion that, where the surface land has been declared to be private property, the ownership extends to all beneath the surface, unless some special and distinct reservation to that effect has been made, which his Excellency in Council believes is not the case in the North Western Provinces.

3. The Governor General in Council is, however, of opinion that, wherever a permanent settlement has not been made, there the State, in making such a settlement, has clearly the right to reserve its lien (*i. e.*, its lien, *quoad revenue*) on the produce of any mines which may at the time be known, or which may subsequently be discovered; that is, that the Government can claim a share of the produce of such mines as revenue.

4. The Governor General in Council is disposed to think that such a reservation, in the greater part of the North Western Provinces, is scarcely worth consideration; but that to give it up there, and reserve it in other provinces, such as the Punjab, the Central Provinces, &c., would prove inconvenient. On the whole, therefore, the Governor General in Council would reserve the right, and enter a clause to that effect in the settlement papers.

5. But whenever the proprietary right in the land clearly belongs to the State, as in the case of waste lands, the Governor General in Council would carefully reserve such rights, and make the most of them, consistently with fair and liberal dealing.

I have, &c.

(signed) *R. N. Cust.*

Officiating Secretary to the Government of India.

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(Revenue.—No. 11.)

To His Excellency the Right Honourable the Governor General of India in Council.

Sir,

India Office, London,  
24 March 1865.

Para. 1. I HAVE had under my consideration in Council the Despatch from your Excellency in Council, dated the 8th June last (No. 12), relative to the proposed permanent settlement of the land revenue in the North Western Provinces of the Bengal Presidency, and I now proceed to communicate to you the conclusions at which Her Majesty's Government have arrived on this important subject.

2. It is unnecessary to renew the discussion as to "the reasons for and against a permanent settlement for India," which formed the subject of my despatch of the

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the 9th July (No. 14), 1862. The question now before me resolves itself into these two points; first, what parts of India, or, rather, of the North West Provinces, fulfil the conditions required in that despatch as indispensable preliminaries to the introduction of a permanent settlement? and, secondly, what is the proper mode of introducing it into those districts which are either wholly or partially prepared for it?

3. Now, in regard to the first question, it will be found that all districts will fall under one of the three following divisions, viz. :—

First, districts in which agriculture is backward, population scanty, and rent not fully developed.

Secondly, districts in which the estates are so fairly cultivated, and their resources so fully developed, as to warrant the immediate introduction of a permanent settlement.

And, thirdly, districts which comprise a large number of estates sufficiently cultivated to justify the introduction of a permanent settlement, while, at the same time, they contain also a considerable proportion of estates with resources imperfectly developed, which, consequently, could not be permanently settled on their present assets without entailing a prospective loss to the State.

4. With regard to the first two classes of districts, no difficulty exists. Permanency of settlement will be refused to the first, and granted to the second, if there should be any such. It is as regards the third class, in which estates fitted for immediate permanent settlement are intermingled with others which are still in an imperfectly developed condition, that the real embarrassment is found. In regard to these, your Excellency observes :\* “It seems to me necessary to select those villages or estates which are fit for permanent settlement, and to postpone the measure in those which are not so fit. Unless this be done, then the result must be either that the measure would be postponed indefinitely, until every estate in the district reached a prescribed standard (which in many cases might never be attained), or else that some superior estates would be denied the boon because some estates in their neighbourhood were inferior; or else, that some estates, which did not fulfil the conditions, would nevertheless be permanently settled because they were situated in the midst of a district which generally did come up to the standard.”

\* Minute, para. 12.

5. The problem to be solved is, therefore, how to give to estates, situated in a district generally ripe for a permanent settlement, but which, from imperfect cultivation, are at present not in a condition to pay a fair permanent jumma, the advantages which a permanent settlement is assumed to hold out, without any undue sacrifice of the prospective resources of the State. I observe that it is generally admitted on all hands that an estate, in which actual cultivation amounts to about 80 per cent. of the total cultivable or malgoozaree area, may be fairly held to have fulfilled the “prescribed conditions,” and to have come up to the “standard,” necessary to entitle it to a permanent settlement on the existing assets.

6. The plan suggested in your Excellency’s original minute (paras. 16 to 18) is very simple and intelligible. You propose that two amounts should be declared; the one, “the sum fixed on existing assets, and to be paid during the 30 years’ settlement;” and the other, “the full sum ultimately assessable on the estate, supposing its resources to be fully developed, which sum would be the maximum demandable at the next settlement.” If accepted by the landholder at the termination of the existing settlement, this latter sum would be the perpetual assessment of the estate. If not so accepted, he may still demand a resettlement, “after inquiry in the usual way, on the assets and the cultivation as they might be found to exist at that time.” This latter assessment, if lower than “the maximum previously fixed,” would not be declared permanent. I presume that under this plan the same process might be again gone through at the expiration of the next 30 years, the maximum or permanent assessment still remaining on record, binding on the Government, and liable to be claimed by the landholder whenever it should suit his convenience to accept it.

7. Mr. Harington “doubts whether what is proposed would be as effectual as supposed,

supposed, and whether, without some greater degree of certainty that the measure would be successful than," he thinks, "exists, the Government would be justified in binding itself, while leaving perfect freedom of action to the other party to the contract." "Upon the whole, he is disposed to doubt the expediency of the Government tying itself down in any way, or coming under any positive engagement, in respect of estates which are not as yet in a condition to warrant their being settled in perpetuity." Mr. Harington does not, however, propose any alternative plan of settlement.

8. Mr. Muir, the senior member of the Board of Revenue, North West Provinces, discusses the whole question at great length, and objects altogether to "the scheme of leaving the settlement to be accepted at a future period, and, if refused, making it then open to revision," which, he thinks, "would, in a certain measure, forfeit the important benefits of an absolutely permanent settlement." He, therefore, proposes that "the permanent settlement be concluded at once with the zemindars, and that the highest term or maximum demand be not deferred for a period exceeding 15 years." The settlement officer is to be at liberty, in the case of imperfectly developed estates, to allow a temporary abatement, so as to make the maximum take effect in 5, 10, or 15 years, never exceeding the latter period. The zemindar would be called on to execute the agreement based on these terms; and "in any case of refusal, that is, where the zemindar should accept the present abated assessment, but decline the prospective maximum, he should be allowed to hold on for the preliminary term. At its close, he might again be allowed the option of engaging at the permanent demand; and, if he still refused, the estate might be farmed in the ordinary manner, as for recusance. In short, there would be no opening for revision. The assessment, once fixed, would be final." Mr. Muir is of opinion that "15 years is a quite sufficiently long period to admit of the development of backward estates in those parts of the country to which the present remarks refer. Any expected improvement stretching beyond that period must belong to the region of distant speculation, and in the practical work of settlement will be far more safely left altogether out of account."

9. Mr. Money, the junior member, says, "The most important and peculiar feature of his Excellency's scheme is the present assessment, on estates not sufficiently developed for settlement in perpetuity on existing assets, of a kamil juma, which, at the option of the proprietors, may be declared perpetual after the expiration of 30 years. I regret that I am unable to concur in the expediency of this arrangement. If two jummas, one slightly higher than the other, were fixed on any estate, and the native proprietor were allowed the option of engaging for 30 years for the payment of the lower juma, with the condition that, at the expiration of that term, the estate would be liable to re-assessment on its assets, whatever they might be, or of engaging permanently for the higher juma, he would elect for the temporary settlement, and trust to chance for the future." Mr. Money accordingly comes to the conclusion that every settlement which is intended to be permanent should be definitively engaged for at the time of settlement," all other estates being temporarily settled under existing rules. All estates "whose present assets are not sufficient for the immediate assessment thereon of a kamil juma" should be placed on a rusuddee, or gradually increasing settlement, the demand of the kamil (or maximum) juma, to take effect at a period not later than 12 years from the date of settlement, in exceptional cases the period to be extended to 15 years. "In all cases where an estate was held to be susceptible of permanent settlement under the rules above proposed, the proprietors should be called on to enter into engagements accordingly, and should not be allowed the option of electing for a temporary settlement. Should the proprietors refuse to enter into engagements, the settlement at the proposed rusuddee [or increasing] juma should be made for the term of 12 years, under the provision in section 3, Regulation VII., 1822. On the expiration of the farming lease, the zemindars would be admitted to engagements in perpetuity at the kamil juma."

10. It seems, therefore, that the two members of the Board of Revenue, North-west Provinces, although recording their opinions independently of each other, agree substantially in their conclusions. They deprecate any promise to  
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be made of what shall be the permanent settlement at some future time, and urge that the primary arrangement should be the final one.

11. In the final orders issued by your Excellency's Government, as given in the letter from Mr. Secretary Bayley to Mr. Simson, secretary to Government, North-west Provinces, dated 8th June 1864, an endeavour seems to be made to combine the plan proposed in your Excellency's original minute with that suggested by the Board of Revenue, North-west Provinces, the operative part of the order being found in the 19th paragraph:—"Where the proportion of good culturable waste exceeds say 20 or 25 per cent. of the area under cultivation, a jumma, calculated according to the existing assets, and, in addition, a maximum jumma, deduced from an estimate of the full future assets of the estate, shall be fixed. The maximum jumma should not exceed the initial jumma by more than from 25 to 50 per cent. The proprietors may engage for the maximum jumma or not, as they think proper. If they do engage for it, they must do so in perpetuity. The jumma will not be subject to revision, and the maximum will be leviable after 15 years. But it will rest with the settlement officer to decide by what steps, and at what intervals the maximum shall be progressively demanded, whether in 5, 10, or 15 years, or otherwise. If the proprietors decline to engage for the maximum in perpetuity, then a settlement terminable in 30 years shall be made with them at the initial jumma."

12. It is not distinctly stated in the subsequent paragraphs that the ultimate permanent jumma is to be recorded as the maximum demand which would ever be made on the estate, but it may be inferred that such was the intention of your Government. For instance, it is said in paragraph 27,—“As regards the fixation of a maximum assessment, available at pleasure to the proprietor of an estate temporarily settled, his Excellency believes that it possesses the advantage of supplying a motive and incentive to industry and enterprise, inasmuch as the landholder, while obtaining a fixed assessment for 30 years, at all events will know the utmost limit of possible revenue which can be demanded after the expiry of that term.”

13. In the Circular Order of the Board of Revenue, North-west Provinces, which transmits to all settlement officers the instructions of the Supreme Government, the rule as to the settlement of the ultimate permanent demand is altogether relaxed. It is merely stated (para. 17), that “the Governor General is desirous that the benefits of a prospective limitation in perpetuity of the Government demand may, in so far as practicable, be secured; and this is contemplated by requiring the settlement officer, wherever he is in possession of data sufficient for the purpose, and feels that he can safely hazard an opinion, to declare at what limit the permanent assessment should eventually be fixed. This, though not in any measure authoritative, will remain on record.”

14. It would, therefore, appear that the fundamental principle of your Excellency's scheme is altogether abandoned, and that although the settlement officer is at liberty to declare what he thinks ought to be the limit of the eventual permanent assessment, this declaration of opinion, although it will remain on record, will not be “in any measure authoritative.”

15. Of the four plans of settlement which are thus placed before Her Majesty's Government, it seems to me that the two last would be certain to be inoperative. The letter of your Government gives the option to the zemindar of accepting a reduced demand for 30 years, with the assurance that the full or kamil jumma then recorded will not be increased at the expiration of that term. The Board of Revenue withdraws that assurance, but still leaves the zemindar the option of choosing between a high assessment for 15 years and a low assessment for 30 years, with the chance only (instead of the certainty) of obtaining a moderate assessment (perhaps lower even than that now fixed on) after the expiration of the 30 years. The certain result of this option has already been given in the words of Mr. Money's minute.

16. The plan first put forward by your Excellency is liable to the objection that, while it fails altogether to bind the landholder, it imposes a distant, and possibly an inconvenient and improvident obligation on the State. The zemindar may hold his estate as before, on a 30 years' settlement, based on the existing assets. The Government, on the other hand, undertakes that, at the expiration



of that period, a larger demand shall never be made than a given amount, now to be recorded, whatever the value of the estate may be at that time; but even then, if the arrangement is objected to, it need not be accepted, and the zemindar may claim a fresh settlement on the then existing assets. It seems to me that the transaction is altogether one-sided, the whole probable advantage going to the zemindar, the whole contingent loss to the State.

17. The plan of the Board of Revenue is essentially different, and would really, if it could be carried out in practice, constitute a permanent settlement, although it would not take full effect till after the lapse 15 years. Her Majesty's Government, however, are not prepared to give their sanction to any settlement in perpetuity which is not based on the existing assets of the estates to which it is to be applied, but is founded on a prospective estimate of their future capabilities. No such measure was contemplated in my Despatch of the 9th July (No. 14) 1862; and looking to the objections which have been found in practice to attach to a graduated or rusuddee assessment, as pointed out in Mr. Muir's minute, and to the ill effects which might follow the exclusion from the management of their estates of those proprietors who should decline to accept the proposals of the revenue authorities, as referred to in the concluding portion of Mr. Harington's minute of March 1864, Her Majesty's Government are under the necessity of withholding their consent to the adoption of the scheme suggested by the members of the Board of Revenue.

18. On a full consideration of the whole question, Her Majesty's Government have arrived at the conclusion that any declaration on the part of the Government of India, binding it to a course of action extending over a period of 30 years, would be altogether inexpedient. They are prepared to authorise an immediate settlement in perpetuity, after revision, for all estates in which the actual cultivation amounts to 80 per cent. of the cultivable or malgozaree area. In such cases, however, they are of opinion that the rule of the revised settlement, limiting the demand on the landowner to 50 per cent. of the existing assets, should not be strictly adhered to. As observed by Mr. Money, "Existing settlements have been made at rates varying from 60 to 66 per cent. of the estimated assets, and there is, therefore, no hardship in making a settlement in perpetuity at not more than 60, when land is readily available to reduce the rate to 50." The advantage of securing a settlement in perpetuity at that rate would probably be sufficient to induce the zemindars to consent to an immediate contribution slightly in excess of the amount which they would be called on to pay on a 30 years' settlement, subject to an indefinite increase at the expiration of that term.

19. With regard to all other estates, in which the cultivation is so backward, and the future development of their resources so uncertain, that they are unfitted for a settlement in perpetuity, they should be treated in the ordinary manner, and settled for a term not exceeding 30 years, no expectation being held out, and still more, no pledge being given to the proprietors, in respect to the course which, at the expiration of that term, it might appear expedient to the Government of the day to pursue in dealing with their properties. In the case of estates of this description, it may be worthy of consideration, whether so long a period as 30 years should be fixed on as the term of the revised settlement. If any pledge has been given, or even any general expectation held out, that the revised settlement shall be confirmed for the same term as the settlement which it replaces, it must of course be adhered to; but, if such is not the case, it may probably be expedient to limit its duration to a period of 15 or 20 years, at the expiration of which term cultivation may have so far advanced as to bring the estates within the conditions which would entitle them to a settlement in perpetuity.

20. I observe that, under the Circular Order of the Board of Revenue, "the provision for securing higher water rates on tracts brought subsequently to settlement under the influence of canals, will be the care of the Irrigation Department," and I therefore abstain from making any remarks on the subject in this place.

21. I take this opportunity of acknowledging the receipt of the Despatch from your Excellency in Council, dated the 5th December last (No. 20), on the subject

ject of reserving the right of Government to mines at the coming permanent settlement, and I have to convey to you my approval of your instructions, that the State, in making such a settlement, wherever it has not been already made, may claim a share of the produce of such mines as revenue, and that the right should consequently be reserved, and a clause to that effect entered in the settlement papers. When the proprietary right in the land belongs to the State, as in the case of waste lands, it is clear that Government may deal with the mines so situated in any manner which it may deem expedient.

I have, &c.  
(signed) C. Wood.

(Home Department.—Revenue.—No. 25 of 1865.)

To the Right Honourable Sir *Charles Wood*, Bart., G.C.B., Secretary of State for India.

Sir,

Simla, 3 August 1865.

REFERRING to your Despatch No. 11 of 1865, dated the 24th of March, we have the honour to transmit for your information the accompanying copy of a correspondence\* with the Government of the North Western Provinces, on the question of Permanent Settlement in relation to Canal Irrigation. A copy of the instructions† which we have caused to be issued on receipt of your Despatch above quoted, is also forwarded.

\* From North Western Provinces, No. 648 A, dated 30th June 1865, and enclosures.  
To North Western Provinces, No. 496, dated 27th July 1865.  
† To North Western Provinces, No. 1666, dated 19th June 1865.

We have, &c.  
(signed) *John Lawrence.*  
*W. Mansfield.*  
*W. Grey.*  
*G. N. Taylor.*  
*W. N. Massey.*  
*H. M. Durand.*

From *R. Simson*, Esq., Secretary to the Government of the North Western Provinces, to *E. C. Bayley*, Esq., Secretary to the Government of India, Simla (No. 648 A); dated Nynee Tal, 30th June 1865.

WITH reference to previous correspondence, I am directed to forward, for the information of his Excellency the Governor General in Council, the accompanying copy of a resolution recorded by the Honourable the Lieutenant Governor on the question of permanent settlement in relation to canal irrigation, together with copies of the papers referred to therein.

RESOLUTION, Revenue Department (No. 645 A); dated Nynee Tal, 30th June 1865.

READ the following papers on the question of Permanent Settlement in relation to Canal Irrigation:—

Letter from the Secretary to the Government of India, in the Home Department, No. 543, dated 8th June 1864.

Letter from the Secretary to the Government of India, in the Home Department, No. 544, dated 8th June 1864.

Letter to Secretary to the Sudder Board of Revenue, North Western Provinces, No. 698 A, dated 17th June 1864.

Circular issued by the Sudder Board of Revenue, North Western Provinces, to officers engaged on the revision of Land Revenue Settlements.

Letter to Secretary to the Sudder Board of Revenue, North Western Provinces, No. 821 A, dated 19th July 1864.

Letter from Secretary to the Sudder Board of Revenue, North Western Provinces, No. 688, dated 24th September 1864.

Letter from Collector of Moozuffernuggur, No. 51, dated 3rd December 1864.

Letter from Secretary to the Sudder Board of Revenue, North Western Provinces, No. 774, dated 27th November 1864, and enclosure.

Letter from Secretary to the Sudder Board of Revenue, North Western Provinces, No. 773, dated 27th October 1864, and enclosures.

Vide Volume of Proceedings for September 1864, pages 1 to 50.

Vide Volume of Proceedings, Public Works Department, for January 1865, pages 34 to 68.

Vide Volume of Proceedings, Public Works Department, for January 1865, pages 34 to 68.

Memorandum by the Commissioner of the Meerut Division.  
 Letter from Chief Engineer, Irrigation Works, No. 4186, dated 16th November 1864, with enclosure.  
 Letter from Officiating Engineer, Irrigation Works, No. 2683, dated 15th October 1864, and enclosure, with note by Colonel Morton.  
 Letter from Officiating Executive Engineer, Boolundshuhur Branch Ganges Canal, No. 119, dated 16th October 1864.  
 Memorandum by the Executive Engineer, Futtelghur Branch Ganges Canal, dated 26th October 1864.  
 Letter from Officiating Executive Engineer, Cawnpore Terminal Division Ganges Canal, No. 124, dated 28th October 1864.  
 Memorandum by the Executive Engineer, Allyghur Division Ganges Canal, No. 352, dated 28th October 1864.  
 Letter from Officiating Secretary to this Government, in the Public Works Department, No. 1A, dated 2nd January 1865, to the address of the Secretary to the Government of India, Public Works Department.

Answers to Questions by Messrs. W. A. Forbes and C. H. E. Crosthwaite, dated 14th January 1865.

Note by Mr. R. Money, dated 14th January 1865.

Ditto by Mr. H. D. Robertson.

Answers to Questions by Mr. A. Shakespear.

Ditto ditto Mr. S. N. Martin, dated 14th January 1865.

Note by ditto, dated 10th January 1865.

Note by ditto, dated 13th January 1865, with two statements.

Answers to Questions by Mr. A. O. Hume, dated 21st January 1865.

Memorandum by Mr. R. G. Currie, dated 20th January 1865.

Note by Mr. S. N. Martin on the above.

Answers to Questions by Mr. H. Le Poer Wynne.

Letter from the Collector of Etawah, No. 16, dated 9th January 1865.

Letter from the Secretary to the Sudder Board of Revenue, No. 101, dated 15th February 1865.

Minute by Mr. R. Money, Member, Sudder Board of Revenue, dated 13th February 1865.

Replies to Questions by ditto, dated 14th January 1865.

Minute by Mr. A. Shakespear, Officiating Member, Sudder Board of Revenue, dated 14th February 1865.

Replies to Questions by ditto.

Letter to Secretary, Sudder Board of Revenue, No. 200 A, dated 7th March 1865.

Letter from Secretary to the Sudder Board of Revenue, No. 212, dated 5th April 1865.

Note on Moozuffernuggur Settlement by Mr. R. Money, Member, Sudder Board of Revenue, dated 25th March 1865.

Detailed Notes made by ditto, dated 16th March 1865.

Note by Mr. A. Colvin, dated 10th May 1865.

Note by the Honourable William Muir on the mode of assessing lands irrigated by Canals, dated 10th May 1865.

#### REMARKS by the Honourable the Lieutenant Governor.

THE important question of the best method of assessing estates for the permanent settlement in districts subject to irrigation from canals has been under discussion for some time past.

1. Assumed uncertainty in the supply of canal water, and consequent risk to the permanency of a settlement having for its basis assets dependent upon that supply, have led the majority of the settlement staff, as well as other experienced officers in these provinces, to question the propriety of a permanent assessment in any way dependent upon canal irrigation, and to propose a variety of schemes by which the ordinary profits of the land, and those more immediately due to the action of the canals, might be made separately to contribute their respective quotas of revenue to the State, in such manner that while the assessment of the one was fixed in perpetuity, that of the other should be subject to periodical variation.

2. Considerable doubts and difference of opinion existing on the subject, the continuance of which was likely to prove mischievous, a conference of officers was assembled at Agra in January last with the view of promoting free discussion, and of obtaining a full expression of individual opinion upon all points involved in the general question at issue.

3. The results arrived at at this conference were submitted to Government with the Board's letter dated 15th February last; but previous to recording any final opinion upon the subject, the senior member of the Board was requested personally to test the assessments in the Moozuffernuggur and Boolundshuhur districts, which had been made by Messrs. Martin and Currie, who respectively represented the opposite parties in this discussion.

4. On receipt of Mr. Money's report, which does not affect the principles at issue, though it evidences the effects of these discussions on the practical working of the settlements, the entire collection of papers was forwarded to Mr. Muir, whose excellent and comprehensive note, with its annexure by Mr. A. Colvin, was received in the early part of this month.

5. The subject has been so thoroughly discussed in these papers that little remains to be said beyond stating the conclusions at which the Lieutenant Governor has arrived; and after the most careful consideration of all that has been urged on either side of the question, his Honor has no hesitation in recording his opinion in favour of adherence to the system hitherto in force.

6. The Lieutenant Governor admits the importance of an entire separation between canal assets and land revenue, and of eliminating from the permanent settlement every element of uncertainty, so far as that may be practicable, consistently with a due regard to the public interests; and had the proposals of the opponents of the present system been unobjectionable on other grounds, his Honor would have been prepared to support them even at a moderate sacrifice of revenue, as tending to secure the permanency of the settlement, and as affording to the districts, already subject to the action of the canals, the same advantages that will be obtained by those to which canal irrigation has not yet, but will hereafter be extended.

7. But Mr. Muir, in his very able review of the whole question, has incontrovertibly shown that the proposed system is open to far greater objections than that which it is intended to supersede; that the objects which it seeks to secure can equally, if not more certainly, be attained under the present system; and that the defects of the latter are by no means so great as they have been represented.

8. The two principal arguments in favour of a change of system are, first, the uncertainty of the supply of water from the canals; and second, the possibility of securing to the State its rightful share of the profits accruing to the landlord from canal irrigation by enhancement of the canal water rents, and independently of the land revenue assessment.

9. The first of these arguments, as observed by Mr. Colvin, has been pushed too far; there is no good reason for apprehending any permanent failure of supply, and the ordinary uncertainty would not be greater than that of streams subject to the usual variations of the seasons; and, although Government would give no guarantee for a supply of a certain amount of water, it has always dealt liberally with the people in seasons of distress, and would undoubtedly give remissions on occasions of partial or total failure of supply of such magnitude as fairly to demand the concession; but these would be occasions of extraordinary calamity, which ought not to affect the calculations of a permanent assessment.

10. The second argument is based upon a fallacy, partly arising from a misuse of terms; the expression "canal assets" is applied indifferently to the canal water rents, and to the additional revenue derived from canal irrigation. The circular of the Board of Revenue, directing a division of the land revenue into ordinary and extraordinary revenue according to its dependence, or the contrary, upon canal irrigation, was, perhaps, a natural corollary to the orders of the supreme Government; and, as pointed out by Mr. Muir, the arrangement will, for many purposes, be convenient; but its issue is, nevertheless, to be regretted, for it has added to the confusion of ideas, and has certainly given rise to the agitation of the present question, which has not been confined to the officers of Government.

11. No doubt this extraordinary revenue, or, as it may rather be called, irrigation revenue, is due to the canal; but if nothing else has been proved in the course of these discussions, it has at least been conclusively established that canal assets, in this connection, are strictly confined to water rents, which are all that could be levied by a canal company; that these rents can never be raised above the natural value of water in any locality, or, which is the same thing, the cost of supply from wells or other sources; and that the landlord's profit on canal irrigated land, though due to the canal, is not a canal asset, and cannot be reached by any enhancement of the water rent; indeed to suppose that it could, would be to hold that the guano merchant could participate in rents by raising the price of his manure.

12. This much, however, has been gained by the discussion, that the water rents being shown to be entirely distinct from rent or land revenue, no question can hereafter be raised as to the right of Government to enhance them at pleasure, irrespective of all questions of land revenue assessment; at the same time there is no reason to fear that they will ever be raised above that moderate amount which is dictated alike by policy and common sense.

13. As respects equableness of settlement, a point upon which Mr. Money lays some stress, it is shown by Mr. Muir, that the proposed system would create more immediate and palpable inequalities than the present; and, in so far as it regards districts which may obtain canal irrigation after they have been permanently settled, the inequality will be no more

unfair than that which must now exist between estates in Saharunpore and those in Ghazeeepore which was permanently settled 50 years ago.

14. With regard to differential rates, it may be said that it never was intended to apply them within the same village, and the argument on this head is much forced; as, however, it has been shown by these discussions that water rents will not, as has been supposed, reach the landlord's rents, the object aimed at by the introduction of differential rates will not be secured, and all idea of them in connection with land revenue may be abandoned.

15. The extent to which, under the proposed system, the ability, experience and discretion of the assessing officer must be confided in, is in the Lieutenant Governor's opinion, an insurmountable objection; it would, in fact, introduce an element of uncertainty far greater than that of the canal.

16. Mr. Muir has suggested, as a means of securing to the State a share in the profits accruing from tracts brought under canal irrigation, subsequent to permanent settlement, an arrangement of the kind proposed by Mr. Crosthwaite, by which there should be a quinquennial inquiry into the irrigated area of estates; and the increase in excess of 20 per cent. of the irrigated area at the time of permanent settlement, should be subjected to additional assessment at the general acreage rate for irrigated land at the time of settlement. Some such plan is apparently the only one by which these additional profits could be made available for revenue; but if resorted to at all, it might be most conveniently applied in the canal department as a special charge upon landlords for irrigation over and above the water rates, and the revenue arrangements in respect of the permanent settlement would remain in tact.

17. The Lieutenant Governor does not, however, regard with favour even this limited interference with the advantages held out by a permanent settlement, and upon the whole, he is satisfied that the present system, which is the matured result of the experience of many years, and is well understood both by the officers of Government and by the people, should be maintained as it is.

18. In communicating this decision to the Board of Revenue, they will be requested to circulate a complete copy of these papers to all settlement officers, and to impress upon them that assets dependent on canal irrigation are not to be under estimated from any apprehension as to their uncertainty; and that while the assumed amount of these will continue to be separately noted in their settlement records, they will carefully exclude all reference to the distinction in the formal deeds of settlement, explaining to all parties concerned that the assessment is entirely distinct and irrespective of water rents and dues appertaining to the canals.

By order of the Honourable the Lieutenant Governor of the North Western Provinces.

(signed) *R. Simson,*

Secretary to the Government of the North Western Provinces.

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**NOTE on the Papers on the Assessment of Rental arising from Canal Irrigation.**

THESE papers, which have been for the most part privately printed and circulated, contain the opinions elicited at a conference recently held at Agra, upon the present system of land assessments (viewed in connection with the permanent settlement), in cases where the canal is concerned. For the most part, the opinions of the officers consulted are hostile to the system now in force. That system, it need scarcely be added, is to assess at half the average assets, from whatever source created, the canal meanwhile charging a moderate rate for its water.

2. The objections to the present system may be grouped into two classes, and be discussed, with the remedies proposed under each class:—

1st. There is the objection that the present system, as resting on the fluctuating element of the canal supply, is inconsistent with a really permanent settlement; that it contains no provision for the case of villages, or parts of villages coming under irrigation after settlement, and hence introduces inequality of assessment; and that the proposal to have differential rates to correct such inequality, will cause endless embarrassment. It is proposed to assess on natural capabilities, and to leave the canal authorities to make up the difference.

2nd. The objection is raised, that Government, under the present system, is not doing justice to its own position as owner of the canal water; and that water should be sold at the highest price which will permanently permit the consumption of the whole stock.

3. So much of the first objection as relates to permanency is two-fold:—

1st. There is doubt as to permanency of supply.

2nd. There is inconvenience in Government pledging itself to continue the supply in all and each of the localities which at present enjoy it.

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4. I cannot help thinking, that too much is made of the uncertainty of supply. Mr. Batten, I see, is of the same opinion. It should not be lost sight of, that it is not a question of what is meant by *uncertain* but a question of *inadequate* supply. The fluctuations in the supply, so long as the supply exceeds or equals the amount calculated on at time of assessment is, as regards the land revenue, matter of indifference. This fear of inadequacy is, I believe, confined almost entirely to the Ganges Canal. But the present state of that canal, which has called for active remedial measures, seems to me one of the best guarantees we can have, that in future, the inadequacy will be reduced to a minimum. Mr. Wynne speaks of the uncertainty on the eastern Jumna canal. But as regards inadequacy, I can say from my own large experience on that canal in the Mozuffurnuggur district, that there was not, to the best of my recollection\* one village in which the supply had not increased since the last settlement. Mr. Wynne could tell us what is the case in Saharunpore.

5. There remains the objection that Government is tied down as to the localities in which water shall, in future, be distributed. And in this there seems much force. Notoriously, the present distribution on both canals is inconvenient: the rajbahas in many cases swamping low moist lands, and running riot over barren sandy wastes. Any arrangement which bound the Government to maintain these faulty rajbahas is much to be deprecated.

6. As to the alleged inequality of assessment arising from the case of villages into which canal water will be introduced subsequent to assessment, it is not, of course, forgotten that differential rates, and a standard irrigation rate are proposed: and as the objection to the first of these is the real point at issue, it is as well to pass on to it. The inequality of assessment is not objected to, provided an adequate remedy can be found for it.

7. Differential rates do not, it is admitted, meet the difficulty suggested: but the objection to them as here urged, seems forced. It is not easy to see any difficulty or confusion in the assessment and collection of such rates in adjoining villages. It is only in the same village that embarrassment could arise. But there seems no need for the application of differential rates in one and the same village. When a village, as the case supposes, is already at time of settlement irrigated, the prospect of approaching increase of irrigation does not remain hidden from the settlement officer, and he could exclude such a village from the permanent settlement. If, however, at time of settlement, no prospect of increased irrigation appeared, cases in which land subsequently came under water, might be met by a rate calculated and imposed upon the plan proposed by Mr. Crosthwaite. This could also, of course, be extended to villages entirely brought under irrigation after settlement. But certainly it would well meet such cases as are instanced by Mr. Currie and Mr. Hume. It has been sufficiently shown in these papers, that the principle of permanency is not really affected by such a measure. It may be quite admitted that two sets of rates could never be worked by the canal or any other one department in one and the same village.

8. So far then as this class of objections to the system hitherto in force goes, it appears that the argument with regard to the locality of water supply is so strong, as to require some distinct arrangement of the revenue as influenced and uninfluenced by canal water. But that such arrangement given, the objections with regard to the method of removing subsequent inequality of assessment have little force.

9. The remedy proposed by those who object to the present system, is to allow the canal officers to charge a full price for their water, the market price, in fact; the settlement officer assessing only on natural capabilities, without consideration of the effects of canal irrigation.

10. Mr. Martin has clearly shown, that the result of this would be, in the first instance, to make a present to the landlord of the share Government has hitherto taken of the increased rental arising from canal irrigation. It is notorious, and admitted throughout the discussion, that the water rate is paid by the cultivator, and does not encroach on the landlord's rental. If then, in villages irrigated by the canal, Government assesses only on natural capabilities, taking, it must be added, an uncertain and fluctuating share of the net assets, and in villages unirrigated by the canal, takes its full share of half assets, the fortunate landlord, who has his fields irrigated, will actually pay a smaller proportion of his net income to Government than his neighbour who is dependent upon rain land. The only way in which his income can be touched will be, by raising the water rent on the cultivator, until he refuses to pay his landlord the full increased rent hitherto taken on account of canal-caused productiveness. Of this more will be said presently. In very many cases the cultivator will probably prefer to abandon the canal water. Few cultivators will care to undertake the expense and trouble of growing a richer crop, if almost all the increase is

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\* Since writing the above, I have obtained copy of a statement furnished in 1861 by the Superintendent of the Eastern Jumna Canal to the Collector of Mozuffurnuggur, and showing the average of irrigation in that district for 1839-40, 1840-41, 1850-51, 1851-52, 1858-59, 1859-60. The result shows 93,784 acres of irrigation in 1858-59, 1859-60, against an irrigated area of 35,528 in 1838-39, 1839-40. Of 203 villages irrigated, in seven only has the area of irrigation decreased, and in these only to the extent of 731 acres. This seems to show that, in settlements made at the present period of Ganges Canal development, there is apart from actual stoppage of the canal, little fear of inadequacy.

to go to the canal owner. And certainly the landlord, who cannot but be supposed to have much influence with his cultivators, will not encourage a system which denies him any participation in the fruit of his cultivator's labours. For the present, however, for the sake of the argument, it may be admitted that landlord's rents will be lowered. But an increased water rate can, in no way, affect the greater *rent-paying area*, the greater *haul* of rent, arising from the breaking up of fresh land, which has been, and will be extensively taking place before the settlements are concluded. Again, the amount of rent which the landlord agrees to abandon would, in each case, depend on his personal character, his power, the number and caste of his cultivators, the proximity of the Revenue Courts, and other similar causes. Not only then, it must be concluded, would this plan of falling back upon the canal rate, still leave the proportion of their revenue taken from the canal irrigating landlords an entirely, and each case, uncertain amount, not only would it leave them the full benefit of all land broken up on account of the canal, but it would obviously tend to drive the population into suits for enhancement and diminution of rent. Mr. Crosthwaite has pointed out that Government, as landlord, should share all increased assets, and it may be added that, if only in justice to non-irrigating villages, it should take a uniform share of their assets alike from all its tenants.

11. As to assessment on "natural capabilities" there seems some confusion. As I understand Mr. Wynne, there is very little difference between his method of assessing on natural capabilities and Mr. Martin's method of ascertaining the ordinary, as distinct from canal extraordinary, revenue. Either assesses first on the known capabilities, rents, and assets of the village. Then, eliminating the difference between wet and dry rates, with due regard to wells thrown out of work, and to the amount of land of inferior description brought under cultivation by the canal, but which would be cultivated in far less quantity without artificial irrigation, Mr. Wynne looks upon the remainder as representing the land's natural capability, and Mr. Martin its ordinary revenue. And these two, it is submitted, are one and the same thing, the only issue between Mr. Wynne and Mr. Martin is, what shall be done with the sum eliminated. The one would dismiss it, and call to the canal officers to replace it, the other would keep it on as extraordinary revenue. Some of the considerations which present themselves on this head have been stated in the last paragraph.

12. But it is not understood that Messrs. Forbes or Currie would follow Mr. Wynne's method; they would, apparently, avoid all existing data, in the form of rents, leases, &c., and feel their way by such available items of comparison as suggested themselves. Conducted as they wish, the system of settlement on natural capability cannot in my opinion be too strongly protested against. At any time it is very difficult to tell how far the natural unworked resources of the soil will be utilised: how far, *e. g.*, kutchha wells either can or will be dug, or fresh land broken up. It is a calculation entered on very warily: confined to comparatively small areas: and carefully tested by the facts observable in their immediate neighbourhood. But here it is proposed to apply the calculation to the whole area exposed to the influence of land water. It will be observed that such a system casts itself free from actual rents, leases, &c., so far as they can be ascertained, because these are, of course, founded on the supply of canal water. Not content with the uncertainty which, under the most favourable circumstances, is present to the assessing officer, the system ventures to decide how many wells should be dug; how many acres should be irrigated; what land apart from the influence of canal water should be taken up; what kinds of crops should be grown; what their amount should be; and what should be the portion and amount of rent received. It is even proposed to reject the influence upon assets of proximity to markets and advantages of carriage. This is "natural capability" indeed. How are the limits of the exact influence of markets and roads to be determined? Is the out-turn and price of an acre of the crop that can be grown in the village situated furthest from its market, and divided from it by the most detestable road, and the most impracticable rivers, to be the standard of assessment.

13. Before the remedy proposed by these objectors is admitted, I think that they should clearly lay before Government the details of their scheme of assessment, and of its effects on a given tract of country. Their scheme admitted and approved for the reasons already given, strong objection lies to the method in which they would then propose to raise their supplementary revenue. It may be added that the disadvantages and risks attaching to the scheme, even as Mr. Wynne puts it, are far greater than in Mr. Martin's hands. For while the former would fix his assessment as the revenue to be yearly paid, the latter would only fall back upon it in the extreme case of stoppage of canal or other similar calamity. The consequences attending error would be proportionately less.

14. I turn now to the second objection: to the position of Government as canal owner.

15. Mr. Hume's argument appears to me, though I speak with great deference, faulty, both in principle and in practical application. In the latter, indeed, it has very much in common with the views already noticed, but it goes further. The State is the landlord in India: and I fail to see how it can be landlord in one department, and a "Criminal Company" in another. To the interests of Government as a landlord, the principle advocated by Mr. Hume is directly opposed; and it may be urged that it is financially unsound. The community, whose interests Mr. Hume advocates, are no less interested in a flourishing agricultural body, than in the sums immediately paid into the Treasury. They would probably

probably find that the sums so paid were but triflingly in excess of the present amount, while the extension of cultivation, both in area and in the kinds of crops, was materially suffering. But this is a point which must be left to more qualified authorities.\*

16. Mr. Hume pushes his theory to its legitimate conclusion when he admits that, if a demand existed, he would charge for all water at the flush irrigation rate for cane. The principle he has adopted would not only justify Government in charging the cultivator as much as he could pay for the water, but in charging, if it could find purchasers, so high a rate that only cane could be irrigated. The only good resulting to the agricultural class would be that, in times of famine, the cultivators who could pay the sugar-cane flush irrigation rate would be saved from starving. It can scarcely be supposed that it is the aim of the Government to take up the commercial view of the canal so actively as to push all its other interests out of the field.

17. As regards the application of his views, Mr. Hume admits that, in order to meet them, the profit left to the cultivator must be a minimum; otherwise he sees that, as the cultivator pays the water rate, the landlord will derive from enhanced rents a revenue, of which not a pice will go to Government. But it can scarcely be supposed that so acute a thinker did not see that, apart from the question of enhanced fertility, the rent which the landlord derives from the breaking up of fresh lands in consequence of the use of canal water, is a source of income to him which the natural capability system and the canal authorities will fail to touch. The landlord derives an enhanced income from three sources owing to the canal:—

1st. From the increased rental due to an enhanced fertility.

2nd. From the higher rents arising from the greater proportion in which the better classes of crops are grown.

3rd. From the rental received on account of *fresh* land broken up. And this, as Mr. Hume, on his own showing, would chiefly supply water to lands enjoying no previous means of irrigation, will prove a very considerable item. Mr. Hume thinks he can deprive the landlord of the two former sources. Whether a field gives only an increased crop, or a new and more valuable crop, Mr. Hume thinks he can so pitch his water rate as to swallow up anything, but the merest difference between the former and the present rent. But, as far as I understand, he leaves to the undisturbed enjoyment of the landlord all the income accruing from the latter source. And it must be remembered that it is not the landlord on whom the trouble and expense of breaking up fresh land falls. He gets his rent, and can claim no immunity on the score of enterprise. *That* was the cultivator's.

18. But even with respect to the first two sources, Mr. Hume's scheme appears involved in difficulties. These difficulties apply also to the scheme just discussed; but while it was then, for the sake of argument, admitted that landlord's rents might be lowered through enhanced canal rates, it is now sought to point out briefly the difficulty, even under Mr. Hume's bolder views of touching rent. If Mr. Hume gives water where wells already exist, the measure of his water rate will be about the expense of well irrigation, and rents will, of course, remain as they were. If he gives it where wells exist or not, he will have, very probably in the same village, differential rates, with all their disadvantages. Finally, he may confine the supply of water to tracts where no wells exist. This, over the whole canal area, would be difficult, if not impossible; and it is precisely in these tracts that the landlord gets the advantage of the new *creation* of rent, which, as has been noticed, Mr. Hume's scheme leaves untouched. I do not understand that Mr. Hume hopes or intends to swallow up *all* rent. But even if canal water could be confined to tracts lacking all natural means of irrigation, or if to such tracts a higher water rate is applied, I believe the cultivator would require a very considerable margin of profit to attract him to the water, and compensate him for the drawbacks attending its supply. The Indian cultivator will not, so far as my limited experience goes, grow a better and more expensive class of crop unless admitted to his full share in the division thereof. If the canal owner took the landlord's share, the landlord would still insist on participating in the share remaining to the cultivator, and the law would decree the landlord a share. Mr. Hume has prudently abstained from even indicating approximately the per-centage with which he proposes to satisfy the cultivator.

19. So again, Mr. Hume recognises the necessity of having locally differential rates, according to the purchasing powers of each tract. But I do not think he can stop there, or rather I do not think he can define other local limits, than at least the limits of each village. The purchasing power of neighbouring villages will assuredly differ; if from no other

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\* I would call attention, however, to another monstrous but logical issue of this mode of reasoning. At page 75, paragraph 9, Mr. Wynne argues that after Government has, by canal water, "superseded" previous sources of irrigation, that is, thrown wells out of repair, or affected the nature of the soil, or swamped all kutchas, after, in fact, Government has destroyed all natural sources of irrigation, it may charge a rack rent for the water supply of which it now holds the monopoly. This would be palatable advice to the Shah of Persia; but can scarcely recommend itself to the Government of India.



other cause, from the wealth, caste, and habits of their occupants. Which then is the rate to be adopted? If the highest, can we be sure that the demand in the villages paying that rate will absorb all the available supply? If any other rate, what rate? As we recede from the highest possible rate, we leave a proportionate profit in the hands of the cultivators, and an enhanced rent in the enjoyment of his landlord. Mr. Hume's scheme is further open to all the objections which have been urged against the more moderate views already noticed.

20. For my own part I would classify the assessment with Mr. Martin: and, in preference to differential rates, I would fix a rate to meet future irrigation, with Mr. Crosthwaite. It is as the *landlord* that Government claims a share of the *rental*: and it seeks as far as possible to equalise its assessments, on the landlord, whenever levied. Differential rates would very probably not affect the landlord's rental. But I would apply this rate, not annually, but on averages of five to ten years. Speaking generally, the average rate of the "Extraordinary Revenue" in each circle, on the area subjected to canal irrigation, will give the rate to be applied to the area subsequently brought under irrigation.

21. There can be no necessity to enter in the Durkhast the classification of the assessment. It need not be thrust under the landlord's notice. It is for the purposes of Government, and for its guidance, rather than for the information of the landlord.

22. Careful and uniform instructions will doubtless be necessary for the definition of the canal assets. But it must be remembered that we do not need to calculate with arithmetical precision the amount of revenue due to canals. What we want to know is, broadly, the figure which represents the amount of land revenue arising from them; so as, in case of great emergency, to be ready with our data for relief. I say great emergency; for against all partial losses may be set the progressive rise in prices, and in the welfare of the agricultural community.

(signed) A. Colvin.

10 May 1865.

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ANSWERS TO QUESTIONS, by Mr. Currie.

A set of questions proposed at the late Conference at Agra regarding the Canals affecting the Permanent Settlement of the Land Revenue and replies to the same, by Robert G. Currie, c.s.

Q. 1. How far does canal water rent practically affect the rent of the landlord?

A. 1. In replying to this question it is necessary to bear in mind that the usual rent-rates are calculated according as there is or is not irrigation, that is to say *wet* rates and *dry* rates. It must be also assumed that the canal water rent is paid exclusively by the cultivator, as is generally the case.

Canal irrigation raises the rent of the landlord inasmuch as he demands, and is entitled to receive, enhanced rents for irrigated lands, and hence for every acre which comes under canal irrigation the landlord receives [or may receive] from the cultivator a wet rate instead of the former dry rate, the wet rate being more than half as much again as the dry rate, and often double of it or very nearly so.

The canal water rent may then be said to raise the rents of the landlord, as from the supply of canal irrigation canal water rents are imposed, and on proof of supply of canal water the landlord raises his rates of rent from dry to wet, or say from two rupees per acre to Rs. 3. 12., or 4 rupees per acre. This is the existing state of affairs whilst the canal water rents are low, and are rather cheap rates chargeable on the crop grown than rent, and amount to about two rupees per acre on the average, including all crops grown in the usual proportions.

The canal water rent, let it be raised ever so high, can never lower the landlord's rent below the *dry* rate of rent which the same land paid before it was irrigated by the canal, or would now pay if canal irrigation ceased and the land was incapable of any artificial irrigation; nor yet, so long as the canal water rent is kept at or near its present rate, will it in any way lower the landlord's *wet* rates of rent, or at all lessen his assets.

Generally speaking the canal water rents may be raised to the point when they nearly equal, and commence really to compete with the expense of well irrigation, without in any way lowering the landlord's rents. It must now be understood that I assume that canal irrigation is in existence, and that *wet* rates of rent are being paid and not *dry* rates to the landlord for the lands actually in receipt of canal irrigation. Hitherto the canal water rates have been so low that canal irrigation cannot be said to have competed with well irrigation, for the canal has at once either totally destroyed temporary (*kucha*) wells or made the construction of them expensive and dangerous, and has offered in most instances a larger and more rapid supply of water at less cost and labour. The wells then have not had a chance to compete on fair terms, and the canal has had the irrigation all its own way; but as the permanent settlement is extended and the canal water rents are raised, this state of affairs will certainly change.

Where wells are constructable, and do still exist, or have only fallen into disuse, or been allowed to go out of repair owing to an abundance of cheap canal irrigation, I think that unless

unless the supply of canal water is maintained much more equal and regular than it hitherto has been as a rule (of course there are exceptions), so soon as the canal water rents are raised to near an equality with the expense of well irrigation, they will at once tend to lower the rents of the landlord. It must be remembered that the price for canal water has to be paid down in ready money on demand, whilst the expense of well irrigation is not so immediate, and every one can understand that it is much harder, and seems in reality a greater expense and pull on one's means to pay down 100 rupees cash at the very time that other urgent and pressing demands for cash payments are being made, than to lay out even 150 rupees from time to time over a period of six or nine months, or even a year. What I therefore assert is that, so soon as the canal water rents are considerably raised, the cultivator will go to his landlord and say, "So long as the canal rates were low, and I could sow what crops I liked, and pay a graduated scale of rates to the canal accordingly, I did so, and paid you your full wet rent as well, now the canal water rates are raised, and my profits are much lowered, and you must repair your wells, and I will irrigate as much as I can from them, or else you must share my expenses in canal water rates, or reduce your rent, or I must give up a great portion of my canal irrigation, for I cannot afford to take near so much water at the price now demanded." If the landlord refused, he would lose by the cultivator only irrigating, say, 10 acres from the canal instead of 15 acres, and paying the landlord wet rates for 10 and dry rates for five acres, instead of wet rates for all 15 as before. If the landlord repairs his wells, he will still lose, even though the cultivator agrees to pay him higher wet rates for well than for canal irrigation, as the area irrigated from the wells will be less than that irrigated from the canal.

I maintain then that, if the canal water rent is considerably enhanced, it will lower the landlord's rents. The extent of course will vary according to the parties, the amount of increase of canal water rent, and the peculiar features of each individual case. Even now in the Boolundshur district, which has been re-settled, the landlord's wet rates for canal irrigated lands are, as a rule, rather lower than the wet rates for well irrigated lands.

It is no anomaly nor yet any mere supposition to state that the cultivator will apply to his landlord to share the enhanced canal water rents, and that the application cannot be disregarded by the landlord without his being a greater loser than by coming to terms. It must be remembered that, in the case of well irrigation, the landlord is only entitled to wet rates, or enhancement of rent when he has himself made, or helped to make, or to keep in repair the well, or at all events when the expense has not fallen solely upon the cultivator, and this just principle is universally recognised by the proprietary and cultivating community, and by the existing laws for the regulation and decision of rent. So also must the landlord bear a share of the expenses of canal irrigation if he is to share in the profits. Hitherto in new assessments (*i.e.*, newly revised settlements) the landlord's share of the expenses has been a higher Government demand, or assessment calculated upon increased profits accruing from, and due to, canal irrigation, whilst the cultivator's share has been, and still is, the payment of the canal water rate, which is not a full rent, but rather a cheap and favourable rate. If then the canal water rents are considerably enhanced (as\* it is proposed that they shall be forthwith), the proportion now borne by the proprietor would no longer be a fair share or proportion, and as explained before the proprietor would be obliged to bear a further share of the enhanced expense; for the mere enhancement of the canal water rates, would not produce a corresponding increase in the quality, quantity, or value of the crop grown. The gross payment of the cultivator would not be lowered, on the contrary it might and probably would, and could, and indeed should, under such circumstances, be increased, but the shares of that payment to the landlord and canal respectively would be altered, the amount paid to the latter (the canal) being increased, and to the former (the landlord) diminished.

\* Recent orders of Supreme Government.

This question is of still greater moment when it is considered that the present assessments are in a great measure based upon the enhanced profits due to canal irrigation, and that it is now proposed to at once raise the canal water rates considerably, and that no guarantee is given that they will not be further raised as soon as any necessity occurs, or as soon as it is considered that higher rates can and will be paid; but that, on the contrary, a further right of enhancement is distinctly reserved by the Government in the orders for the present contemplated increase. This point will be again alluded to further on. It is here merely mentioned that the enhancement of the canal water rents will, in many instances, at once lower the landlord's rents, those very rents being the basis of the permanent settlement which has already been carried out in several districts, and is being made in others.

I trust that I may not be considered to be digressing from the subject if I also here mention that the new canal water rates, viz., five† per acre for sugar cane, and *Rs.* 2 4. for all other crops, will also further affect the landlord's rents, inasmuch as one of the great reasons for the extensive use of canal irrigation has been its cheapness and the manner in which the price of the water has been adopted to the crops grown. My opinion is that, although the entire supply of water provided now, or that ever can be thrown into and distributed by the canal, will be used up, even though the proposed rates were doubled, yet that by the proposed enhanced rates the *proportion* in which that amount of water will be consumed will greatly change. I mean that villages which now take, and have been in the habit of taking, canal irrigation for 500 acres of land, will not take for more than 350 or 400 acres, for it will not be worth the while of many cultivators to take water for the inferior kind of crops, and to pay a higher rate for them than they used to pay for wheat, and though there are exceptions, yet, as a rule, the cultivators will not be able to substitute the better crops for the poorer ones, and will, therefore, leave the poorer ones unirrigated. This

† Scale proposed by Supreme Government.

then will more than ever affect and lower the landlord's rent. But then the assessment has been calculated and made permanent upon existing assets and upon the present and past data and state of cultivation, with the prospect too of improvement from the steady rise of prices, and particularly of grain and all natural products.

Even at the risk of being thought tedious, I wish to explain why I believe I am correct in my opinion that the area of canal irrigation will decrease in many villages owing to the increase of canal water rates from *Rs.* 1. 12. for wheat, and less for the coarser and cheaper crops, to *Rs.* 2. 4. per acre for wheat, barley, &c., and all the coarser crops. I may here mention, though it seems almost unnecessary, that I have been hitherto, and am still referring to non-proprietary cultivators, mere tenants, whether hereditary, or otherwise, as distinct from cultivating proprietary communities; for in those cases the cultivators and proprietors being identical, and no rent being paid but merely the quota of Government revenue, no remarks regarding *rent* can possibly refer to these "Bhyachara" or cultivating proprietary communities. Well, then, I think it will be admitted that the mere tenant, the ordinary cultivator, is poor, has no command of capital, and lives for the day and from hand to mouth, spending any profits a good year may bring him in the marriage ceremony of a son or daughter, or some other relative, in fact doing anything with it but storing it up against a rainy, or in this country (which goes by contraries) a dry day. Whilst canal irrigation was very cheap, and the water rates were adapted to the crops, he sowed as much sugar cane, cotton and wheat as he could manage to sow, and look after, and weed and irrigate, and poorer crops in the rest of his land, which he could water once or twice, or perhaps three times, but could depend much upon them to take care of themselves. Every one knows that the finer and better the kind of crop, the more is the labour required, there is more ploughing, more weeding, more watering, and more general looking after necessary for wheat than for barley, even putting the "khurreef," or common millet and pulse crops out of the question. Rather therefore than pay the enhanced canal water rates for his poorer crops, he will not take the water. He will increase his wheat perhaps a little, but he certainly will not be able to do so much, and will rather trust to his fortune and the chance of rain for his coarser crops, than pay canal water rates for their irrigation when he knows that it is doubtful if it will repay him to do so.

Paragraph 24.

Whilst upon the subject I must allude to the great difficulty which would be experienced in introducing the differential rates ordered in the Governor General's Despatch on the introduction of the permanent settlement, viz., a different scale of rates to be charged for canal water on lands assessed as canal irrigated in the settlement, and another higher scale for lands which have since come under canal irrigation, and which were not included in the assessment as canal irrigated lands. If properly carried out, this system of two sets of rates, a higher and a lower scale, will, in many instances, be in force in one and the same village, and on one and the same irrigating channel in that village.

The complication that would ensue can be more easily imagined than explained, but it would be such as to affect every canal irrigated village of whatever kind of tenure whether ("Zemindaree") belonging to one or more proprietors, and cultivated by their tenants or ("Bhyachara") to a cultivating proprietary community, into which it was introduced. The result would be numerous intricate quarrels and squabbles amongst the members of a cultivating proprietary community, and in "Zemindaree" estates, of endless litigation between landlord and tenant, and the fire-brand of such another general blaze regarding rent as is now raging in Bengal Proper.

Q. 2. Whether, in assessing lands for the permanent settlement, it is incumbent on the Government to assess irrespective of canal irrigation, or upon existing assets?

A. 2. I have already discussed this question at some length in my pamphlet "On the introduction of the permanent settlement of the Land Tax," and I again recapitulate briefly the chief points in favour of assessment entirely irrespective of canal irrigation.

1st. Security of Government against prospective loss, from the canal being still in its infancy, and irrigation therefrom fluctuating and uncertain, and hence assessment thereon necessarily inadequate; and also security of Government against undue sacrifice of profits from extension of canal irrigation, and more particularly to hitherto unirrigated and even uncultivated areas.

2nd. Stability of land revenue, and the immunity of Government from suspensions and remissions of revenue, and from being cast in damages for loss of profits sustained by proprietors in the event of sudden, partial, or extensive, or even total failure of canal irrigation for a short term or a lengthened period.

3rd. Uniformity of practice and consequent entire freedom from complication and misunderstanding, which is likely to arise if one uniform plan of assessment is not adopted; and also of the system proposed, of assessment upon natural capabilities irrespective of the canal, to present and future state of canal, whether now completed, or in process of formation, or not yet even contemplated, be those canals the property of Government or of private companies.

4th. Great gain to Government as owner of the canal from being able to enter the market, and charge the full price and value of its canal water, and the entire liberty of Government to withhold the water from certain places, and to distribute it wherever it was most remunerative, unshackled by any guarantee or even implied promise to keep up a certain supply in a certain place. Also a similar liberty of action in the event of the canal becoming the property of a company.

5th. The justice and equity of charge for canal irrigation being made only for such lands  
and

and to such an extent as water is actually supplied, and from those who use and profit by the water which cannot be, so long as assessment is made in perpetuity upon either the average of past years of canal irrigation, or upon any data now obtainable, and the supply of canal water is as uncertain and fluctuating as it now is.

6th. Uniformity and equality of assessment, which cannot be obtained if the assessment is made inclusive of canal irrigation, when that canal irrigation is daily extending and reaching lands already permanently assessed, inclusive of canal irrigation close by, within a few miles, which are more highly assessed, and can with difficulty obtain that supply of canal water they have hitherto enjoyed, and which is absolutely necessary to them to keep them in fair competition with their neighbours, and to pay their revenue already enhanced upon the supposed certainty of supply of an adequate amount of canal irrigation.

Under the first head of security of Government against prospective loss comes up again the question of differential rates or two different scales, one the lower for canal irrigation for lands already assessed in the settlement as irrigated, and the other, the higher, for new irrigation from the canal which has not been included in the assessment of the land revenue. Unless differential rates are extensively adopted, the loss to Government must be great; and if they are adopted, the complication will be so gigantic as to swamp the revenue, and civil courts of the district, and very probably to necessitate the deputation of special officers for the mere decision of cases consequent upon the introduction of differential rates.

Mr. Martin, the Collector of Mozuffernuggur, in his letters to the Board, and in comments upon my pamphlet, is of opinion that differential rates will not be required in one and the same village, but merely in different tracts. Mr. Martin of course knows his own district best, and is very likely correct in his assertion, but he also well knows that these said differential rates would cause endless quarrels and litigation, and, in common with others to whom I have spoken on this question, and the certain difficulties consequent on the introduction of differential rates, rather closes his eyes against them, and endeavours by so doing to avoid looking the question fair in the face, and is content with saying that it need not and cannot be.

If the assessment be made upon the natural capabilities of the soil, its productiveness, and possibility of artificial irrigation irrespective of the canal, no differential rates would be necessary, but the canal authorities would be at liberty to take their water to the best market and get the best price for it.

I do not attempt to put forward any opinion of my own as to the power of the Government to increase the canal-water rates, although the assessment be made in perpetuity upon existing assets inclusive of the canal; but I merely wish to draw attention to the fact that these said existing assets, as before explained, will at once suffer and be reduced to a greater or less extent immediately upon the introduction of the proposed enhanced scale of canal-water rents. I simply ask, what will the proprietary community think of the justice and fair dealing of Government in making a permanent settlement upon existing assets largely based upon canal irrigation, and then immediately reducing those said assets, the basis of assessment, by a considerable enhancement of the canal-water rents?

The permanent assessment being openly and avowedly made upon existing assets inclusive of canal irrigation, is not Government bound not to interfere with those assets, and is not Government equally bound to keep up a regular supply of canal irrigation by which means alone the proprietor's assets can be maintained? In the event of considerable failure of supply of canal irrigation, would not claim for loss of profits and injury to crops lie against the Government? Is the Government in any way protected from such prosecution and liability to damages from the mere insertion in an arbitrary printed form of agreement that the engagement to pay a certain sum as revenue is made "without excuse for failure of irrigation"? It is an anomaly to apply such terms as agreement or engagement, I consider, to such an arbitrary document, one of the would-be consenting parties to which is in reality no free agent.

Or, to take another view of the case, which is not supposition, but I believe honestly entertained and defended by, at all events, some few adherents, is it fair, or just, or equitable, or becoming a powerful Government to make a permanent assessment of land revenue upon existing assets much augmented by, and in a great measure dependent upon, canal irrigation, and nevertheless to ignore the existence of canal irrigation as one of the chief features in and principal props of the profits of the landed proprietor and his existing assets, which are being assessed? Imagine the blank look of despair of a settlement officer on being recommended to make a full and complete assessment upon existing assets, giving all his data and reasons for such assessment, but on no account to mention the canal, albeit the canal was in reality the great element in irrigating and fertilising the land, and causing or at all events enabling it to produce those rich crops from which the assessable assets were obtained. The case of assessment upon existing assets, inclusive of canal irrigation, must be weak indeed when defenders of it have recourse to such stratagems and arguments as these to avoid the difficulties and complications which they cannot deny or disprove.

I would further ask, why have two systems of assessment; why have two methods of settlement affecting the same tract of country? Why should existing canal irrigation be included in assessment, whilst other tracts and villages which will soon be reached by canal irrigation are assessed, as they now are, irrespective of canal irrigation? What hope is there of uniformity and equality of assessment under such circumstances?

The main objection urged against assessment upon natural capabilities entirely irrespective

of the canal, is the great loss of revenue that, it is argued or rather supposed that, this method would entail. This great amount is not in reality so very vast a sum. It has been greatly magnified by those who assert the loss would really be very great. For instance, Mr. Martin, the collector of Mozuffernuggur in some printed remarks of his upon the opinions of myself and other settlement officers on this question, hastily concluded that the loss in his district alone would be four lacs of rupees. He has already come down to two lacs, and this computation is not based upon full details and actual facts, but is a biased approximate rough calculation, to say the least of it, not altogether in conformity with our proposed method of assessment irrespective of canal irrigation. In the Bolundshuhur district the loss of revenue upon the new permanent settlement of about 12½ lacs of rupees will be 38,000 rupees,\* certainly not more, and perhaps 1,500 rupees less. This is not a mere computation or approximate calculation, but a deduction from the actual results already obtained in the greater portion of the canal irrigated villages. I have, moreover, worked out and proved in three pergunnahs, which may be fairly taken as a sample of the whole tract affected by this question, that if the plan proposed in my pamphlet of increasing the canal-water rents to half as much again be adopted, Government does not lose any of that 38,000 rupees even in the first or second year, and after that must be a great gainer. This proposition, however, of mine has been in a great measure nullified by the recent orders for raising the canal-water rents under any circumstances. Nevertheless, if the assessment be made irrespective of canal irrigation, those water rents can be raised much higher than if the present system of assessment, inclusive of canal irrigation, be maintained, and all difficulty of differential rates is at once disposed of by the necessity for differential rates being itself done away with.

If, however, it be still asserted on the part of Government that there is a loss of "an extraordinary land revenue" due to increased productiveness from canal irrigation which is not made up by enhancement of canal-water rent, for that the canal-water rent is a separate matter and would be enhanced anyhow, then I think that the best method of supplying this deficiency is that proposed by Mr. Crosthwaite at the conference. For my own part, however, and this is also the opinion of our party generally, I think that, as the loss is so small when compared with the many advantages of the proposed system, the Government may well forego that slight pecuniary loss, and not have recourse to any method for recovering it. Mr. Crosthwaite's plan briefly stated is, having assessed the permanent land revenue, irrespective of canal irrigation, to have a fixed acreage rate separate from the canal-water rent to be levied upon the actual area under canal irrigation in each year, and paid as "extraordinary land revenue" to Government by the proprietor. The acreage rate would be fixed and not liable to alteration, but the actual sum paid would fluctuate and vary according to the actual area of canal irrigation. I do not apprehend that the permanency of the assessment would be in any way affected by this plan, for the land revenue would be permanent and also the acreage rate, and it would most effectually meet the fluctuations of canal irrigation. It would involve no guarantee of the supply of even one acre of canal irrigation, and be very simple in practice and easily understood. If eventually contracts for canal irrigation are given, this extraordinary land revenue might be leased out also.

Q. 3. If the former [viz., assessment irrespective of the canal], then on dry rates, or on the supposed capabilities of the soil or how?—

A. 3. Certainly not on dry rates, unless the land entirely irrespective of canal irrigation is utterly incapable of any other artificial irrigation whatever, either from wells or tanks, or the like. I have already expressed my views in my before-mentioned pamphlet, that the permanent assessment should be based upon the real and intrinsic qualities and properties of the soil, the means and appliances for artificial irrigation entirely exclusive of canal irrigation, and upon the land, its fertility and productiveness, its immunity from drought, or its liability to being affected by unseasonable years, its peculiar features as it was and might again be without the canal, and even still is or might be with the canal in existence, or in other words upon its natural capabilities.

I have been misunderstood to mean, in my pamphlet, that I advocated assessment on dry rates, simply because, in an exemplar, in which the point at issue was canal irrigation or no irrigation at all, I purposely avoided making the subject under discussion intricate by the introduction of foreign matter; and also because, in treating in another place of canal irrigated lands in contradistinction to unirrigated lands, I took for granted that the readers of my pamphlet would read it as a whole, and not select one or two stray sentences irrespective of the context and drift of the argument, and apply to them a meaning, apart from the general argument, which they were not intended to convey. I would request those who so misunderstood me to compare the passages noted in the margin, and to read them together as connected portions of the same argument. I fancy it will not be denied that facility of irrigation due to solidity of sub-soil and proximity of water to the surface is included in "the intrinsic properties and productive qualities of the soil," or in "the physical and natural properties and qualities of the soil."

I object to the term used in the question "supposed capabilities of the soil," and maintain that the capabilities are real and not supposed, by no means so much supposed or conjectured

Page 19 of Roorkee and 20 of Allahabad Edition.  
Page 17 of Roorkee and 18 of Allahabad Edition.  
Roorkee Edition, pages 16, 22, and 23, Allahabad Edition, pages 17, 24 and 25, and Appendix No. II. page XII.

\* Although the total loss to Government is small and insignificant, yet the difference of assessment in particular instances is considerable, varying from 10 to 15 and even 25 and 30 per cent. in some particular villages.

jectured as the existing assests of a "Bhyachara" village in which there is no rental, where the proprietors are the sole cultivators, and pay no rent but merely distribute and pay the amount of the Government demand.

Mr. Martin, in supporting the present, and opposing the proposed system of assessment, casts in our teeth that our system is nothing new, that it is the system that has always been observed in all assessments up to the present time, that it is merely existing procedure dressed up and decked out in long high-flown terms and flourishing titles, and called "assessment upon natural capabilities." We do not profess that our system is new, that it is any fancied theory, that it is any invention of our own ; and the only flourishing title of which I am aware, and to which we none of us lay claim, is the designation applied to our system by Mr. Martin, "wholesale charge for wells not in existence."

Strange inconsistency this. Our system is not new, but it is based upon "wholesale charge for wells not in existence." Is this the method, are these the principles upon which all the long term settlement now coming to a close has been made?

Q. 4. If the latter [upon existing assets], then on a summary or average rate, or on the actual jumabundee?

A. 4. If the assessment is to be made upon existing assets inclusive of canal irrigation, the same process and details and mode of procedure should be adhered to as now exist. No assessment can be made on the actual "jumabundee" or rent-roll, for in many "Zemindaree" villages the rent-roll is false and useless, and in "Bhyachara" there is no rent-roll at all. The result of carefully ascertained and accurate average rent rates for the various kinds and denominations of soil, checked by and compared with true rentals wherever obtainable, and also by summary rent rates irrespective of quality and denomination or irrigation, and the results obtained therefrom, give as accurate assumed rentals as can be required. The average incidence or acreage rate of Government revenue in villages of like capabilities is a very safe test, both on the cultivated and also on the "malgoozaree" or assessable area. To fully include canal irrigation, however, the wet rates would have to be applied to all lands irrigated from the canal, or at least to the nearest approximate average extent of canal irrigated area obtainable. But the entire area irrigated from the canal is by no means solely dependent on the canal, but is much of it irrigable from wells, and hence all lands irrigated from the canal cannot be assumed to be unirrigated but for the canal, and entirely dependent upon the canal for capability of paying wet rates.

Q. 5. Whether the permanent settlement should be deferred until after the completion of the Ganges Canal?

A. 5. If it is determined that assessments be made inclusive of the canal, yes, certainly. For when the canal is remodelled and completed, it is very doubtful whether the distribution of the canal irrigation will be anything similar to what it now is. Villages and lands which might now be assessed comparatively lightly on account of a small amount of canal irrigation, may then get a great quantity of canal water over a large area; and on the contrary, villages now thoroughly and almost entirely irrigated by the canal, may afterward be able only to obtain a very much smaller supply, and be charged a higher price too for what little they do get.

If, however, the proposed system of assessment upon natural capabilities entirely irrespective of the canal is adopted, then any such delay is unnecessary. Indeed the sooner and quicker the revisions of assessments are made, as the settlements expire, the better.

Q. 6. Whether any amount of land revenue can fairly be credited to the Canal Department?

A. 6. Supposing that the assessment is made inclusive of canal irrigation, and that any portion of the land revenue is based upon, or in any way dependent upon, canal irrigation, there can be no harm or unfairness in crediting that portion of the revenue to the canal, but this is a mere matter of detail in account. I however look upon land revenue as entirely separate and distinct from canal profits, and am myself averse to mixing the two up together. If, however, the Government will not consent to forego the small and comparatively trifling initial loss from assessment, irrespective of canal irrigation, and maintains that there is a further extraordinary increase of value added to the land, which cannot be touched by enhanced water rates, then, as described before, I would meet that loss by the fixed acreage rate proposed by Mr. Crosthwaite. The sum thus collected would be variable (though the rate itself would be fixed), and would depend entirely upon the amount of supply of canal irrigation, and might fairly, and indeed, I think, should be credited to the canal as an extraordinary revenue caused thereby quite separate and distinct from the price of the water. So long as Government kept the canal in its hands, this extraordinary revenue would be credited to the canal, or rather in the name of the canal. If the canal were made over by Government to a Company, this extraordinary revenue would be collected by Government or the canal company, according to previous arrangement and special conditions. If it was agreed that the revenue should be collected by Government, and not be given over to the canal company, then that item would assume the feature of a royalty paid to Government by the landed proprietors for the use of, or permission to, use canal water, and would become one of the extra or "sayer" items of the revenues of India.

Q. 7. If the settlement be made on existing assets, of which a portion is derivable from canal irrigation, should the assessment on this portion be made separately from the assessment on the assets which may be held independent of canal irrigation?

A. 7. I consider that in such a case it is absolutely necessary and expedient, and also fair and just that the assessment of the amount of revenue entirely dependent upon and due to canal irrigation, should be shown distinct. The entire Government demand, or "jumma," should be named and sub-divided into two heads, the one the amount irrespective of canal irrigation, and the other that dependent upon canal irrigation.

Even this plan, however, which is not approved of by many of the supporters of the present system of assessment upon existing assets, inclusive of canal irrigation, does not by any means meet the exigencies of the case. The doubt and uncertainty which would exist, and the numerous claims to remission would respectively go far to counteract the benefits of a permanent settlement, and also defeat the very object of the discrimination in the assessment between the two amounts. The remission where it was necessary, and if necessary, it should be speedy and instantaneous, would be tardy, and great hardship would have been sustained during the delay. There would be a great unwillingness also on the part of the district officers to acknowledge the necessity of any remission, and great opportunity offered to all the subordinate native officials for speculation and oppression. That assessment could not be *ad valorem*, and it could not do away with the greatly-to-be-dreaded and if-possible-to-be-avoided differential rates. I think it would cause a great increase of work, and would not afford any real speedy relief where it was most required. If the district officer granted or recommended considerable reductions and remissions, he would soon have his attention drawn to the fact that in his district alone the remissions of extraordinary revenue due to the canal exceeded such and such a sum, that in no other district was any such like extent of remission granted, &c., &c., &c.

As the settlements are made permanent, I presume that the demands for payment of revenue punctually will be more strictly enforced, and Government will endeavour to reduce the Tuhseel establishment and expenditure in collection of revenue; but how can this be done so long as it is more than probable that the assessment will press heavily in places and not be easily collected, and that there will be continual applications and inquiries on foot about remission of extraordinary revenue owing to failure of supply of canal irrigation.

So long as the land revenue and the canal are mixed up together and not kept entirely separate and distinct, there must constantly be complications arising which I think it cannot be denied must greatly affect the permanency of the settlement, and the anticipated advantages supposed to follow immediately upon the declaration of permanent settlement.

Great stress was laid in the conference, and frequent reference made by some of the senior members present to the fear and inadvisability of putting so much power into the hands and faith upon the judgment of the settlement officers as to allow them to assess irrespective of canal irrigation. Is it that the settlement officers have shown themselves to be mere theorists, crotchety, and not practical? Is there no supervision now exercised over settlement officers, or is it deemed to be impossible to test the correctness of their views, their data, and reasons for assessment, simply because irrigation from the canal is excluded from the ground work of assessment? Which of the two is preferable (even supposing for the nonce that settlement officers must be looked sharp after, and are not to be trusted, being by nature theoretical and obstinately crotchety, without a practical knowledge of their duty, and requiring a corresponding amount of supervision and minute surveillance) that such power should be entrusted temporarily to settlement officers and a really sound and permanent settlement upon the firmest and most secure basis be obtained, or that the permanent settlement, inclusive of canal irrigation, should be liable to be a constant cause of great damage and oppression from the supreme control of the canal irrigation being entirely in the hands of a few European canal officers with a large staff of native underlings who can any one of them cut off the supply of water from a village entirely dependent upon canal irrigation. Such cases have happened over and over again, as a village being punished by deprivation of canal water for a time, sometimes for a few days, sometimes much longer. Just think what tremendous power is put into the hands of every executive engineer on the canal, and of all his subordinates (who are and must be so numerous that the European officers cannot possibly exercise that amount of supervision and control that is necessary) when the permanent assessment is made inclusive of canal irrigation, and upon the obtaining a regular supply of water depends very likely the possibility of paying the Government revenue. Here is a constant fear of abuse of power, which very power would be much lessened by the assessment being entirely independent of the canal, and the canal department only credited with the proceeds obtained from canal water regularly supplied.

How is the difficulty of the "colabas," or outlets on the irrigating channels of the eastern Jumna Canal, being the property of individuals to be otherwise overcome, being, as they are moveable property, entirely distinct and separate from the village, and sometimes even from the particular watercourse? Will Government buy these up at their own price, or at the value originally paid by the purchasers? Their value has now doubled, and the very owners of these "colabas" are entitled to great consideration for having come forward and purchased them at a time when the money was required by Government, and on the purchase of these "colabas," depended the construction of the irrigating channel in which they were to be placed. The proprietors of these "colabas" are in reality joint-stock proprietors in the canal, and though they purchased their shares cheap are not likely to wish to sell them at all, and certainly not at any thing like the price at which they purchased them. On the Ganges Canal too it must not be supposed that the entire expense has fallen on Government; on the contrary large sums have been collected for village water-courses or "gools," small feeding channels varying from half a mile to two miles in length, offshoots  
from

from a main water-course or "Rajbuha." This has fallen very hard on certain villages and individuals, and in many instances cultivators have been paying canal-water rent, and defraying the expenses of the "gool," and also paying enhanced (*i.e.*, wet) rents to their landlords. This subject is, however, now prominently before the Government, and will no doubt be remedied. The proposed enhanced canal-water rents should include all expenses, and Government should construct and keep in repair all channels and water-courses.

I believe that the canal-officers are quite unanimous in wishing that the two Departments of Revenue and Canal should be kept entirely separate from each other. I wish to draw attention to the confirmation of my assertions regarding the uncertainty and fluctuation of canal irrigation which will be found in a short pamphlet by a canal officer published in October last, under the title of "Memorandum on canal irrigation in connection with the permanent settlement." It will be seen that the author of that pamphlet entirely agrees with me in the proposal for assessment irrespective of canal irrigation, and enters at some length into the causes of the impossibility of anything like a certainty of supply of canal water, and its annual and regular distribution in equal proportions, without which it is simply impossible to make a fair, full and satisfactory assessment upon assets largely dependent upon canal irrigation.

Q. 8. How would you make the permanent settlement if the canal had been made over to or were the property of private companies?

A. 8. It will be readily seen by what I have already written that I should entirely exclude from assessment of land revenue all assets entirely due to and dependent on the irrigation from the canal, and should make the assessment as before explained upon the natural capabilities of the soil and other means and appliances for artificial irrigation than the canal. I do not think that the instance of a railway opening up communication and raising prices and indirectly raising the value of land and the wages of labour is a parallel case. I do not see that it is a correct line of argument to hold that, because the Railway Company cannot claim a share of the Government Revenue which has been enhanced since the changes above named have taken place, therefore the Canal Company could not object to or claim a share of enhancement of revenue caused by the irrigation from their canal, or that it could be argued that the enhancement of Government Revenue in consequence of canal irrigation did not in any way affect the lawful income and profits of the Canal Company realizable from the sale of their water for irrigation. The difference between the two cases, and the consequent absence of any correct parallel between the two, appears to me to lie in the fact of the former instance and its results being general and indirect, whilst the increased productiveness arising from and dependent upon the canal is particular and direct. The influence and effect of the canal is special, recognizable, and tangible, and the canal itself is for the purpose of irrigation. The ostensible object of the Canal Company would be to supply irrigation and raise profits by the sale of their water, demanding a price for the water as nearly as possible commensurate to the increased productiveness resulting from the use of the water. I fail to see the correctness or force of the argument that an enhanced assessment of the land revenue upon those lands irrigated from the canal would not in any way affect or lower the price obtainable for the water. Surely this does not in any way hold good with or apply to the would-be parallel case of a Railway Company.

Suppose that in Calcutta the Government was to lay a tax of one rupee per mensem on every gas-lamp in the streets or in private houses, whilst no such tax was laid upon oil-lamps. Would not this tax immediately and directly affect the income and profits of the Gas Company? If gas (like canal water is in some places) was an absolute necessity, it would still be burnt, but the lamp posts would be put five or six yards further apart, and one gas-lamp would be found sufficient to light a hall where two had been used before, and the result would be a smaller consumption of gas and a corresponding loss to the company. I do not argue that Government could not or should not impose that tax, and reduce Calcutta to oil-lamps or perfect darkness; but I maintain that, as the imposition of the tax on the gas-lamp would affect the profits of the Gas Company, so also would the increased tax upon canal irrigated lands influence and lower the profits of the Canal Company, and that if the canal was the property of a company, the assessment should and probably would (except under some special arrangement) be made totally irrespective of increased productiveness and enhanced value of the land entirely due to canal irrigation alone.



ANSWERS to Questions by Messrs. *Forbes* and *Crosthwaite*.

*Answer 1.*—We answer that the total rent paid to the landlord is practically affected by variations in the canal water rate; but the water rate, in our experience, has not, and in our opinion cannot, affect the relative rates of rent in any given tract of country, provided that the water is not sold below the natural price of water in that tract. That price is the maximum cost at which water can be raised from the earth, leaving a remunerative profit to the cultivator.

*Answer 2.*—We think that it is incumbent on the Government, as a matter of honesty, to assess independently of the profits of canal irrigation, if they oblige the landlord to engage permanently.

If the canal supply could be even approximately guaranteed, our objections as settlement officers would cease; our difficulties in finance and administration would only begin.

*Answer 3.*—We would assess on the ascertained, not on the supposed capabilities of the soil, including in those capabilities the natural facilities for irrigation.

*Answer 4.*—We would assess on the ascertained "sursurree," *i. e.*, average rates, not on a jumabundee, which, even if actual, is only a fair representation of a single year.

We find existing in every part of a district, sometimes over a whole pergunnah, at other times in a cluster of villages, or it may be even in a single village, a known prevailing rate of rent amongst the people which has been in force previous to the opening of the canals. This is distinctly a capability rate, settled and determined by the people themselves from the experience of a long course of years. This known rate would form the basis or foundation of the whole permanent settlement. It should take the place of the assumed pergunnah rate, which, under the whole system, is arrived at by the settlement officer after abstruse calculations, based upon unfixed and variable data.

In proceeding to assess each individual village upon such known rate as our basis, we should lower or raise our rate as any special natural advantage or disadvantage, found to exist, might require. The distinction, therefore, between the old system and that proposed by us is this; that formerly assessments were made on, and assumed rental based on a calculation of existing assets; ours would be based on actual rates found to exist.

*Answer 5.*—No; we would not defer the permanent settlement until the canal repairs should be completed, because we would assess irrespective of the canal.

*Answer 6.*—Certainly not; the canal has nothing to do with the land revenue; as well might the guano merchant ask the farmer to place to his credit a portion of the profits of the land manured.

*Answer 7.*—If the settlement is to be made on the existing assets, of which a portion is derivable from canal irrigation, then, to secure the permanency of the settlement, and to prevent loss to the State, a separate assessment of that portion must be made.

But such an assessment is contrary to the principle on which, in our opinion, a permanent settlement should be made.

*Answer 8.*—If the existing Ganges Canal belonged to a company, we would still make the permanent settlement on the principles laid down in the answers to Questions 3 and 4.

Agra, January 1865.

(signed)

*W. A. Forbes*, Collector and S. S.  
*C. H. E. Crosthwaite*,  
Assistant Settlement Officer.

ANSWERS to Questions by Mr. *Money*.

1. THE ryot has the option of taking water or refusing it. He will not take it unless the value of the increased produce obtained by irrigation, exceed the amount of water-rate that he is required to pay. The use of canal water can, therefore, never afford a ground for reduction of the rent payable to the landlord; on the other hand, the landlord will be almost invariably entitled to demand an enhancement of rent under the conditions contained in the ruling of the Sudder Dewanny Adawlut in the case of *Kunjee Lall versus Rutu Lall*, 1st April 1863. The amount of water-rate paid by the ryot will be deducted from the increment of the gross proceeds, and the landlord will be entitled to claim an enhancement of rent proportioned to the net increase of produce.

The rent may be affected to the landlord's benefit by the substitution, in consequence of irrigation, of superior for inferior kinds of crops.

2. I have not time to recapitulate the arguments that have been advanced in favour of either course, and can, therefore, only state briefly my opinion, which is, that the exclusion of the assets due to canal irrigation would involve so large a loss of revenue that it is incumbent on the Government to make the settlement on existing assets. (Connected with this question, *see* further remarks in answer to Question 7).

3. In

3. In either case the settlement should be made on the supposed or ascertained capabilities of the soil, viz., if on existing assets, on the total rent now realised by the landlord, or, if the assessment be made independently of the assets due to canal irrigation, it should be on the total rent that the landlord would realise if the supply of canal water were entirely cut off.

4. With certain modifications, the settlement would be invariably made on the actual jumma, if this could be ascertained, but the settlement procedure requires that the assessment should precede the ascertainment and record of the rent roll. It would not be possible to obtain a correct rent roll if the landlord were aware that it would form the basis of the assessment of his estate.

Average rates alone are not sufficient for the determination of a jumma, because the conditions which affect the rent rolls of estates are so numerous and variable, that it is not possible to fix an average rate which shall be generally applicable. Each estate must be settled with special reference to its individual capabilities. General averages are very useful for the purposes of comparison. By directing attention to marked variations, they may often enable the settlement officer to detect errors in his estimates of actual assets on which the settlements are professedly made. The lands of two estates may be precisely similar, both in quality and extent; but it will not necessarily follow that their jummas will be equal, or will fall at the same rate either on the cultivation or the Malgoozaree. If the jummas were equal, they would, under the supposed conditions, necessarily fall at the same rate on the Malgoozaree; but if one estate had reached the utmost limit of cultivation, the settlement officer would be justified in making the settlement at less than half assets, with reference to the exceptional heaviness of the rate at which a full settlement would fall on the Malgoozaree, and to admit of the normal proportion of land being allowed to lie fallow. If the other estate were only partially or insufficiently cultivated, the settlement would be made at more than half assets, the rate on the cultivation being exceptionally high with reference to the lightness of its fall on the Malgoozaree. In every instance the settlement officer will endeavour to ascertain the actual assets, and will make his assessments thereon, with any modifications that may be due to capacity for further improvement or the reverse, or to any peculiar circumstances affecting the estate.

5. I would not defer the permanent settlement. Remissions may be granted on special reports in all instances where serious loss may be incurred by the stoppage of the canal.

6. No portion of the land revenue should be separately credited in account to the Canal Department. The canal will of course take credit for all that is realised in the shape of water-rate; but suppose the canal were sold by the Government to a company, the purchasers could not claim any portion of the enhanced revenue which had resulted from the canal irrigation. If such claim were admitted, the Government might hereafter with equal reason admit a claim of the Jubbulpore Railway to a portion of the increased revenue which will certainly be obtained from the Central Provinces when an easy outlet is afforded for the surplus produce which cannot now be exported. Rents will then be enhanced, and enhancement of revenue will necessarily follow. This enhancement will be due to the railway; but the railway must be satisfied with its carrying charges, as the canal with its water-rates.

7. I would advocate the division of the jumma of every canal-irrigated estate into ordinary land revenue, and revenue due to canal irrigation. Remission of the latter portion would be claimable on the failure or stoppage of the canal. I regard as fallacious the argument that such a provision would affect the permanency of the settlement. If the settlement is to be made on existing assets, and I understand the resolution of the Viceroy to provide that it shall be so made, the permanence of the settlement must be contingent on the maintenance of the canal. Notwithstanding any engagements that might be entered into for the payment in perpetuity of a jumma assessed on existing assets, such jumma must be reduced if the canal were to fail. The settlement would be actually permanent only in name, while it would be virtually a settlement subject to modification in the possible event of the stoppage of irrigation. By the other arrangement we should honestly admit the settlement to be what it necessarily must and will be, and should avoid the difficulty of obtaining the unconditional engagement of one party to the stipulations of a contract of which all the conditions, expressed or understood, are not held to be binding on the other. The Government would bind the zemindar to pay in perpetuity a revenue which could only be paid in the event of the canal being maintained, but would not, on its own part, at the same time guarantee the maintenance of the canal.

14 January 1865.

(signed) *R. Money.*

## ANSWERS to Questions by Mr. Robertson.

1. THE scale of the canal water-rate will only affect the rent derived from the land in tracts not possessing any natural facilities for irrigation; if, for instance, water is found within 16 or 18 feet from the surface, and kutchas wells can be easily constructed, should the canal water-rates be increased very considerably in a portion of the district where labour is abundant, the canal water will not be taken; though, if labour is scarce, well irrigation cannot be so easily resorted to immediately after the increase has taken place, still eventually the result will be the same. But should the canal rates be increased very considerably where water is far from the surface, the cultivator must accept these rates, which will eventually affect the rents received by the zemindar, the cultivator's profits being undoubtedly diminished to the extent of the increase made. The loss of profits to the cultivator, and consequently the zemindar's rent, will, however, under these circumstances, vary very considerably, according to the class of the soil and the facilities for procuring labour. High canal rates being demanded, a poor soil will not be irrigated unless labour and manure can be secured at low rates; thus for this soil the zemindar will only secure rents for bad unirrigated land, though rich lands may at the same time, and by the same cultivator, continue to be irrigated in spite of this high rate of water-rent; but here, even, the zemindar's rents will eventually suffer.

As a general rule, however, in the Saharunpore district, the water being near the surface in the tracts irrigated by the canals, the rents will not be affected by any increase in the canal water-rates, well irrigation being at the present time less expensive than canal irrigation, though the latter is preferred by an indolent race as being less laborious than irrigation from wells.

2. It appears to me incumbent on the Government officer to fix the assessments for a permanent settlement on the existing assets, even should these be partially dependent on canal irrigation. The canal has been formed from funds belonging to India in general; and in granting a particular section of the population, peculiar advantages by the expenditure of the public money, that section is bound at the same time to accept the risks attendant on those advantages, which are, after all, very inconsiderable; and in reality not merely so great as exist in some portions of the country visited by locusts, hailstorms, &c. &c. In the Saharunpore district, the natural facilities for irrigation are so great that it almost becomes a question whether it would not be a preferable course gradually to withdraw canal irrigation altogether, and reserve the water for those tracts where it is more required. Still there are localities of limited extent now watered by the canal where well irrigation could with difficulty be carried out. Generally, however, where this is the case, the soil is of a character that presents peculiar facilities for the formation of tanks, which is not generally the case where the water is near the surface; consequently, the zemindar who accepts the profits derived from canal irrigation for a long series of years, can, if he wishes, diminish or avoid the supposed risks of failure in the supply of water by devoting a portion of those profits to the construction of tanks. As he possesses this power, it is his own fault, and not that of the Government, that he does not become independent of the canal for irrigation, the Government having placed at his disposal the means of being so from funds belonging to the country in general, and at no expenditure of capital on his part; consequently, even in this case, where half the zemindar's profits may be at present undoubtedly dependent on canal irrigation, this circumstance should not affect the assessments in a permanent settlement. Banda or Humeerpore would gladly accept on the same terms the expenditure of the public money on works of irrigation for their benefit; and this not being the case they have a right to demand that the favoured districts should at any rate diminish the general taxation by higher rates of assessment on irrigated lands.

3. The answer to this question has been partially included under No. 2; though in assessing land for the permanent settlement it would appear that the profits derived from future canal irrigation should, if possible, be considered, and the increased assessment determined in the event of the canal ever entering the estate in question, for this advantage will be derived from the expenditure of the national funds, and justice requires that the national income should be increased accordingly. Even when including the profits derived from canal irrigation, however, the character of the soil and natural facilities for irrigation must be considered. An estate, for instance, where the water is within sixteen feet of the surface, is independent of canal irrigation, even though no wells now exist, and consequently an allowance that might be made for the occasional uncertainties attending canal irrigation would not here be granted; but where well irrigation is impossible, and the estate is entirely dependent on the canal for irrigation, a certain allowance must be made.

4. The mode of ascertaining existing assets will vary according to the locality and tenure, but can never apparently be ascertained with any certainty, particularly in districts where payment in kind prevails. In a village leased out to a farmer or to the cultivators by a proprietor who lives two hundred miles from the spot, the proprietor's profits at any rate can be discovered, though this could not be accepted as determining the best jumma. But should the proprietor of the estate live on the spot while leasing his estate to a farmer, he invariably retains so many perquisites that it is extremely difficult

cult to discover the income he derives from the estate. Then, in an adjoining estate, in every respect similar to the one referred to, the land is partly cultivated by the proprietors, and partly by cultivators paying rents, some in kind, some in cash, while others partially pay their rents by labouring on the zemindar's fields. Here and in numerous other cases, particularly in *bhyachara* estates, it is extremely difficult to discover what the existing assets are; and an average rent rate per acre for the various soils, viewed in connection with the facilities for irrigation existing on the estate, forms apparently the safest guide, though by no means the only one.

5. An outline of the extent of irrigation proposed to be carried out from the Ganges Canal should apparently be framed before completing a permanent settlement and sent to the settlement officers.

6. A memorandum could easily be framed giving an approximation to the amount of the land revenue which might be attributed to the influence of canal irrigation, but this estimate would possess little value wherever well irrigation can be carried out as profitable as canal irrigation, which is the case throughout the greater portion of the Saharanpore district.

7. A settlement being made on existing assets, there appears to be no reason why that portion supposed to be derived from canal irrigation might not be shown separately from that portion which may be held to be independent of canal irrigation.

8. In making a permanent settlement, no distinction is apparently necessary whether the canal belongs to Government or to private companies, though the latter will not probably undertake their construction till the permanent settlement would come into force. Any attempt to make a distinction would involve complications, the results of which it would be impossible to calculate.

(signed) *H. D. Robertson.*

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ANSWERS to QUESTIONS by Mr. *Shakespear.*

*Question 1.*—How far does canal water rent practically affect the rate of rent paid to the landlord?

*Answer.*—The water rent is ordinarily paid by the cultivator, and it stands to reason that the landlord will seek to enhance rents under the law when he finds that the cultivator is making large profits owing to canal irrigation. Enhancement will be made as a matter of course on the increased profits.

*Question 2.*—Whether, in assessing land for permanent settlement, it is incumbent on Government to assess irrespectively of canal irrigation or on existing assets?

If the former, then on dry rates, or on the supposed capabilities of the soil, or how?

If on existing assets, on a *sursurree*, or average rate, or on the actual jumabundee?

*Answer.*—I would assess on existing assets, for it appears to me that if we abandon this system we shall be without such data as can be relied on, and such as can be fairly tested. The actual jumabundee will afford the safest ground for assessment.

*Question 3.*—Whether the permanent settlement should not be deferred until after the completion of repairs of the Ganges Canal?

*Answer.*—I see no reason for this. The Ganges Canal is admitted to be in a very unsatisfactory state at present, and it is still to be seen how far it is possible to put it into really efficient working order; or, having done so, how far it is possible to keep it up in such a way as shall secure an unfailing supply. My belief is, that the canal will be a constant source of trouble, and this only confirms me in my opinion that the land revenue should be determined on existing assets irrespectively of it.

*Question 4.*—Whether any amount of land revenue should fairly be credited to the canal?

*Answer.*—I do not think that any credit need be given to the canal in account. The benefits resulting from it have been great, but it is not an unmixed good; and if the Canal Department is allowed to levy a higher water-rate, there is no reason why it should not realise as large a return as it is entitled to. If the management is good, the water will be freely taken; but I am opposed to making the land revenue in any way dependent on the Canal Department.

*Question 5.*—If a settlement be made on existing assets, of which a portion is derivable from canal irrigation, should the assessment from this portion be made separately from the assessment which may be held to be independent of canal irrigation?

*Answer.*—I would object to make a separate account for the Ganges Canal in assessing land revenue for permanent settlement.

It would take away the permanent character of the settlement, which it is of such importance to place beyond all doubt.

The suggestion appears to be made in contemplation of a failure or temporary closing of the canal; but the probability or even certainty of such a difficulty would not, I think, require, as in assessing for permanent settlement, to separate what is believed to be derivable from canal irrigation from other sources of profit.

In his remarks on canal irrigated villages, the settlement officer will of course notice

clearly to what extent the village is benefited by the canal; but I would not recommend that, at the outset, a distinction should be drawn assessing so much on account of the canal and so much as independent of it. Such a proceeding would undoubtedly lead to the expectation that, in the event of a stoppage of the canal, the whole of the sum thus entered as being obtained through its agency should at once be deducted from the Government demand.

But, as it is admitted that in many parts of the country, notwithstanding that canal water is taken, it is not a necessity, and that its place could be readily supplied by irrigation from wells at less cost of money, though with more exertion, it would be out of the question, on failure or stoppage of the canal, to allow a decrease on the land revenue to the extent of the demand entered as due to the canal.

If the separation in assessment under consideration is not intended to answer the purpose of providing for a ready adjustment of the Government demand on failure of the canal, by allowing the amount so shown to be absolutely claimable as a remission, I do not see what advantage the plan would possess over the system of assessing on the existing assets, and leaving cases of hardship arising from withdrawal of canal water to be dealt with separately as they occur.

It is certain that, in the event of the canal being closed for repairs, consideration would be given to the loss which it would involve; but it does not follow that the remission to be allowed would be represented by the full value of the irrigation now available. In many instances the people would at once revert to their wells; and, as has been noticed in this discussion, in some cases actual advantage would follow from the withdrawal of the canal water.

I see then no adequate object to be gained by assessing separately on account of the canal. On the contrary, the effect would, I think, be unnecessarily to weaken the permanent character of the settlement, and at the same time unsettle the minds of the people.

(signed) *A. Shakespear.*

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#### ANSWERS TO QUESTIONS by Mr. Martin.

*Question 1.*—How far does canal water rent affect the landlord's rent?

*Answer.*—Canal water rent does not affect the rental which reaches the landlord, provided the price of the water does not exceed the cost of well irrigation, or, in another form, provided the minimum of profit upon which a cultivator can advantageously carry on his cultivation, be not encroached upon. If the price of water be raised fabulously high, the cultivator would of course demand a corresponding reduction in the land rent; but nobody, I think, ventures to assert that such a price is likely to be demanded. The last resolution of the Governor General in Council regarding the future price of canal water keeps well within the bounds of moderation, and at present there is no reason to apprehend the landlord's rental will be in any way lowered.

*Question 2.*—Whether, in assessing lands for the permanent settlement, it is incumbent on the Government to assess irrespectively of canal irrigation or on existing assets?

*Answer.*—The Government revenue should be assessed at half the present rental for the following reasons:—

1st. The largest amount of revenue to which Government is equitably entitled is hereby ensured.

2nd. There are less complications by assessing at a moiety of the rental than by any other course, and certainly the present system is the most agreeable to the landed proprietors.

3rd. If assessments are made irrespectively of the canal, Government must be prepared to suffer a considerable loss of revenue; such a loss as cannot be made good by raising the price of water, or by the application of a natural capability rate to the various kinds of soil, or indeed by any other known process.

4th. The permanency of the demand is not hazarded, provided the conditions mentioned in the answer to the 7th and last question be adhered to. Granted the Ganges Canal is uncertain in its action, so are the elements and other severe visitations of Providence, and the latter will most assuredly affect the literal permanency of the demand for a particular year just as much as the former; but then it is said one of these disturbing causes is within, while the other is beyond the power of man. True, but as both presume an abnormal state of things, I take it an especial remedy would have to be applied in the one just as much as in the other case.

*Question 3.*—If the former, then on dry rates, or the supposed capability of the soil, or how?

*Answer.*—After allowing for the actual number of wells thrown into disuse by the canal for any irrigation from rivers, wheels, tanks, &c., the balance of the assessment must be at dry rates on the different kinds of soil entered in the *husreh*. The plan adopted in the Moozuffernuggur district has been to divide the mouzahs composing a pergunnah into three or four classes according to their natural fertility; and having done this, we proceed to classify the soils in each mouzah; to each circle of mouzahs there are separate irrigated

irrigated and unirrigated rent rates for each of the four kinds of soil. Supposing we find a mouzah without any wells, but retaining moisture, the soil is able to bear valuable crops such as cane and cotton; then we would place this mouzah in the first circle, and the unirrigated rates would be proportionally high, not equivalent to a full irrigated rate, still a rent rate higher than on soils where there was no moisture, and consequently less productive power. But I object most strongly to a wholesale charge for wells that are to come into existence, no one knows when, nor where the money is to come from to build them. If such a rating were to be allowed, it must lead to over-assessment; if we do deviate one way or the other, let it be towards a moderate assessment, taking facts as we find them, not as we think they ought to be; and where those facts are unfavourable, *e. g.*, where good culturable land exceeds the cultivated area and the people are altogether backward, for the present exclude such a tract from the benefits of a permanent settlement, as has been done in two pergunnahs of the Moozuffernuggur district with the sanction of the local Government, *viz.*, Pergunnahs Bidolee and Gordhunpore.

Finally, this so-called capability of the soil is nothing new; on the contrary, it is a very old intention, but with somewhat new flourishing titles added to it.

*Question 4.*—If on existing assets, then should the settlement be made on an average rate or on actual jumabundee?

*Answer.*—The orders of the Board of Revenue are to fix standard rent rates for four different classes of soils, or as many classes, more or less, as may be known to prevail, and to deduce revenue rates from these. To check this standard rental summary rates are useful, but this cannot be entered in the No. II. Statements. Summary or average rates are not the only means of comparison; we have leases called “tushkees” perhaps for whole villages; then again tenants cultivate a certain number of fields for a round sum without any specification of a beegah rate; this is called “bil mookhta.” The true rental is such a difficult thing to ascertain, especially where the proprietor is his own cultivator, that the more you check one form of account with another the better. Different officers have different ways of satisfying themselves of the correctness of their standard rentals. The formation of rent-rolls under Act XIV., 1863, after the revised jummas had been avowed, came in very opportunely for us; and where the marginal profit left to the landlord, after paying the Government revenue and cesses came nearly up to the moiety, which he ought to receive, I was satisfied we were not far out. If by the “actual jumabundee” is meant the Putwaree’s *nihassee* previous to settlement, I have no hesitation in declaring it to be untrustworthy. The conclusion, then, to which I arrive is that we must have prominently before us the standard rental assets entered in the prescribed No. II. Statements; but we may check these estimates by other calculations.

*Question 5.*—Whether the permanent settlement should not be deferred till after the completion of repairs to the Ganges Canal?

*Answer.*—Certainly not; let the permanent settlement be carried out forthwith on the conditions laid down by the Supreme Government. If repairs to the canal be considered a good cause for delaying a measure of such grand importance, then why should we not wait for the extension of new rajbuhas, or wait till we see how many of the old ones will hold water, or until we can ascertain clearly whether the people prefer canal to well water, or till fifty other eventualities happen. No, it would be highly imprudent to make any such modification. The permanent settlement would be looked upon as a sham, and no one hereafter would believe in its existence.

*Question 6.*—Whether any amount of land revenue ought fairly to be credited to the canal.

*Answer.*—Yes; the Canal Department, in the annual report they submit to Government, might state that, beyond the actual revenue, the collectors of land revenue had apportioned off so much as due to the beneficial operation of this public work. The demand would appear the same as before on our touzee or rent roll, and the Canal Department would take prominent notice of it in the body of their reports, although they ought not to credit it a second time in their accounts, as it had already appeared under the head of land revenue. Some sort of arrangement of this kind is but fair, because the canal is said to yield only a nominal per-centage on the outlay, and is, therefore, a failure as a speculation; whereas, if all that it does produce towards the national wealth were to be taken into consideration, this unfavourable view of it would be much modified, and justly so.

*Question 7.*—If a settlement be made on existing assets, of which a portion is derivable from canal irrigation, should this portion be made separately from the assessment which may be held to be independent of canal irrigation?

*Answer.*—Suppose I assess an estate at half assets, at 500 rupees, and I say 300 rupees is due to ordinary, and 200 rupees to extraordinary revenue, or canal profits, what possible injury is likely to arise? None. It is affirmed that, by subdividing these sums in the engagement taken from lumberdars, the permanent revenue is affected, and a door is thrown open to litigation against Government. I fail to see the value of these objections. In the “*durkhist*” there will be one portion of a permanent character called ordinary, the other liable to fluctuation, should the canal be stopped; not if it be stopped for only one harvest, and timely rain should fall; but if the canal be put under repairs for a whole year, for instance, then a deduction would have to be made. Even in the portion called purely permanent, I can imagine circumstances where it would be necessary, for political purposes,

purposes, to make a temporary reduction, and yet no one would say that the standard jumma was not permanent; as to zemindars bringing actions against Government, regarding mode of assessment, the door is shut to them *in limine*.

(signed) S. N. Martin,  
Collector, Moozuffernuggur.

14 January 1865.

2. I proceed to examine these objections *seriatim*. No doubt the canal is an uncertain element. It is more than probable it will be shut up for repairs. What matter if the settlement officer lays down a good scale of irrigated and unirrigated revenue rates? For the period the canal is shut up, apply the unirrigated revenue rates to the cultivated area, plus any irrigation from wells, jheels, or tanks, &c., and revert to the full jumma when the canal is again in operation. This will be called a fluctuating, not a permanent jumma. True, but the canal does not break down every year, or it would be worse than useless, and I fail to see, because I have a maximum and a minimum jumma, therefore there is no permanency. If hail, blight, and locusts should destroy all the crops of the agricultural season, if pestilence should kill all the cultivators, what becomes of the permanent jumma based on natural capabilities of soils? In a thickly populated *bhyachara* village, where the peasant proprietors have no capital, would not the jumma have to be reduced for that year, reverting to the full demand with the return of prosperity? Still the assessment would be considered permanent. It may be alleged, however, that famines, and myriads of locusts, hail-storms, and tempests, &c., cannot be classed with adversities from canal stoppages. To my apprehension, as both are abnormal conditions, an especial remedy would be found necessary in both cases; the fact of having to lower the jumma for a particular year, owing to some extraordinary event, with the certainty that the full amount of revenue will be demanded in ordinary seasons, is really not a departure from the principles of a permanent settlement.

3. Upon the next point, let it be admitted that canal irrigation will be extended; villages dry at the time of settlement will hereafter be watered. To meet these cases, his Excellency the Governor General has ordered that the price of canal water shall be raised—(see Resolution on Permanent Settlement of the North Western Provinces)—so as to put the proprietors of such estates on an equality with their neighbours. The result of raising the price of water will very possibly be to increase the rents of cultivators who pay less; for the zemindar, in the latter case, finding his neighbour's cultivators pay the same rents, and yet a higher price for the water, will betake himself to the notion that he may make up the difference by an augmentation of the land rent; still I do not think the settlement officer has anything to do with such probabilities. Nobody imagines that the rental upon which the present settlement has been based will remain stationary. The chances are that, with the increase in the population, and the ramification of railways, the opening out of new marts, &c., prices of food stuffs will rise, and with it, of course, rents; therefore, if the augmentation of the price of water in one estate has the effect of raising the cultivator's rents in a neighbouring property, it will be only one out of many causes which tend to throw more profit into the hands of the landlord, who is sure to benefit by the competition for land in one shape or other.

4. Upon the third point, I deny the assertion that, under the system of assessing upon present rentals, Government is prevented from demanding a fair price for the water. Nowhere is it stated that the water rent is fixed and invariable as a general rule; and there are exceptions to this. The price of water is a separate matter altogether from the rental, which reaches the landlord, unless it can be proved that raising the price of water immediately reduces the net rental. How can this be made an argument against the present system? If the Canal Department were to act so suicidally as to place a fictitious value upon the water, possibly, although it is hard to believe any department could be so mad, tenants might say, We would rather go without water than be taxed to this extent; but I do not think it is worth arguing so unlikely a contingency. The price of water can clearly be raised up to the cost of well irrigation, or up to the point which leaves the minimum of profit to the cultivator; beyond this no sane man would venture. The prudent owner of the water (and we must take it for granted that Government is a prudent owner of its own water supply) would keep well within this margin, with the view of being popular, and conferring the greatest benefit upon the largest number of its subjects.

5. It is alleged that the present system of account is faulty, as the canal is not credited with a fair amount of profit properly due to its beneficial operation. Seeing that with the exception of irrigation derived from wells, jheels, tanks, and rivers, the difference between a jumma got by irrigated and unirrigated revenue rates is credited to the canal, I am at a loss to understand how the account can be more nicely balanced. (See my sample in the case of canal irrigated villages in Pergunnah "Jhinjhana.") It is quite likely that canal officers may think a larger portion should be placed to their credit, and the advocates of the natural capabilities of soils, or wells *in posse* as opposed to wells *in esse*, may think sufficient allowance has not been made for the proximity of springs; nevertheless I incline to the opinion that a sufficient accuracy has been obtained, and that it is impossible to please all parties.

6. As to the fifth objection, if we have a jumma, say of 500 rupees, and it can be shown that 200 rupees is due to canal irrigation, the balance, 300 rupees, to natural capabilities, the canal is in full operation, the zemindar, of course, pays the full demand of 500 rupees; but if the canal fails for one harvest, a proportion of 200 rupees is let off; how can proprietors

prietors claim compensation? In the first place civil courts are prohibited hearing suits regarding the assessment of the land revenue, that it is a matter entirely beyond their province. The civil courts can only decide between two claimants for the right to collect proprietary profits; with the grounds of assessment between landlord and Government they have no concern. The "venue" for such complaints is the revenue, not the civil court. To satisfy the scruples of my opponents I am so far prepared to admit that if it be thought necessary the engagements taken from the zemindars may be thus sub-divided:—"I, Rambuksh, zemindar, of so and so, agree to pay to Government, by such and such instalments, 500 rupees of revenue." &c., &c., &c.

Rs.  
300 ordinary revenue.  
200 extraordinary revenue due to canal.

TOTAL - - - Rs. 500 irrigation.

Supposing the canal to be in full play, I would not listen to any trumpery excuses that the supply of water for such and such fields fell short; the zillahdar or chowkedar spited them; a *tateel*, or closing of the Rajbuha, occurred at a most critical period, and they cannot pay the extraordinary revenue; such complaints are easily got up, and supported by the perjured witnesses. I would simply dismiss them as fraudulent, and the attempt would not be repeated.

7. The sixth and last objection is deserving of close attention, and here I join issue by stating it as my opinion that an assessment based upon natural capabilities of soil will be a great loss to Government, and that it will not be compensated by a rise in the price of water. My reasons for coming to this conclusion are these:—The natural capabilities upon which so much stress is laid mean richness of soil with water not far distant, or any other natural advantages that a certain line of country may possess. This will be shown very nearly by the *khusreh* measurements according to the proportions the richer soils "Meesun" and "Roslee" bear to the poorer soils of "Dakur" and "Bhoor;" for where wells are easiest dug, there necessarily will be a larger proportion of "Meesun," so that if the measurements have been well done, and for the sake of my argument I will assume such to be the case, the *khusreh* will of itself give a marked line between a fertile and unfertile country, then with the aid of intimate local knowledge it would not be difficult to define what are the natural capabilities; but I beg to differ from the argument that where water is 30 or 40 feet from the surface, wells few, costing 400 rupees or 500 rupees each to make, the settlement officer is to class the soil as irrigable, because he thinks the zemindar should expend capital upon the improvement of his estate. You might as well tell the proprietor to keep two or three hundred more head of cattle for the sake of the manure and turn his "Dakur" lands into "Meesun;" to get shiploads of guano from Peruvia and to learn agricultural chemistry how to apply the manure to the soil. The zemindar knows best whether he can afford to dig wells; he is not blind to his own interests; and if wells are easily dug, the chances are there will be plenty of kutchas wells; these fall in after a time, and others are dug in their places. India is not a newly inhabited country, nor have the people been all this time waiting to learn the advantages of digging wells. I demur altogether to any argument based upon the number of wells that ought to be made according to the idiosyncrasy of a settlement officer who never owned an inch of land, nor knows anything about the hazards attending the occupation of agriculture. We must take facts as we find them, not as we think they ought to be under what we are pleased to call better management.

8. After allowing then for irrigation from wells, jheels, and other sources, the balance resolves itself into the difference between irrigated and unirrigated rates. Suppose the jumma be 500 rupees of any single estate at half assets of present rental, under the proposed system of assessing according to natural capabilities, the jumma would probably be 300 rupees, the remaining 200 rupees to be made good by an enhancement of the water rate; but this inevitably must be attended with the gross injustice of adding to the burdens of the cultivators, and without cause reducing the demand on the zemindars who would continue to realise the full rental of 1,000 rupees and pay Government only 300 rupees. I have said before that an addition to the price of water does not affect, within certain limits, the rental that reaches the landlord, who would, by the process above explained, be a clear gainer of 200 rupees, while the labouring cultivators who already pay largely will be so much more out of pocket. Should the canal officers try to distribute this 200 rupees between landlord and tenant, he will find that it is not in his power to do so; his efforts will prove abortive, and eventually there can be little doubt the assamee will be the loser. For the sake of a very doubtful theory, is it worth while to run the risk of making the canal unpopular by allowing the canal department to put a fictitious value on water; and can a measure which sets landlord and tenant in hostile array towards each other be considered prudent?

9. In a demi-official note to the senior member of the Board of Revenue, North-Western Provinces, I said the revenue, if assessed at unirrigated rates, would probably cause a fall approaching to four lakhs. I was then on leave at Mussoorie, and had not my papers by me. I wrote from memory, and from a general idea of the great difference between assessing at half the present rental, and half the rental by unirrigated rates. Even now I cannot say positively what the fall will be, but, taking the proportion in the



\* The fall in Kandla is 25,145 rupees out of 78,520 rupees; from the former deduct 3,482 rupees for wells; actual fall, 21,663 rupees.

highly irrigated pergunnah of Kandla\* as a guide, and applying this proportion to 13 out of 15 pergunnahs irrigated by canals, the fall would be 1,64,795 rupees; but then it must be remembered that in Pergunnah Kandla there are many more wells, consequently a greater set-off, on that account has been allowed, than would be the case in Pergunnahs Poor, Chupar, Moozuffurnuggur, Bhookurharie, Bhooma, Jowlee, Jansuth, and Churthawul, where wells are scarcely known; therefore I think I may say, in round numbers, there would be a fall of two lakhs in the revenue, or something thereabouts. It is not known, I believe, what the fall would be in the zillahs of Meerut and Saharunpore, but doubtless it will be considerable. In Boolundshuhur it is stated to be about 85,000 rupees, or, to allow for errors of calculation, say a lakh of rupees; how is all this deficiency to be met at a time when the expenditure of the administration is annually increasing? It is not a sufficient answer to this to say, one district has raised its revenue by so much under the revision of settlement; that was done some time ago, and the increase has long ere this been absorbed in the general income of the State. I might, I think, say with more reason that if all the approaching settlements of all the temporary assessed districts in the North-Western Provinces were based upon half present rental instead of half by natural capability rate, the increase to the revenue would be very great. As to the Canal Department making good the difference by raising the water-rate, I look upon such a prospect as more than doubtful. Let Government demand a fair interest (say 10 per cent. on the outlay on canals), and this I perceive is already ordered by his Excellency the Governor General, but why forego the land revenue obtainable by the half-asset principle? It seems to me wilfully throwing away so much money.

10. I contend then that a settlement at half assets, of present rental, is the best for Government and for the tax-payers; best for Government because it ensures a proper share of the rental from land in a form the easiest collected, and because it is the least harassing to them. They have always been accustomed to pay revenue in this shape, and they would prefer this system to one which made them pay exactly the same amount, but sub-divided the dues into two departments with different names. Of course, if the zemindars thought they could possibly by any system get off paying a portion of the revised revenue, that system would be to them the best; but I take it for granted Government has no intention of wilfully sacrificing revenue, to which it is justly entitled, for the purpose of enriching landlords at the cost of the ryots, whose interests have hitherto been most jealously guarded by the Government of India. The whole difficulty of this discussion may be obviated by adhering strictly to the orders of the Board of Revenue,† *i. e.*, by assessing the Land Revenue upon present rentals, and by showing the exact amount of revenue due to canal irrigation in each estate. I am prepared to go further by entering into the engagement taken from Lumberdars the portion of the revised revenue due to natural causes, and the portion due to canal irrigation; with this clear account of their liabilities there ought to be no room for misunderstanding between the landed proprietors and Government. Whatever we do, let us not mix up in this discussion water, rent, and the interest on capital expended, with land revenue properly so called, that is the Government share of the net rental.

11. As an amendment it is proposed making natural capability rates, and another to meet canal irrigation. In what respect is this superior to the Moozuffernuggur plan of dividing pergunnahs into circles with four distinct classes of soil, with separate irrigated and unirrigated revenue rates? The capability rate, and the rate to meet canal irrigation, is nothing more nor less than well-defined irrigated and unirrigated rates, only under a different name; a distinction without a difference.

12. In the "Gazette of India," dated 31st December 1864 (*vide* Government Resolution on the canals of the North-Western Provinces, No. 6568-3825, 15th August 1864, paragraph 27), his Excellency in Council, while admitting the theory of a natural capability rate, states: "The land revenue, therefore, where now virtually composed in part of water rent, should not be reduced, &c., &c.," moreover, his Excellency has fixed high water rents for future adoption, for natural flow, 5 rupees per acre, sugar-cane, and Rs. 2. 4. for all other crops; for water raised artificially ("dal") the rate will be reduced one-third. Cultivators will then pay for sugar-cane about the following proportions:—

	<i>Rupees.</i>
Rent to landlord for sugar-cane, say	- - - - 16 per acre.
Rent to Government for canal water	- - - - 5 „
	—
TOTAL	- - - 21

The value of an acre of sugar-cane of ordinary quality is about 80 rupees; then the expenses of cultivation, wear and tear, are very great indeed, and cane is the crop to which both zemindar and ryot look for indemnification for losses on other crops; but cane, like the rest, is liable to fail in quantity and quality. You cannot, then, add to the burdens of the ryot without breaking his back, and Government distinctly decline to reduce the revenue assessed upon present principles, the discussion consequently becomes very much narrowed. The most profitable course would be, as I have said before, to separate extraordinary from ordinary Land Revenue in the engagements taken from the Lumberdars. The scheme has already been elaborated in Moozuffernuggur with much care; if faulty, I am quite prepared to revise it in such a manner as superior authority may think most advisable,

† See Board's Circular, No. T., dated 17th August 1864. Board's Circular, No. T., dated 16th July 1861.

advisable, but I cannot see any superiority in the natural capability rate, nor indeed is the proposition new to a settlement officer who knows his duty.

10 January 1865.

(signed) *S. N. Martin,*  
Collector, Moozuffernuggur.

The advocates of the natural capability rate admit that, under the proposed system of disregarding present rentals and assessing as if there was no canal, there must be a fall in the revenue, although not so great as I affirm there will be. As a set-off against a sure fall, they direct our attention to a tract of country with water close to the surface; and, to fortify their opinion still further, they suppose a case of a village in this highly populated country neglecting the use of wells, while their neighbours all round are using them in abundance. To say nothing of the improbability of such a position, does it never occur to those who hold this theory that the zemindars know best whether it is worth their while to dig wells in such a low line of country? They may consider that the soil is humid enough to produce good crops without irrigation, and in that case the land would appear in our *khusrehs* as of the best and most fertile kind, and consequently the natural capability rate is nothing new; it has been applied to all settlements from the time of Mertins Bird, and we must not now be told we have got something altogether new to discuss. While discussing the merits of low lands, and the necessity of making men industrious against their previous habits, my opponents leave out of the calculation a greater part of the country which is high and dry, where water is a long way from the surface. Here they cannot say to a zemindar with a rag round his loins, "You shall and you must dig a well at a cost of 500 rupees, for we intend to rate you as if your land was irrigated." No, this would be pushing the theory too far; although an industrious Jât fraternity in the neighbourhood may have dug several wells, so resort is had to a dip in the soil where, owing to the retention of moisture, the valuable crops can be grown, as if this was a specimen of the dry tract above alluded to, it is no comparison at all. Moreover, wherever such natural fertility exists as to produce cane, cotton, tobacco, &c. &c. (and these cases are of very rare occurrence), without irrigation, such soil would always be assessed by a settlement officer at a higher rate than other kinds of unirrigated land dependent on the rains of heaven.

If it be considered reasonable to say to a landed proprietor, "There is the water under the soil, you must dig for it; I know you will do so in the course of one, five, ten, or twenty years;" why not also say to him, "I find the average proportion of the best class of soil is in the neighbourhood 30 per cent. of the cultivated area; your per-centage is only 10, I shall charge you at the rate of 30 per cent. for 'Mesun;' you can easily work up to it; all you have to do is not to burn your cowdung, to apply all the manure you can get, both of animals and men, to the soil, and you have at once the required proportion of 'Mesun,' entitling you to a permanent settlement." Once admit free scope for probabilities, and there is no limit to the suggestions that may be gratuitously preferred. If, after all these years of settlement, we are to be blind to the present position of things, there is no knowing what amount of industry we may not give certain classes of people credit for, who really have not the innate power of exerting themselves like Jâts, whose whole soul is in the work; every man, woman, and child working in the field. Of course it must not be understood that I recommend the relinquishment of revenue in extremely backward tracts, such as Pergunnahs Bedolee and Gordhunpore, of the Moozuffernuggur District, where the culturable exceeds the cultivated area; these, under the present rules, would be excluded from the Permanent Settlement, and temporarily settled for 10 years or so, as I have done in the above cases. It is not, however, about such tracts that we are called upon to confer together, but about a highly populated country occupied by the same class of people for many generations, whose habits of industry are formed, and where the culturable area is very small indeed, every available inch of ground having been dug up and utilised. Such people I would treat as I find them, not as I think they ought to be, taking care at the same time not to tax the industrious too highly, in order to save the less industrious from their proper share of State expenses.

To return again to my starting point, I find my opponents fail to make good the loss to the revenue, which they reluctantly admit must occur under any circumstances, and that the natural capability rate is nothing more nor less than the application of a principle well known to all settlement officers, and already in force; therefore, how can it be placed forward as a novel measure calculated to fill the Treasury to overflowing? What you have already calculated cannot enter into the account a second time. The only novelty in the whole discussion is, my opponents want to make a Syud, a Brahmin, and a Goojur cultivator pay as rent and revenue as a Jât cultivator; and I say the thing is impossible as opposed to what is probable. They will not take people as they find them.

13 January 1865.

(signed) *S. N. Martin,* Collector.

## (A.)—PERGUNNAH JHINJHANA.

## STATEMENT showing PROFITS due to the Operation of the EASTERN JUMNA CANAL.

1. No.	2. NAME OF MOUZAH.	3. Area Irrigated by Canal.					4. Revenue Rate per Irrigated Acre.							
		Meesun.	Rouslee.	Dakur.	Bhoor.	TOTAL.	Meesun.	Rouslee.	Dakur.	Bhoor.				
							<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a.</i>				
1	Ambehta - - - -	76	279	83	-	438	}	}	}	}				
2	Bhatoo - - - -	46	419	26	-	491								
3	Pelka - - - -	22	176	56	-	254								
4	Peer Khara - - - -	-	-	3	-	3								
5	Pindoora - - - -	6	14	1	-	21								
6	Tana - - - -	86	181	162	-	429								
7	Tuprana, Afghanan - - - -	8	157	72	-	237								
8	Tuprana, Jatan - - - -	28	145	27	-	200								
9	Tuprana, Goojran - - - -	-	29	6	-	35								
10	Hussunpore - - - -	2	21	2	-	25								
11	Doola Kheree - - - -	188	398	65	-	651					3 12 -	1 8 4½	1 8 8	- 15
12	Simbhalka - - - -	22	75	7	-	104								
13	Kirarwar - - - -	56	108	20	-	184								
14	Khairkee - - - -	31	182	77	4	294								
15	Khara Bhao - - - -	35	73	39	-	147								
16	Malaindee - - - -	26	158	2	-	186								
17	Nownaglee - - - -	97	146	13	3	259								
18	Gurhee Mean, Bhaee Khan - - - -	-	20	2	-	22								
19	Poor - - - -	8	14	2	-	24								
20	Kajhur - - - -	9	83	17	-	109								
	TOTAL - - - -	746	2,678	682	7	4,113	-	-	-	-				
	(Chuk Bhynswal.)													
1	Rahutpore - - - -	35	141	98	-	274	2 1 10	1 6 4½	1 9 1	-				
	(Chuk Fakhanpore.)													
1	Immamnugger - - - -	-	78	70	44	192	}	}	}	}				
2	Jhinjhana - - - -	-	70	71	-	141								
3	Durgahpore - - - -	4	120	12	13	149					2 15 9½	1 8 9	1 8 9	1 4 2
4	Kuzaqnugger - - - -	2	40	122	11	175								
5	Hoshungpore - - - -	-	15	10	40	94								
	TOTAL - - - -	6	358	285	102	751	-	-	-	-				
	(Chuk Chowndaharee.)													
	GRAND TOTAL - - - -	787	3,177	1,065	109	5,138	-	-	-	-				

  

No.	NAME OF MOUZAH.	5. Revenue on Irrigated Area.					6. Revenue Rate per Irrigated Acre.							
		Meesun.	Rouslee.	Dakur.	Bhoor.	TOTAL.	Meesun.	Rouslee.	Dakur.	Bhoor.				
		<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>				
1	Ambehta - - - -	285 - -	425 - -	127 15 - -	- - -	837 15 - -	}	}	}	}				
2	Bhatoo - - - -	172 8 - -	638 5 - -	40 1 - -	- - -	850 14 - -								
3	Pelka - - - -	82 8 - -	268 2 - -	86 5 - -	- - -	436 15 - -								
4	Peer Khara - - - -	- - -	- - -	4 10 - -	- - -	4 10 - -								
5	Pindoora - - - -	22 8 - -	21 5 - -	1 9 - -	- - -	45 6 - -								
6	Tana - - - -	322 8 - -	275 12 - -	249 12 - -	- - -	848 - - -								
7	Tuprana, Afghanan - - - -	30 - - -	239 2 - -	111 - - -	- - -	380 2 - -								
8	Tuprana, Jatan - - - -	105 - - -	220 14 - -	41 10 - -	- - -	367 8 - -								
9	Tuprana, Goojran - - - -	- - -	44 3 - -	9 4 - -	- - -	53 7 - -								
10	Hussunpore - - - -	7 8 - -	32 - - -	3 1 - -	- - -	42 9 - -								
11	Doola Kheree - - - -	705 - - -	606 5 - -	100 3 - -	- - -	1,411 8 - -					1 - 6½	1 - 6½	- 15 9	- 10 9
12	Simbhalka - - - -	82 8 - -	113 15 - -	10 13 - -	- - -	207 4 - -								
13	Kirarwar - - - -	210 - - -	164 9 - -	30 13 - -	- - -	405 6 - -								
14	Khairkee - - - -	116 4 - -	277 4 - -	118 11 - -	3 5 - -	515 8 - -								
15	Khara Bhao - - - -	131 4 - -	111 - - -	60 2 - -	- - -	302 9 - -								
16	Malaindee - - - -	97 8 - -	240 11 - -	3 1 - -	- - -	341 4 - -								
17	Nownaglee - - - -	363 12 - -	222 7 - -	20 1 - -	2 7 - -	608 11 - -								
18	Gurhee Mean, Bhaee Khan - - - -	- - -	30 8 - -	3 1 - -	- - -	33 9 - -								
19	Poor - - - -	30 - - -	21 5 - -	3 1 - -	- - -	54 6 - -								
20	Kajhur - - - -	33 12 - -	126 - - -	26 - - -	- - -	185 12 - -								
	TOTAL - - - -	2,797 8 - -	4,078 14 - -	1,051 1 - -	5 12 - -	7,933 3 - -	-	-	-	-				
	(Chuk Bhynswal.)													
1	Rahutpore - - - -	73 15 - -	197 4 - -	153 11 - -	- - -	424 14 - -	1 2 2½	1 2 2½	1 7 7½	-				
	(Chuk Fakhanpore.)													
1	Immamnugger - - - -	- - -	119 11 - -	107 7 - -	56 3 - -	283 5 - -	}	}	}	}				
2	Jhinjhana - - - -	- - -	107 7 - -	108 15 - -	- - -	216 6 - -								
3	Durgahpore - - - -	11 15 - -	184 2 - -	18 7 - -	16 10 - -	231 2 - -					1 1 -	1 1 -	1 6 8½	- 12 and 2 cl
4	Kuzaqnugger - - - -	6 - - -	61 6 - -	187 4 - -	14 1 - -	268 11 - -								
5	Hoshungpore - - - -	- - -	76 12 - -	15 6 - -	43 7 - -	135 9 - -								
	TOTAL - - - -	17 15 - -	549 6 - -	437 7 - -	130 5 - -	1,136 1 - -	-	-	-	-				
	(Chuk Chowndaharee.)													
	GRAND TOTAL - <i>Rs.</i>	2,889 6 - -	4,825 8 - -	1,642 3 - -	136 1 - -	9,493 12 - -	-	-	-	-				

## LAND REVENUE IN INDIA.

(A.)—PERGUNNAH JHINJHANA—Statement showing Profits due to the Operation of the Eastern Jumna Canal—continued.

No.	NAME OF MOUZAH.	7. Revenue on Irrigated Area.					8. Difference of Revenue between irrigated and unirrigated Rates.	9. Number of Wells closed by Canals.
		Meesun.	Rouslee.	Dakur.	Bhoor.	TOTAL.		
		<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	
1	Ambehta - - - -	78 9 -	288 7 -	81 11 -	- - -	448 11 -	389 4 -	2
2	Bhatoo - - - -	47 9 -	433 3 -	25 10 -	- - -	506 6 -	344 8 -	1
3	Pelka - - - -	22 12 -	181 15 -	55 2 -	- - -	259 13 -	177 2 -	-
4	Peer Khera - - - -	- - -	- - -	2 15 -	- - -	2 15 -	1 11 -	-
5	Pindoora - - - -	6 3 -	14 8 -	1 - -	- - -	21 11 -	23 11 -	-
6	Tana - - - -	88 15 -	187 2 -	159 8 -	- - -	435 9 -	412 7 -	-
7	Tuprana, Afghanan - - - -	8 4 -	162 5 -	70 14 -	- - -	241 7 -	138 11 -	-
8	Tuprana, Jatan - - - -	28 15 -	144 15 -	26 9 -	- - -	205 7 -	162 1 -	-
9	Tuprana, Goojran - - - -	- - -	30 - -	5 15 -	- - -	35 15 -	17 8 -	-
10	Hussunpore - - - -	2 1 -	21 11 -	2 - -	- - -	25 12 -	16 13 -	-
11	Doola, Kheree - - - -	194 6 -	411 7 -	64 - -	- - -	669 13 -	741 11 -	3
12	Simbhalka - - - -	22 12 -	77 9 -	6 14 -	- - -	107 3 -	100 1 -	-
13	Kirarwar - - - -	57 14 -	111 11 -	19 11 -	- - -	189 4 -	216 2 -	1
14	Khairkee - - - -	32 1 -	188 3 -	75 13 -	2 9 -	298 10 -	216 14 -	2
15	Khera Bhao - - - -	36 3 -	75 7 -	38 6 -	- - -	150 - -	152 9 -	1
16	Malaindee - - - -	26 14 -	163 6 -	2 - -	- - -	192 4 -	149 - -	-
17	Nownaglee - - - -	100 5 -	150 15 -	12 13 -	1 15 -	266 - -	342 11 -	1
18	Gurhee Mean, Bhaee Khan - - - -	- - -	20 11 -	2 - -	- - -	22 11 -	10 14 -	-
19	Poor - - - -	8 4 -	14 8 -	2 - -	- - -	24 12 -	29 10 -	-
20	Kajhur - - - -	9 5 -	85 13 -	16 12 -	- - -	111 14 -	73 14 -	-
	<b>TOTAL - -</b>	<b>771 4 -</b>	<b>2,768 12 -</b>	<b>671 9 -</b>	<b>4 8 -</b>	<b>4,216 1 -</b>	<b>3,717 2 -</b>	<b>11</b>
	(Chuk Bhynswal.)							
1	Rahutpore - - - - (Chuk Fukhanpore.)	39 13 -	160 4 -	144 11 -	- - -	344 12 -	80 2 -	-
1	Immamnugger - - - -	- - -	82 14 -	99 6 -	34 5 -	216 9 -	66 12 -	2
2	Jhinjhana - - - -	- - -	74 6 -	100 13 -	- - -	175 3 -	41 3 -	2
3	Durgapore - - - -	4 4 -	127 8 -	17 1 -	10 2 -	158 15 -	72 3 -	2
4	Kuzagnugger - - - -	2 2 -	42 8 -	173 4 -	8 9 -	226 7 -	42 4 -	6
5	Hoshungpore - - - -	- - -	53 2 -	14 3 -	26 8 -	93 13 -	41 12 -	-
	<b>TOTAL - -</b>	<b>6 6 -</b>	<b>380 6 -</b>	<b>404 11 -</b>	<b>79 8 -</b>	<b>870 15 -</b>	<b>264 2 -</b>	<b>12</b>
	(Chuk Chowdaharee.)							
	<b>GRAND TOTAL - - Rs.</b>	<b>167 7 -</b>	<b>3,309 6 -</b>	<b>1,220 15 -</b>	<b>84 - -</b>	<b>5,431 12 -</b>	<b>4,061 6 -</b>	<b>23</b>

  

No.	NAME OF MOUZAH.	10. Twenty-two Acres allowed to each Well.					11. Revenue derivable from Well Irrigation.				
		Meesun.	Rouslee.	Dakur.	Bhoor.	TOTAL.	Meesun.	Rouslee.	Dakur.	Bhoor.	TOTAL.
						<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	
1	Ambehta - - - -	8	28	8	-	44	30 - -	42 11 -	12 5 -	- - -	85 - -
2	Bhatoo - - - -	2	19	1	-	22	7 8 -	28 15 -	1 9 -	- - -	38 - -
3	Pelka - - - -	-	-	-	-	-	-	-	-	-	-
4	Peer Khera - - - -	-	-	-	-	-	-	-	-	-	-
5	Pindoora - - - -	-	-	-	-	-	-	-	-	-	-
6	Tana - - - -	-	-	-	-	-	-	-	-	-	-
7	Tuprana, Afghanan - - - -	-	-	-	-	-	-	-	-	-	-
8	Tuprana, Jatan - - - -	-	-	-	-	-	-	-	-	-	-
9	Tuprana, Goojran - - - -	-	-	-	-	-	-	-	-	-	-
10	Hussunpore - - - -	-	-	-	-	-	-	-	-	-	-
11	Doola, Kheree - - - -	19	40	7	-	66	71 4 -	60 15 -	10 13 -	- - -	143 - -
12	Simbhalka - - - -	-	-	-	-	-	-	-	-	-	-
13	Kirarwar - - - -	7	13	2	-	22	26 4 -	19 13 -	3 1 -	- - -	49 2 -
14	Khairkee - - - -	5	27	11	1	44	18 12 -	41 2 -	16 15 -	- 13 -	77 10 -
15	Khera Bhao - - - -	5	11	6	-	22	18 12 -	16 12 -	9 4 -	- - -	44 12 -
16	Malaindee - - - -	-	-	-	-	-	-	-	-	-	-
17	Nownaglee - - - -	8	13	1	-	22	30 - -	19 13 -	1 9 -	- - -	51 6 -
18	Gurhee Mean, Bhaee Khan - - - -	-	-	-	-	-	-	-	-	-	-
19	Poor - - - -	-	-	-	-	-	-	-	-	-	-
20	Kajhur - - - -	-	-	-	-	-	-	-	-	-	-
	<b>TOTAL - -</b>	<b>54</b>	<b>151</b>	<b>36</b>	<b>1</b>	<b>242</b>	<b>202 8 -</b>	<b>230 1 -</b>	<b>55 8 -</b>	<b>- 13 -</b>	<b>488 14 -</b>
	(Chuk Bhynswal.)										
1	Rahutpore - - - - (Chuk Fukhanpore.)	-	-	-	-	-	-	-	-	-	-
1	Immamnugger - - - -	-	18	16	10	44	- - -	27 10 -	24 8 -	12 12 -	64 14 -
2	Jhinjhana - - - -	-	22	22	-	44	- - -	33 13 -	39 13 -	- - -	67 10 -
3	Durgapore - - - -	1	35	4	4	44	3 - -	53 11 -	6 2 -	5 2 -	67 15 -
4	Kuzagnugger - - - -	1	31	92	8	132	3 - -	47 9 -	141 3 -	10 4 -	202 - -
5	Hoshungpore - - - -	-	-	-	-	-	-	-	-	-	-
	<b>TOTAL - -</b>	<b>2</b>	<b>106</b>	<b>134</b>	<b>22</b>	<b>264</b>	<b>6 - -</b>	<b>162 11 -</b>	<b>205 10 -</b>	<b>28 2 -</b>	<b>402 7 -</b>
	(Chuk Chowdaharee.)										
	<b>GRAND TOTAL - - Rs.</b>	<b>56</b>	<b>257</b>	<b>170</b>	<b>23</b>	<b>506</b>	<b>208 8 -</b>	<b>392 12 -</b>	<b>361 2 -</b>	<b>28 15 -</b>	<b>991 5 -</b>

(A.)—PERGUNNAH JHINJHANA—Statement showing Profits due by the Operation of the Eastern Jumna Canal—continued.

No.	NAME OF MOUZH.	12. Revenue on well irrigated Area by Dry Rates.					13. Difference of Revenue in Area irrigated by Wells.	14. Actual Profits due to Canal.	15. REMARKS.
		Meesun.	Rouslee.	Dakur.	Bhoor.	TOTAL.			
		<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	
1	Ambehta - - - -	8 4 -	28 15 -	7 14 -	- - -	45 1 -	39 15 -	349 - -	
2	Bhatoo - - - -	2 1 -	19 10 -	1 - -	- - -	22 11 -	15 5 -	329 - -	
3	Pelka - - - -	- - -	- - -	- - -	- - -	- - -	- - -	177 - -	
4	Peer Khera - - - -	- - -	- - -	- - -	- - -	- - -	- - -	2 - -	
5	Pindoora - - - -	- - -	- - -	- - -	- - -	- - -	- - -	24 - -	
6	Tana - - - -	- - -	- - -	- - -	- - -	- - -	- - -	412 - -	
7	Tuprana, Afghanan - - - -	- - -	- - -	- - -	- - -	- - -	- - -	139 - -	
8	Tuprana, Jatan - - - -	- - -	- - -	- - -	- - -	- - -	- - -	162 - -	
9	Tuprana, Goojran - - - -	- - -	- - -	- - -	- - -	- - -	- - -	17 - -	
10	Hussunpore - - - -	- - -	- - -	- - -	- - -	- - -	- - -	17 - -	
11	Doola, Kheree - - - -	19 10 -	41 6 -	6 14 -	- - -	67 14 -	75 2 -	667 - -	
12	Simbhalka - - - -	- - -	- - -	- - -	- - -	- - -	- - -	100 - -	
13	Kirarwar - - - -	7 4 -	13 7 -	2 - -	- - -	22 11 -	26 7 -	189 - -	
14	Khairkee - - - -	5 3 -	27 15 -	10 13 -	- 10 -	44 9 -	33 1 -	184 - -	
15	Khera Bhaoo - - - -	5 3 -	11 6 -	5 14 -	- - -	22 7 -	22 5 -	130 - -	
16	Malaindee - - - -	- - -	- - -	- - -	- - -	- - -	- - -	149 - -	
17	Nownaglee - - - -	8 4 -	13 7 -	1 - -	- - -	22 11 -	28 11 -	314 - -	
18	Gurhee Mean, Bhaee Khan - - - -	- - -	- - -	- - -	- - -	- - -	- - -	11 - -	
19	Poor - - - -	- - -	- - -	- - -	- - -	- - -	- - -	30 - -	
20	Kajhur - - - -	- - -	- - -	- - -	- - -	- - -	- - -	74 - -	
	<b>TOTAL - -</b>	<b>55 13 -</b>	<b>156 2 -</b>	<b>35 7 -</b>	<b>- 10 -</b>	<b>248 - -</b>	<b>240 14 -</b>	<b>3,476 - -</b>	
	(Chuk Bhynswal.)								
1	Rahutpore - - - - (Chuk Fukhanpore.)	- - -	- - -	- - -	- - -	- - -	- - -	80 - -	
1	Immamnugger - - - -	- - -	19 2 -	22 12 -	7 13 -	49 11 -	15 3 -	52 - -	
2	Jhinjhana - - - -	- - -	23 6 -	31 2 -	- - -	54 8 -	13 2 -	28 - -	
3	Durgahpore - - - -	1 1 -	37 3 -	5 11 -	3 2 -	47 1 -	20 14 -	51 - -	
4	Kuzagnugger - - - -	1 1 -	32 15 -	130 10 -	6 4 -	170 14 -	31 2 -	11 - -	
5	Hoshungpore - - - -	- - -	- - -	- - -	- - -	- - -	- - -	42 - -	
	<b>TOTAL - -</b>	<b>2 2 -</b>	<b>112 10 -</b>	<b>190 3 -</b>	<b>17 3 -</b>	<b>322 2 -</b>	<b>80 5 -</b>	<b>184 - -</b>	
	(Chuk Chowdaharee.)								
	<b>GRAND TOTAL - - Rs.</b>	<b>57 15 -</b>	<b>268 12 -</b>	<b>225 10 -</b>	<b>17 13 -</b>	<b>570 2 -</b>	<b>321 3 -</b>	<b>3,740 - -*</b>	

\* The revised jumma of these canal irrigated villages is 31,085 rupees.

(B.)—ABSTRACT of STATEMENT (A).

1.	2.	3.	4.	5.	6.	7.	8.
No.	Per-gunnah.	NAME OF MOUZH.	Area Irrigated by Canal.	Difference of Revenue between Irrigated and Unirrigated Rates.	Difference of Revenue on Area Irrigated by Wells.	Actual Profits Due to Canal.	REMARKS.
				<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	
1	Jhinjhana.	Ambehta - - - -	438	389	40	349	This is the Abstract of the Statement (A.), and is as correct as can be made out. First of all there is the canal irrigated area and the difference deduced between irrigated and unirrigated revenue rates; then we come to the number of wells thrown out of use by the canal, 22 acres, comprising the various kinds of soil, being allowed for each well. The difference between irrigated and unirrigated rates is computed upon the area irrigated by wells, and this is deducted from the whole difference, the balance gives the net profits due to the canal, and is here shown in column 7.  The only thing wanting in this Pergunnah, the area irrigated, is small, and therefore not a fair criterion for the other highly irrigated Pergunnahs, where the difference would be much greater.
2		Bhatoo - - - -	491	344	15	325	
3		Pelka - - - -	254	177	-	177	
4		Peer Khera - - - -	3	2	-	2	
5		Pindoora - - - -	21	24	-	24	
6		Tana - - - -	429	412	-	412	
7		Tuprana, Afghana - - - -	237	139	-	139	
8		Tuprana, Jatan - - - -	200	162	-	162	
9		Tuprana, Goojran - - - -	35	17	-	17	
10		Hussunpore - - - -	25	17	-	17	
11		Doola, Kheree - - - -	651	742	75	667	
12		Simbhalka - - - -	104	100	-	100	
13		Kirarwar - - - -	184	216	27	189	
14		Khairkee - - - -	294	217	33	184	
15		Khera Bhaoo - - - -	147	152	22	130	
16		Malaindee - - - -	186	149	-	149	
17		Nownaglee - - - -	259	343	29	314	
18		Gurhee Mean, Bhaee Khan - - - -	22	11	-	11	
19		Poor - - - -	24	30	-	30	
20		Kajhur - - - -	109	74	-	74	
		<b>TOTAL - -</b>	<b>4,113</b>	<b>3,717 -</b>	<b>241</b>	<b>476</b>	
		(Chuk Bhynswal.)					
1		Rahutpore - - - - (Chuk Fukhanpore.)	274	80	-	80	
1		Immamnugger - - - -	192	67	15	52	
2		Jhinjhana - - - -	141	41	13	28	
3		Durgahpore - - - -	140	72	21	51	
4		Kuzagnugger - - - -	175	42	31	11	
5		Hoshungpore - - - -	94	42	-	42	
		<b>TOTAL - -</b>	<b>711</b>	<b>264</b>	<b>80</b>	<b>184</b>	
		(Chuk Chowdaharee.)					
		<b>GRAND TOTAL - - Rs.</b>	<b>3,138</b>	<b>4,061</b>	<b>321</b>	<b>3,740</b>	

QUESTIONS and REPLIES, by Mr. Batten.

*Question 1.*—How far does canal water rate affect the rent of the landlord?

*Answer.*—At present there is not much information before me on this point. My experience as Judge of Mynpoory, &c., showed me that landlords do occasionally, in regard to canal irrigation, enjoyed or enjoyable by their cultivators, act on the rent increment clauses of Act X., 1859, especially new auction purchasers. It may be expected that, as the law becomes better known, land rents will be raised on account of the canal water; but if the water rent taken by the canal officers is increased according to the Governor General's rates, the cultivators will not submit to any *general* arbitrary raising of the land rent (such as sometimes has occurred at Etawah, &c.), but will only pay what is usual for irrigated crops, after deducting costs of irrigation, as ruled by the precedent decision of Sudder Dewanny Adawlut, North Western Provinces, No. 146\*, dated 1st April 1863. On the whole, I should say there will be a gradual general raising of land rent, owing to canal irrigation, but I cannot say (as I have no experience) *how far* the water rate paid by the recipient of the canal water will affect the amount. Whatever the amount of increase will be, it will, under Mr. Currie's scheme, all go *gratis* into the pocket of the landholders. The incidence of water rate on the profits in pure *bhyachara* villages (where for the most part the landlord and cultivator are one and the same party) is a *desideratum* in facts, and I cannot give my opinion thereon.

\* Kunojee Lall  
versus Rutun Lall.

*Question 2.*—Whether, in assessing land for the permanent settlement, it is incumbent on Government to assess irrespective of canal irrigation, or on existing assets?

*Answer.*—I do not think it is incumbent to assess irrespective of canal irrigation, nor would the people generally appreciate such a mode of assessment. Mr. Muir's demi-official letter (4th May 1864), read out to the meeting by Mr. R. Money, embodies my own views on the subject. More or less, I would treat the uncertainty of supply, that is, the benefit from canal water, or the possible loss of benefit from its stoppage or diminution, &c., as I would treat seasonal gains and losses, good and bad rains, supply and failure of manure, &c. We cannot, I think, trust settlement officers to lay down distinctly that so much assets are *solely* due to the canal. I think that there will be a great danger of tampering with the land revenue on theoretical grounds, or on guess-work.

I myself would not contemplate the uncertainty of the canal's beneficial and utilised existence *for a series of coming years*; whatever the present state of affairs may be, engineering skill will increase, not decrease, and the Himalayan sources of the Ganges are a *constant*. I would also assume, as a general rule, that well irrigation could be restored or substituted. I see no provision in Mr. Currie's scheme for the financial remedy of a refusal of the people to take canal water either on account of its dearness, or from a trust on Providence and the rains, or from a restoration of wells. It may be owing to Revenue Circular Orders and forms of settlement, that the Meerut Division settlement officers are taking such exact account of the canal. If this is the case, the forms might be altered with advantage in the central Doab Settlements. After all, the canal villages at present form but a limited section of the whole Doab.

*Question 3.*—If the former, then on dry rates, or on the general capability of the soil?

*Answer.*—With reference to the last reply, I need not answer this; but I would say, certainly not on dry rates.

*Question 4.*—If the settlement is made on existing assets, then should it be made on average rates, or on the actual jummabundee?

*Answer.*—I would say, do as all the best settlement officers did at the last settlement; lay down no very strict rule on this point after all. The half-assets system of revenue assessment is not based on any very exact data. My own opinion is in favour of average rates, but good jummabundees are sometimes procurable, especially where there has been much civil court litigation, and both parties in a village have had to produce accounts, and the Courts have had to decide on the actual *nikasee*. I was glad to hear Mr. Martin speak so well of Mr. Thornton's settlements.

*Question 5.*—Ought the permanent settlement in the districts (subject to the action) of the Ganges Canal to be deferred until the completion of its repairs?

*Answer.*—I should say *not* if general Imperial considerations necessitate, otherwise a permanent settlement. It would be dangerous to the revenue to defer such a settlement on account of any specific *and quotable* cause. Temporary arrangements would have to be made during the repairs. Under Mr. Currie's plan, it strikes me that the *whole* of the *assumed* canal revenue separated from that calculated on the general capabilities would be lost to Government during the stoppage. I leave the answer on this point, however, to parties who have experience of the canal, which I have not.

*Question 6.*—Whether any portion of land revenue should be fairly credited to the canal?

*Answer.*—The department in charge of the canal should be so credited in general terms in all reports on the fiscal out-turn of the work; *but I dread figures*. The work is an Imperial one, to prevent or modify famines. It is not capital laid out for a specific percentage return in money. A specification of the money credit mixed up in the land

revenue would, I think, be dangerous to the revenue, and incompatible with the theory of a permanent settlement.

*Question 7.*—If a settlement be made on existent assets, partially derivable from canal irrigation, should the assessment on this portion be made separately from the assessment on the assets which may be held to be independent of canal irrigation?

*Answer.*—I think it ought *not*. There would be difficulties in fixing the amounts; and I would not trust all the young settlement officers to fix them. It would be dangerous to the revenue to stereotype in figures the exact quantity of the uncertain element. The people would be told the amount of assets *held* to be independent of canal irrigation; and in case of a calamity to the canal they would consider themselves entitled to a remission of the *whole* remainder.

*Supplemental Question 8.*—What would happen if the Government sold the canal to a company?

*Answer.*—I trust no such measure will ever occur in a country like India. The complications which would arise would, I think, be very great; and the people would not like or understand the separation of Government (which, be it remembered, is also landlord) from such an Imperial work as the canal. But if such a measure is considered expedient at any time, the Government will be relieved of one great difficulty if there are no figures standing on record to show how much of the land revenue is due to the canal.

The company would simply buy the work on a calculation of the derived and derivable water rates for cultivation, and the profits obtainable from possessing the monopoly of a navigable stream.

Agra, 14 January 1865.

(signed) J. H. Batten, Commissioner.

#### EIGHT QUESTIONS regarding CANAL IRRIGATION in its relation to the PERMANENT SETTLEMENT.

REPLIES by Mr. A. O. Hume, Collector of Etawah.

*Question 1.*—How far does canal water rent practically affect the rent of land?

*Reply.*—The whole produce of the land where canal irrigation exists comprises—

- 1st. The cultivator's own share (wages and profits).
- 2nd. The landlord's share (rent).
- 3rd. The canal share (water rent).

Now, the first item is not at present susceptible here of any great *permanent* variation; if it be much diminished, the cultivator starves or abandons his holding; if largely increased, competition, in these provinces at least, usually soon enables the landlord to absorb a portion of it. Liable as it is to great temporary variations and to gradual progress as prices rise and civilisation advances, practically we may, to simplify the question, consider the cultivator's share as a constant. It will be objected that this is only approximately true as regards even money rent, and that where rents are paid either in kind (*battaee*) or in money, the amount of which bears a fixed proportion (*kunkoot*) to the estimated value of the crop, it necessarily follows that, if by canal irrigation the crop doubles, the cultivator's share doubles, and so on. Now, in the first place, *kunkoot* and *battaee* rents form but a very small and *daily diminishing* portion of the total rents of these provinces; and, in the second place, the canal rent has to be deducted out of the cultivator's share.\* If such deduction does not leave him as much as he before had enjoyed (which may here be taken as a subsistence minimum), he will give up either his land or canal water; while, if it leaves him a larger profit than before, and considerably more than is needful for his subsistence, the landlord will practically, generally, manage in the long run to absorb most of the excess. Taking, then, the cultivator's share as approximately constant, there remain two variables, the land and water rents; and as the total produce does not vary as regards them, and is *quoad* them constant, it is obvious that the water rent and land rent are complementary to each other, and that there is a strong tendency for anything added to the one to be taken from the other. This principle explains *how* it is that canal water rents affect the land rent; the question of *how far* they affect it will have to be answered differently, accordingly as it is construed to refer generally to *all* rates of water rent in all times, or as having reference only to the existing water rent in the present state of affairs. If the latter be intended, it may be stated that, at present, water rent is so low and forms such an insignificant per-centage on the gross total value of the land produce that it has *not* generally materially affected the land rent. On the other hand, as a general question, water rent will in the *long run* prove one very important check on the development of land rents, and tend materially to determine the amount of their increase. Although, however, it does, this water rent can never so far affect land rent as to reduce it below its nominal amount, *i. e.*, that amount which it would have reached independently of the canal, either with the aid of irrigation derived from sources other than the canal, or when no such irrigation is possible on dry cultivation. Directly that limit is reached, the use of canal water will be discontinued, and either well irrigation or dry cultivation be resorted to. Thus, if the land rent obtainable on any field without irrigation (where no natural irrigation is practicable) be six rupees, and the extra profits due to the use of canal irrigation be four rupees; so long as the water

\* This is the rule, but in Moolzaffernuggur the landlord bears his share of the water rent.

rates are fully covered by these four rupees, and in no way trench upon the six rupees heretofore paid, the cultivator *may* continue to use canal water, but the moment the rates so rise as to leave him only five-eighths rupees instead of six rupees to pay to his landlord, the latter will insist on his giving up canal irrigation, and if he refuses will oust him and let his land to some one who will revert to the old dry cultivation. Similarly, if the land rent obtainable on any field where natural irrigation (from tanks, wells, and the like) is available, be 10 rupees, and the actual extra net profits due to canal irrigation, when this is substituted for natural irrigation, be five rupees. So long as these five rupees fully cover the demand for water rent, the use of canal water may continue; but, as before, the moment the canal demand exceeds (or in *practice* at all nearly equals) the extra profits, the cultivator will be compelled to revert to the old natural irrigation.

Incidentally it should be noticed, that it follows from this that the higher the water rates are raised the more the use of the water will be confined to those localities where irrigation from other sources is most difficult. In Saharunpore, where water is close to the surface, and well irrigation easy and cheap, the *extra* profits due to canal irrigation may not exceed a couple of rupees an acre; while in parts of the Lower Doab, as in Etawah, where other irrigation is extremely difficult and expensive, the extra profits may be from 10 to 20 rupees an acre. Hence if our water rates be 10 rupees an acre, we prevent anyone using the canal water who can easily get water elsewhere, while we reserve all the water we have for those who most require it. This is a most important consideration deserving examination in all its bearings, and I shall revert to it in subsequent replies.

To return now to the practical effects that water rents have as yet had on land rent.

These, of course, vary locally. In many places, as in Etawah, rents have not yet been raised by the landlords on account of the increased profits; no distinction exists with us between what in the first division are called wet and dry rates. Heretofore in this district a fixed money rent has been paid for fields or groups of fields, irrespective of crop and irrigation. Hence, with some rare exceptions in which the provisions of Act X. have been had recourse to, the whole surplus profits due to canal irrigation are still absorbed by the cultivator. In such cases, manifestly at present, no changes in water rent in any way affect land rent. But this is only a temporary suspension of the general law. Sooner or later the landlords will sue under the provisions of Act X. of 1859 for enhanced land rent; that is to say, will demand that share of the extra profits of the cultivator to which by law they are entitled. As soon as this occurs, the general law at once comes into operation, and the water rent will begin to affect the land rent; *for*, on the amount of the water rent will depend the amount of the cultivator's extra profits, and on these latter the amount of enhanced rent to which the zemindar is entitled. Thus, if the value of the gross produce, *without* canal irrigation, be 10 rupees (of which the cultivator keeps five rupees as wages and profits, and pays five rupees as rent), and if the value of the gross produce, *with* canal irrigation, be 20 rupees, after deducting the cultivator's share (which, as above explained, seems practically to be almost a constant), 15 rupees remain to divide between landlord and canal. The canal share can never exceed 10 rupees; can never, as above explained, reduce the zemindar's share below five rupees, *viz.*, what it previously *was*, and what it might again become, *independent* of the canal, but below 10 rupees, it may be anything; and by so much as it falls short of 10 rupees, will the landlord's rent receive five rupees; and hence on the amount of the water rent will, within the limits above noticed, depend the amount of the land rent. I note, that even should the cultivator's share *be* increased, which, in process of time we hope may be the case, the argument is unaffected; we still have a fixed residue to divide between canal and landowner, and therefore, within certain specified limits, on the amount of the former depends the amount of the latter. If in any part of the country, as we are told is the case in Moozuffernuggur, rents have been already enhanced beyond the limit at which they could have been maintained, independent of canal irrigation; then, as the water rent is raised to the highest amount that can be profitably paid in places where land rents have *not* been so enhanced, the pressure of the water rent *will* have a tendency to reduce such enhanced rents to the normal limit. Thus, taking our former illustration of the field of which the gross produce, without canal irrigation, was 10 rupees, and with it 20 rupees, and in which the landlord and cultivator each took five rupees in the former case; in the latter, if water rent was only three rupees, and the landlord *had* raised his rents, the 20 rupees would, probably, be somewhat thus divided:—

	<i>Rs.</i>	<i>a.</i>	<i>p.</i>
Cultivator - - - - -	7	-	-
Landlord - - - - -	10	-	-
Canal - - - - -	3	-	-

Now it is clear, 1st, that in the Doab the demand for canal water is much greater than the supply; and 2nd, that where (as at present is the rule) landlords have not raised their rents above the limit maintainable, independent of canal irrigation, *i. e.*, in the present example above five rupees, other cultivators could well afford to pay a higher rate, say eight rupees for the canal water. In due course of competition, water rent would rise to eight rupees, and then as the cultivator cannot live on less than five rupees, either the



landlord will have to give up three rupees, at least of his 10 rupees, and let the account stand:—

										Rs.	a.	p.
Cultivator	-	-	-	-	-	-	-	-	-	5	-	-
Landlord	-	-	-	-	-	-	-	-	-	7	-	-
Canal	-	-	-	-	-	-	-	-	-	8	-	-

or the cultivator would give up canal irrigation, and the rent would fall to the old standard, five rupees. It is proper to remark that, even where this occurs, it will (if the permanent settlement be assessed on the principles hereinafter contended for) occasion neither inconvenience nor injustice. The jumma will have been assessed, not on the rents the zemindar has temporarily realised, and which are liable to fall, but on the rent maintainable, independent of canal irrigation. As to the injustice of depriving him of a portion of his *profits*, it should be remembered that as he has only a *right* to such rents as are obtainable independent of canal revenue, and that, as we have shown above, only that portion of any land rent *can* be reduced by a rise in water rent that was due solely to canal irrigation, and was *not* maintainable independent of it, we are, in fact, only withdrawing from him profits to which he had no legal claim; profits which (as far as they could be realised) really belonged to the canal, were the result of its operations, and the return on its expended capital. This is the general proposition; but I freely admit that if the soil be held to *belong* absolutely to the zemindar (which I deny, and which, if true, renders all mine, &c., reservations utterly unjust), then, as master of the machine, which by the new improvement is made to turn out so much more work than before, he is, according to all usage, entitled not only to his old profits, but to some share of the new excess out-turn. This question, however, can be more properly considered in a subsequent reply.

Generally then, stated in the broadest manner, water rent does not practically affect the land rent so long as the latter does not pass the limits maintainable, independent of canal irrigation, but it powerfully controls its development beyond that limit, and where, under a low water rent, land rents may have passed that limit, high water rents *will* have a tendency again to reduce land rents to that limit. Practically, however, we cannot ignore the fact that other than mere commercial consideration will at all times control the enhancement of water rates. Theoretically, these should be raised to the highest limits compatible with the sale of the whole disposable water, but, practically, the political necessity of preventing famines, and the insuperable "working" objections to locally differential rates, will always check an inordinate rise in water rents; hence, more especially as the instances in which land rents have already passed the limit, maintainable independent of canal irrigation, are, if indeed they do occur at all, extremely rare; we may, for all practical purposes, reply to the first question.

On the amount of the water rent will mainly depend the amount by which the introduction of canal irrigation will enhance land rents, and this is the only manner in which, in practice, water rent affects these latter.

*Question 2.*—Whether, in assessing lands for the permanent settlement, it is incumbent on the Government to assess, irrespective of canal irrigation, or upon existing assets?

*Reply.*—In my opinion the permanent Government demand should be assessed irrespective of canal irrigation. Existing assets should, *under no circumstances*, form the *basis* of a permanent assessment, although with due allowances they will generally constitute a most valuable *test* of the suitability of any proposed assessment.

On so weighty a point a mere assertion of opinion is valueless, and it becomes necessary to explain fully the arguments on which it rests. The case is one that fortunately admits but of one alternative. The extra profits derived from canal irrigation must either be *included* or *excluded* from the calculations on which the permanent jumma is founded. There is no third course possible; one of the two we must adopt, and the simplest method probably of opening our arguments in favour of the one will be by detailing the objections to the other.

Now the arguments against admitting these extra profits into our permanent settlement calculations may be classed under four heads:—

The *first*, referring to the insuperable difficulties that, owing to the uncertainty of canal irrigation, the inclusion of these profits would occasion.

The *second*, to the inequitable character that this inclusion would in practice unavoidably impress on the assessment.

The *third*, to the financial *loss* that it would entail.

The *fourth*, to the *administrative* complications that it would give rise to.

As regards the first, the uncertainty of canal irrigation is of three kinds: *first*, the uncertainty of supply; *second*, of distribution; *third*, of results. Every one who has had any experience of canals to these provinces, but specially of the Ganges canal, has been struck with the extreme uncertainty of the supply of water that they yield. Time after time, just when water is most required, none is available; now it is a fall that has given way; now a head work; here a bank has burst; there a channel silted up; the result is the same, no water. Granted, that another half million be expended in remedying some of the more prominent errors committed in the expenditure of the former two, even then accidents will happen. Colonel Dyas, the head of the canal department, admits frankly that

that he cannot promise a certainty of supply. Every engineer knows that the Ganges canal, by its magnitude, involved for solution problems (especially relating to the velocity of the water) which, although dogmatised on by Colonel Cotton, can really only be, though roughly, solved by a lengthened experience. The time *may* come when the Ganges canal water supply will be, comparatively speaking, a reliably constant item; but at present neither the head of the department, nor any other practical engineer, will venture to predicate how long that "good time" may be "coming." It has been argued that uncertainty is the essence of all mundane affairs; that there is an uncertainty of seasons, of prices, &c., which form an equal difficulty in the case of the permanent settlement. But this argument has really no weight in the long run; seasons and prices are not a matter of uncertainty; good and bad, high and low, balance each other, and the experience of the past enables us to strike an approximately correct average for the future. Such, however, is not the case in the matter of the Ganges canal; no one has the slightest idea what proportion or extent of failures we may anticipate. Moreover, in the case of the canal, the variation is inconceivably greater in degree than in the case of the seasons and prices; while lastly, as so forcibly urged by Mr. Wynne, even supposing (which is not a fact) that canal irrigation, prices, and seasons, were all *similar* uncertainties, surely in making a permanent settlement our object should be to exclude as many grounds of uncertainty as *possible*. Now, the uncertainty caused by seasons and prices we cannot exclude, but we can make a fair allowance for it; on the other hand, we can exclude the uncertainty caused by canal failures and stoppages, though we cannot estimate its amount, even approximately, before-hand. Why include in what we profess to call permanent, and hope to maintain as such, an element of variation that we *can* avoid, and of the probable extent of which we are ignorant?

But supposing even that, after some 50 years of further experience, we *could* guarantee the supply of water, say 5,000 cubic feet per second, winter and summer, even then another cause of uncertainty remains to be discussed—this is the uncertainty of distribution. Day by day we see that the distribution varies according to engineering requirements; one year water is run in this Rajbuha, another in that, villages that formerly enjoyed the advantages of irrigation *now* cannot get any water; a large proportion of the old Rajbuhās are abandoned for improved lines. Mr. Currie mentioned that he found villages in Boolundshuhur, settled by Mr. Freeling on assets which included extra profits from canal irrigation, which villages had never since the settlement obtained one drop of canal water, the Rajbuha that supplied them formerly having been given up by the canal officers. This change is *going on everywhere*, and will and must continue until the development of irrigation is complete, and the distribution of the water has been finally adjusted by the inexorable laws of supply and demand. And here I note a most important matter, which I shall further discuss under the head of financial loss, *viz.*, that if you do *not* settle, irrespective of canal irrigation, you fetter your future progress, and virtually bind yourself down to conditions which you may find it highly inexpedient or impossible to perform; virtually if you include, in calculating your jumma, the extra profits derivable from canal irrigation, you do tacitly bind yourself in all honour to continue to provide that canal irrigation. Now setting aside the fact that you may, as explained under the head of uncertainty of supply, often find it impossible temporarily to provide the water (and therefore be continually compelled to remit a portion of the jumma), you may often find it absolutely necessary to *alter* the distribution and *permanently* withdraw the supply from a given locality. Bear in mind, please, that, with the most perfect arrangements, our Ganges canal, after all repairs, can at the outside not irrigate more than one and-a-half million acres, while on the other hand, the malgoozaree area of the districts it traverses is about ten millions. Now it is clear that, as time advances, we shall say to Saharunpore and other districts where water is close to the surface, well irrigation cheap, the extra profits derived from the canal small, and people therefore only able to pay low rates for their water:—"Revert to your well irrigation, we have not enough water for all, and therefore what we have must be given to those who require it most, who, having 'no facilities' for natural irrigation, can afford to pay more highly for the 'artificial;'" not only engineering requirements, but also political necessity, will render the distribution of the water uncertain; whereas, practically, unless you assess irrespective of canal irrigation, you do bind yourself in honour either to alter your demand whenever (which would be yearly) you have to vary the distribution, or to maintain both distribution and supply unchanged. Both of these latter, as shown above, will and must vary beyond all power of previous calculation; but even if for argument's sake, we admit the possibility of treating either supply or distribution as practically constants, there still remains a third and most important element of uncertainty in estimating irrigation assets which cannot be neglected. I refer to the uncertainty of results.

Already it has been apparent that we cannot look for a *continuance* of those great profits from canal irrigation that attend its first introduction. Already in numerous places, Mr. Currie informs me, along the Kalee or Kaleenduree Nuddee, which is used as an escape, the use for several successive years of canal water has injured the productive powers of the soil, the out-turn of which is now, I understand him to say, far less than it was when I knew the ground before the canal opened. In this district it seems clear that no land is able to bear the drain of canal irrigated wheat and barley for three successive years. The first year's crop is enormous, the second generally good, the third stunted and poor. Without entering on the ground in dispute between Liebeg and his refuters, it will generally be admitted that there is a chemical limit to agricultural produce; much of their nutriment as plants absorb from the atmosphere, there is much also that they absorb from the soil.

soil. Practical experience alone enables us to determine what rotation of crops, and what succession of irrigation and non-irrigation will, *as a continuance*, extract the most produce from the soil; at present we know nothing of this. The effects of canal and well irrigation are manifestly different (though why we cannot fully explain at present). Canal irrigation agriculture is here as yet in its infancy; we positively know nothing of what the results of even 20 years' canal irrigation will be; we do not know whether, as a continuance, lands will bear irrigating yearly, every other year, every third year; we do not know what rotation of crops will prove necessary, whether the most valuable can be grown every year, or every third or fourth only; we do not know at all what the produce per acre due to canal irrigation of any one crop may be after that irrigation has been in use for several years; and, under such circumstances, how preposterous it seems to talk of assessing a permanent Government demand on extra profits derived from canal irrigation, when we have not the *slightest* knowledge of what those extra profits may be.

Now it seems to me impossible for any one who will reflect impartially on the above not to admit that no jumma, which had for one of its most important component parts so totally indeterminate an item as this so-called extra profits due to canal irrigation, could possibly be permanent when we never can count with reasonable certainty in getting an *uninterrupted* supply of water, when we never can be sure how engineering, political, and financial necessities may force us to vary the distribution of the water, and when, lastly, we never can predicate what the results of a continued use of that water will be; it appears to me out of the question to permit this uncertainty of uncertainties to enter into and mar, as mar it would, so grand and desirable a measure as the permanent settlement. The fact is that such extreme liability to variation is incompatible with a permanent settlement, and if, notwithstanding this, you insist on making such, the most inequitable results must follow.

In a permanent settlement the demand cannot be yearly reduced or remitted, and yet yearly numbers of people, and at times the whole community, would lose those very profits on which the Government demand, due from them, had been assessed. How utterly unjust to insist on your demand, how impossible, in many cases, to realise; and yet if you do not assess the permanent demand irrespective of canal irrigation, you must be guilty of this injustice; you must face this impossibility, or stultifying yourself and the great measure you profess to inaugurate, make your "Permanent Settlement" liable to yearly and uncertain fluctuations. But \* there is a still more strikingly inequitable feature involved in the proposition to assess on canal profits. One-tenth of the villages only have as yet taken canal water, and these you are going to assess on canal profits; the other villages who have not as yet taken water will, therefore, get off with a far lighter jumma. As soon as the settlement is concluded, these, too, will, many of them, have recourse to irrigation, and you will then have exactly similar neighbouring villages both permanently assessed, the one on half assets, the other on possibly quarter assets. What have the unfortunate one-tenth done that they should pay so much more heavily than their neighbours? What can be more inequitable than to impose upon one set a burden from which you absolve the other? I am aware that it has been proposed to counteract this inequality by differential water-rates, making land not assessed at the permanent settlement, as under canal irrigation, pay a higher water rent than land so assessed; but plausible as this device appears in theory, all practical officers in these provinces agree that this scheme is hopelessly impracticable. You would have not only lands in adjoining villages, but lands in the same village paying different water rates, and thus a door opened to almost indefinite extortion and corruption on the part of the subordinate canal or revenue establishments. Moreover, as the particular lands irrigated each year vary from year to year, it would be impossible to ascertain or decide which should pay the one and which the other rate. It will be contended that, if in any village, at settlement, 600 acres were irrigated, and in a future year 659 were found irrigated, the higher rate should be charged on 59; agreed, but which 59? After an elaborate judicial inquiry (necessary every year in every village), you will find that out of the 600 acres irrigated at settlement only perhaps 300 are still irrigated, 300 of those which were irrigated at settlement having gone under dry cultivation, and 359 then dry having been brought under irrigation. How is it possible to decide equitably *which* 59 out of the 359 are to pay a double water rate, and which particular cultivator (paying of course the same rent as his fellows, and this is a practice unavoidable) is to pay double rates on his land? Conceive only the endless confusion and litigation to which this proposal would lead. Practically, the thing is impossible, and hence a settlement on existing assets, where these include canal profits, involves this inequitable feature; that whereas villages into which canal irrigation was introduced *before* a certain date are fully assessed in the supposed profits of the same, others, into which the same was introduced a week or two later, are only assessed in their normal profits, independent of canal irrigation; and it will follow that in two neighbouring villages in which the rent-rolls, without canal irrigation, were, say, 1,000 rupees, and with canal irrigation, 1,500 rupees, the one will pay 500 rupees, and the other 750 rupees to Government, and this not exceptionally for one or two years, but for all time. Turn now to the financial *loss* that the inclusion of these profits

\* This argument is not original, it was suggested to me by a remark of Mr. Drummond's; it seems to me unanswerable.

fits will occasion. Messrs. Muir and others have founded their advocacy of this objectionable measure on the supposition that the alternative measure would injure the Government revenue. Never was there, I believe, so thorough a misapprehension of the real facts; so far from the exclusion diminishing the ultimate profits of Government from the Ganges Canal, it will multiply indefinitely the petty profits (in one district, for instance, Boolundshuhur, estimated by Mr. Currie at 36,000 rupees) derivable on the inclusion system.

As matters now stand, there are, say, 200,000 acres irrigated from the canal; say, roughly (as the argument will be most intelligible in a figured shape), that the extra profits per acre (where canal rents are three rupees per acre) are six rupees; of this you include four rupees, viz., the zemindar's share, as assets, and on it assess a permanent jumma of two rupees; at first sight then you gain 4,00,000 rupees by including the extra profits of canal irrigation in settlement assets. But what do you lose? As time goes on, one million more acres will come under irrigation; on these, as above shown, it is impracticable to charge a different water-rate. You cannot fairly raise the rates at all; but if you do you must raise them for all. Under all circumstances, whether you do or do not raise\* the rates, the cultivators of the million acres *could* afford (though, as above explained, differential rates are impossible in practice) to pay you at least three rupees per acre more water-rent than the 200,000 can who have to pay four rupees extra rent (which four rupees, as it forms part of the assets of the permanent settlement, they sue to reduce); so that, by the exclusion system, while for the moment we lose 4,00,000 rupees, we should, by the inclusion, ultimately lose three rupees per acre on the whole 1,200,000 acres of irrigation, or nine times 4,00,000 rupees. It should be clearly understood what, in a financial point of view, we do when we admit the extra profits derived from canal irrigation as assets on which to base a permanent assessment. Let us suppose that in any field, after paying all his expenses, and retaining what according to the custom of the neighbourhood may be his fair share of the total profits, there remain to the cultivator, over and above the usual amount of rent, 10 rupees, special extra profits, due to canal irrigation. If now we assume these 10 rupees as assets, as they are doing in Moozuffernuggur (raising rents as soon as the new jumma has been *declared* under the provisions of Act XIV. of 1863), we can at most get only five rupees of it. But if we ignore it at settlement, we can practically get at least eight rupees of it by increasing the water-rate; for even then the landlord will be able to get two rupees more than he could if canal irrigation were not resorted to, and the tenant will be enjoying, as above supposed, his full share of the total profits. Thus, in grasping at the half of the net profits on the 200,000 acres, you will lose what might be at least three-fourths of the profits on the whole 1,200,000. To return now to what we formerly said about distribution. In my letter, No. 16, of the 9th of January 1865, to the address of the Secretary to Government in the Public Works Department, I brought prominently forward the importance, in a financial point of view, of a judicious distribution of water. As I said before, if you now assess inclusive of these canal profits, you will hereafter almost entirely deprive yourself of the power not only of raising the rates, but also of altering the distribution. You cannot assess on these profits, and then withdraw their source, without reducing your demand; and re-adjustment of a permanent settlement, whenever you alter the distribution, would be endless, and would, in fact, nullify the whole scheme. I am aware that individual officers have been found to enunciate the astounding doctrine that Government might settle on these profits, and yet, though it withdrew or was unable to provide the supply of water on which they depend, still decline to reduce its demand, in other words, falsify itself in the face of the world, and pretend to assess a jumma on half assets, knowing well that when the settlement was concluded it was likely by its own acts or omissions to reduce those assets on which its demand was calculated, and so, in fact, render that demand, which it pretended to call only a half, much more than a half of the joint property. This is a proceeding which would ruin the credit of any Government, or any house of business. Whatever other Governments might do, our Governments are incapable of this, and therefore, as I said before, unless you assess irrespective of canal irrigation, either your settlement ceases to have any pretence to permanence, or you virtually deprive yourself of all discretion as to the future distribution of the water.

Now this question of distribution is even more important financially than it is in an engineering or political point of view. Admitting that the necessity of preventing famines, &c. may lead to some practical modifications in particular cases, and that certain minor reservations are needful, the broad principle which should govern the financial administration of the canal is, as I have shown in my above referred to letter, "*raise water-rates to the highest limits compatible with the permanent consumption of the whole stock.*" The Government, on behalf of the whole community, has expended a vast amount of public

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\* You cannot, it should be noticed, fairly raise your water rate at all after the permanent settlement is once concluded, since half assets at which you pledge yourself to settle at one water rate will be no longer half assets at another. If the extra profits per acre payable as rent are four rupees when water rate is three rupees, and you settle on such profits at two rupees, or half assets, you cannot, without a gross breach of faith, raise those rates. For, say you raised the rates to five rupees, then the extra profits payable per acre as rent would only be two rupees, the whole of which (and not the half, as you have professed) will be absorbed by your demand; or even say you do raise it a trifle, you cannot so raise it that the cultivators of the 200,000 are not still able to pay the four rupees per acre (on which your assessment is founded) as rent.

public money for the benefit of only one small section of that public, and is bound to obtain the largest possible return on that outlay consistent with equity and good conscience. The canal must be treated as a commercial enterprise, and managed on the broad principle of buying in the cheapest and selling in the dearest market. The Government will, as it were, buy its water in the cheapest market by reducing the expenses of canal management as low as possible, and it will sell in the dearest by distributing its water where water is scarcest, and therefore most valuable. How important this is is apparent when we remember that roughly there are 10,000,000 acres of cultivated or culturable land within the sphere of the canal, while that canal can *never*, it is believed, at the *outside*, irrigate *more* than one-and-a-half millions. Amongst these 10,000,000 will be found one-and-a-half million acres in which the cultivators cannot afford to pay more, on the average, than one or two rupees per acre, while another million and-a-half might be picked out where it would pay the people to take water at 10 rupees per acre. Lacks of rupees have, as it is, been wasted in giving water to villages in Saharunpore and elsewhere, where water is so near the surface that people, comparatively speaking, care little for the advantage, and cannot, therefore, afford to pay much for it, which, if more judiciously laid out, would have given water to localities where it is priceless, and where it would have been remunerative to cultivators to pay twice and three times as much for it as those can who now enjoy it. Nothing can be more important than this question of reserving the right to distribute the water hereafter as we find most necessary; but I have dwelt on it so fully in my letter (No. 16, 9th January 1865), that I shall press the point no further here.

As regards the fourth class of argument, which relates to the administrative inconvenience of including the canal profits, I would refer you to the same letter. Suffice it here to say, that in my opinion Government cannot permanently continue to usurp the legitimate field for private enterprise; that sooner or later the canal must pass into private hands, and that such transfer (so desirable in every point of view) will be greatly retarded and infinitely complicated if canal profits, or, more broadly, water revenue, be not from the first kept distinct from land revenue. As regards canal administration, too, financial efficiency can never be hoped for so long as the real profits resulting from the canal are ill defined, and the greater portion of them "muddled up" with land revenue. Water revenue and land revenue are distinct, and nothing but confusion and a loss of administrative efficiency can result from calling things by their wrong names, and including in one what is really the other.

I have now shown the insuperable disadvantages attendant in including profits from canal irrigation in the assets on which we calculate our permanent jumma; still Mr. Muir, I feel sure, will argue that, raise water-rates as high as you will, there must still remain some surplus profits to the cultivator, or he would not use the water; that of this surplus three-fifths must be considered as the zemindar's share, and included in the assets on which the Government demand is assessed; that thus, by the plan I advocate, the Government will lose one-half of this three-fifths or three-tenths of the surplus profits. This I admit; you do lose the three-tenths of the surplus profits on the 200,000 acres, but *per contra*, you will gain from one-half to two-thirds of the surplus profits on the whole 1,200,000 acres, and you insure that the 120,000 acres, whose surplus profits you thus share, shall be those particular acres out of the whole 10,000,000 whose surplus profits will be largest. You lose about four lakhs per annum now; but, unfettered as regards the future price and distribution of water, you will gain hereafter at least 36 lakhs per annum that would otherwise be lost. We lose, in fact, the shadow; let it go; but we firmly grasp the substance, financial success, and independence of action.

*Question 3.*—If the assessment be made irrespective of canal irrigation, should it be made on dry rates, or on the supposed capabilities of the soil, or how?

*Reply.*—The assessment should be made precisely as if no canal existed on what (though I hardly like the term) has been denominated the "natural capability rate," as every practical settlement officer well knows assessments are not made merely on the rent roll of a village. Its lands are classified; its natural facilities for irrigation considered. It is compared with all similarly situated mehals in the pergunnah or tract; and from all combined, average rates for each class of soil under each of three or four different conditions are deduced. From these average rates a rough jumma is worked out, and *then* all individual or exceptional peculiarities of the mehal, which ought legitimately to affect the average rates, are one by one taken into consideration. It is not so much on the actual rent roll (though this is a most valuable standard for constant reference, every deviation from which we must be able fully to explain) as on what that rent roll ought fairly to be, that an intelligent settlement officer finally fixes the Government demand. There is nothing whatsoever in the introduction of canal irrigation to prevent our following out this course, just as if the canal did not exist. Half a dozen different methods, as Mr. Wynne has so fully pointed out, present themselves to the settlement officer, by one or all of which he can clearly ascertain what the mehal was, or ought fairly to have been, and might and ought to be again independent of the canal. It is not on the *supposed* capabilities of the soil that we should assess, but on the *actual* capabilities which are fully as accurately ascertainable, where the canal *has* been introduced as where it has not. True, the canal may have caused the disappearance of most of the wells, but this does not affect the question; we can generally find out how many there used to be, and what they irrigated; we can always find out how many there are, and what extent they irrigate in other similar villages where the canal has not been introduced; and we can always ascertain what

what in that locality, with reference to natural facilities and class of soil, the irrigated area might reasonably be expected to be, independent of the canal. Be it remembered, that the mere fact of the absence of wells, whether canal irrigation have or have not been introduced, is no ground for assessing the village on dry rates. If water is near the surface, the people are just as much bound to dig wells and use water as they are to plough and sow. The fact of no wells existing in such circumstances would lead us to suspect some concealed difficulties or peculiarities of soil or water which act as bars to irrigation; but if on investigation we found that nothing of the kind was the case, and that the absence of wells was solely due to apathy and indolence, we should assess, not on the actual dry rate of the village itself, but upon the rates that ought and might obtain there, and do obtain in other similar neighbouring villages. Let it not be imagined that this throws open the door to individual caprice, or, as one officer suggested, will permit an officer who considers that fields "*ought fairly*" to contain a well each, and to be manured every year, to assess as if they *were* thus favoured. This is totally wrong; nothing is left to individual caprice; the assessment is made on rates which the experience of the whole neighbourhood *proves* may be fairly expected, subject to any such modifications as the individual peculiarities of the mehal prove to be equitable. A large discretion must be left to every settlement officer, and no larger discretion is left where the assessment is made irrespective of canal irrigation than where this latter is included in the calculations.

*Question 4.*—If Government assess upon existing assets, should the assessment be made upon "sursurree" rates, or upon the jumabundee?

*Reply.*—I leave to those who advocate such an assessment to explain in detail how they propose to make it; but I reply, generally, that no jumabundee ought ever to form the basis of an assessment; it is invaluable as a check, and as a guide to local peculiarities. But a single jumabundee is so narrow a basis, and the proportion by which it may err so unlimited, that every good settlement officer instinctively turns to a broader foundation for his calculations, and finds in the averages deduced from the largest possible number of similar cases, data which can only contain a moderate per-centage of error.

*Question 5.*—Whether the permanent settlement should not be deferred till after completion of the Ganges Canal repairs?

*Reply.*—If the permanent settlement be assessed as has above been advocated, irrespective of canal irrigation, nothing having reference to the canal need defer for one single day that great boon, the permanent settlement, on which so much depends the future progress of these Provinces. If, however, additional profits derived from canal irrigation are to be included in the assets on which that permanent jumma is calculated, then not only should the permanent settlement be deferred until after the completion of the repairs of the Ganges Canal, but it should be deferred until the whole canal system has been fully matured, and time and experience have enabled us to reduce to average certainties the present uncertainties of supply, distribution, and result. In my opinion it is merely a question of permanent settlement or none. If you will insist upon including extra canal profits in your settlement calculations, you must postpone the permanent settlement *sine die*; or if you chose to call your new settlement thus made a permanent one, it will have nothing permanent about it, but the name and the regret with which it will inspire our successors.

*Question 6.*—Whether any portion of the land revenue can fairly be credited to the canal revenue?

*Reply.*—If by land revenue is meant only what is really land revenue, certainly not. Why should land revenue be credited to the canal any more than canal revenue should be credited to the opium department? But if you are led by any preconceived notions to persist in calling things by their wrong names, and having got hold of a sum of money that is partly land and partly water revenue, insist on calling the whole land revenue, then undoubtedly I must answer the question in the affirmative, and admit that the whole of that portion of your so-called land revenue, which is really water revenue, must, for administrative reasons, be credited to the canal. I will put a parallel case to the canal that I suggested at the conference. Say that a guano manufactory is started in these Provinces, which can only turn out 5,000 tons per annum; that this guano is so fertilizing to many soils that enough tenants can be found to purchase the whole stock at 15 rupees per maund. Now suppose Government limits the price at which the manufacturer may sell it at five rupees per maund, the 10 rupees thus set free will pass into the landlord's hands; since, practically speaking, as I explained in my first reply, what the cultivator gets in the long run varies little. But even admitting that only six rupees of it go to the landlord, this six rupees become assets on which the permanent settlement is calculated, and the one-half, three rupees, is called by Mr. Muir and others, land revenue. But it is nothing of the kind; it is guano revenue, which, but for your interfering with the laws of supply and demand, by fixing an artificially low price, would with much more, which your mismanagement has wasted, go to the guano merchant. The canal case is precisely similar; the present water price (on the profits accruing under which your permanent settlement is to be founded) is, as regards a large portion of the area requiring canal irrigation, an artificially low one; and you will therefore have included in your so-called land revenue what is really water revenue, which, with fully as much a gain, would, but for your interference in fixing the price (and this you do, as I have shown in previous replies, as soon as the permanent settlement is concluded on this basis), have gone to the canal. No

doubt, despite our leaving the laws of supply and demand to adjust the price of both guano and water, some small additional profits ever likely to vary, as both supplies and distribution vary, will find their way to the landlord, and an assessment on such *would* be land revenue; but in seeking to grasp the Government share of these small fluctuating additional profits, the propounders of the existing assets scheme have overlooked that (as already explained), their supposed little gain will prove ultimately an enormous loss; and that at the present artificially low rates they are founding a *junma* not only on these legitimate assets, but on much that is really water revenue.

*Question 7.*—If a settlement be made on existing assets, of which a portion is derived from canal irrigation, should the assessment on this portion be made separate from the assessment on the assets which may be held to be independent of canal irrigation?

*Reply.*—If you insist upon founding what you are pleased to call a permanent settlement upon assets so (at present) incalculably variable as those derived from canal irrigation, no doubt the best way is to make the double settlement above suggested. The one assessment may be really *permanent*, and will give the *name* to the measure, and the other assessment, which will vary of course from year to year, as supply, distribution, and results vary, need not be permanently noticed. You will certainly escape some difficulties this way, and you will know how much of water revenue you have included in land revenue, and be able to give the canal a corresponding credit; but by the separation, you open the way practically to *endless* litigation and disputes about the variable portion, to everlasting applications for remission and reduction, of which the most perplexing feature will be that one-half probably will be more or less well-founded; and you do not avoid that fatal mistake whereby fully half of what is really canal revenue (and could be realised as such under the arrangements advocated in previous replies) is allowed to be absorbed by the *zemindar*. (*See, further, my letter, No. 16.*)

*Question 8.*—How could you make the permanent settlement if the canal had been made by or belonged to private parties?

*Reply.*—On exactly the same *principles* as those on which I now propose to make it. It is true that, had the canal been in the hands of private parties, and therefore the rates not kept down artificially, long before now water-rates would have absorbed the whole of the extra canal profits which are really water revenue, and no portion of this latter would remain, as it now does, in the hands of cultivators and *zemindars*; for the test of what is water revenue and what are land profits is simple. So much of the extra profits derived from canal irrigation as you can, without compelling a disuse of canal water, absorb by water-rates, so much is water revenue. The small residue that cannot be thus absorbed comprises extra profits of cultivator, and extra rent; and this *latter*, if you could be sure of getting it *tout pur et simple*, might, if canal irrigation, supply, distribution, and result were certainties, form the basis of a permanent settlement. But certainty in these matters can, in the case of the Ganges Canal, be guaranteed by no one, private individual or public officer, for many years to come; so that even in assessing under the supposition embodied in the question, we should reject these small fluctuating profits, still more, then, ought we now to reject the *large* fluctuating profits which Mr. Muir wishes to include, three-fourths of which are water revenue, which will disappear as soon as you leave the regulation of the price of water to the ordinary laws of supply and demand.

Etawah, 21 January 1865.

(signed) A. O. Hume,  
Collector.

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NOTE on Mr. R. G. Currie's Supplementary Pamphlet regarding the Permanent Settlement of the North Western Provinces.

THE opponents of the present system of settlement of the land revenue, and who would substitute in its place a settlement irrespective of canal irrigation, seem to me to have made the following grave errors:

- 1st. They forget that the land revenue of India is virtually a tax on rent.
- 2nd. They mix up canal water rent with land rent, and thus fall into hopeless confusion at every step they take.
- 3rd. They immensely exaggerate the precariousness of the canal water supply.

I hold to the opinion that Government is entitled to a moiety of the rental, however much that rental may have been augmented by canal irrigation, by manuring, or by any other process. It matters little whether the canal has been made out of the general revenue, or by a private company. The landlord will, in either case, after all expenses have been paid, receive some enhancement on ordinary rents; and it is the duty of the settlement officer to ascertain what that enhancement is before he fixes the amount of the Government demand. It is not likely, unless cash rents prevail, that the settlement officer will hit upon the exact amount of the rental which reaches the landlord, nor is it of any use entering into very elaborate accounts, but it will be sufficient if, after comparison of various data, an average be struck over 10 years or so, and the revenue be assessed accordingly.

Messrs. Currie, Forbes, and others admit that, if this system of assessing upon present rentals be abandoned, and resort be had to an assessment upon natural capability of soil, there

there will be a sure sacrifice of a certain amount of revenue, although Mr. Currie would have us believe it will be only 38,000 rupees in the Boolundshuhur District; that is to say there will be little or no difference between an assessment including canal profits and one irrespective of the canal! In support of this extraordinary statement, Mr. Currie gives us an insight into a lengthy tabular account, which he and the native Deputy Collector appear to have drawn out together; but I ask any experienced officer if he does not consider this tabular account to be "*a biassed approximate rough calculation,*" to use Mr. Currie's own words. By the first computation made in the Boolundshuhur District, the loss to Government was reckoned at 85,000 rupees, so the Commissioner of the Meerut Division informed me; now it has come down to 38,000 rupees, and further reduction is promised! Of course it is possible to show at this rate that the canal does not add a farthing to the net rental of an estate, and that, as far as Government is concerned in sharing a portion of the enhanced profits, the canal might be "*in nubibus.*" It makes no perceptible difference one way or other. Allowing then that Mr. Currie is somewhat a biassed reformer, let us see what the members of his party have to say in the matter. Messrs. Forbes & Crosthwaite would make good the loss of revenue by increasing the price of water, and by having a separate canal rate for the actual area irrigated in any given year. Now mark the confusion of these ideas. Water rent and land rent are mixed up together as if they were derived from one and the same source. It has not struck these gentlemen that land settlements have no connection with what Government may choose to demand for canal water; the latter would be taken under any form of assessment, consequently any deficiency in land revenue cannot be said to have been reimbursed by an addition to the price of water. Government stands in the place of an Irrigation Company, and is quite justified in asking for a full, but not exaggerated, price for the water, and also for a full moiety of the land-rent. Mr. Currie, in page 11 of his Supplementary Pamphlet, wisely throws overboard the exemplar in his first note. He must have seen, as everybody else did, that lowering the jumma at the cost of raising the price of water, was a clean gratuitous gift of so much revenue to the landlord, and an addition to the burdens of the ryot. Such a position was manifestly untenable, and we are referred for its explanation to the general "context and drift of the argument," to facility of irrigation due to solidity of subsoil and proximity of water to the surface, &c., or, in other words, to natural capability, about which more hereafter.

As the fall in the revenue cannot be supplied by raising the price of water, Mr. Crosthwaite ingeniously enough proposes to have a canal rate upon the area actually irrigated. We have, therefore, three sources of income, ordinary land revenue permanent, a canal rate, and a water rent. The two latter will fluctuate and vary every year. The same inquisitive inquiry will have to be carried out annually to ascertain the amount of the second as the third item. We are not told who is to pay the canal rate; but I presume the zemindars are the proper persons. Will they, does any one think, prefer this sub-division of the revenue to paying a moiety of the rental? Which is the most simple and intelligible to all minds, the present or the proposed system? Mr. Currie evidently does not like this canal acreage rate, or royalty paid to Government by the landed proprietors for the use of canal water; for he says, "Government may well forego that slight pecuniary loss, and not have recourse to any method for recovering it." Sorely perplexed how to fill up the inevitable loss to the Treasury, the opponents of the present system endeavour to show that an assessment, based upon natural capabilities, will, after all, give but a small loss, and because I say this natural capability rate is nothing new, except so far as a wholesale charge is made for wells not in existence, I am guilty of a "strange inconsistency!" Why, I have all along entered into my account of canal profits any possible irrigation from wells thrown into disuse by the canal, 22 acres, or 44 pukka beegahs of land has been declared the average amount irrigable from a well, and as to the discrimination of soils, every pergunnah of this district has been divided into three or four circles, according to the preponderance, or otherwise, of the richer soils; and in each village there are four kinds of soils, or less, as the case may be, viz., '*meesun,*' '*roslic,*' '*dakur,*' and '*bhoor.*' To each of these soils there are standard, irrigated, and unirrigated rent rates. What more discrimination do you require than this; what have we overlooked? I know I have been charged with ignoring wells altogether. This is incorrect; but what I do assert is this, that it is unsafe to trust young settlement officers, or indeed experienced settlement officers, with such extensive powers as is implied in the liberty to charge dry lands that have never yet been irrigated throughout these many years of settlements, as if they were capable of irrigation. As a rule, to which there will be exceptions, wherever the facility of constructing wells is great, there will be many wells already working. When these wells fall in, others are dug in their places. On the other hand, where water is at a distance, and wells expensive to make, there wells are few, and capital is seldom forthcoming to add to the number of those already in operation. Should there have been any fraud or *suppressio veri*, the settlement officer will take care to protect Government interests at the time of measurement, by a correct classification of soils and adjustment of rates; but it is surely not prudent to allow officers who are pre-engaged to fill up a certain "vacuum," to charge acres of dry land as if irrigable from wells.

There is another view of the proposed changes to which I wish to draw attention. Supposing it possible to supply the deficiency of revenue by charging enhanced rates for water to be paid mostly by the cultivators, an alternative which I have already reduced to



an absurdity, would not the question of rent between landlord and tenant be opened out afresh, and the whole agricultural population dragged into the local courts, either to recover or adjust rents under Act X. of 1859, and Act XIV. of 1863? A pleasant prospect this to have the interminable quarrels of Bengal Proper re-enacted in these provinces, hitherto free from such embroilments. This would be one of the unhappy results of abandoning the rational system of assessment upon present average rentals, and substituting in its place an assessment upon supposed capabilities of the soil. I use the word "supposed" advisedly because it is suggested the profits from future wells should be carried into calculation; nobody knows when or where the money is to come from to build these imaginary wells. The directions of the Board of Revenue regarding the value to be put on various kinds of soils are amply sufficient to embrace the theory of what is called the natural capability rate, and as there is nothing novel in this portion of the proposition, excepting the very "*strange inconsistency*" above alluded to, the plan might be negatived as already provided for.

The precariousness of the canal water supply has been immensely exaggerated to suit the opinion of the new school, if such a name can be given to a party who really have no new principle to inculcate, but a very old one which they wish to distort. It is said the canal is to be a perennial source of trouble, aqueducts are to break down, embankments give way, old Rajbuhas to be deserted and new ones taken up, &c., &c. In fact the Ganges Canal is to be a hideous failure, not so the Eastern and Western Jumna Canals, which are allowed to be successful. Now I do not look upon the Ganges Canal in this desponding light. I think our engineers will overcome all difficulties, and if the worst does come, I have got the jummas apportioned off, thus: 500 rupees jumma (300 rupees ordinary, 200 rupees due to canal). If the canal stops for only one harvest, I do not think the zemindars will ask for remission; but if a whole year is consumed in repairs, then drop the amount due to canal profits minus any amount the landlord's rental may have been augmented by other causes. Mr. Currie seems to think Government is bound by some implied contract to keep up the rental to a fixed amount; but he forgets altogether that, with the progress of civilisation, the landlord's rent will increase, independent of the action of the canal, and that what was the rental when the village was assessed, will, in a few years, be much altered for the better; consequently the zemindar can still afford to pay his jumma, although his profits may have been diminished by the stoppage of the canal. As to Government being sued for damages in the civil courts, I have no fear of this, because the grounds of assessment can never be made a subject of litigation. The civil courts are only empowered to decide between two claimants for shares of the proprietary profits; they have no concern with the mode of assessments. This is purely a revenue business, appealable to the Commissioners of the Division and to the Board of Revenue, and as Government has entered into no specified contract of any kind, a suit for damages, on the score of breach of contract, would be nonsuited *in limine*.

Differential water rates in the same village, or tract of country, are a great bugbear to the parties whose propositions are under review. The recent order of the Governor General, fixing a rate of 5 rupees per acre for sugar cane, and *Rs. 2. 4.* for other crops, has partly disposed of this dilemma. In the Moozuffernuggur District, irrigation is almost at a maximum, consequently differential rates are not likely to occur. Mr. Currie doubts this, and says, "I rather close my eyes against the difficulties than look 'the question fair in the face.'" I am very much obliged to Mr. Currie for his opinion of my courage, but I doubt his competency to judge; perhaps Mr. Currie knows this district better than I do, who have been here three years, and visited every inch of ground.

Allow that the Governor General's order does not affect the question of differential rates, how does the question stand? In the same village, suppose one cultivator has to pay *Rs. 2. 4.* per acre for water, while another has to pay 3 rupees, the canal officer will give water to the latter in preference to the former. True; but will not the cultivator, who pays the cheaper rate, immediately offer to pay the higher price, and so be on the same level with his neighbour, the landlord's rent remaining the same in both cases? You may depend upon it the cultivator, if he can afford to pay, will never let the water slip out of his hands in this manner. I object, however, to the canal being classified *absolutely* with other purely mercantile concerns, and auctions being held in every village, to see who will pay the highest price for the water. If Government gets 8 to 10 per cent. interest on the outlay, a fair interest surely, I am certain villages now irrigated will never be deprived of water because other villages offer to pay higher. Justice will be dispensed to all parties without respect of persons. In conclusion, I would suggest that this interesting problem how to show that a settlement, based upon natural capabilities of soils, irrespective of canals, yields the same revenue as a settlement based upon present rentals, including canal profits, be solved by Mr. Currie, and that he be requested to postpone his furlough until this important State question is satisfactorily disposed of.

To do so he must condescend to give us a little more weighty argument than is to be found in the frothy pamphlet that has given rise to these remarks.

(signed) S. N. Martin, Collector.

## ANSWERS to Questions by Mr. Wynne.

*Question 1.*—How far does canal water rate practically affect the rent of land?

Abstractedly speaking, any water rate must even now so far affect rent that if there was no water rate at all, the cultivator could of course pay more to the zemindar.

How far it does actually affect it, is a matter which each officer's experience must decide. The result of mine, confined to the Eastern Jumna Canal, is that, if the zemindar's share of the produce is half the produce on dry land, it will be some two-fifths on well-irrigated, and some one-third on canal irrigated land, *i. e.*, a difference of one-fifteenth. Still the actual produce being greater,\* the zemindar's actual rent will be at least equal on well and canal irrigated land, indeed I generally find more on the latter.

So that as yet water rate is so far from having encroached on rent that the very opposite is the case. The amount paid to the zemindar includes a small surplus sum paid to the zemindar that might be added to the water rate.

With time for calculation, it would be easy to give the amount so encroached on in rupees, annas and pie.

† Next comes the consideration of what effect an enhancement of the water rate naturally has on rent.

Though the profit at which the cultivator will continue to hold his land is, as Mr. Hume has noted, an invariable quantity in theory—and as a general rule in practice also—yet by experience I am convinced that in Saharunpore (and I should say elsewhere also) there is a considerable margin of profit accruing to the cultivator after paying rent and water rate, out of which a small enhancement of the latter may be made without affecting the former.

But any such enhancement‡ as that ordered by the Governor General in Council, taken as it must be in connection with the prospect of a further increase hereafter, puts us face to face with the difficulty—who is to pay the enhanced rate, and how will it affect rent? On the first point all are agreed that it should and will come, whether immediately or eventually does not matter, out of the pocket of the actual cultivator. With regard to the second, it is to be observed (though this is rather anticipating the answer to the second question) that whatever difficulty there is, does not attend only the system of assessment independent of canal profits, but is quite as much a difficulty under the system which it is proposed to continue. In either case it appears to me that the rent will be adjusted in the following manner. If a cultivator at the time of settlement pays 4 rupees per acre as rent and 1 rupee per acre as water rate, he will, whether there was before a margin or not, object to pay that amount, when the water rate is doubled. He will seek to reduce his rental by the amount by which the water rate has been enhanced. But if that rental has been made the basis of settlement, the zemindar will regard its reduction as a grievance, and justly so. He will sue for the amount of his former rent, and the rent court will, I should say, undoubtedly decree in his favour, and will point out to the cultivator that he need not take the canal water unless he likes, and that the natural rent of the landlord must not be affected by the act of the tenant. If, then, the enhanced water rate is really more than the difference between the cost of well and canal irrigation, the cultivator will discontinue the use of canal water, and if there *are* no other sources of irrigation, he, in his turn, will be able to come into court with a claim for abatement of rent owing to the diminished productiveness of his lands—even in this case the receipts of the zemindar will not be lowered below the natural rent rate, *i. e.*, what it would all along have been independent of canals. Meanwhile the canal officer will have learnt that his water rate is too high, and when one or two such experimental enhancements have been made and failed, the water rate will reach its natural standard.

A strong argument is thus furnished for allowing a part at least of the collections on account of canal profits to be based on a rate fixed by bargain between canal officers and cultivators as proposed by Mr. Crosthwaite. (*See below, answer to question 7.*)

It may be argued that the rent rate on which the assessment is based would even thus be stereotyped, and that while the rentals of the neighbourhood were increasing, those of the canal irrigated villages would continue stationary. Not if the rent courts hereafter take into consideration (as they will) the fact that the natural rental (*i. e.*, that independent of the canal irrigation) has increased beyond the amount which formed the basis of settlement. Whether it has done so or not, could easily be ascertained by inquiring what the rent rate is in the parts of the neighbourhood unaffected by canals.

I have, in answering this question, taken the most unfavourable case, *viz.*, that no disputes between landlord and tenant will be settled except in court. I do not myself dare to hope that the relations between the two can long continue to be marked by that comparative immunity from litigation which distinguishes the state of things here from that which prevails further down country. But I would observe that the chances of amicable adjustment

\* Greater in the particular tract of country of which I am speaking, because the canal enables a double crop to be grown on many lands, and in many more enables that most paying crop, rice, to be grown.

† Note this and all the remarks between parenthetical marks [—] have been added since the conference.

‡ Taking the per centages of the different crops given in the resolution of the Governor General in Council, on the enhancement of water rates, the rate in the Eastern Jumna districts (when all is for irrigation) will be raised 97 rupees per 100 acres, or nearly 1 rupee per acre, and though the price paid for the Kolabas calculated at 8 annas per acre will be repaid, yet this will be a boon not to the cultivator, but to the landlord.

adjustment out of court, and the facilities for satisfactory decision of such disputes in court are far greater under the system of assessment that we propose than under the present system. In the first place, when the settlement of a canal irrigated village takes place, and a remission is given of that part of the jumma that depends on canal irrigation, it is almost certain that, even though the water rate will be increased, the amount of rent will be amicably adjusted, the zemindars feeling that, as their *net* receipts will not be diminished, they can afford to lower their rent by the amount by which the burden of water rate thrown on the cultivator may have been increased. Or, if the case *does* come into court, the principle according to which it is to be decided is as clear as can be wished.

If in the next place canal water is introduced subsequently to settlement, the cultivator, finding that his produce is on the whole increased, will be able to continue paying the former scale of rent, or indeed (owing to the competition for such lands) rather more, and yet bear the burden of the full price of water, and it is to be observed that, according to the arrangements in the Viceroy's resolution on the permanent settlement, the whole of the higher water rate to be imposed on lands to which canal water is subsequently introduced (and this must of course be sufficient to make the canal paying) will fall on the cultivator, and *MAY* therefore encroach on the zemindar's rent; whereas according to Mr. Crosthwaite's scheme, a part of the canal income will consist of a rate per acre of irrigation payable by the zemindar, and representing half his additional assets, so that the amount falling on the cultivator will be proportionally less, and therefore less likely to encroach on rent. The conclusion is then that, whatever difficulty there is, is not raised by those who propose the remodelling of the present system of assessment; but that it is on the contrary rather less of a difficulty, and litigation on the subject of rent rates can be more generally prevented, or at least, if not prevented, more easily decided under the proposed than under the present system; finally, that the difficulty is in either case far less than it appears at first; that rents, however much water rates be increased, can never be permanently lowered below what they would be if there was no canal irrigation: that, if water rates are rigid and also high, they may *tend* to encroach on rent, and that the moment this tendency is felt, the zemindar, by demanding his full former rent, can force the tenant to disuse canal water; but that if the amount of the rate be not rigidly fixed, but be regulated by the demand for water, such disuse can only be very temporary. Even now many possible cases have been purposely omitted to avoid undue lengthiness. I can only hope that if objections are taken on any point, I may be allowed to submit a full answer.

*Question 2.*—Whether in assessing lands for the permanent settlement it is incumbent on Government to assess irrespective of canal irrigation, or on existing assets?

Against the present system of assessment, there are the six following arguments which I can only give briefly:—

1st.—I beg to say the least extreme doubtfulness of securing a regular supply of water. Not even a canal officer, not even an Eastern Jumna Canal officer, if asked, can promise a regular supply, or even a supply approximating to the standard of regularity by, I should say, 33 per cent.

There are undoubtedly other elements of uncertainty in all assessments. Droughts, murrain, depopulation, &c., &c. But apart from the fact that *this* element of uncertainty is, in our eyes, out of all proportion greater than the others (the experience of centuries teaching us that the general average of season continues pretty much the same, and that an exceptionally bad season is compensated by an exceptionally good one), apart from this, it is contended that it is a positive duty to reduce the elements of uncertainty to a minimum; and that while we cannot remove the *other* elements, *this one* we can, and therefore should remove.

2nd.—Government will find itself fettered, as to the disposition of the water. There are tracts which would be positively benefited by the removal of canal water, and in which, for sanitary reasons, it seems expedient to adopt such a course. There are other tracts already to a comparative extent removed by the abundant natural sources of irrigation from apprehension of famine, but which are now super-saturated with canal water, which is thus prevented from reaching tracts lower down and more exposed to the effects of bad seasons. One main object of canals being the prevention of famine, the fact of Government being fettered in this respect seems a weighty objection to the existing system.

And how can Government, after assessing permanently assets derived in part from canal irrigation, feel itself at liberty to take away the canal irrigation and yet maintain the assessment?

3rd. Under the present system it would be almost impossible to get private companies to take up schemes of canals, or to work them satisfactorily afterwards, and that for these reasons:—

(a.)—Because, as is evinced by the differences of opinion on the subject, it is hard to decide how far the land revenue encroaches on the canal revenue or the reverse; and, as therefore, there is a difficulty in deciding what would be the interest on capital so expended, companies would not be found willing to take up a scheme on terms favourable to Government: an instance in point is the preposterous terms which I believe the East India Irrigation Company lately offered to take up the management of the Ganges Canal.

(b.)—Because, even after a scheme had been taken up by the company, there must arise differences of opinion between Government and the company, as to whether at half assets, more had been taken for land revenue than was proper. I do not see how such differences could be prevented, or by what rule they could be decided.

(c.)—The

(c.)—The company like the State would find its hands fettered, whenever it seemed advisable to alter the disposition of the water.

4th.—The case of *Maafee* villages affords a strong illustration of the inexpediency of the present mode of assessment. A *Maafeedar* has had his agricultural profits increased by the introduction of canal water, for which benefit he pays nothing specially. So, it may be replied, has his rental been raised by railroads, &c., &c., for which benefit also he pays no equivalent. On this it is contended, *firstly*, that roads, &c., are primarily used for objects quite unconnected with agriculture, whereas an irrigation canal is wholly intended for agricultural improvement. *Secondly*, that it is impossible to estimate or assess the amount of benefit derived from roads, &c., and that it is possible both to estimate and to assess that derived from a canal. This object would be gained under the proposed system, according to which, while the *Maafeedar* would be free from the tax on assets independent of canals, he would pay an equivalent for the profits derived from that source. The number of cases thus affected is no doubt inconsiderable, but the present system cannot be regarded as complete as long as it fails to meet *one* actually existing case; and it is undoubtedly the duty of the State to exact the uttermost farthing for improvements effected by general taxation.

5th.—If the present system did not involve the necessity of subsequently introducing differential water rates (*i. e.*, a higher water rate on land to which canal irrigation may have been extended subsequent to assessment), we might forego the discussion of the evil consequences to be thence apprehended; but this necessity has been clearly foreseen all along. It cannot be avoided without sacrificing the whole or greater part of the canal revenue on subsequently irrigated lands, and giving a gratuitous boon to a part of the community at the expense of the rest.

Further, to be consistent, not only must a higher water rate be imposed on whole tracts to which canal irrigation shall subsequently be introduced, but also to particular villages in which the small area of canal irrigation at the time of settlement shall have subsequently been much increased. Otherwise the canal and the State will be deprived of their just dues on the amount of subsequent irrigation.

If the necessity of imposing differential rates as laid down in the Governor General's resolution be once admitted, it is, I think, clear that a door is opened for all the complications that I have endeavoured to detail in a separate memorandum, Appendix I.

6th.—[In order to secure Government from being sued for remission of revenue (some say for compensation also) on failure, or any imagined failure, of the canal, the profits due to which had been taken into account in the assessment, it seems necessary, as directed by the Sudder Board of Revenue, to enter in the settlement engagement a stipulation that the assessment shall be paid whether the canal fails or not,—a stipulation which, I submit, is defensible only if it be understood that it shall be a dead letter whenever any occasion, such as that contemplated, shall *bonâ fide* occur. I beg also to submit that it would be impossible with justice to farm the estates of any man who refused to make such a stipulation. To resume; there are six main objections to the continuance of the present system of assessment.

*First*.—The element of uncertainty caused by the irregularity of the supply of water.

*Second*.—The undeniable check on the water being used where it is most needed.

*Third*.—The difficulty of getting canal schemes taken up by private companies.

*Fourth*.—The unsuitableness of the present system to *Maafee* villages.

*Fifth*.—The necessity which that system involves, of introducing differential water rates with all the consequent complications.

*Sixth*.—The further necessity of adding an objectionable stipulation to the settlement engagement.]

*Question 3*.—If the former, then on dry rates, or on estimated capabilities of the soil, or how?

Not on dry rates, because an enormous loss of revenue would follow, but on natural capabilities, for the ascertainment of which every settlement officer possesses nearly as numerous data as he possesses for ascertaining actual assets.

The weightiest of Mr. Martin's arguments is based on the objection that the amount of area, which would be irrigated if the canal supply were to cease, could not be estimated except by conjecture—a dangerous power to be entrusted to any settlement officer.

In reply it is contended that one or all of the following reliable data for such an estimate would certainly be available.

(1.) Where canal irrigation has recently been introduced (as it has to an enormous extent since the famine), the number of wells existing there before can be ascertained *exactly*.

(2.) Scattered over canal irrigated tracts, there would be found to be villages still irrigated from wells. The proportion of the number of these wells to the total area of cultivation would give a sure indication of the number that might be anticipated in the canal villages on cessation of the supply of canal water.

(3.) Parallel to the line of canal villages there would be found a strip of country dependent on wells alone, but with, otherwise, the same natural characteristics. The proportion of wells in such a tract would give the same kind of indication as that mentioned above.

(4.) In and about the canal irrigated tract, there would be found a number of villages to which the canal water had not yet reached. The rates of rent in them can clearly be

ascertained, and will give the best of all indications of what the natural assets of the others, *i. e.*, the canal irrigated villages, would have been if the canal had never been heard of.

(5.) The records of last settlement, and the details given in the professional survey books, are aids to the ascertainment of the natural capabilities.\*

[I have in a separate paper (Appendix II.) endeavoured to show (as far as the information at present available suffices) the probable financial difference between the two modes of assessment in the canal irrigated tract of Tehseel Nukoor. It will be seen that the loss of revenue, if the assessment be made on assets independent of canal, may be estimated at Rs. 8,972. 5. in 60,672 rupees, or about 14½ per cent.]

**Question 4.**—If the latter, then on “Sursuree” rates, or on the actual Jumma bundee? This is for the defenders of the present system to answer.

**Question 5.**—Whether permanent settlement should not be postponed till after completion of the repairs of the Ganges Canal?

Yes, if the present system of assessment is continued, but such postponement will not be necessary, if the system we propose to substitute be adopted.

**Question 6.**—Whether any amount of land revenue can fairly be credited to the Canal Department?

I think if the case of the canal having been made by private capital be taken, it is not difficult to see that the whole return for what the canal has done in the way of improvement should be placed to its credit,—and this not on the ground of abstract right and fairness, a field of inquiry which in such matters it is well to avoid, but on the ground of expediency, simplicity in account, easiness in finding a rule for fixing the amount of contribution to be paid by the Canal Company to the State in lieu of the half share of the additional assets which the latter foregoes.

**Question 7.**—If a settlement be made on existing assets, of which a portion is derived from canal irrigation, should the assessment on this portion be made separate from the assessment on the assets which may be held to be independent of canal irrigation?

There seems to be the following objection to such an arrangement. If an assessment be so made; if, that is, the permanent jumma be divided into two items.

(1.) The tax on assets independent of the canal.

(2.) That on assets dependent on the canal, and if the people be then given to understand that the second item may be remitted on failure of the supply of water, is it not plain that you open a door for all kinds of claims for remission on any fancied diminution or merely temporary failure of supply? Whereas if the scheme advocated by Mr. Crosthwaite, and, with some modifications, the same as that favoured by Mr. Money in his letter on Mr. Currie’s pamphlet, be adopted, the zemindar knowing the amount he has irrigated, for the reason, will, for each acre actually irrigated, pay the rate which was permanently fixed, and withhold the rest.

[The main features of Mr. Crosthwaite’s scheme I understand to be as follows. Adopting the distinction laid down in the Board’s letter No. 698, dated 24th September 1864, between:—

I.—Ordinary land revenue, *i. e.*, independent of canals.

II.—Extraordinary ditto, *i. e.*, dependent on ditto.

III.—Water rate.

The settlement officer would assess and fix for ever—

I.—The ordinary jumma which would have been demanded had there never been a canal. This may be called the jumma at capability rates.

II.—The extraordinary jumma due to canals, and which might be placed to their credit. This should be the product of a rate per acre of canal irrigation, and would, for each tract, vary inversely with the natural capability, being high where the people’s dependence on canal water, owing to the absence of other sources of irrigation, was greatest, and *vice versa*, low where it was least. The rate itself would be permanently fixed, though the total amount produced, depending on the fluctuating average of irrigation, would fluctuate also; and it is contended that the principle of permanency of demand would thus not be compromised in the very smallest degree.

III.—As this extraordinary demand would merely represent the State’s share of the increased rental due to canal irrigation, there would be room for a water rate besides, and the amount of this would be decided by private bargain between the canal officer and cultivator. With this the settlement officer would have nothing to do.]

**Question 8.**—How would you make the permanent settlement if the canal had been made over to, or were the property of, private companies?

In such a case, the permanent portion of the demand should be calculated on the assets which, it is estimated, the village or tract would have had if there had been no canal. The extraordinary revenue, *i. e.*, the rate per acre of actual irrigation, will be fixed for ever also, and

\* Finally, it may be asked whether there is any part of the task of the settlement officer in which even now he has not to decide on probabilities, or whether there is any in which his results can be reached or proved by a mathematical process.

and will be paid, so long as irrigation lasts, by the zemindar or cultivator to the State. Finally, the water rate paid to the Canal Company would be a matter of private bargain between it and the cultivator.

(signed) *H. Le Poer Wynne,*  
Settlement Officer.

From the Collector of Etawah, to the Officiating Secretary to the Government of the North Western Provinces, in the Public Works Department (No. 16), dated the 9th January 1865.

I HAVE the honour to acknowledge the receipt of a copy\* of your letter No. 1A of 1865, dated Agra, 2nd of January, to the address of the Secretary to Government of India, Public Works Department, with enclosures, having reference to canal water rates and other kindred subjects.

2. In May 1856, I asserted the principle that "*increased profits due to canal irrigation ought, in all future settlements, to be excluded from the village assets on which the Government demand is calculated.*" Since that time I have lost no opportunity of pressing this question on the consideration of every authority from the Governor General downwards, and I may be therefore excused for taking a deep interest in the result of the present discussion, in which for the first time the views I have so long espoused appear to be meeting the support of other and abler officers.

3. This principle, which I asserted with only temporary 30 year settlements in view, is, it seems to me, if possible, even more important when applied to permanent settlements, and as one of its earliest and for many years its sole advocate, you will, I trust, pardon my inviting your attention to some of the more prominent of those considerations on which my conviction of the truth of this axiom was based.

4. I must premise that in my judgment the general question of water rates has scarcely as yet been discussed on sufficiently broad and philosophical grounds. I do not, in opposition to the opinions of so many abler officers, presume to deny the correctness of the results arrived at, but I submit that these results have not been obtained by a correct method. Five rupees an acre may or may not be a proper charge for sugar cane, but in either case it has not been arrived at in accordance with those principles which should, in my opinion, govern the determination of all rates.

5. Briefly, my argument is this—Government, the servant of the public, has spent a sum of public money in order to afford to a limited section of that public certain advantages. As trustee for the general public, Government is bound to obtain the largest possible permanent† return for the money so expended. That return is obtained by the sale of the advantage in question. In the case of canals it is water that is for sale, and the sole principles upon which the determination of water rates should rest is that the *water shall be sold at the highest price that will permanently permit the consumption of the whole stock.*

6. It will be observed that I say *permanently*, not because theoretically it would be *unjust* for the Government in seasons of scarcity to raise the price of water, but, 1st, because the experience of analogous private commercial enterprises proves that it would be impolitic; and, 2nd, because seasons of scarcity cannot be foretold, and from the nature of the transaction, a year's previous notice of any change of rate is absolutely essential.

7. This last proposition rests upon several grounds, of which it will be sufficient to mention two; first, the introduction of canal irrigation leads to the abandonment of wells. Cutch wells in most part of the Doab can only be constructed in certain parts of the year, and, further, take some time to dig. You have no right suddenly to raise your rates, where wells have been abandoned on calculations of profits founded on your previous rates, without allowing full time for the reconstruction of such wells, should your new rates in any locality prove so high that well‡ irrigation would there be cheaper for the people; 2nd, at the end of May each cultivator determines what lands he will reserve for the spring harvest, and which he will crop in the autumn. This determination will be mainly governed by the available facilities for irrigation. If the new water rate is too high to permit his making a profit by taking the water, he will probably crop the whole of the land in the autumn, or, if he reserves any for the spring, it will be only such small portion as he can irrigate

\* Received this day with your docket, No. 124 A, of the 7th January, 1865.

† Not temporary.

‡ There is a question involved in this, which requires careful investigation. Many able canal officers would remark that the permission to re-dig wells and irrigate thence without charge would be unjust to the canal, because the water level having been greatly raised by this latter, the people would thus really get canal water for nothing, and that even if the water still lies in such wells far below the surface, it is yet much nearer than it used to be, and that for such raising of the water level the cultivator should pay something. Measurements of several hundred wells have led me to doubt whether practically percolation extends as much as has been asserted. I myself have never in this district found a normally situated well distant more than 400 yards from the canal in which the level of the water had been undoubtedly raised, and I have measured numbers of wells within 200 yards of the canal in which, if the settlement records are correct, the water level is (of course not in consequence of the canal, but still notwithstanding the canal) lower now than formerly.

irrigate from the well he decides to dig. But if water be comparatively cheap, he will usually reserve at least half for the spring. It would manifestly be unfair to raise the rates in any year, after the cultivator had made his arrangements, and so render him liable to pay seven rupees, perhaps, per acre, when all his profit and loss calculations were founded on a rate of five rupees per acre.

8. To return, the axiom that *water shall be sold at the highest price that will permanently permit the consumption of the whole stock*, is merely an application of a fundamental commercial maxim to what is really a commercial undertaking. Doubtless, amongst other things, the Government wished to prevent the *recurrence of famines* (but even this too involves the idea of a return for outlay), and they wished again to set an example to private enterprise, but that too, unless we substitute warning for example, involves the idea of reasonable profits, and on the whole, though many motives of policy may have aided to influence the Government, the broad ground on which alone the huge outlay that has been incurred could be justified is, that the undertaking would pay. It is a commercial transaction, although like all legitimate commerce it benefits thousands or millions besides the actual merchants, and the fact of Government being the proprietors in no way affects the questions, and is after all only a temporary complication. That Government should continue to usurp permanently the legitimate field of private enterprise, is too flagrantly in violation of those first principles of the English constitution to which England owes her greatness to be ever seriously contemplated. In France even, where such usurpations are in accordance with her earliest antecedents, and where a despotic centralisation reigns supreme, the Government is beginning to feel seriously their inconvenience, and in India, governed by English statesmen (despite the present tendency to centralise), we may rest perfectly certain that sooner or later the Ganges Canal will pass into the hands of private individuals, and that the sooner the operations of the canal are put upon a broad business-like basis, the sooner this great desideratum will be arrived at.

9. This one maxim that the *Ganges Canal water shall be sold at the highest price compatible with the permanent consumption of the whole stock*, will, while it ensures full justice to the general public whose money is now invested, aid us to dispose of every difficulty connected with the subject.

10. Let us suppose the canal finished, and the average available supply 6,000 cubic feet per second, now flush irrigation of sugar cane pays better apparently than anything else, and therefore enables the recipient to pay a higher price for the water than any other crop. Hence, if there was a sufficient demand, *i. e.*, a demand for 6,000 feet per second for the irrigation of sugar cane along such rajbuhās as will permit of flush irrigation, I would allow only that kind of irrigation by charging for all water the full price that flush irrigations of sugar cane could afford to pay. You will say this will deprive whole tracts of country, and whole classes of the community, of all the advantages of the canal. Agreed; but with that we have nothing to do. If on behalf of the public we have only 6,000 feet to sell, and A., B., and C. will and do buy the whole at 1,000 rupees per foot, why should I reserve a portion for D., who can only afford to pay 800 rupees per foot? We are very sorry for D., but if he can't pay the market price for our water, he must go without, and make other arrangements of his own.

11. Again, supposing that owing to the grave errors committed in lining out rajbuhās, too many of which appear to have been run in valleys instead of on water sheds, the whole of our water cannot be utilised in flush irrigation, and that a certain portion must be given in "*lift*" (or *Dal*), I would, supposing there was a sufficient growth of sugar cane, restrict the use of this "*lift*" water to sugar cane by fixing a price so high that only the sugar growers could afford to pay it.

12. Manifestly, if we can sell all the water we have to sell at 20 rupees per 1,000 feet for sugar cane, it is an injustice to the general public to sell any at 15 rupees per 1,000 feet for barley or wheat. Of course, if we cannot get rid of our whole stock at a rate which only sugar growers can afford to pay, we must lower our rates; in other words, we *must fix the highest rate compatible with the permanent utilisation of our whole stock*.

13. There must be a difference in the rates between flush and lift irrigation, but beyond this there should be none. At present water is sold by the acre, but neither the sale of the water nor the management of the canals will be put upon a really healthy basis till water is sold by the foot. Practical difficulties encumber the question, but these have been entirely surmounted elsewhere, and will be conquered here. The only ground on which differential rates can be *now* admitted, is that one class of crop requires more water per acre than another, but this ground is removed directly water is sold by measure. To maintain differential rates founded on the *different use to which* the article sold is to be put, is palpably absurd. Conceive a grocer selling currants of the same quality at 6 *d.* a lb., if wanted for puddings, but charging 1 *s.* if he found they were going to be used in mince pies!

14. At present the canal is in such an unfinished state, and such vast quantities of water are everywhere running to waste,\* that the question of what the highest practical working rates

\* There were recently about 450 feet per second running to waste at the tail of one channel passing through this district.

rates really are, cannot be fairly discussed, but I have thought it necessary to press the question,—1st, because the recognition of a sound principle or standard to which all subsequent arrangements may be referred, is in the highest degree desirable; and, 2nd, because the recognition of this principle will enable us to dispose satisfactorily of all the difficulties that environ the settlement question.

15. Heretofore all discussions on this latter subject seem to have involved a misconception so grave as to vitiate all the results arrived at. The Board's letter, No. 688, of the 24th September 1864, lays down in paragraph 3 that the receipts from villages into which canal irrigation has been introduced fall under three heads:—

- 1st. Ordinary land revenue.
- 2nd. Extraordinary land revenue created by and dependent on causes; and
- 3rd. Water rate.

Now this I consider to be a mistake. I do not deny that in some few places, in defiance of the broad principle laid down in my second paragraph, land revenue may have been assessed on profits that should really be absorbed as *water* revenue, but I assert that where such is the case, it has been the result of misconception, and that instead of being a regular normal and desirable state of affairs as the Board appear to consider it, it is an irregular, abnormal, and utterly undesirable arrangement.

16. The receipts from villages into which canal irrigation has been introduced should consist of two items only:—

- 1st. Land Revenue.
- 2nd. Water Revenue.

The first enjoyed by Government in their general capacity of manager of State property, the second as directors for the time being of a commercial undertaking in which public money is invested.

17. See now how vitally important to the public interests is this distinction. Take the case of the Maafee village, put by the Board in their 13th paragraph. According to *their* view of the case, a Maafeedar, who has no earthly claim except to his 1,500 rupees, is to receive a bonus of 500 rupees a year, because the Government has gone to a great expense in executing a vast work of irrigation near his estate; but according to my view that very 500 rupees, or most of it, will go, as it unquestionably ought, to Government; for, as the Government will charge the *highest rates* for the water that the cultivators can remuneratively pay, the actual net increase of their profits will be only just such percentage as will offer them a sufficient inducement to prefer taking canal water to letting it alone, and the largest amount that the Maafeedar can possibly get will be only half such small increase. On the other hand, the greater portion of the increased profits of the land, which would otherwise have gone to swell the Maafeedar's rents, will be absorbed in water revenue, *i.e.*, will go to pay a fair interest on the outlay incurred in the work.

18. Generally, too, I assert, that *the zemindars have no right to any share in the total increased profits of the land, where such increase results from canal irrigation, though they have doubtless to a share of such portion of the increased profits as remain in the cultivator's hands after paying our price for water.* Our object, therefore, clearly is to leave only just sufficient extra profits to induce such a number of people to buy our water as shall ensure its total consumption. Maafeedars and zemindars, at best an infinitesimal section of the vast community to whom the property belongs, and who have done nothing deserving exceptional reward, will have their direct profits reduced to the lowest percentage on the out-turn of the undertaking, while the great proportion of the profits will go as they should to the State, *i.e.* to benefit equally, and as it were pay interest to the whole of the vast community whose money has been sunk in the work. On the other hand, according to the Board's (as I conceive erroneous) theory (paragraphs 9-14), a very large proportion of what are really canal profits would go to those individuals who have no sort of claim to such indulgence, while a small portion only in the shape of water rate will be reserved for the community at large, the general shareholders, as it were, in the concern.

19. It is only recently that the Governor General animadverted on the want of financial success that attends the operations of the Ganges Canal, but he was not probably aware that four-fifths of the real profits of the concern were being presented to the cultivators and zemindars. Liberality is a grand attribute in a great Government, but we ought to be just before we are generous, and we ought first to ensure a fair return on the capital of the general public before we devote the proceeds of this capital to enriching one small section of that public. At this moment, in this district, cultivators will make *at least a net profit* of 22 to 24 rupees per acre on wheat irrigated by canal water, when, on wheat irrigated from wells (water from 20 to 40 feet below the surface) they could not *possibly make* more than from 12 to 14 rupees. Hereafter water revenue should absorb at least 6 out of this extra profit of 10 rupees. In the meantime, if anyone says these extraordinary profits will be only temporary, we cannot, in the present imperfect state of the canal, fix at once the highest practical rates. I say well and good, only recognise distinctly the principle above laid down as that upon which water revenue will hereafter be adjusted. Once and for ever banish that misconception of the real nature of the two sources of revenue, which admits parties to share largely in both, who have only a right to share in one, and even if past



errors cannot be corrected, let all future settlements be based on the simple principle of keeping land and water revenue distinct.

20. I have above alluded to the advantages likely to result from the adoption of the above principles, I would now call your attention to some of the disadvantages certain to attend upon their disregard. In the first place though there will always be many noble exceptions; no *body of men* will work as well or as carefully when there is no equitable tangible test of their exertions as when such test exists. I submit that the financial results of the Ganges Canal will never be what they might, until a clear debtor and creditor account is possible in regard to it. This will never be the case unless you keep water revenue distinct from land revenue, and unless you allow the whole returns *from* irrigation to be collected and credited as such. Full justice will never be done to the canal establishments so long as a portion of enhanced profits due to irrigation is mixed up with the land revenue,—1st, because if such commingling is permitted, *one-half*, as above shown, will be absorbed by the zemindars; and, 2nd, because there will always be doubts and disputes as to *what part* of the revenue is really due to the canal. Where, on the other hand, every fraction of realisable extra profits resulting from canal irrigation goes directly as water revenue, and water is sold at the highest market rate by measurement, the *actual* return will be nearly doubled; there will be no more water wasted, here, there, and everywhere, as it is too commonly now; the officers of the department will, each and all, have the most powerful inducement to make the most of their resources, and then with a fair field if they do not (but it is certain they *will*) make the canal pay well, we shall at least be able to blame them consistently, which is scarcely practicable when three-fourths of what they earn is muddled up in what exact proportion nobody knows, and nobody exactly agrees about in a consolidated land revenue. I, myself, have no question that one of the first requisites for the financial success of the Ganges Canal is, that *its whole legitimate receipts* be realised in its name and carried directly to its credit.

21. Another serious disadvantage attending the absorption of a portion of the enhanced profits due to canal irrigation in land revenue is the great complication likely to result in the event of temporary failures of the canal. In all great works, and more especially in those in which grave fundamental errors in construction exist, accidents will occur, and more or less lengthy stoppages result—where water is merely sold at so much per thousand feet, and that price represents the whole available profits from canal irrigation, the matter will be simple. People will only pay for what water they get, and if by the failure to perform such contracts to supply water as they may have at the time, any injury is inflicted, the canal will have to pay damages, and such damages will be fairly chargeable to its debtor and creditor account. But if revenue has been assessed on enhanced profits due to canal irrigation, the question is indefinitely complicated—at all times even under temporary settlements it is a hard thing to obtain sanctions to any remission of revenue, and under proposed permanent settlement, it will be still more difficult. The new “Durkhast,” or settlement\* engagement devised by the Board (*vide* Circular Order, No. 22, of 18th October 1864) binds the zemindars to pay their revenue *WITHOUT EXCUSE for failure of irrigation* or any other cause, and when we bear in mind how complicated an investigation would be necessary in regard to each mehal, we must unhesitatingly admit that with such a settlement agreement the chances of full justice being done in such cases will be but small. To mix up the profits of irrigation with land revenue will, whensoever any failure occurs in the supply of water, result either in great and widely extended injustice, or in an equally widely extended and most laboriously complicated inquiry, and it must be admitted that either alternative affords an undesirable prospect, especially where the Ganges Canal is concerned.

22. Again, when the time comes, as come it must, for the surrender by Government to some private Company of the canal, how infinitely more simple will the transfer be if only the principles above insisted upon be now acted upon, and how entirely do all the difficulties alluded to in paragraphs 16, 17, 21, and 26 of the Board's above quoted letter vanish.

23. It may be urged that many of the evils pointed out might be obviated by making a double settlement, one of ordinary and the other of extraordinary land revenue—the latter to be credited yearly to the canal to be remitted at once on a failure in the supply of water, and the collection of which would be hereafter made over to the private purchasers of the canal; but independent of the other difficulties and disadvantages of such a scheme (the Board admit, paragraph 30, that it would be scarcely practicable), it involves this one great paramount objection, *that by recognising as assets on which land revenue may be assessed, profits that are really water revenue, you really make a present† of one-half of these profits, which belong to the whole empire, to some few hundred zemindars of a single province.*

24. The

\* This appears to me an inequitable document. If you increase a man's rent on the ground of affording him a special advantage, it is not right, because you are very powerful, and he *must* do what you please, to extort from him a written engagement that he will year by year pay that increased rent, notwithstanding that such special advantage be withdrawn:

† So long as you absorb the largest possible proportion of these profits in water revenue by making people pay the highest price they can possibly afford for water, so long you keep these profits for the State, in fact for the whole community; but directly you charge a very low rate for water and set aside the large extra profits (set free by your reduction of rates) as assets on which land revenue is calculable, that moment you are compelled by the revenue system to relinquish half such extra profits in favour of the zemindar of the mehal. In fact, the State has to pay a heavy penalty for calling things by *wrong* names, and designating what is *water revenue* as assets on which land revenue may be assessed.

24. The Colabas, &c., for which on some canals the ryots have paid, present, it appears to me, no difficulty. The State will purchase them at a fair valuation, and then proceed to raise their rates to the highest pitch practically attainable. In all cases starting after a year's previous notice with rates that it was unknown were remunerative, I should from time to time, after a year's previous notice, enhance them 5 or 10 per cent. at a time until the limit was reached beyond which it was difficult to get the whole available supply utilised. Although I would not allow of differential rates with reference to the crop proposed to be grown, I would permit differential rates with reference to locality. Thus, if in districts A, B, and C, where wells average 40 feet deep, and it therefore pays people to buy water at 4 rupees per 1,000 cubic feet, I could dispose of all my water, I would not let anyone have it anywhere else cheaper; but if these three districts could only take half, I would let the remaining half go in districts D, E, and F, where well water is only 20 feet below the surface, at Rs. 2. 8. per 1,000, the said Rs. 2. 8. being the highest that the cultivators could there afford to pay for it.

25. Your letter only reached me this morning, and, as I hear there is to be a conference on this subject on the 11th, my letter must go to-night. I have, therefore, necessarily had no time to do justice to the subject or elaborate the various details that would have added weight to my argument. I have written hastily and I fear ill, but I have yet, I hope, succeeded in putting clearly before you, for his Honour the Lieutenant Governor's consideration, my view that—

Enhanced profits of cultivation derivable from canal irrigation are not, as a whole, assets on which land revenue ought to be assessed. The State, on behalf of the general public, whose money has been sunk in the construction of the work, will absorb as water revenue the largest practicable portion of such profits, by selling water at the highest price compatible with its entire utilisation. Such small extra profits as remain unabsorbed by the price of water may form the basis of an increase of rent on the part of the proprietor; but will, when the canal is properly managed, be too insignificant, and are of too fluctuating a nature to form a basis for the assessment of jumma.

I have, &c.  
(signed) A. O. Hume, Collector.

*P.S.*—The Board, in paragraph 30, remark that “a railway or trunk road no doubt tends to raise the rental and the land revenue in the vicinity, but makes no claim to have a part of the enhancement credited to it,” and thence argue that *similarly* the canal has no claim to have the full amount of its earnings credited to it. The cases are, however, widely different. As to the trunk road, it is difficult to understand how it could have been cited as a case in point; no debtor and creditor account is maintained for a trunk road, it is not expected to pay its expenses, and it presents no parallel to the canal. To make the cases analagous, we must suppose tolls imposed everywhere, and the road expected to pay all expenses; we must then suppose the toll rate to be fixed by Government at a limit *much* below that which the requirements of traffic would permit of, without serious diminution of the latter. Lastly, we must suppose the revenue authorities saying to the zemindars, “It costs you only so much to take your corn to market; the tolls are so low they leave you such and such profits, and these, like all other village profits, are assets on which land revenue are to be calculated.” Here, then; we have a parallel case, and I apprehend that in such a case, despite the “grateful acknowledgments” of the Board, the trunk road managers would say, “either let us raise our tolls to the full limit that the traffic will bear, or don't expect us to pay our expenses; don't find fault with us for financial mismanagement, and yet let three-fourths of what we ought to, and might, earn, be absorbed by village proprietors and the revenue authorities; these profits are, or ought to be, road revenue; they *are* not, and therefore ought not to be, credited as land revenue.” And the same precisely holds good in the case of the Railway.

(signed) A. O. Hume.

From *W. C. Plowden*, Esq., Secretary to the Sudder Board of Revenue, North Western Provinces, to Lieutenant Colonel *C. J. Hodgson*, Secretary to the Government of the North Western Provinces, Public Works Department.—No. 101, dated Allahabad, the 15th February 1865.

THE replies which were furnished at the conference at Agra to the questions propounded by his Honor the Lieutenant Governor, relative to the permanent settlement of the land revenue, as affected by canal water rent, having, under his Honor's verbal instructions, been made over to the Board, in order to their re-submission with the Board's opinion thereon, I am directed to submit the minutes which the members have recorded, together with original replies,\* submitted at Agra, and of revised answers subsequently furnished by Messrs. Hume and Wynne.

Present:  
R. Money, Esq.  
Member; and A.  
Shakespear, Esq.,  
Officiating Member.

\* Copies kept for office record.

## CORRESPONDENCE RELATING TO THE

MINUTE by *R. Money*, Esq., Member, Sudder Board of Revenue, North Western Provinces, on the Permanent Land Revenue Settlement, in connection with Canal Water Rent, dated the 13th February 1865.

ON the 13th ultimo I attended a conference convened at Agra by his Honor the Lieutenant Governor, to discuss the question of the permanent settlement of the North-Western Provinces in its relation to canal irrigation.

The officers who were present expressed their views verbally, but arrived at no unanimous decision, and his Honour therefore propounded the seven following questions, to which we were desired to furnish written answers on the next afternoon. The 8th question was subsequently sent to the members of the conference, but I accidentally failed to receive it.

## QUESTIONS.

1. How far does canal water rate affect the rent of the landlord?
2. Whether in assessing land for the permanent settlement it is incumbent on the Government to assess irrespective of canal irrigation or upon existing assets?
3. If the former, then on dry rates, or on the supposed capabilities of the soil, or how?
4. If upon existing assets, then on a *surasree* or average rate, or on the actual *jumbundee*?
5. Whether the permanent settlement should not be deferred till the completion of the repairs of the Ganges Canal?
6. Whether any portion of the land revenue can fairly be credited to the Canal Department?
7. If a settlement be made on existing assets, of which a portion is derivable from canal irrigation, should the assessment on this portion be made separately from the assessment on the assets which may be held to be independent of canal irrigation?
8. How would you make the permanent settlement if the canal were made over to or were the property of a private company?

Answers to the questions were furnished by the following officers:

- R. Money, Member, Sudder Board of Revenue.
- A. Shakespear, Officiating ditto.
- J. H. Batten, Commissioner of Agra.
- F. Williams, Commissioner of Meerut.
- W. A. Forbes, Collector of Meerut.
- C. H. T. Crosthwaite, Assistant Settlement Officer, Meerut. } Jointly.
- S. N. Martin, Collector of Moozuffernuggur.
- A. O. Hume, Collector of Etawah.
- H. D. Robertson, Collector of Saharunpore.
- R. G. Currie, Assistant Settlement Officer, Boolundshuhur.
- H. Le Poer Wynne, Assistant Settlement Officer, Saharunpore.

The several answers have since been sent to me in accordance with the verbal instructions of the Lieutenant Governor, in view to their re-submission, with an expression of the Board's opinion on the general question. I have also been furnished with copy of a letter No. 16, dated 19th ultimo, from Mr. A. O. Hume, to the Address of the Secretary to the Government, North Western Provinces, Public Works Department, and copy of a note by Mr. S. N. Martin, dated 10th ultimo.

After having given to these several papers my most careful consideration, whilst I retain unchanged the views which I have always entertained in relation to the financial requirements of the permanent settlement, and the necessity to make provision for the equability of its incidence, I am compelled to modify in some degree the opinions which I have heretofore recorded on the means of securing those important objects.

In my note dated 30th March 1864, on the Governor General's Minute on Permanent Settlement, I observed that, "increased productiveness from canal irrigation does appear to me to constitute a stronger ground of claim to participation than enhanced profits from the opening up of railway or any other circumstance of general progress and development, inasmuch as the canal is constructed by Government for the express purpose of increasing the productiveness of lands irrigated by it. On the analogy of the provisions for the enhancement of rent, the Government would apparently have as much right to demand increased revenue as the zemindar to demand increased rent due to improvements effected independently of the action of the zemindar in the one case, and of the ryot in the other.

"Whether it would be more expedient to relinquish now and for ever all claim to participate in the increased assets which will be derived from the spread of canal irrigation than to defer the fixing in perpetuity of a settlement on existing assets, is a question which involves a material difficulty. General equability of assessment is admitted to be an essential condition of a permanent settlement. Those lands which have already benefited by the

the action of the canal have been, or will be, assessed with direct reference to their enhanced productiveness. Other lands, of which it may be certainly predicated that they will be subjected to [the action of the canal ere many years have elapsed, will, in the ordinary course of the approaching settlement, be assessed as unirrigated; the assessment would be declared permanent, and so soon as those lands were reached by the canal, the equality of the assessment would be destroyed. There appears to me to be a certain inconsistency in denying a permanent settlement on existing assets to an estate of which the rental might in the course of years be probably doubled by the reclamation of culturable waste land, whilst it is conceded to another of which the assets may in a shorter time be quadrupled by the action of the canal. Might not estates of this nature be held to be excluded from immediate settlement in perpetuity, in the terms of the despatch of the Secretary of State, as estates which do not yield to the public treasury a return commensurate with their prospective capabilities?"

In a note dated 2nd May last, on Mr. Currie's pamphlet on permanent settlement, I remark that "the principle which he advocates, namely, that the assessment of the land revenue should be made quite independently of the action of canals, is very sound. The difficulty is to carry that principle into practice.

"A settlement made on that principle, combined with the condition that all who made use of canal water provided by the State should be liable for payment of its fair market value, would secure the immediate rights and interests of Government in relation to the present status of the country as effectively as a land revenue settlement, which should take into account the increased assets produced by canal irrigation; while prospectively it would insure the participation of the State in the enhanced profits due to the direct action of Government in the conveyance of water to portions of the country which have been hitherto solely dependent on the periodical rains or limited local means of artificial irrigation.

"That participation to which the State is justly entitled would be barred by an immediate and unconditional perpetuation of the settlement on existing assets, unaccompanied by any arrangement for assessing the enhanced profits of estates which might, subsequently to the settlement, be brought within the range of canal irrigation.

"Equableness of assessment is one of the most essential conditions of a good settlement. If the land tax falls more heavily on one estate than on another, the assessment is unfair.

"The principle which I would advocate is, that the land revenue demand against each estate should be the amount which would be fairly assessable if the estate had not received or were deprived of canal irrigation. In all those parts of the country to which canal water has not yet been conveyed, the settlement would be made under the rules now in force, on a due consideration of the circumstances of each particular estate. The settlement officer should discriminate between advantageous circumstances which are obviously, or in all human probability, of a permanent nature, and such as are fluctuating or may be only of temporary continuance."

"The jummas of estates which receive canal irrigation, and which have come under settlement, might now be revised. The portion that would be fairly demandable, independently of the canal, might be declared the land revenue; and the proprietors should contract for the payment of the remainder as a canal tax, subject to such conditions as might be hereafter determined. The last-named amount might be consolidated with the aggregate of the water rates now payable, and the whole contracted for by the lumberdars.

At the same time when I made the above suggestions I held the belief, which I am now satisfied is incorrect, that the Government could not, otherwise than by a land revenue, or *quasi* land revenue assessment, obtain that share, to which the State is fairly entitled, of a portion of the profits derivable by the landlord from canal irrigation, independently of any water rate that might be realisable. The whole subject of canal water rates is very ably argued by Mr. Hume in his letter referred to above. He has clearly demonstrated, and on general commercial principles it is obvious, that the entire of the share of the profits of the canal, to which the State could justly lay claim, might be obtained by selling the water at the highest price that it will command in the market; and in its capacity of administrator of the property of the State, it is the bounden duty of the Government, in justice to the tax-paying community at large, to obtain a maximum return for an investment made at the expense of that community, instead of allowing an exorbitant share of the profits to be monopolised by a numerically insignificant section of it.

Mr. Hume forcibly observes\* that "by recognising as assets on which land revenue may be assessed, profits that are really water revenue, you really make a present of one-half of these profits which belong to the whole empire to some few hundred zemindars of a single province." • Paragraph 23.

The following remarks by the same officer, on the general question, deserve to be transcribed:—

"The receipts from villages into which canal irrigation has been introduced should consist of two items only—

- " 1st. Land Revenue.
- " 2nd. Water Revenue.

"The first, enjoyed by Government in their general capacity of manager of State property, the second, as directors for the time being of a commercial undertaking, in which public money is invested. See now how vitally important to the public interests is this distinction.

Take the case of the Maafee village put by the Board in their 13th paragraph. According to *their* view of the case, a Maafeedar who has no earthly claim, except to his 1,500 rupees, is to receive a bonus of 500 rupees a year, *because* the Government has gone to a great expense in executing a vast work of irrigation near his estate; but, according to my view, that very 500 rupees, or most of it, will go, as it unquestionably enough ought; to Government; for, as the Government will charge the highest rates for the water that the cultivators can remuneratively pay, the actual net increase of their profits will be only such per-centage as will offer them a sufficient inducement to prefer taking canal water to letting it alone, and the largest amount that the Maafeedar can possibly get will be only half such small increase. On the other hand, the greater portion of the increased profits of the land which would otherwise have gone to swell the Maafeedar's rents will be absorbed in water revenue; *i.e.*, will go to pay a fair interest on the outlay incurred in the work. Generally, too, I assert that the zemindars have no right to any share in the total increased profits of the land, where such increase results from canal irrigation, though they have, doubtless, a share of such portion of the increased profits as remains in the cultivator's hands *after* paying our price for water. Our object, therefore, clearly is to leave only just sufficient extra profits to induce such a number of people to buy our water as shall insure its total consumption. Maafeedars and zemindars, at best an infinitesimal section of the vast community to whom the property belongs, and who have done nothing deserving exceptional reward, will have their direct profits reduced to the lowest per-centage on the out-turn of the undertaking, while the great proportion of the profits will go, as they should, to the State, *i.e.*, to benefit equally, and, as it were, pay interest to the whole of the vast community whose money has been sunk in the work. On the other hand, according to the Board's (as I conceive erroneous) theory (paragraphs 9-14), a very large proportion of what are really canal profits would go to these individuals who have no sort of claim to such indulgence, while a small portion only, in the shape of water-rate, will be reserved for the community at large, the general shareholders as it were in the concern."

Assuming that the equity and the political expediency of the above propositions will be admitted, it appears to me to follow as a necessary consequence that permanent settlement of the land revenue should be made exclusively of all such increased assets as are attributable to, *and solely dependent on*, canal irrigation.

The two questions of the manner in which the permanent settlement should be effected, and of the system on which the canal should be administered, are so intimately connected, and re-act on each other in such various ways, that they cannot be separately considered. Every argument that can be adduced in favour of a settlement that should exclude all account of canal assets, affords an additional ground for severing all connection between the land revenue and the canal revenue; while every claim to free and unfettered management, and arbitrary distribution of the water, in view only of obtaining the largest returns, and without reference to any local effects of their measures on the land revenue demand, that might be urged by a private company to whom the canal had been transferred, affords an argument in favour of a completely separate land revenue assessment.

The permanent land revenue settlement should be made entirely exclusive of canal assets; because—

1st. An essential condition of a good settlement is that it should be equable, and there will be no equality if those estates which now enjoy canal irrigation, and those to which canal water has not yet been, but may be hereafter conveyed, are similarly assessed on existing assets.

2nd. In all those estates now irrigated from the canal, and in which no substitute for canal irrigation could be obtained, a settlement on existing assets could be only nominally permanent; for it must break down if the canal were to fail, or if the supply of water were to be diverted.

3rd. If the Government bind the zemindars on the one hand to pay in perpetuity a revenue assessed partly on canal assets, it is bound on the other hand to insure a perpetual supply of canal water; but this counterpart condition of the contract it cannot, and will not, engage to perform.

4th. If the assessment were to include canal assets, the proprietors would be equitably (if not, as some hold, legally) entitled to claim remission on failure of the canal; and, notwithstanding any enforced stipulation in the contract, a just Government could not ignore such a claim.

5th. An assessment, inclusive of canal assets, would involve the necessity of introducing differential water rates, a measure that would involve serious complications and inconvenience.

6th. The canal can never, under the most favourable circumstances, furnish a supply of water adequate for the irrigation of the whole or even of the greater portion of the culturable lands of the Doab. It will be the duty of the Government to distribute the water to those portions of the country where it is most required; and where the water is most required, there will it command the highest price, but the Government would not be free to make such distribution as would at the same time supply the most urgent need, and yield the largest return, if it involved the necessity of withdrawing the water from estates of which the assessments had been partially based on assets derived from the canal. In other words, the  
incumbency

incumbency under which the Government lies to utilize to the greatest advantage of the greatest number, the whole of the water that may be available, requires that it should not be fettered by an implied contract to continue the supply to all estates that may have been under canal irrigation at the time of the permanent settlement.

7th. The supply of canal water is uncertain, and in making a permanent settlement, all elements of uncertainty should, as far as possible, be removed.\*

8th. If the Government should hereafter desire to divest itself of the management of the canal, the difficulties in the way of effecting a transfer, and the complications which might subsequently ensue, would be immeasurably enhanced by the existence of settlements, nominally of land revenue, but actually embracing a portion of the revenue fairly due to the canal.

9th. The only sound, and the most advantageous, system of canal management, namely, the sale of water, by measure at the highest price that it will command, cannot be generally introduced unless the land revenue settlement be made altogether independently of the canal.

In favour of an assessment on existing assets, it is urged on the other hand that an assessment, based on natural capabilities of soil, will involve a great loss to Government, and will not be compensated by a rise in the price of water. In estates where the water is 30 or 40 feet from the surface, and a well costs from 400 to 500 rupees, although the lands might be classed as possibly irrigable independently of the canal, yet they could be fairly assessed independently of the canal, as unirrigated only, and the difference between such an assessment on natural capabilities, and the assessment on existing assets, would be very considerable. Granted; but I affirm that the profit which would accrue from the sale of the water for its full market value would be very much greater than the difference between the two assessments, inasmuch as it would absorb very nearly the whole of the extra profits derived by the landlord from canal irrigation, whereas the settlement on existing assets could at most reach only one-half of those profits, and in practice much less than one-half; for the settlement officer, in view of the uncertainty of the canal supply, would not venture, in making a perpetual settlement, to include the whole of those assets in his estimate.

Further, it is stated that, notwithstanding any arrangements that proprietors may be induced to enter into, the canal rent will eventually fall on the cultivators, and the demand abandoned by the Government will serve to enrich the proprietors only. Government will abandon no fraction of its demand. The law of supply and demand, the supply being limited in amount and the demand being constant, will eventually necessitate the utilisation of the whole of the available water at its highest market value, leaving to the consumers a minimum of profit, which minimum will by mutual agreement be shared between proprietors and cultivators; should any cultivators find themselves debarred from obtaining a share of the small profit, they will refuse to take the water, and others who will take it will be forthcoming.

The advocates of an indiscriminate assessment on existing assets urge that settlement officers cannot be trusted to lay down distinctly the amount of assets that are solely due to the canal, and that there would be great danger of tampering with the land revenue on theoretical grounds or guess-work. Whatever may be the nature of the arrangements to be hereafter made for the realisation of the water rent, expediency and equity require that there should be a distinct and *bonâ fide* separate settlement of the land revenue on natural capabilities, and therefore settlement officers *must* be trusted. Messrs. Currie and Wynne have ably described the manner in which such a settlement may be made, and the difficulties to be overcome are not much greater than those which attend the determination of an ordinary assessment. We cannot expect perfection or insure infallibility; here and there there may be errors of over-assessment and of under-assessment; but our settlement officers are experienced, able, and trustworthy, and such errors will be the exception, not the rule; they equally occur in the best settlements professing to be made on existing assets. Errors of over-assessment will necessarily be brought to light in the course of time, and in accordance with the invariable practice of our administration, relief will be granted to parties who may be thereto clearly entitled. Any loss of revenue that may be entailed by under-assessment will be compensated a hundredfold by the increase of canal revenue under the separate system.

The evils of the inclusive system, its obvious injustice, and the grave complications which it involves, being admitted, it is a weak argument to urge that those evils should be perpetuated in every canal-irrigated estate that may come under settlement, because it is possible that exceptional errors may occur in the general application of the only possible remedy that can be afforded.

Mr. Crosthwaite has suggested a plan of canal rate to be paid by the landlord; but such rate, to be equitable, and at the same time adequate, must be infinitely variable, namely, with an infinity of gradations between the maximum rate that might be demanded

\* On this subject Mr. Wynne has recorded the following sensible remarks, in which I entirely concur:—  
“There are undoubtedly other elements of uncertainty in all assessments; droughts, murrain, depopulation, &c., &c. But apart from the fact that this element of uncertainty is out of all proportion greater than the others (the experience of centuries teaching us that the general average of seasons continues pretty much the same, and that an exceptionally bad season is compensated by an exceptionally good one), apart from this, it is contended that it is a positive duty to reduce the elements of uncertainty to a minimum, and that while we cannot remove the *other* elements, *this one* we can, and therefore should, remove.”

manded from an estate that could and would receive no irrigation whatever if deprived of the canal supply, and the minimum, or no rate at all, that should be demanded from one which had been, and again might be, completely irrigated from sources independent of the canal, and in which the landlord had derived no increased assets from canal irrigation.

His Honour the Lieutenant Governor suggested to me verbally that an admirable opportunity for testing the fairness of assessments made independently of canal assets would be afforded by the expected closing of the canal for the purpose of repairs, and that there was apparently no reason why the Government sanction to the permanent settlement should not be deferred till the test should have been applied, and the effect of the stoppage ascertained. In this acute and valuable suggestion I entirely concur. Due notice of the stoppage should of course be given to all concerned before the commencement of the agricultural season, that cultivators may be enabled to determine beforehand what lands they will take up for khureef sowings, and what leave fallow for the rubbee. Lands that might be left for the spring crops only, if the canal could be depended on, would be used for the khureef if irrigation from wells, or otherwise, were impracticable. Due time should also be allowed for wells to be sunk wherever they might be required.

In the 24th paragraph of the orders of the Government of India, dated 8th June last, No. 544, it is stated that where canal "irrigation is already enjoyed, to change the practice of assessment might cause a needless loss of revenue, and would involve much trouble. Therefore the case of estates receiving irrigation from canals subsequent to permanent settlement need alone be considered, and for this it is prescribed by the Governor General in Council that revised canal rates shall be imposed by the Canal Department, such as will not be unequal to the total demand on lands similarly irrigated prior to permanent settlement. In this manner future inequality of assessment will be prevented, and the fair market value be obtained for water supplied from the canals."

Some of the principal objections to the assessment of canal irrigated estates on existing assets have already been stated. An immediate but not a serious loss of revenue will necessarily be occasioned by a settlement on natural capabilities, but the loss will be only temporary, and will be much more than compensated by the enhancement of canal revenue, which would be precluded by an assessment on existing assets. As the settlement is to be in perpetuity, perhaps the amount of extra trouble that would be involved by making it in the most unexceptionable manner, does not deserve much consideration. But the difficulties and complications that would follow the introduction of different rates would be endless.

Mr. Currie observes that the system, if properly carried out, "will, in many instances, be in force in one and the same village, and on one and the same irrigating channel in that village;" and further that if it is adopted, "the complication will be so gigantic as to swamp the revenue and civil courts of the district, and very probably to necessitate the deputation of special officers for the mere decision of cases consequent upon the introduction of differential rates."

Mr. Hume observes:—"I am aware that it has been proposed to counteract this inequality by differential water rates, making land not assessed at the permanent settlement, as under canal irrigation, pay a higher water rent than land so assessed; but plausible as this device appears in theory, all practical officers in these provinces agree that this scheme is hopelessly impracticable. You would have not only lands in adjoining villages, but lands in the same village, paying different water rates, and thus a door opened to almost indefinite extortion and corruption on the part of the subordinate canal or revenue establishments. Moreover, as the particular lands irrigated each year vary from year to year, it would be impossible to ascertain or decide which should pay the one—which the other rate. It will be contended that if in any village at settlement, 600 acres were irrigated, and in a future year 650 were found irrigated, the higher rate should be charged on 50. Agreed; but which 50? After an elaborate judicial inquiry (necessary every year in every village) you will find that out of the 600 acres irrigated at settlement, only perhaps 300 are still irrigated, 300 of those which were irrigated at settlement having gone under dry cultivation, and 350 then dry having been brought under irrigation. How is it possible to decide equitably which 50 out of the 350 are to pay a double water rate, and which particular cultivator (paying, of course, the same rent as his fellows, and this is a practice unavoidable) is to pay double rates on his land? Conceive only the endless confusion and litigation to which this proposal would lead. Practically the thing is impossible."

A "Memorandum on Canal Irrigation in connection with the permanent settlement" drawn up by Mr. Macrone, at the request of the late Colonel Turnbull, strongly represents the hopelessness of maintaining a permanent and unalterable supply of canal water. The writer supports his statements by the authority of Sir Proby Cautley and the late Colonel Baird Smith, and after enumerating the obvious objections to a settlement on existing assets, concludes with the remark that "the permanent assessment being for all time, should be based upon conditions not liable to change, amongst which artificial irrigation is assuredly not one. And unless this question of irrigation be entirely eliminated from the consideration of the permanent assessment, it is impossible that justice can result to the people, or satisfaction to the Government."

In a memorandum on the assessment of profits due to canal irrigation, appended to his replies to the questions proposed at the conference, Mr. Wynne has very carefully and shrewdly detailed the difficulties and complications in which landlords would be involved in the endeavour to adjust the rents of ryots in estates to which the differential rates had been made applicable. The more the subject is considered, and in whatever aspect, the more the difficulties in the way of carrying out the proposed system of assessment on existing assets, combined

combined with a prospective demand of enhanced water rates, appear to multiply upon us, and it appears to me that it must be abandoned.

The only argument that can be advanced in favour of the measure is, that serious loss would be entailed by an independent assessment, but I think it has been shown that this loss would be only temporary, and would be much more than compensated by the introduction of an efficient system of canal management—a grand desideratum of which the accomplishment would be for all time precluded by a permanent settlement, based partly on assets derived from the canal.

Even the immediate loss which is apprehended has, I believe, been over-estimated. Throughout the Saharunpore district the water is so near to the surface that it is very questionable whether the assets now obtained from canal irrigation are in any degree in excess of those which might be derived from the natural capabilities of the soil, and there are strong grounds for believing that it will be hereafter found expedient to withdraw the entire canal supply from this district in view of conveying the water to regions which must otherwise remain dry, where the water would be much more valuable, and would necessarily yield a much larger return.

Mr. Currie has found, by the most careful calculations, that the difference in the Boolundshuhur district between assessments inclusive and exclusive of canal assets would be only 38,000 rupees.

Mr. Martin, who advocates a settlement on existing assets, has estimated the loss in the Moozuffernuggur district at 2 lacs; but the apprehension of this loss, or even of a greater temporary deficit, should be allowed no weight in the determination of a question which involves the first principles of justice and of enlightened policy.

(signed) *R. Money,*  
Member, Sudder Board of Revenue,  
North-Western Provinces.

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REPLIES by *R. Money, Esq.,* Member of the Sudder Board of Revenue, North-Western Provinces, to the Questions in regard to Permanent Settlement of the Land Revenue as affected by Canal Water Rent.

1. THE ryot has the option of taking water or refusing it. He will not take it unless the value of the increased produce obtained by irrigation exceed the amount of water rate that he is required to pay. The use of canal water can therefore never afford a ground for reduction of the rent payable to the landlord. On the other hand, the landlord will be almost invariably entitled to demand an enhancement of rent under the conditions contained in the ruling of the Sudder Dewanny Adawlut in the case of Kunojee Lal *versus* Rutn Lal, 1st April 1863. The amount of water rate paid by the ryot will be deducted from the increment of the gross proceeds, and the landlord will be entitled to claim an enhancement of rent proportioned to the net increase of produce. The rent may be affected to the landlord's benefit by the substitution, in consequence of irrigation, of superior for inferior kinds of crops.

2. I have not time to recapitulate the arguments that have been advanced in favour of either course, and can therefore only state briefly my opinion, which is, that the exclusion of the assets due to canal irrigation would involve so large a loss of revenue that it is incumbent on the Government to make the settlement on existing assets (connected with this question, see further remarks in answer to Question 7).

3. In either case the settlement should be made on the supposed or ascertained capabilities of the soil; viz., if on existing assets, on the total rent now realised by the landlord; or, if the assessment be made independently of the assets due to canal irrigation, it should be on the total rent that the landlord would realize if the supply of canal water were entirely cut off.

4. With certain modifications the settlement would be invariably made on the actual jumabundee if this could be ascertained, but the settlement procedure requires that the assessment should precede the ascertainment and record of the rent-roll. It would not be possible to obtain a correct rent-roll if the landlord were aware that it would form the basis of the assessment of his estate. Average rates alone are not sufficient for the determination of a juma, because the conditions which affect the rent-rolls of estates are so numerous and variable that it is not possible to fix an average rate which shall be generally applicable. Each estate must be settled with special reference to its individual capabilities. General averages are very useful for the purpose of comparison. By directing attention to marked variations they may often enable the settlement officer to detect errors in his estimates of actual assets on which the settlements are professedly made. The lands of two estates may be precisely similar both in quality and extent, but it will not necessarily follow that their jummas will be equal, or will fall at the same rate either on the cultivation or the malgoozaree. If the jummas were equal, they would, under the supposed conditions, necessarily fall at the same rate on the malgoozaree; but if one estate had reached the utmost limit of cultivation, the settlement officer would be justified in making the settlement at less than half assets, with reference to the exceptional heaviness of the rate at which a full settlement would fall on the malgoozaree, and to admit of the normal proportion of land being allowed to lie fallow. If the other estate were only partially or insufficiently cultivated, the settle-



ment would be made at more than half assets; the rate on the cultivation being exceptionally high with reference to the lightness of its fall on the malgoozaree. In every instance the settlement officer will endeavour to ascertain the actual assets, and will make his assessment thereon, with any modifications that may be due to capacity for further improvement or the reverse, or to any peculiar circumstances affecting the estate.

5. I would not defer the permanent settlement. Remissions may be granted on special reports in all instances where serious loss may be incurred by the stoppage of the canal.

6. No portion of the land revenue should be separately credited in account to the canal department. The canal will of course take credit for all that is realised in the shape of water rate; but suppose the canal were sold by the Government to a company, the purchasers could not claim any portion of the enhanced revenue which had resulted from the canal irrigation. If such claim were admitted, the Government might hereafter with equal reason admit a claim of the Jubbulpore Railway to a portion of the increased revenue which will certainly be obtained from the Central Provinces, when an easy outlet is afforded for the surplus produce which cannot now be exported. Rents will then be enhanced, and enhancement of revenue will necessarily follow. This enhancement will be due to the railway, but the railway must be satisfied with its carrying charges, as the canal with its water rates.

7. I would advocate the division of the juma of every canal irrigated estate into ordinary land revenue, and revenue due to canal irrigation. Remission of the latter portion would be claimable on the failure or stoppage of the canal. I regard as fallacious the argument that such a provision would affect the permanency of the settlement. If the settlement is to be made on existing assets, and I understand the resolution of the Viceroy to provide that it shall be so made, the permanence of the settlement must be contingent on the maintenance of the canal. Notwithstanding any engagements that might be entered into for the payment in perpetuity of a juma assessed on existing assets, such juma must be reduced if the canal were to fail. The settlement would be actually permanent only in name, while it would be virtually a settlement subject to modification in the possible event of the stoppage of irrigation. By the other arrangement we should honestly admit the settlement to be what it necessarily must and will be, and should avoid the difficulty of obtaining the unconditional engagement of one party to the stipulations of a contract of which all the conditions, expressed or understood, are not held to be binding on the other. The Government would bind the zemindar to pay in perpetuity a revenue which could only be paid in the event of the canal being maintained, but would not on its own part at the same time guarantee the maintenance of the canal.

Allahabad, 14 January 1865.

(signed) *R. Money*, Member.

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MINUTE by *A. Shakespear*, Esq., Officiating Member of the Board of Revenue, North Western Provinces, on the Permanent Land Revenue Settlement in connection with canal water rent, dated 14th February 1865.

HAVING now had before me and carefully considered all the arguments which have been brought forward on this subject by officers of the settlement department and by others of great experience, together with the clear and impartial review to which my colleague has subjected them, I have arrived at the same conclusion that Mr. Money has, viz., that the permanent settlement should be made exclusive of all such increased assets as are attributable to, and solely dependent on, canal irrigation; and that the Government should raise its canal revenue on the principles so ably propounded by Mr. Hume in his letter of the 19th ultimo, addressed to the Secretary to Government, North Western Provinces, in the Public Works Department.

I had hoped that so radical a change as this might have been avoided, but I am now satisfied that the difficulties connected with the uncertainty of the supply from the canal, and the serious complications which would arise from differential water rates, are insurmountable, except under a system which shall make the permanent land revenue settlement on the ascertained capabilities of the soil, and altogether independent of the canal.

(signed) *A. Shakespear*,  
Officiating Member.

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REPLIES by *A. Shakespear*, Esq., Officiating Member of the Board of Revenue, North Western Provinces, to the Questions in regard to Permanent Settlement of the Land Revenue as affected by canal water rent.

*Question.*

1. How far does canal water rent practically affect the rate of rent paid to the landlord?

*Reply.*

The water rent is ordinarily paid by the cultivator, and it stands to reason that the landlord will seek to enhance rents under the law when he finds that the cultivator is making large profits owing to canal irrigation. Enhancement will be made as a matter of course on the increased profits.

2. 1st.—

2. 1st.—Whether in assessing land for permanent settlement it is incumbent on Government to assess irrespectively of canal irrigation or on existing assets?

2nd.—If the former, then on dry rates or on the supposed capabilities of the soil, or how?

3rd.—If on existing assets, on a *surrasuree* or average rate, or on the actual *jummabundee*?

3. Whether the permanent settlement should not be deferred until after the completion of repairs of the Ganges Canal?

4. Whether any amount of land revenue should fairly be credited to the canal?

5. If a settlement be made on existing assets, of which a portion is derivable from canal irrigation, should the assessment from this portion be made separately from the assessment which may be held to be independent of canal irrigation?

I would assess on existing assets, for it appears to me that if we abandon this system, we shall be without such data as can be relied on, and such as can be fairly tested. The actual *jummabundee* will afford the safest ground for assessment.

I see no reason for this. The Ganges Canal is admitted to be in a very unsatisfactory state at present, and it is still to be seen how far it is possible to put it into really efficient working order; or having done so, how far it is possible to keep it up in such a way as shall secure an unfailing supply. My belief is that the canal will be a constant source of trouble, and this only confirms me in my opinion that the land revenue should be determined on existing assets irrespectively of it.

I do not think that any credit need be given to the canal in account. The benefits resulting from it have been great, but it is not an unmixed good; and if the canal department is allowed to levy a higher water rate, there is no reason why it should not realize as large a return as it is entitled to. If the management is good, the water will be freely taken, but I am opposed to making the land revenue in any way dependent on the canal department.

I would object to make separate account for the Ganges Canal in assessing land revenue for permanent settlement.

It would take away the permanent character of the settlement, which it is of such importance to place beyond all doubt.

The suggestion appears to be made in contemplation of a failure or temporary closing of the canal, but the probability or even certainty of such a difficulty would not, I think, require, as in assessing for permanent settlement to separate what is believed to be derivable from canal irrigation from other sources of profit.

In his remarks on canal irrigated villages the settlement officer will of course notice clearly to what extent the village is benefited by the canal, but I would not recommend that at the outset a distinction should be drawn, assessing so much on account of the canal and so much as independent of it. Such a proceeding would undoubtedly lead to the expectation that, in the event of a stoppage of the canal, the whole of the sum thus entered as being obtained through its agency should at once be deducted from the Government demand.

But as it is admitted that in many parts of the country, notwithstanding that canal water is taken, it is not a necessity, and that its place could be readily supplied by irrigation from wells at less cost of money, though with more exertion, it would be out of the question on failure or stoppage of the canal to allow a decrease on the land revenue to the extent of the demand entered as due to the canal.

If the separation in assessment under consideration is not intended to answer the purpose of providing for a ready adjustment of the Government demand, on failure of the canal, by allowing the amount so shown to be absolutely claimable as a remission, I do not see what advantage the plan would possess over the system of assessing on the existing assets, and leaving cases of hardship arising from withdrawal of canal water to be dealt with separately as they occur.

It is certain that in the event of the canal being closed for repairs, consideration would be given to the loss which it would involve, but it does not follow that the remission to be allowed would be represented by the full value of the irrigation now available. In many instances the people would at once revert to their wells, and, as has been noticed in this discussion, in some cases actual advantage would follow from the withdrawal of the canal water.

## CORRESPONDENCE RELATING TO THE

I see, then, no adequate object to be gained by assessing separately, on account of the canal. On the contrary, the effect would, I think, be unnecessarily to weaken the permanent character of the settlement, and at the same time unsettle the minds of the people.

(signed) *A. Shakespear,*  
Officiating Member.

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From *R. Simson, Esq.,* Secretary to the Government of the North-Western Provinces, to *W. C. Plowden, Esq.,* Secretary to the Sudder Board of Revenue, North-Western Provinces (No. 200 A); dated Allahabad, 7th March 1865.

IN reply to your letter, No. 101, of the 15th ult., to the address of the Secretary to this Government, in the Public Works Department, I am directed to communicate the following observations:—

2. Accidental circumstances, which are to be regretted, but upon which it is unnecessary here to remark, have delayed the submission of these papers to the Lieutenant-Governor until the present date.

3. The Lieutenant-Governor, I am to observe, considers that it has been clearly shown by the admissions and experience of all the officers present at the conference, that whatever may hereafter occur, landlords' rents have not yet, as a rule, been enhanced in consequence of canal irrigation—that water rents at present fall and must continue to fall upon the cultivator only, and there is therefore no ground for differential rates, because the full market value may and should be taken from all alike—and that the assets dependent upon the canals, which are included in a settlement upon existing assets, are the difference between dry and wet rates over certain areas, and the rents of lands which but for the canal would not be cultivated at all.

4. As regards these assets, it is to be observed that they are not dependent upon high or low rates of water rent, but upon the permanence or otherwise of a canal supply of water, and the question is whether Government is justified in sacrificing revenue the source of which is not indeed permanent, but which may reasonably be expected to be invariable within certain moderate limits, on the ground of the uncertainty of this supply.

5. If the sacrifice is not material, and in Saharunpore, Meerut, and Boolundshuhur, it is said to be very small, there would be little difficulty in assenting to a course which nominally renders the settlement altogether independent of the canals, which is favourable also to moderation of assessment, and which, after all, only places these districts on a footing of equality with those to which the canals have not yet been, but will hereafter be, extended.

6. In Moozuffernuggur, however, the collector, Mr. Martin, reports that the loss to Government will be considerable, and he questions the correctness of the principles upon which the assessments have been made in the Boolundshuhur district.

7. It is, no doubt, comparatively easy and safe to fix the estimated capabilities of the soil at a high figure when the existing assets are equal to or in excess of the assumed rental, and, as remarked by Mr. Martin, there is ground for surprise that in the district of Boolundshuhur the entire difference of assessment due to canal irrigation should be only 38,000 rupees.

8. The accompaniments of the Board's letter of the 15th ultimo have not yet been received, and the Lieutenant-Governor will reserve the final expression of his opinion upon this important question until he has all the papers before him; but he thinks it highly desirable, before Mr. Currie leaves the Boolundshuhur district, and the season for field operations is entirely passed, that Mr. Money should personally inquire into and test a few of the assessments in Boolundshuhur and Moozuffernuggur, and afford the Government the benefit of his opinion as to the practical correctness of the proceedings in either district, and how far the application of Mr. Currie's or Mr. Forbes's system would affect the assessments in the Moozuffernuggur district, and *vice versa*.

9. It can, the Lieutenant Governor thinks, hardly be expected that if the assessment upon existing assets (by which is intended taking estates as they now are) differs from that made irrespective of canal irrigation by a mere nominal amount, the Government will escape being charged by the zemindars with the endeavour to evade the real question by a mere empty change, and it is questionable whether, under such circumstances, it would not be better, whether the assessment is formed upon Mr. Currie's or Mr. Martin's system, to record, as proposed by the latter, that so much is considered dependent upon a fair average supply of canal water; the zemindars themselves being the best judges whether they should accept a permanent settlement upon those terms.

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From *W. C. Plowden*, Esq., Secretary to the Board of Revenue, North-Western Provinces, to *R. Simson*, Esq., Secretary to the Government of the North-Western Provinces,—No. 212; dated Allahabad, the 5th April 1865.

I AM directed to report, for the information of his honour the Lieutenant Governor, that in pursuance of the instructions in paragraph 8th of the orders of Government, No. 200 A, dated 7th ult., Mr. Money has visited the districts of Boolundshuhur and Moozuffernuggur, and examined the settlement proceedings of Messrs. Currie and Martin. The result of his inquiries is briefly as follows:—

*Present:*  
R. Money, Esq., senior member, and C. B. Thornhill, Esq., officiating judge.

2. The district of Boolundshuhur contains 13 pergunnahs, of which six, namely, Shikarpore, Syanuh, Unoopshuhur, Ahar, Debahee, and Jewur, are in no way affected by canal irrigation, and the other seven pergunnahs are more or less irrigated. The following abstract shows the number of irrigated and unirrigated estates with their areas and jumas:—

	Number of Estates.	Area in acres.	Total land Revenue.
			<i>Rs.</i>
Unaffected by Canal - - - -	942	7,46,850	7,58,510
More or less irrigated or irrigable from Canal.	652	4,72,884	5,00,138

Of the 652 villages in the second category, many are only very partially irrigated from the canal, and many not at all, but all are situated within the network of Rajbuhas.

3. Mr. Money carefully examined the grounds of Mr. Currie's assessments of every estate affected by the canal in the pergunnahs of Burrun, Ugotah, and Khoorjah, and a sufficient number of those in the remaining four pergunnahs, to satisfy himself as to the general correctness of Mr. Currie's proceedings.

4. Irrigation from masonry and kutchah wells was very extensively practised in the Boolundshuhur district before the canal was constructed, and canal irrigation has, in many instances, only superseded the use of the wells which previously answered the same purpose, and, where this is the case, it has not in any way increased the assets of the landlord. There has been no increase of demand on account of the canal, where the assets have not been increased by its operation, and where there has been no increase of demand on account of the canal, no reduction has been made in the assessment exclusive of the canal, excepting in those cases, and they are rather numerous, where percolation from the canal has so far affected the consistency of the soil that kutchah wells cannot now be sunk.

5. Irrigation from wells is still used in many canal irrigated estates—the canal irrigation being confined to those lands in which kutchah wells will not stand, and where masonry wells have not been constructed. In all these cases, and generally in all cases where other irrigation could not be made available if the canal supply were withdrawn, a fair and adequate allowance has been made in determining the amount of the exclusive assessment.

6. The permanent settlement, exclusive of the canal, corresponds in most cases very nearly with the old demand that was assessed under Regulation IX. 1833, before the canal was in existence, and which was generally moderate; but in several instances the settlement, exclusive of the canal, is less than the former juma. The settlement papers had not been quite completed when Mr. Money left Boolundshuhur, but the total reduction consequent on the exclusion of canal assets may be taken to be 36,000 rupees.

7. A copy of the detailed notes made by Mr. Money in the course of his examination of the Boolundshuhur assessments is appended for his Honor's information.

8. To assist in testing the assessments of Moozuffernuggur, Mr. Money requested the superintending engineer of irrigation, North-Western Provinces, to furnish him with a village statement of the irrigation from the Ganges Canal of any one of the pergunnahs of that district. Captain Glover sent him the required statement for Pergunnah Poor, but it proved of little use, as the calculations for the assessments, exclusive of the canal, had not been completed by Mr. Martin for that pergunnah. The object in view in obtaining the statements was to facilitate a comparison between the amount of irrigation now provided by the canal, and the amount previously derived from other sources; but unfortunately the detailed records of the former settlement have been lost, and there are no means of ascertaining the exact quantity of irrigation that has been superseded by the canal. To make a settlement in Moozuffernuggur independently of canal assets is, therefore, a work of greater difficulty than it is in Boolundshuhur, where the extent of previous irrigation is known.

9. The assessment of the Moozuffernuggur district was in the first instance made, as elsewhere, on existing assets, and in order to determine the portion of those assets that should be attributed exclusively to the canal, Mr. Martin has calculated the area that might

be irrigated independently of the canal, to be that amount only which is susceptible of irrigation from wells now in existence. The calculations made on this principle are obviously inadequate, for it is equally necessary to take into account the amount of irrigation that might be, and certainly would be, obtained from kutchha wells if the supply of canal water were entirely withdrawn.

10. Mr. Martin's assessment, exclusive of the canals, would involve a reduction of about two lacs of rupees in the land revenue demand; and as his calculations have been carefully made, it is probable that a sudden and complete stoppage of the canal without any previous notice would involve an *immediate* loss of assets to the amount of about four lacs of rupees; but it would be contrary to all experience to assume that this loss would be permanent. In all those parts of the district where the water is sufficiently near to the surface, and where the soil is of adequate consistence, kutchha wells would be sunk, and it would be only in those parts where other irrigation is impracticable that the withdrawal of the canal supply would occasion any permanent diminution of the assets.

11. Mr. Martin has been directed to ascertain what facilities there are for irrigation independently of the canals, and, after taking these into consideration, to revise his assessments and fix the demands which might be fairly made payable in perpetuity with reference to the natural capabilities of each estate. A copy of the instructions which have been furnished to him is annexed for his Honor's approval.

12. Mr. Thornton's settlement report shows that canal irrigation alone is practicable in the greater part of the eastern pergunnahs of the district, and here Mr. Martin's calculations will probably prove to have been very correct; but they will require extensive modification in all those estates where irrigation from wells can be easily substituted for that now afforded by the canal, and it may be expected that the estimate of two lacs of rupees will require to be very considerably reduced. The data that are necessary to determine what the amount of reduction should be, have not yet been ascertained.

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Note on Moozuffernuggur Settlement, by *R. Money, Esq.*, Senior Member of the Sudder Board of Revenue, North Western Provinces; dated Moozuffernuggur, the 25th March 1865.

I HAVE examined Mr. Martin's settlement proceedings with special reference to his estimates of the portion of juma of canal irrigated estates that should be attributed to canal irrigation, and be remitted if the canal were to be permanently closed, or if the permanent settlement be made irrespectively of the additional assets now derived from the canal. His calculations have been made very elaborately and carefully, but they do not appear to me to fulfil all the requirements of the settlement.

He has given credit for all wells now in existence of which the use has been superseded by canal irrigation, and which might be immediately worked if the canal supply were to be stopped. This, however, in a majority of instances, is not sufficient.

It is sufficient in all cases where, with the sole exception of possible irrigation from masonry wells, an estate is exclusively dependent upon the canal for its irrigation, and this will generally be found to be the case in the sandy portions of the district. It is not intended that the possibility of constructing masonry wells should be taken into account, because, generally, the increased assets derived from the irrigation which they may afford should be regarded as only a fair return for the capital expended in their construction. This rule cannot, however, be applied to masonry wells already in existence. Such wells must be regarded, and have been properly regarded by Mr. Martin, as contributing, or as capable of contributing, to the assets fairly chargeable with land revenue.

The defect in his calculations consists in his having omitted to take into account any existing natural facilities for artificial irrigation.

It is possible that if the supply of canal water were to be suddenly withdrawn without previous notice, the estimates of Mr. Martin would very fairly represent the amount of land revenue proportioned to the immediate loss of assets that would be sustained.

The object, however, is to ascertain and determine the amount of land revenue that might be fairly demanded in perpetuity from an estate deprived altogether and for ever of canal irrigation. To this end it is necessary, in the first instance, to ascertain the depth at which water is found, and, if the water is not at too great a depth, whether the nature of the soil admits of kutchha wells being easily sunk.

Experience teaches us that where kutchha wells can be easily made, they always will be made when required; and in all cases where they can be easily made, the lands should be assumed to be irrigable independently of the canal, notwithstanding they may now have canal irrigation exclusively.

The jummas to be fixed, exclusive of the canal, are not those that might be demanded immediately after a sudden and unexpected stoppage of the canal, but such as would be fairly realisable after a year or two, when the agriculturists should have had time to develop the available sources of artificial irrigation.

It has been found that where the culturable area of an estate is all easily irrigable from wells, the assets are not increased by canal irrigation. There are, on the contrary, many instances where the assets have been diminished. This has generally occurred from lands having become swamped by too abundant a supply of water. Obviously the canal cannot fairly take credit for any large portion of the assets, if the assets have not been increased by its action.

The consistency of the soil has in many estates been affected by percolation from the canal, so that kutchra wells cannot now be sunk where they were formerly made without difficulty. In such cases it is not to be presumed that the former status would be restored on the cessation of canal irrigation, and allowance must be made accordingly.

Irrigation that may be practicable from rivers, jheels, or tanks, is of course to be taken into consideration equally with such as may be obtainable from wells.

Mr. Martin has allowed 22 acres as the amount of land irrigable from a well with one run. This allowance appears to me to be excessive. The correctness of the estimate should be tested.

Very unfortunately, the Nos. II. and III. Statements of the former settlement of this district have been lost, and there is, therefore, no record of the amount of land that was irrigable from wells independently of the canals, or before the advent of the Ganges Canal. Such a record would have been of material assistance to an officer engaged in making the required investigation. Much information must, however, be obtainable from the Canoo-ngos and other pergunnah officers, and from the village putwarees, and here and there, in cases of doubt, or by way of experiment, a kutchra well might be dug to ascertain the feasibility of sinking one that will stand. Any cost incurred on this account might be charged against contingencies of the Settlement Department.

This note is given to Mr. Martin, who is requested to revise his proceedings in all cases where revision may appear to be necessary with reference to the above remarks, and he is requested to return the original note after causing a copy to be made for his own use.

(signed) R. Money, Senior Member.

Pergunnah.	Village.	Former Juma.	Total proposed Juma.	On account of Canal.	Settlement Officer's Reasons.	REMARKS.
Burrun	Udholee - - -	Rs. 208	Rs. 307	Rs. 32	At time of measurement, entire area was shown as irrigated, but this was excessive. Canal irrigation is uncertain, being all raised, and only taken when wanted; but when taken, it makes the whole area irrigated.	Sufficient.
	Usudoollapore - -	304	303	28	Well irrigation superseded by canals, but wells could still be used, if preferred.	Sufficient.
	Ukberpore - - -	1,493	1,533	258	Irrigation carried on from the canal, the Kalee nuddee, and wells, of which there are a very great number.	Sufficient. The demand would be less than it was before the canal was used.
	Emunpore - - -	587	750	200	Canal irrigation has superseded all other irrigation. The average of three years is 189 acres.	Sufficient.
	Burrun Mehal Bhoor	-	950	100	Temporary wells are still at work in places, and by no means all or nearly all the canal irrigation is new or necessary, but is taken in preference to other irrigation as being cheaper and more expeditious.	Fair.
	Burrun Mehal Buhleempoora.	-	725	150	The uncertainty of the canal irrigation has been considered, and a corresponding low juma inclusive of canal irrigation assessed.	Fair.
	Burrun Khas, Mehal resumed rent-free land.	-	2,500	-	Only about one-fifth of the irrigated area is canal irrigated, and that only in lieu of well irrigation; and if there was no canal, those lands would still be irrigated.	Fair.
	Burrun, Mehal Waleepoorah.	-	550	65	Canal, and well irrigation nearly equal, but by no means all the canal irrigation is recent. However, without the canal, the average amount of irrigation would not be so large.	Fair.

## CORRESPONDENCE RELATING TO THE

Pergunnah.	Village.	Former Juma.	Total proposed Juma.	On account of Canal.	Settlement Officer's Reasons.	REMARKS.
		Rs.	Rs.	Rs.		
Burrn	Bursendwah - -	675	700	100	Average canal irrigation for two years, 166 acres. In the third year none at all.	Ample.
	Bhasolee - - -	756	1,125	175	Average canal irrigation, 79 acres	Three hundred and sixty-four acres irrigated. Ample.
	Bhutoluh Hajeepore -	733	650	225	Canal irrigation has quite superseded temporary wells that previously existed, and they are no longer constructable.	Ample.
	Panchotah - - -	648	716	-	Had canal irrigation when settled by Mr. Charles Currie. Has none now.	Fair.
	Jalkhera - - -	1,050	1,176	126	Irrigation both from masonry wells and the canal.	Fair. The juma would be reduced to the former amount.
	Chandpore - - -	936	954	54	Twenty-one kucha wells at work, 72 acres on an average irrigated from canal.	Fair.
	Hatimabad - - -	175	175	15	Irrigation from six puckah wells, and lands partly irrigated by canal.	Fair.
	Duryaopore - - -	2,269	1,250	100	Half the area irrigable by canal, but the canal returns show an average of only 133 acres. Seven masonry and several temporary wells.	Fair.
	Doodoopore - - -	601	720	70	There is room for improvement, 110 acres irrigated from canal.	Sufficient.
	Dostpore - - -	775	800	-	Three masonry wells with eight laos, and four temporary wells with 8 laos. There was no canal irrigation when the measurements were made, and too little now to render a decrease necessary.	Fair.
	Dhumroulee - - -	1,104	1,225	125	Three masonry and 18 temporary wells. Canal irrigation averaging rather under 100 acres.	Fair.
	Dhenwuree Edulpore	1,125	1,200	100	There were only five acres of canal irrigation when Mr. Charles Currie made the assessment, and the nikasee had been as high as 2,395.	The assessment would not be too high irrespective of the canal. The allowance is ample.
	Sunerah $\frac{2}{3}$ - - -	494	440	65	Formerly there were plenty of wells, but they now fall in, and are expensive. The demand has been reduced.	Allowance ample.
	Sunerah $\frac{1}{4}$ - - -	197	225	50	Rent rolls average 450 - - -	Ditto.
	Sutaree - - -	635	700	125	Assets increased by canal irrigation. The previous demand, irrespective of the canal, was rather heavy.	Both ways the demand is moderate.
	Subdulpore - - -	855	1,023	123	Irrigation from masonry and temporary wells, as also from the canal.	Allowance sufficient.
	Uleepore Gujarce -	267	650	200	About one-half the area irrigated from the canal, otherwise no irrigation.	Fair. The rate, inclusive of the canal, is under Rs. 2 on the cultivation.
	Ghyaspore - - -	861	850	150	Canal irrigation has partially superseded well irrigation.	Fair.
	Futtehpore Buzoorg -	341	511	61	Canal irrigation has not sensibly increased the irrigated area.	Fair.
	Kairuh - - -	1,505	1,505	105	Four masonry wells working five laos, besides temporary wells. Canal returns show an average amount of 169 acres, the total irrigation being 492.	Fair.
	Kiryaolee - - -	383	460	100	There were many temporary wells, but they have fallen in.	Fair.
	Kurbar Bunarus -	1,050	1,075	75	Irrigation both from the canal and from wells.	May be sufficient, as after the reduction the demand would be less than that of the former settlement.

LAND REVENUE IN INDIA.

117

Pergunnah.	Village.	Former Juma.	Total proposed Juma.	On account of Canal.	Settlement Officer's Reasons.	REMARKS.
		Rs.	Rs.	Rs.		
Burrun	Kumalpore - -	1,271	1,212	112	Village was assessed by Mr. Charles Currie at 1,212, exclusive of cesses.	Fair.
	Koraluh - - -	836	1,000	-	Little canal irrigation, and that uncertain.	The assessment is moderate.
	Korolee - - -	258	409	134	Average canal irrigation, 92 acres	Fair.
	Kolsenuh - - -	812	818	118	Irrigated area increased 75 or 80 acres by canal.	Fair.
	Kythruh - - -	603	725	75	Total irrigation 272 acres. Canal irrigation averages 100.	Fair.
	Gungerwah - -	1,040	1,069	69	Masonry and temporary wells with 16 laos.	The reduction would bring the juma below the demand of the former settlement. It is sufficient.
	Mamun Khoord -	967	800	100	Amount of irrigation not much increased by canal.	Fair.
	Mamun Kulan -	1,000	818	218	Since the introduction of the canal, wells cannot be constructed; and the canal supply is uncertain.	Fair.
	Muchkowiee - -	418	450	-	Canal returns show an average of only 32 acres, and the assets are not thereby affected, as there is ample irrigation from wells.	No necessity for any allowance.
	Moortuzabad - -	1,202	1,534	134	The amount of canal irrigation fluctuates much, the average being 160 acres.— Total irrigation, 662.	Sufficient.
	Murghoobpore -	314	332	75	- - - - -	The settlement is moderate either way.
	Mowkherah - - -	820	850	50	There were 22 wells - - - -	Fair.
	Nugla Ibrahim-pore -	285	340	65	Six wells with nine laos - - -	Assessment moderate both ways.
	Nowsanah - - -	1,029	1,100	275	- - - - -	Assessment moderate both ways.
	Neemkhera - - -	923	1,170	-	Canal irrigation has only superseded wells, which are still constructed, and can be used if required.	Fair.
	Naithluh - - -	1,220	1,150	200	Ten masonry wells with 18 laos - -	The assessment is moderate both ways.
	Hurtolee - - -	715	700	50	Canal returns show an average of 59 acres, but the well irrigation doubles that amount.	Fair both ways.
	TOTAL - - -	-	40,225	4,634		
Ugotah	Asufabad Chand-poorah.	787	950	-	Wells can generally be sunk at small cost. There are now eight pukka and six kutcha, and a considerable amount of culturable waste to be brought under cultivation. As there has not been much canal irrigation, it is not taken into consideration.	The rate of assessment on the cultivation is very moderate, viz., Rs. 1. 8. 8. The demand is fair and light.
	Aurungabad - -	575	1,000	150	Cultivated area nearly doubled, and still a considerable amount of culturable waste. Irrigation from canal, and also from wells, which can be sunk at small cost. Now five pukka and six kutcha.	Juma of 850, exclusive of canal, is light.
	Oulerah - - -	2,986	2,965	265	Nearly all the area is irrigated. There are no less than 103 wells. Out of 1,120 irrigated acres, only 225 were measured as irrigated from the canal.	Fair.



## CORRESPONDENCE RELATING TO THE

Pergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	Settlement Officer's Reasons.	REMARKS.
		Rs.	Rs.	Rs.		
Ugotah	Aichanah	1,057	1,155	-	The measurement showed 291 acres irrigated from wells. The settlement was made by Mr. Freeling, and on very good grounds, before there was any canal irrigation. The canal returns now show an average of 122 acres, but Mr. Currie has not increased the demand.	Fair.
	Bural	3,101	3,758	508	Irrigation both from wells and the canal, and a large extent of culturable waste.	The juma, exclusive of canals, viz., 3,250, or after deducting cesses, 3,167 rupees, is only 66 rupees more than the juma of the former settlement, and falling only at the rate of Rs. 1. 12. 6. on the cultivation, is very moderate with reference to the uncultivated land available for cultivation.
	Bisaich	1,055	1,200	250	Mr. Charles Currie found 98 per cent. of the cultivated area irrigated, and raised the juma to 1,250. Wells are now difficult of construction owing to percolation, and do not last, and therefore, Mr. R. Currie has reduced the demand to 1,200.	The cesses being 28 rupees, the proposed reduction on account of canal would bring the juma down to 133 rupees below the demand of the former settlement. The allowance is ample.
	Bhutonuh	1,715	1,300	300	A jât village, or it could not have paid the former high juma. Canal returns show an average of 159 acres irrigated, but Mr. R. Currie thinks the amount must be understated.	The allowance of 300 rupees is very liberal.
	Bhumerah	942	1,125	125	Canal irrigation has almost superseded that from wells, but there are still 12 or 14 at work, but they do not last as long now as formerly. At the time of measurement there were 46 wells.	As the cultivated area has greatly increased since the former settlement, the allowance is fair. The net demand, exclusive of cesses, would be 975 rupees.
	Bahremund Nugur	801	869	119	At the time of measurement there were 15 wells, of which five are pucca, and there was no canal irrigation. The average canal irrigation is now 189 acres.	The allowance, which would bring the demand down much below the former assessment, is ample.
	Bhogpore	368	383	-	Thirteen kutchha wells - - - -	The juma, independently of the canal, appears fair.
	Jafurabad Puttee	400	511	-	Irrigated 242 acres, of which the canal returns give an average of only 64 acres.	The rate of assessment is light, and a fair demand independently of the canal.
	Chirawak	1,317	1,347	247	Forty-six wells, of which four are pucca	The reduction is, if anything, more than sufficient, but allowance is made for the construction of wells being more expensive than formerly.
	Chuprawurt	1,317	1,175	95	Average of canal irrigation only 100 acres.	Assessment made by Mr. Charles Currie irrespective of canal. It is moderate either way.
	Hoosenpore	249	435	-	Irrigation from eight wells. Canal irrigation small in amount and uncertain.	The assessment at the average of the pergunnah would be 520 rupees, and the proposed juma is moderate independently of canal irrigation.
	Khooshalpore	977	1,140	-	Assessment made by Mr. Charles Currie when there was no canal irrigation.	Rent roll averages over 2,350. No necessity for any reduction.
	Deolee	988	1,000	200	Thirty-six wells. Average canal irrigation 178 acres.	The allowance is very liberal, as the village was previously entirely irrigated from wells.
	Lukheya	400	400	-	Great facilities for irrigation; but little canal irrigation, and that uncertain.	Former juma maintained irrespective of canal. Fair.
	Sentuh	550	900	-	Forty-three wells. Assessed by Mr. Charles Currie independently of canal. There is now a little canal irrigation, but of so small extent as to be unworthy of notice.	Fair.

Pergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	Settlement Officer's Reasons.	REMARKS.
		Rs.	Rs.	Rs.		
Ugotah	Solunpore - -	418	644	119	Settled by Mr. Charles Currie at 450 when there was no canal irrigation, but temporary wells abounded.	As the juma included 180 rupees assessed on resumed rent-free land subsequently to Mr. Charles Currie's assessment, the allowance on account of the canal is very liberal.
	Syndpore Khoonum-pore.	554	588	—	Abundant irrigation. There was no canal irrigation when the assessment was made, but now there is sometimes a little.	No allowance on account of canal is required.
	Segruh - -	220	475	150	Only pucca wells can be made, but more than half the area is now irrigated by the canal.	The assessment either way is very light, falling, independently of the canal, at less than one rupee per cultivated acre.
	Fyzabad Rudholee -	120	500	100	The poolahs alone, in the uncultivated land, pay the Government juma, selling sometimes for 600 rupees.	Fair.
	Kyampore - -	205	220	40	Canal irrigation has entirely superseded well irrigation.	The village was entirely irrigated by wells, and the assessment might have been maintained, perhaps, independently of the canal. The nikasees were formerly 471, so either way the demand is very light.
	Kotuh - - -	1,800	1,675	—	This village has been damaged by the canal, which has given but little irrigation, and destroyed the temporary wells.	No remark required.
	Koorlee - - -	2,270	2,454	254	Sixty-nine wells, of which 31 are pucca, but canal irrigation has superseded the use of half of them.	Allowance ample, as the former demand was moderate.
	Kythalah - -	828	971	71	Irrigation from masonry and temporary wells and the canal, but most of the canal irrigation is in lieu of well irrigation.	The allowance is ample, as, independently of the canal, the demand would be moderate.
	Girdharpore Nawaduh.	1,202	1,350	—	Was assessed by Mr. C. Currie, when there was no canal irrigation, and exclusive of cesses, at 1,400. There is now no canal irrigation worth mentioning.	No remark required.
	Goolaothee - -	955	3,377	—	Was fairly assessed by Mr. Charles Currie independently of the canal, and his assessment has not been enhanced. The great increase on the former demand arises from resummptions of rent-free lands.	Under the circumstances stated in the preceding column, there is no necessity for any allowance
	Hurchunuh - -	1,200	1,200	—	Fourteen masonry and nine temporary wells at work, and some little canal irrigation; but as there are plenty of wells, the cultivators do not resort much to the canal.	The assessment either way appears high; but a juma that would be fair on existing assets might be paid easily independently of the canal.
	<b>TOTAL - - Rs.</b>	—	35,067	2,993		
Khoorjah	Ibrahimpore Chandpore.	1,044	1,068	68	Mr. Lowe retained the former juma, the addition being on account of cesses. At the time of measurement there was no canal irrigation, but 302 acres were shown as irrigated. The present canal irrigation is chiefly in lieu of well irrigation. There are 12 masonry wells with 25 laos. The rentals average 2,200 rupees, of which but a small portion is really dependent on the canal.	Under the stated circumstances the reduction is quite sufficient. The juma, inclusive of canal assets, was assessable before canal irrigation was obtained.
	Uchulpore - -	600	525	75	- - - - -	As the juma of the former settlement was 600 rupees, exclusive of cesses, a demand of 450, including cesses and exclusive of the canal, must be moderate.

## CORRESPONDENCE RELATING TO THE

Pergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	Settlement Officer's Reasons.	REMARKS.
		Rs.	Rs.	Rs.		
Khoorjah -	Uchejuh - - -	396	380	50	- - - - -	The juma, exclusive of canal assets and including cesses, is 66 rupees less than the demand, exclusive of cesses of the former settlement.
	Uhmudpore Nubbeepore.	331	358	48	- - - - -	Proposed exclusive juma is less than the former demand, and is below the average on the cultivation, and much below the average on the malgoozaree.
	Ismaeelpore - -	421	440	50	- - - - -	As above.
	Usghurpore - -	700	875	40	Six masonry wells with 19 laos, irrigating some 200 acres, and average canal irrigation does not exceed 50 acres.	Fair.
	Ugwa - - -	540	716	116	Five masonry wells with 10 laos. The wells are resorted to when canal water is scarce.	Fair.
	Agewrah Umeerpore	1,804	1,800	125	- - - - -	Moderate.—The juma of the 3rd settlement was 2,230 rupees.
	Bahunpore - -	434	500	100	Annual average canal irrigation 85 acres.	Allowance liberal.
	Budgaon - -	1,500	1,550	100	Nine masonry wells with 24 laos. Average 3 acres. Canal irrigation 53 acres.	Sufficient.
	Burtowlee - -	960	1,075	95	Canal irrigation 75 acres - - -	Fair.
	Bugraee - -	710	1,025	25	Annual average canal irrigation 54 acres. The rajbaha is in a deep cutting, and cannot possibly give any extent of irrigation, more particularly as the land near it is high and uneven. Rental 2,050, and there is still fair room for improvement.	Sufficient.
	Bhogpore - -	1,294	1,329	79	Annual average of canal irrigation for three years, 12 acres, five masonry wells with 13 laos, and four temporary wells with eight laos.	Ample.
	Pulruh - - -	1,237	1,400	150	Annual average of canal irrigation 172 acres. Ten pucca wells with 20 laos irrigating 300 acres. Average rent roll of five years, 2,060 rupees.	Moderate.
	Phurnkua - -	1,168	1,450	100	- - - - -	The capabilities of the village, independently of the culturable but uncultivated land, and exclusive of the canal, are sufficient to provide for the proposed demand.
	Jauril - - -	1,000	1,250	-	11 masonry wells working 33 laos; 80 acres the average canal irrigation, out of 303.	The demand would be very moderate if there were no canal, and therefore no allowance was necessary.
	Baruh - - -	365	625	75	Jummabundee 1,340 rupees, average of five years 1,250.	Average of canal irrigation 100 acres, but in year of settlement not above 30; and with reference to the jumabundeas, exclusive of the canal, the allowance is ample.
	Juhanpore - -	475	562	-	Only an average of 15 acres canal irrigation, which does not affect the assessment.	No allowance necessary.
	Chandpore Khoord -	209	286	28	Only an average of 20 acres canal irrigation. None at time of measurement, and it does not affect the assessment.	The allowance is ample.
	Cheetie - - -	678	650	50	- - - - -	No remark.

LAND REVENUE IN INDIA.

121

Pergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	Settlement Officer's Reasons.	REMARKS.
Khoorjah	Hussanabad - -	Rs. 439	Rs. 820	Rs. 120	Annual average canal irrigation, 173 acres; six masonry wells with 17 laos, but all canal irrigation in excess of 100 acres is only in lieu of wells.	Allowance fair.
	Huzrutpore - -	675	690	190	- - - - -	The reduction allowed is liberal.
	Huzrutpore Poothree	584	625	100	Average rental over 1,250. Canal irrigation averages 100 acres.	Allowance sufficient.
	Dhurpah Choochurpore.	667	750	125	- - - - -	The former assessment, without any canal, was not too high, and therefore the allowance is ample.
	Ditto Puttee 5 biswas	238	260	40	- - - - -	Ditto.
	Deenoul - - -	750	1,075	100	Annual average canal irrigation, 57 acres, out of a total of irrigated area of 411.	Fair.
	Deoralah - - -	2,142	2,190	290	- - - - -	Ample, as former assessment, when there was no canal, was fair.
	Dhukpoora - - -	350	350	59	- - - - -	Ditto.
	Raeepore Mozumpore	693	725	50	- - - - -	Ditto.
	Runjoulee - - -	825	880	80	- - - - -	Ditto.
	Roodree - - -	325	375	50	- - - - -	Ditto.
	Sarsoul - - -	190	360	60	Average of canal irrigation, 50 acres.	A juma of 300 rupees is not heavy on the cultivated area (230 acres), exclusive of the canal.
	Sooltanpore - - -	400	358	28	Four masonry wells and seven laos, and very little canal irrigation.	Fair.
	Sulempore Puhar Gurhee.	800	775	75	Five masonry wells and 14 laos.	The juma, irrespective of canal, is 100 rupees less than the former assessment, and is moderate.
	Shahpore Puhasow -	700	716	56	- - - - -	The former assessment, which was irrespective of canal irrigation, was moderate, and therefore the allowance is ample.
	Shahbazpore Dowlut	649	670	80	- - - - -	Ditto.
	Sherpore Muzrah -	447	475	66	- - - - -	The demand of 409, exclusive of the canal, is very moderate.
	Soorutpore Khoord -	290	297	37	- - - - -	Ditto, demand of 260.
	Soorutpore Kulan -	558	665	65	Average of 3 years' canal irrigation 54 acres. Seven masonry wells and 16 laos, and entire irrigated area from 200 to 210 acres.	Allowance fair.
	Sabibpore - - -	276	400	100	- - - - -	A juma of 30, irrespective of the canal, is moderate, as there are 222 acres cultivated, and sugar-cane and indigo are grown.
	Oosmampore - - -	700	767	92	- - - - -	The juma of 675, irrespective of the canal, is less than the former demand, which was independent of the canal, and was moderate.
	Ghaspore - - -	610	767	67	Only 32 acres canal irrigation.	Allowance ample.
Kulundur Gurhee -	275	415	35	Canal irrigation little used.	Allowance sufficient.	
Kirra - - -	1,064	1,585	335	- - - - -	A demand of 1,250, irrespective of the canal, is moderate.	
Kholee Khoord	1,728	1,767	92	13 masonry wells and 35 laos. From 75 to 100 acres of canal irrigation.	The assessment of 1,675 rupees, irrespective of the canal, on 1,066 cultivated acres, is moderate.	

## CORRESPONDENCE RELATING TO THE

Pergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	Settlement Officer's Reasons.	REMARKS.
		Rs.	Rs.	Rs.		
Kloozjah -	Khuryoulee - -	425	675	110	- - - - -	Juma of 565 or 385 cultivated acres, irrespective of canal, is moderate.
	Khalsyuh - -	464	613	88	Average of 3 years. Canal irrigation 69 acres.	Fair.
	Gunwan - - -	1,292	1,400	50	Average canal irrigation 111 acres.	The allowance here seems hardly sufficient. With a cultivated area of 830 acres and 4 masonry wells, with 10 laos, the village, without the canal, would pay a juma of 1,350, but 50 rupees hardly represent the difference.
	Guwuwolee - -	2,150	2,075	132	- - - - -	The assessment is moderate both ways, as 582 acres out of 1,192 were irrigated from wells, independently of the canal, when the measurement was made.
	Ghatal - - -	875	815	40	4 masonry wells and 9 laos.	Fair.
	Lukhontee - -	675	725	50	- - - - -	The former juma was moderate, irrespective of the canal, and the allowance is therefore fair.
	Lukhumwarah -	760	760	60	- - - - -	The former demand was not heavy, and therefore the decrease on account of the canal is sufficient.
	Maucheeepore - -	405	640	40	Average annual canal irrigation 62 acres. Six masonry wells with eight laos.	The village would pay a juma of 600 rupees without the canal, but the decrease of 40 rupees seems hardly sufficient,
	Mohumudpore -	285	400	75	- - - - -	The juma, irrespective of the canal, is light.
	Mohumud Kureempore.	500	1,100	100	Annual average of canal irrigation 80 acres. Ten masonry wells, with 20 laos.	The assessments, both ways, are rather high, though the average rental for two years has been 2,152 rupees.
	Moheecoddeenpore -	408	550	35	- - - - -	Fair, with reference to the extent of cultivated area.
	Munsoorpore - -	441	750	50	Rental 1,560 rupees—168 acres irrigated at time of settlement, irrespective of canal. Canal returns for three years show an average of 31 acres.	Fair.
	Moonee - - -	1,362	1,534	84	At the time of measurement there were 423 acres irrigated from wells, and 28 acres by the canal.	Ditto.
	Narphul - - -	1,071	1,150	50	Canal irrigation averages about 50 or 60 acres. Eleven masonry wells with 34 laos irrigate from 340 to 360 acres.	Ditto.
	Nugur - - -	650	725	75	- - - - -	Former juma was moderate, irrespective of canal. The allowance is therefore fair.
	Nuglahhut - -	465	500	25	One hundred and three acres irrigated by wells at time of measurement, and since then a little canal irrigation has been introduced.	Juma is moderate both ways.
TOTAL - - -		Rs. 51,033	4,828			

Pergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	REMARKS BY BOARD.
		Rs.	Rs.	Rs.	
Secundrabad	Urnean - - -	150	300	50	A juma of 250 rupees, irrespective of the canal, would be very fair. The juma of 300 rupees has been fixed in consequence of a rajbaha now skirting the village.
	Aroundah - - -	605	775	25	The difference is equivalent to the small amount of canal irrigation that was taken into account in fixing the juma.
	Asadei - - -	364	364	109	The former juma was considered too high, and but for the canal would have been reduced to 255 rupees, as there was no other irrigation. With the canal the former juma is fair.
	Ismaelpore - - -	750	750	-	There is abundant irrigation from wells, and the former juma is fair entirely irrespective of canal irrigation.
	Azumpore Hasnpore	730	900	50	The assessment is very moderate, and would have been higher if the canal had never approached the village. Kucha wells cannot now be, as they were formerly, easily constructed.
	Azumpore Gurhee -	293	450	-	There is very little canal irrigation, and either way the demand is very moderate.
	Ugrahee - - -	895	950	250	The demand of 700, exclusive of canal irrigation, is very moderate.
	Undhil 10 bis - -	208	275	25	} The demand, exclusive of the canal, is fair and moderate.
	Ditto - - -	208	275	25	
	Biswanah - - -	179	200	20	The juma, exclusive of canal, 180 rupees, as it includes cesses, is less than the former demand, which was very moderate.
	Batenah - - -	703	700	175	The proposed reduction, which involves a considerable decrease on the former demand, makes the juma, exclusive of canal irrigation, very light.
	Boduh - - -	475	750	75	As the soil is all good, the proposed exclusive juma, falling at the rate of only Rs. 1. 4. 11. on each cultivated acre, is very moderate.
	Bhutpoorah - - -	227	335	55	As the land is all good, and the rate on the cultivation, independently of the canal, is very low, the allowance is ample.
	Bhutotuh - - -	435	635	185	Exclusive of the canal and of cesses, the former demand is maintained and is very moderate.
	Bhorabas - - -	375	420	20	- - - Ditto.
	Bhouruh - - -	1,139	1,500	100	The demand, both ways, is very moderate, as the soil is fine and the rate of the exclusive juma only Rs. 1. 6. 4. per acre of cultivation.
	Bhowkheruh - - -	256	600	150	The soil is good, and the rate of the juma, independent of the canal, being only Rs. 1. 2. 1. per cultivated acre.
	Bheer Khera - - -	1,150	1,350	250	The juma, independent of the canal, is less than the former demand, which was moderate.
	Beneepore Sudhobas.	772	875	25	The soil being all good, the juma, independent of the canal, which falls at the rate of Rs. 1. 8. 9. on the cultivation, is very moderate.
	Pitoobas - - -	600	650	50	The juma, independent of the canal, is less (as it includes cesses) than the old juma, and is light.
	Phukanuh - - -	690	850	100	The juma, exclusive of the canal, is only a trifle more than the former demand, and is light. The land being good, and rate low.
	Peer Byabanee Jâts	203	375	50	Soil all good. Rate of, exclusive juma, Rs. 1. 8. 2., which is very light.

## CORRESPONDENCE RELATING TO THE

ergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	REMARKS BY BOARD.
Secundrabad	Peer Byabaneer Goojurs.	Rs. 203	Rs. 450	Rs. 50	Soil all good. Rate Rs. 1. 7. 2.
	Pempore - - -	160	180	30	The exclusive juma is less than the former demand, and with reference to the large amount of culturable but uncultivated land is, if anything, too low.
	Essepore - - -	1,000	950	-	The settlement officer states that "the canal irrigation is very fluctuating and uncertain, and is not a necessity to the village, nor has it in any way improved it; but when procurable, and water is plentiful, it is preferred, in some instances, to well irrigation. It does not, however, affect the juma." No allowance on account of the canal was required.
	Mohanuh - - -	1,000	700	-	Mr. Currie writes:—"There is no enhancement here for canal irrigation, and as one of the watercourses has no water in it, so far down as this, and the other is in cutting, the water taken from the canal is not considerable and does not affect the assessment." The former demand has been considerably reduced, and the proposed juma, either with or without the canal, is very light.
	Gesoopore - - -	1,272	1,800	150	The soil generally is particularly good. The juma, exclusive of canal irrigation, falls at the rate of Rs. 1. 8. 8. on the cultivation, and there is such a large extent of culturable, but uncultivated land, that a lower assessment could not be sanctioned.
	Wair Badshapore -	2,729	2,900	150	The juma, exclusive of canal irrigation, as it includes cesses, is less than the former demand, which did not include them. The land is good, and the exclusive juma falls at the rate of only Rs. 1. 5. 11.
	TOTAL - - -	Rs.	21,259	2,169	
Puhasoo	Bhagoo - - -	333	350	75	The demand, independent of the canal, is almost the same as the former juma, and is very fair.
	Ban - - -	358	550	100	The exclusive juma falls at the rate of only Rs. 1. 4. 5. on the cultivation.
	Buncl - - -	3,411	3,068	768	The village said to be one of the finest in the district. The juma, either way, is very moderate, and cultivated area 1,300 acres, all irrigated; 50 pucca wells capable of working 75 laos, and the reduction allowed on account of the canal is therefore more than was necessary.
	Bedrampore - - -	260	475	125	The village is leased for 700 rupees. The canal allowance is ample.
	Padha - - -	200	327	77	Two good masonry wells, capable of irrigating 50 acres or more, and as the rate of the exclusive juma is only Rs. 1. 7. 6. on the cultivation, it is very moderate.
	Pilkhunharce -	1,325	1,355	355	Five masonry wells on which 10 laos can work. The large reduction on the former demand makes the juma, exclusive of the canal, very light.
	Tewur Boozoorg -	1,470	2,300	350	Cultivated area now upwards of 1,400 acres, and there are 28 masonry wells capable of working 57 laos. The juma is, therefore, both ways, extremely light.
	Tewarce - - -	783	1,800	175	At the measurement there were 250 acres irrigated from 10 masonry wells, and only 35 acres from canal. Now the average canal irrigation is 10½ acres. The allowance is very fair.
	Jutola - - -	752	1,023	198	Average canal irrigation 142 acres; 8 pucca wells with 10 laos. Allowance ample.
	TOTAL - - -	Rs.	11,048	2,223	

Pergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	REMARKS BY BOARD.
		Rs.	Rs.	Rs.	
Dadree -	Bisohruh - -	2,059	1,950	150	Excellent soil and first-rate crops. The higher demand might very well be paid, as was the previous demand, independently of the canal, as there were numerous temporary wells, and, if need be, might be again; but they could not be constructed so cheaply as heretofore, and, therefore, the allowance is made. It is very sufficient.
	Ch'houlus - -	578	2,250	300	Irrigation both from numbers of masonry wells and the canal. The allowance is ample (more than half the estate is confiscated rent-free land).
	Dhoom Monukpore -	2,132	2,200	200	Great extent of irrigation, partly from masonry wells, but chiefly from the canal. The former demand was not heavy. The rate on the cultivation is light, and the allowance is, therefore, liberal.
	Dadree Khizurpore -	1,389	1,650	150	The soil of fair ordinary quality, very good in some places, and not bad any where. There has not yet been much canal irrigation, but may be more. As there are 1,282 acres cultivated, the assessments both ways are very light.
	Noorpore - -	675	1,000	150	Soil good throughout, and the greater part of the area irrigated from masonry wells and from the canal. The juma of 850 rupees is at the rate of Rs. 1. 8. 7. on the cultivation, and is, therefore, very light.
	Doojunah - -	1,702	1,750	100	Two-thirds of the cultivated area irrigable from masonry wells and from the canal. There are 20 masonry wells capable of irrigating 600 acres, as there are 64 laos. The allowance is ample, as the former demand was light, the cultivated area being 1,173 acres.
	Ibadoollahpore -	906	950	125	Before the canal reached the village, the irrigated was about one-third of the cultivated area. The juma of the last settlement was not high, and the new assessment is, therefore, both ways, very light. Cultivated area, 583 acres.
	Salarpore Kalan -	780	1,075	125	Soil of fair average quality; abundance of irrigation from masonry wells and the canal. The juma of 950 rupees falls at the rate of only Rs. 1. 4. 11. on the cultivation, and is, therefore, very light.
	Ranoulee Lutcepore	462	700	-	Though much of the soil is light and sandy, there are not 100 acres that are really bad. There is now a little canal irrigation, and will be more in a few years. The juma is purposely fixed light, because the village is held by a lazy set of Goojurs, and it is irrespective of any little canal irrigation there yet has been or may be, and there never can be much, owing to most of the area being on a high ridge of land. The rate of assessment is only Rs. 1. 0. 5. per cultivated acre, and either way this is very light.
	Chutuhah Susonuh -	1,493	1,800	150	This is another Goojur village. The rajbuha is rather deep below the surface throughout a great part of the area, and hence on the north and east of the village there is very little canal irrigation. On the west and south there is much of it. Canal irrigation, 362 acres; other sources, 80. The demand, independent of the canal, 1,650 rupees, is very moderate, as it falls at Rs. 1. 1. 9. per acre of cultivation.
	TOTAL - - -	Rs.	15,325	1,450	
Dunkour -	Outroulee - -	1,004	1,000	125	A fair average village, with a large portion of culturable but uncultivated land. The exclusive juma, 875 rupees, falls at Rs. 1. 2. 8. on the cultivation, and is very light.
	Parsol - - -	1,788	1,650	200	Mr. Currie writes that, "in assessing 1,650 rupees, inclusive of canal irrigation, I have anticipated more canal irrigation than has yet been shown in the return." The former demand was held to be rather high. The exclusive juma, 1,450 rupees, is light, the cultivated area being 1,038 acres, and the land good.
	Chowkee - - -	500	375	50	There is a rajbuha in this village, but in general the land is above the level of the water, and, therefore, there cannot be any great extent of direct irrigation. The former demand was too high, and the proposed assessments, both ways, are light.



## CORRESPONDENCE RELATING TO THE

Pergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	REMARKS BY BOARD.
		Rs.	Rs.	Rs.	
Dunkour -	Dulelghur - - -	862	700	100	Soil all good, but not much irrigation, except from the canal, and that seems uncertain. Last year, however, there were 125 acres irrigated. The cultivated area being 451 acres; both the proposed jumas are light.
	Dhanoree - - -	Jageer	1,760	-	A splendid village, the soil good throughout, and well irrigated from masonry and temporary wells and the canal. This assessment is nominal, and made for the purpose of fixing the cesses, as the village is still in jageer.
	Kunarsee - - -	606	1,150	250	Soil generally good. Canal irrigation this year 388 acres, and well irrigation about 150, exclusive of temporary wells. This allowance is very fair, as there are great facilities for irrigation independently of the canal; and the exclusive juma falls at the rate of Rs. 1. 5. 0. on the cultivation, which is very moderate for a high class village, such as this.
	Ludhpoorah Ukburpore.	825	950	100	The barah (the rich soil in the neighbourhood of the village site) is excellent, and all the soil of uniform quality, with the exception of a few fields. The irrigation hitherto has been almost entirely from temporary wells, which are now falling in owing to the advent of the canal. In fixing the juma of 950 a large margin has been allowed for fluctuation in canal irrigation; and the allowance of 100 rupees brings down the demand to the rate of Rs. 1. 7. 4. on each acre of cultivation.
	Nuwadah - - -	702	700	50	Soil good and level. The village is now almost entirely dependent on the canal for irrigation, as the temporary wells have fallen in, and are useless, and there are only two masonry wells. Mr. Currie fears the canal has here done more harm, in destroying temporary wells and their irrigation, than it can or will make up for, and he has, therefore, made the assessment proportionately low. The rate of the exclusive juma on the cultivation is Rs. 1. 5.
	Neelonee Shahpore -	1,192	1,500	100	A large amount of canal irrigation, but the temporary wells have mostly failed, and the canal cannot do more than supply their place. There are, however, a number of masonry wells. The average canal irrigation is about 100 acres, but this may increase to 200, or even 250, the increase, however, being merely in superseasion of temporary wells destroyed. Under these circumstances the allowance is ample. The rate on the cultivation of the juma of 1,400 rupees is Rs. 1. 5. 3.
	Wailanuh - - -	1,200	1,350	75	The soil generally good, and there are a number of good masonry wells. Canal irrigation this year 156 acres, and in future years should double that amount. Average rent-roll of five years, 2,700 rupees. The juma of 1,275 rupees is at the rate of Rs. 1. 7. 8. on the cultivation, and is moderate.
	TOTAL - - -	Rs. 11,135		1,050	

## A B S T R A C T.

Pergunnah.	Total Proposed Juma.	On Account of Canal.
	Rs.	Rs.
Burrun - - - - -	40,225	4,034
Ugotah - - - - -	35,007	2,093
Khoorjah - - - - -	51,033	4,828
Secundrabad - - - - -	21,250	2,169
Pahasoo - - - - -	11,048	2,223
Dadree - - - - -	15,325	1,450
Dunkour - - - - -	11,135	1,050
TOTAL - - - - -	Rs. 1,85,092	19,347

NOTE by the Honourable *W. Muir*, on a Collection of Papers now before the Government, North Western Provinces, regarding the Assessment of Rental arising out of Canal Irrigation.

THE conference held at Agra in the beginning of the year, and some of the papers subsequently written upon its proceedings, call in question the policy and equity of the present system of canal assessment.

The present system is to assess at half of the average assets, however created, whether through canal irrigation or otherwise; we take one-half of the entire rental received by the landlord as the Government share. Present system.

But we provide that a careful estimate is made of that portion of the revenue directly attributable to the canal and dependent upon it; this is styled "Extraordinary Land Revenue;" the remainder being "Ordinary Land Revenue," namely, the assessment at which an estate would probably have been rated had there been no canal. Land Revenue, Ordinary and Extraordinary.

The object of this division is twofold. It enables the Government to credit the canals, in account, with the extraordinary land revenue, that is, with the increased revenue created by them; and this also forms an index to the sacrifice which would be caused by the stoppage of any canal or branch of one.

In case of failure of irrigation from a canal, the amount to be remitted might exceed the extraordinary land revenue, or it might fall short of it. That revenue may have been under-estimated by the settlement officer, and may be found on the calamity actually taking place to be insufficient. It is not to be supposed that a village, long dependent on canal irrigation, could revert on the moment to wells: or that the dense population nourished by the canal could suddenly be deprived of its subsistence without wide-spread distress, unsettling the country, and imperilling for a time even the ordinary land revenue. On the other hand, the failure of a canal might be ameliorated by certain circumstances. The rains might be so abundant and well-timed as, for that season, in a great measure to supersede artificial irrigation: or the spring level of the country, which takes long to subside, might still be so near the surface as to afford ready means of irrigation, even if the canal bed lay during the year empty. Failure of canal *prima facie* ground for remission of Revenue Extraordinary.

The amount of extraordinary revenue would not, therefore, be a *necessary* index of the precise amount to be remitted. To give a legal right to the zemindar to claim that as a remission would also open the door to frivolous and unfounded demands on any fancied insufficiency of water. But still the estimate of extraordinary revenue would form a most valuable standard for the Collector's guidance; and, under ordinary circumstances, would be adopted in the majority of cases as the standard of actual remission.\*

On these grounds the zemindar is required to engage for the entire land revenue, without distinction of ordinary and extraordinary; but it has been stated in a public circular that this will not excuse the Government, on any failure of the canal affecting the assets of the extraordinary revenue, from "granting a suitable relaxation of the demand." But the whole revenue is engaged for absolutely.

Such is the position upon which the extraordinary revenue is based. Numerous objections have been taken to the system. The chief are these— Objections enumerated.

1st. By assessing on canal assets, the Government (it is alleged) gives an implied pledge that water will always be supplied; and the Irrigation Department will be embarrassed should it wish to raise the water-rate, or to divert the course of irrigation to other tracts standing in greater need of water.

2nd. A settlement, based upon assets, one element of which (canal profits) is uncertain, cannot claim to be a permanent settlement.

3rd. Villages so assessed are placed at a disadvantage in reference to tracts not now irrigated by the canal, but which may be hereafter.

4th. Profits created by the canal are allowed to go to the zemindar, who has no claim to them; whereas these profits should go entirely to Government.

5th. The system of differential water-rates would not in practice answer.

Before noticing these objections, I will describe the plan which it is proposed to substitute for the present system.

The project advocated by Mr. Currie and Mr. Hume, more or less countenanced by some others, and to which Mr. Money has latterly given in his adhesion, is to assess the Government demand irrespective altogether of the canal, and of the increased assets created thereby. The advocates of this system admit that a loss of land revenue will ensue, but they hold that the deficiency will be much less than generally expected; that it will be more than compensated by taking the profits at first hand from the cultivator, in the shape of increased water-rate; and that, whatever be the loss, the Government is bound to face it, and not perpetuate a false principle, as they allege we are now doing. The Canal Department, it is added, will thus be released from all embarrassment, and will be free to withdraw System proposed by objectors.

\* "If the assessment of Extraordinary Revenue be framed upon a full understanding of the natural capabilities of the estate, independent of the canal, it may be found (in case of failure of the canal) to supersede, in many instances, any further proceedings for determining the amount of relief to be temporarily granted." —Circular Order, Sudder Board of Revenue, 1864.

withdraw irrigation, either by closing at pleasure any branch of the canal, or by imposing rates which for the locality would be prohibitive.

Defects of proposed system.

To this it may be replied that the loss of land revenue must, under any circumstances, be considerable; that it cannot be recovered through any system of water-rates, which are demandable not from the landlord, but from the cultivator; that increase of water-rates, and consequent increase of the direct canal revenue will, in practice, be equally attainable under the present system; and that, if any organic change in the distribution of the water should take place and loss ensue, there will be no material difficulty in effecting a corresponding adjustment of the revenue. In short there would, by the proposed plan, be a gratuitous gift to the landlord and loss of revenue, without any compensation whatever.

Loss of Land Revenue.

First, then, as regards the amount of revenue at stake,—

Mozuffernugger.

Mr. Martin estimated, after a calculation made village by village, that, in Mozuffernugger, assessed at between 11 and 12 lakhs, there would be a loss of about two lakhs of rupees. It will be seen that Mr. Money thinks this estimate of extraordinary (or canal revenue) too high; and, under his instructions, the amount will probably be somewhat reduced; but I should think that, if fair advertence be given to the benefits of the canal, it could hardly be brought below a lakh and a half. This district is watered not only by the Ganges Canal, but largely also from the East Jumna Canal, the irrigation from which is very constant, and has long reached its full development.

Saharunpore and Meerut.

In Meerut, which is very similarly circumstanced, I believe that a fair assessment of canal profits will (in proportion as the district is larger than Mozuffernugger) produce a still larger sum. So also with Saharunpore; though here, as water is in many quarters nearer the surface, the proposed enhancement of water-rate may to some extent limit the area of canal irrigation by inducing the people to revert to irrigation from wells.

Loss in Boolundshuhur.

In Boolundshuhur, the only other district yet brought under re-settlement, the Ganges Canal alone is in question (the East Jumna Canal terminating opposite the city of Delhi); and canal irrigation is yet only in process of development. Here, moreover, as will be subsequently shown, the peculiar views held by Mr. Currie have without doubt influenced him (though with every desire of doing substantial justice) to under-estimate the extraordinary revenue.

Premising that these points are to be borne in mind, I note the results in Boolundshuhur, as calculated by Mr. Currie's detailed and otherwise careful investigation. Out of about 1,600 villages, only 650, assessed at an aggregate sum of five lakhs of rupees, are affected by the canal, and even among these many are still very partially irrigated from it. Of the above sum, Mr. Currie estimates from 36,000 to 38,000 rupees to be extraordinary (or canal) revenue.

I apprehend that a full estimate would place the extraordinary revenue higher. But for the sake of argument, I will assume that the revenue at stake is only of that amount, and that the district of Boolundshuhur alone is concerned.

No reason why revenue should be remitted to the landlord.

A revenue of 36,000 to 38,000 rupees represents the Government share in increased assets amounting to some 75,000 rupees; that is, in an increase of *rental* to that amount paid by the cultivators to their landlords, solely in consequence of the increased produce obtained from the use of canal water. Why this sum should be left untaxed with the zemindars, while all other zemindaree rental and profits are assessed to the land revenue, I cannot perceive. The effect would be to make the settlement press, at its very commencement, with a patent and most invidious inequality. The canal villages would be more lightly assessed than their neighbours, by all the difference of the increase of rental indicated above. The proceeding would be nothing more or less than a gratuitous relinquishment of the public revenue to the landlord.

The loss will not be recovered.

It is argued on the other side that although some revenue must be relinquished, the loss will be more than compensated by raising the water-rate. But to this it may be replied, (1) that increase of rent levied by the zemindar cannot be reached by a water-rate demandable from the cultivator; and (2) that the water-rate can, within practical limits, be increased under the existing system equally as under the proposed.

It cannot be recovered by water-rate levied from the cultivator.

Mr. Hume seems to think that, by some arrangement between the ryot and the Canal Department (the details of which are not given), it would be possible to collect directly from the ryot the whole or nearly the whole of the increased value arising to him from the use of canal water, and so to intercept it that no portion, or but an insignificant portion, shall reach the zemindar in the shape of increased rent.

I do not suppose that the advocates of this system contemplate a separate bargain with each cultivator,\* fixing the water-rate in exact proportion to his profits; for this would in effect be employing the Canal Department to make a second revenue, or a ryotwarree settlement; and yet without such a detailed settlement it is not apparent how the surplus profits could be so exactly estimated and assessed as to frustrate any claim of the zemindar to share in the same. Even if the attempt were made, it would succeed, if at all, but very imperfectly; for, as I will show below, from the very nature of tenures in this part of India, the zemindar *cannot* be ousted from his prerogative as the levier of rent. Moreover, no such bargain would tend to lower the *existing rents on which our present jummas* are assessed, for the landlord could maintain his right to these, unless, indeed, the bargain were drawn so hard by the Canal Department as to force the cultivator to revert to dry cultivation, or to throw up his holding altogether.

But

\* Yet some of the writers in this collection propose a (water) rate to be "fixed by bargain" between the canal officers and cultivators.

But any such scheme may be left out of view, since it has been definitively settled that the water rate, or direct Canal Revenue, whether on Government or private canals, is to be realised by uniform rates—rates at least which shall be uniform over considerable tracts of country—not by separate bargain with the individual.\*

Assuming then that the present system of uniform water rates will be maintained, it appears to me that no rise of water rate within the limits prescribed by the interests of the canal itself will sensibly affect the rents of the landlord.

Inquiries made by the Allahabad Board last year (consequent on Colonel Straehy's Despatch directing the water rate to be raised) showed that there was no material difference in the scale of rents paid by cultivators on the East Jumna Canal, although its water rates were pitched at a much lower standard than those of the Ganges Canal. The present collection of papers also shows conclusively that the rent for a canal-irrigated field has found its level at very nearly the same rates as for land irrigated from wells.†

Rents will rise notwithstanding water rate.

That the zemindar's rent *must* rise in some proportion to the produce (where the increase is not exclusively due to the labour or capital of the cultivator) will be evident from a consideration of the very nature of the relative rights of landlord and cultivator.‡ For, in the first place, no new lands can be brought under cultivation without the zemindar's permission, which, of course, would only be conceded on the promise of a fair and customary rent. It is by affording the means for bringing waste lands under profitable tillage and extending the breadth of cultivation, that the largest accessions of income are derived from canal irrigation. Here then we see that, whether taken in money or in kind, the zemindar will have his full rent, although it arise from assets wholly created by, and dependent on, the canal; and no arrangements as to water rate can, in any way, interfere with the landlord's successful enforcement of his claim.

Section 17, Act X., 1859.

New lands broken up.

But apart from the breaking up of waste lands, the landlord will always be able to assert his title to share in the profits. He will do so immediately and directly wherever (as is the very general custom of the Upper Doab) he takes his rent in kind; here just as the produce is increased, by dry or imperfectly irrigated land being brought under canal water, so exactly is his share in that produce. The same direct enhancement will take place wherever money rents (*Zubtee*) are paid according to a scale rising with the superior nature of the crop, also a popular practice in the Upper Doab. The introduction of canal water followed, as it generally is, by the cultivation of superior staples, will thus immediately raise the landlord's rent. In both these cases the rise is direct and certain.

Rents in kind.

The same will be the case with ordinary money rents, though not quite so directly and immediately. Where the cultivator is a tenant-at-will, the zemindar makes his own bargain year by year, and will not fail to assert his absolute right to share in any increase of profits. Where there is an hereditary title to hold at an equitable rent, the zemindar can claim to raise his rent to the prevailing standard, and by law can assert his right to enhancement where the profits are increased otherwise than by the labour or capital of the ryot. Under any system of uniform water rates, there must remain with the cultivator a considerable balance of profit from the use of canal water. It will vary according to soil and circumstances, but must always exist in a sensible degree to induce the cultivator to resort to the canal; and I think it is unquestionable that the landlord will invariably be found sharing in the profits by a corresponding rise of rent, either immediate, or following, as an early and certain consequence, upon the use of canal water.§

Money rents.

Now

\* This was ruled by Lord Elgin, in a Minute dated 12th September 1863, respecting private companies; where it is stated that "the principle that the charge for water supplied from canals, should be made uniform over certain areas," had been repeatedly laid down by Her Majesty's Secretary of State.

† Mr. Commissioner Williams says, "In the Boolundshubur District, the people, *i. e.*, the landlords and tenants, have fixed the landlord's rent a little lower where canal irrigation is used, than the rate of rent which is paid when the irrigation is from wells.

"The circumstances under which the 'mutual agreement arrangement' took place in Boolundshubur, are not clear; some say the amount of produce from *well* water is greater than that from land irrigated from the canal; but others will deny this and assert the contrary."

Of the East Jumna Canal, in the Saharunpore District, Mr. Wynne writes, "If the zemindar's share is half the produce on dry lands, it will be some two-fifths on *well* irrigated, and some one-third on canal irrigated land, *i. e.*, a difference of one-fifteenth; still the actual produce being greater (*a*), the zemindar's actual rent will be at least equal on well and canal irrigated land; indeed, I generally find more in the latter."

‡ The Government North-Western Provinces, in their letter dated 7th March last, consider it proved "by the admissions and experience of all the officers present at the conference, that whatever may hereafter occur, 'landlord's rents have not yet, as a rule, been enhanced in consequence of canal irrigation.'" I can find no ground for this view in the recorded opinions of those officers. The Government probably mean that the substitution of the canal for *well* irrigation does not raise rent—a position which has always been admitted.

§ Law, as well as custom, is opposed to the new proposals. The zemindar is entitled to increased rent where the produce and profits reaped by the cultivator are increased, otherwise than at the expense and by the agency of the cultivator; clearly the introduction of canal water does not fall within this exception, and to prevent the zemindar's legal title, an enactment would be needed, such as that now proposed for Madras, barring the zemindar's claim to enhance his rent on account of canal irrigation, unless he is also called to pay revenue to Government for such increased profit. But even with such a law, we should not be clear of our difficulties; for (1) such a law would not reach rents already enhanced and assessed; and (2) it might check the zemindar's claims in a few contested cases of hereditary cultivators, but would not generally prevent his obtaining an increased rent; and (3) it is difficult to see how such a law could be enacted without trenching upon the rights of the landlord.

(a) "Greater in the particular tract of country of which I am speaking, because the canal enables a double crop to be grown on many lands; and in many more enables that most paying crop, rice, to be grown; the zemindar's actual rent will be at least equal on well and canal-irrigated land; indeed, I generally find more in the latter."

Increase in rent cannot be reached by water rate.

Now this increase of rent, being levied by the landlord, cannot be reached by any enhancement of the water rate which is taken from the cultivator. The considerable amount of land revenue, therefore, which it is proposed to relinquish, would not be recoverable from the zemindars in any form;\* it would be a simple gift to them of so much yearly revenue, and moreover tend to make the settlement most unequal and unfair.

Water rates may be raised under existing system.

I will now proceed to show that the water rate may be raised without injustice to any one, equally under the present as under the proposed system; and that no special credit can, therefore, be claimed by the latter as a set-off for the loss of revenue with which it sets out. By increase in the water rate, I must be understood as meaning an increase within the reasonable and practical limits which, on independent considerations, must always be observed by the Irrigation Department.

In reference to rents already enhanced.

And first in respect of rents already raised by canal irrigation previously to the settlement. If it can be shown that an increase of water rate will not affect these, the assessment of an extraordinary land revenue upon them cannot be inconsistent with the imposition at any future period of such increased rate.

Such rents would not be reduced, unless ryot forced to fall back on dry cultivation.

I believe I may assume that it will never be the object of Government to enhance the water rate to such a pitch as to drive the cultivators generally in any tract to give up irrigation altogether, and either leave their fields waste, or cultivate them with dry crops.† It might indeed justly be an object, where there is competition for the water, to raise the rate so as to induce the people to *resort to irrigation from wells instead of from the canal*, and thus economise the water for use in localities where it is more urgently needed. But the case appears inconceivable in which it should be, for the interests of the Government, to increase the water rate anywhere near to the point at which, by such prohibitory rate, land would either be thrown out of cultivation, or reduced to dry cultivation.‡ I assume, therefore, the danger of stopping irrigation (both well and canal) as one of the obligatory limits to the enhancement of canal rates.

But it is very evident that no rise in the water rate, short of a rise that would throw the cultivator's fields altogether out of irrigation, would affect the rent. If the cultivator were induced by the greater expense of canal water to fall back on water from wells, he would still pay the same rent, that is, the rate of rent for wet cultivation; for, as before shown, the rates of rent for fields irrigated by the canal do not materially differ from those irrigated by wells. I conclude, therefore, that no increase of water rate at all approaching the limit necessarily observed by Government will ever reduce the landlord's rental; and that such increase may at any time be imposed without injustice to the landlord, who will continue to draw unimpaired the rental upon which the extraordinary revenue was assessed.

Reasons why canal rates can never be pushed beyond moderate limits.

1. They must be uniform.

I may here advert to some of the considerations which must always in practice tend to keep the canal rates within reasonable bound. First, as before observed, they must be uniform, if not over the whole extent of each canal, at least over considerable tracts of country; they cannot be differential in reference to the special advantages of each field. And uniform rates, applicable to extensive tracts, must necessarily be average rates of moderate pressure.

2. They must have some reference to the expense of irrigation from wells.

Next, in a country like the Doab, where wells may very generally be sunk, the water rate must bear some reference to the expense of providing irrigation from wells. The rate may be raised beyond the value of well water wherever there are great facilities for procuring it, and the spring-level is high. But if it be raised above the average value throughout the Doab, or even up to that value, the demand would probably lessen so as seriously to affect the income of the canal. The rates must be kept moderate to ensure the whole supply being taken up. Whatever water runs off unnecessarily by the escapes, is a loss not only of canal revenue, but of increased produce and revenue to the country.

Exceptional tracts where well irrigation unknown.

There are indeed tracts where the sinking of wells is either from the great depth of the water, or some defect of the soil, impossible, or so expensive that they would not come practically into competition with the canal. Here, of course, the water rate could be raised without any reference to the value of well water. If a specially high rate were introduced in such tracts, water might be taken nevertheless; and the enhancement might be pressed so far that, before it actually reached the limit of throwing fields generally out of irrigation, the landlord's rent might be encroached upon and lowered. But it seems far from probable that differential rates will be applied to such tracts. If they ever should be so applied, and in point of fact reduce rent upon which extraordinary revenue was based, no doubt the landlord would have a claim to a corresponding reduction. But it would be a very great and extremely improbable increase that would produce this result.

3. Canal supersedes well irrigation.

Again, the canal once introduced gradually supersedes other kinds of irrigation; as Mr. Wynne remarks, "the choice lies between canal water and none at all." The cattle and gear required for the working of wells are superseded; wells disappear; and if a canal which,

\* Mr. Crossthaite very sensibly demonstrates "the impossibility of reaching the landlord's profits through the water rate." He says, "I do not think it possible to get their share of the increased assets indirectly by raising the water rate paid by the cultivator; at a certain limit, long before the landlord's profits are reached, the canal owner must, for his own sake, stop raising the rate."

† I say "generally," because there *might* be exceptional cases in which very *poor* lands cultivated only by canal water cheaply obtained, would, by a rise in the water rate, otherwise expedient on larger grounds, be thrown out of cultivation. But such cases would be very exceptional, and would not sensibly affect general results.

‡ There may possibly be some localities so naturally moist, that they produce crops nearly as good without as with canal water. It would be no great injury by a rise in the water rate to throw these out of irrigation, and (which is the point at present to be looked to) the rent would not be much affected thereby.

which, like the East Jumna Canal, has been long in use, were suddenly denied to the cultivator, he could not resume irrigation from wells at least for some considerable time. The cultivator so placed must thus take the canal water at any price, or leave his fields unirrigated.

He is frequently even more helplessly the slave of the canal. For the percolation from its bed and channels not seldom softens the soil, makes masonry wells decay and totter, and renders the sinking of *cutcha* wells impracticable. Here estates, however easily irrigable from wells before the canal, are now from its effects incapable of well irrigation, and entirely dependent on the canal. In this instance, it would evidently be unjust, a profiting by its own wrong, for the department to enhance its rates above the natural expense of water as originally derived from wells. In either of the cases supposed in this and the preceding paragraphs, the matter would not be one of mere bargain between the canal officers and the cultivator, but one in which, the cultivator being at the mercy of the canal, it is the bounden duty of the Government to see that the demand is fair and moderate. To limit the water rate only by the willingness of the cultivator to pay, would be a course both unjust and dangerous.

4. In some quarters canal destroys wells

It is hardly necessary also to add that, in a great undertaking like that of a canal, there are certain other objects to be aimed at beyond direct income. If it were possible to devote the whole of the water to the production of sugar, indigo, cotton, &c., the increased income so obtained would not compensate for the abandonment of cereals, and the grand advantages expected from the canal in times of famine as a granary for the starving people, and a prop to the general revenues of the country. This may be taken as a reply to some of the theories in these papers; but really there is no conflict between two objects of a flourishing canal revenue and the public interests, for I believe that in practice a moderate water rate, such as will utilise the entire supply of water in ordinary years, will secure both the highest income, and also best attain the political benefits above adverted to. There is no risk of the rate being enhanced in any degree to sacrifice these cardinal objects.

5. Political considerations.

Considering, then, all the grounds which must practically forbid the imposition of excessive water rates, and restrict enhancement within moderate limits, it would appear that even with such enhancement the rents of landlords will, in future, rise very much as they have hitherto risen, on the introduction of canal irrigation. Even with existing low rates the rent for canal watered fields is not sensibly higher than for well irrigated fields. And for reasons already given, it appears that it is not likely to fall materially below that standard.

Moderate enhancement of water-rate will not materially affect rents, even prospectively.

As a settlement on canal assets would not prevent the Government raising its water rate, so neither would it impede the Canal Department in altering its channels for distribution. The withdrawal of water consequent on any such change would constitute a fair and equitable reason for remitting the portion of the land revenue recorded at settlement as having been assessed upon profits created by the canal. But the closure of the branch of a canal must be a rare and exceptional event; and it would occasion injury and distress far beyond the loss to Government in extraordinary land revenue. The extinction of property created by canal and dependent on it, and the cessation of the means of support of the population developed by the canal, would probably for a time imperil not merely the extraordinary, but even the ordinary land revenue. This, of course, would happen only in tracts where wells could not be easily substituted for the canal; but it would be only in such tracts also that rents, and the extraordinary revenue, would be sensibly affected by the withdrawal of the canal.

Alteration of canal channels.

On a review of what has been said, I conclude that the relinquishment of extraordinary land revenue would not be compensated by any special advantages, either of additional income from the water rate, or of freedom of action in closing branches of the canal. Moreover, the proposed system involves this cardinal objection that the land revenue of Government would be assessed on canal villages upon purely theoretical grounds, liable to vary with the views and fancies of each assessor. Assessment would become a conjectural process of guessing what might have taken place without the canal. Instead of proceeding upon any such vague and recondite principle, the present system takes the safe and substantial basis of existing assets; and the assessment framed thereon becomes the normal assessment; it being rarely and exceptionally that the estimate of extraordinary revenue [based on theory equally as in the other system] is looked to. In the one case the whole yearly demand from canal villages is founded upon guess-work; in the other, guess work comes into play, as an aid only on the possible occurrence of rare and unforeseen emergencies.\* The proposed system appears to me thus not only to involve an unnecessary sacrifice of revenue, but to be itself objectionable in principle.

Objections to proposed system.

Looking now to the existing system, although I do not think that it is justly open to the objections above considered, I admit that exception may fairly be taken to it on two points—

Two objections admitted against existing system.

*First.*—It will leave the profits from increase of rental by irrigation introduced subsequent to settlement untouched; and,

*Second.*—It has the effect of making some settlement officers under-estimate the profits from canals, in other words it involves a loss in the "Extraordinary" portion of the land revenue.

The

\* This point has been well brought out in a note by Mr. A. Colvin, submitted herewith.

Dated 5th December 1861, paragraphs 62 *et seq.*

Settlement officers under-estimate and under-assess canal profits.

Page 62 of printed collection.

Ordinary revenue assessed on hypothetical grounds.

II. Profits from future extension of canal irrigation un-taxed.

Future profits not arising from exertion of landholders might consistently be taxed.

The first of these objections was anticipated in a paper on the permanent settlement which I wrote in 1861; the second, I confess, I did not anticipate.

But it is clear from the papers now before the Government, North-Western Provinces, that the present system may be liable to this objection. A settlement officer, with the principles asserted by Mr. Robert Currie, holds strongly in view (especially in the present condition of the Ganges Canal) the possible failure of canal irrigation,\* and with the weighty feeling that he is making a settlement to hold good in perpetuity, shrinks from putting the full assessment on canal profits. It is true that, if the canal fail, Government has declared it will consider the claim for a corresponding remission; still, as the whole assessment is imposed absolutely, he feels it to be a sort of injustice to ask the zemindar to pledge himself in perpetuity to an assessment, "one of the elements of which is uncertain." Indeed, Mr. Williams, the Commissioner, makes it a point of common honesty, such as must influence every "conscientious" officer: "It must be borne in mind," he says, "that a conscientious settlement officer will not take half 'existing assets,' knowing that the canal is, and ever will be, and *should* be, regarded as an uncertainty." So likewise Mr. Money says, that assessments on canal profits are "*in practice much less than one-half*; for the settlement officer, in view of the uncertainty of the canal supply, *would not venture* in making a perpetual "settlement to include the whole of those assets in his estimate." The same observation occurred in a demi official letter from Mr. Money stating to me his impressions upon the examination of the papers of many villages in Boolundshuhur. While according high praise to Mr. Robert Currie for the accuracy and intelligence shown in his proceedings, he added that, in consequence of the precarious nature of the supply of water, the full value had not been assumed for the profits arising from the canal.†

With these papers are put a series of notes by Mr. Currie, explanatory of his canal assessments. One cannot pursue these without perceiving upon what vague and uncertain grounds the extraordinary revenue has been estimated; how closely the ordinary assets are intermingled with the extraordinary; how the estimate of "natural capability" (*i. e.*, the latent resources which would have been developed even without the canal) must vary with the notions of each officer; how unsubstantial and unsatisfactory the result, at the best, must be; and how dangerous and unwarrantable is the proposal to relinquish to the landholder, upon these arbitrary and conjectural data, any portion of the Government share of the existing rental.‡ The manner in which revenue fairly claimable by Government may be given up in consequence of more theoretical assumption will be abundantly evident from these notes.

Before considering whether any remedy can be applied to this tendency of under-estimating canal assets, I turn to the other objections above noticed, namely, that canal profits from irrigation introduced subsequent to settlement will escape assessment; thus involving two defects; (1.) Government loses the revenue due from such profits; (2.) estates so circumstanced will become more profitable than others, and the incidence of the land tax unequal.

In a permanent settlement, or even one for 30 years, it is impossible by any arrangement accurately to estimate the latent resources and capacities for improvement in different estates, and to anticipate the circumstances under which these, variously developed, must produce

\* The *uncertainty* of the canal supply is, I think, pressed beyond its proper force. The supply on the East Jumna Canal has long been practically constant and steady, and so no doubt will that of the Ganges Canal, although the measures now in contemplation, will probably for a time occasion an embarrassing interruption. It is the prospect of this interruption, I conceive, which weighs so heavily on some of the writers.

Besides, it is quite optional with the zemindars to accept the assessment in perpetuity, or only 30 years; and as they are said to have a lively apprehension of the canal failing, they are not likely to under-estimate the risk. If they elect for a permanent settlement, they do so with their eyes open.

† Such a result might be produced in two ways: (1) the *ordinary* jumma might be pitched too high, and the canal jumma too low, without affecting the land revenue. The settlement here would be faulty in principle, though the error would not be so fatal; as (2) where the *aggregate* demand is, by under-estimating the canal profits, pitched altogether too low. This latter is the result to which Mr. Currie's principles would tend. A deduction is first made from the existing average profits in consideration of the canal being precarious; the land revenue is then assessed on the remainder; the diminution of revenue thus falls upon the extraordinary portion of the jumma.

Mr. Money writes, "As a rule, he (Mr. Currie) has not demanded the full increase that might be assessed on existing canal assets, because he has regarded the canal supply as fluctuating and uncertain. His jummas, exclusive of canal irrigation, are generally about the same as the old demand which was assessed and paid before the canal was in existence, and which was generally fair and moderate." On this it might be observed that the old jummas were calculated at a higher standard than is now observed; and that there must consequently at the present settlement, have been a decrease of revenue if the resources had not since the previous settlement, increased: and credit may fairly be taken by the canal for a portion of such increased resources.

‡ For example, I recollect the case of a village in the Mozuffernugger District, which, many years ago, appealed for a remission of revenue on account of land swamped by the East Jumna Canal. On inquiry, it turned out that the loss had been so enormously counterbalanced by canal irrigation, that the assets had increased four or fivefold. But though it was quite certain that this prosperity was mainly attributable to the canal, it could not be stated, with even any approach to exactness, *what* portion was due to the canal. Had there been no canal, still wells might have been dug; sugar-cane might, to some extent, have been grown; new lands might, perhaps, have been broken up, and the assets would, undoubtedly, have increased in proportion; but what exact proportion of increase would have been attained without the canal, and what the remainder due to the canal, are points which no human sagacity could, with any precision, determine. Yet it is this which our settlement officers are, on the proposed plan, in every case to determine.

produce more or less of inequality of assessment. It was very forcibly put by the late Colonel Baird Smith that such variations could not be prevented without introducing a greater evil by continual interference, and checking the grand motive to exertion which the permanent limitation of the Government demand is expected to create. I fully admit, however, the prosperity from the influence of canals is an advantage which comes to the people with little or no exertion on their part; there is, therefore, in principle no reason why profits from this source should not be laid under contribution, and the inequality of assessment arising from this cause reduced, so far as may be compatible with the principles of a permanent settlement.

I do not, however, see that the projected system would obviate inequality more than the present; it would, indeed, as it seems to me, only make the inequalities more numerous. We now start with an equal settlement all over; the canal villages pay at the same rate as others; the inequality will arise only *in the future* from the extension of canal water to lands not now irrigated. But, in the proposed plan, we should at once set out with an unequal settlement; the canal villages would be more highly assessed than others by the whole amount of their canal profits, while the case of villages subsequently irrigated would be precisely as under the present system.

Proposed system more faulty in this respect than present system.

Formerly canal profits came periodically under assessment, and thus at each re-settlement yielded a full revenue to Government. As that will no longer be practicable in estates permanently assessed, and the increased profits arising from tracts brought under irrigation subsequent to settlement would thus escape assessment, it has been proposed in lieu of the advantage thus arising to the landlord to levy a *higher water rate* upon such tracts.\* But on a consideration of the arguments advanced above, I am now doubtful whether the increased water rate would adequately meet the object in view. No such increase of water rate, as the Canal Department would venture to impose, will prevent the zemindar from asserting his claim to an increased rent; and rents will consequently go on in the future to rise and adjust themselves to the new state of things very much as they have been doing already. If the rental be kept down by a high canal rate, it will be only in exceptional cases, or in a very limited degree. There always will be a surplus rental realised by the zemindar. It is this which we wish to reach. And, as Mr. Crossthwaite has shown, it is "impossible to reach the landlord's profits through the water rate." If Government is to share in these profits, it must be by some other arrangement, bearing not on the cultivator but on the landlord.

Differential water rates will not suffice.

I believe that a plan, something of the kind suggested by Mr. Crossthwaite, would to some extent secure this object. The following is a brief sketch of it:—

The assessment would be based, as at present, on the existing average assets whether attributable to the canal or not. The area of canal irrigation would then be looked to. A deduction would be made for fields formerly irrigated from wells, or otherwise than by the canal, but now irrigated by the canal; because the rental of such land is not materially altered by the change. Taking the area of canal irrigation remaining, the settlement officer would calculate approximately what average increase of assets is derived from it by the landholder, which would probably not have been realised had there been no canal. The assessment upon this would be estimated in the usual way, and the result recorded as "Extraordinary" (or Canal) Land Revenue. The remainder would be the "Ordinary" Land Revenue.

Plan suggested to meet these objections.

So far the new process would not materially differ from the present—take an example from Mr. Currie's statement. The rental of Bhutola Hajeepore is found to be 1,300 rupees; of this, it is estimated that 450 rupees are due exclusively to the canal; and 850 rupees, the normal rental independent of the canal. Say that the area under canal irrigation is 200 acres; 50 acres were formerly irrigated from wells; so that 150 acres is the area, the rental of which has been enhanced by the canal. This area brings in an extra rental of 450 rupees, assessable at 225 rupees.

The entire assessment on the assets is 650 rupees, of which 225 rupees are recorded as Extraordinary Land Revenue, and the balance, 425 rupees, as Ordinary Land Revenue.

The Extraordinary Revenue, 225 rupees (which, under Mr. Currie's system, would be remitted to the landlord), constitutes an integral part of the Land Revenue; though in the State accounts it would be shown to the credit of the canal. In case the canal failed, or for any cause the village were cut off from the canal, there would be a *prima facie* claim for remission based on the amount of Extraordinary Revenue. The remission might be more or it might be less, according as the failure might show experimentally that the theoretical analysis of the settlement officer was sufficient or otherwise.

But

\* This proposal, called, in the accompanying papers, "the system of differential rates," has been much misunderstood. It does not seem to have been contemplated to apply different sets of rates to the same villages, but to different and separate tracts. Higher rates might, *e. g.*, have been demanded on the Furruckabad branch of the Ganges canal than on the main canal, because that branch was not constructed at the time of the settlement. The proposal was intended to catch some of the new profits and increased rental gained by the landlord. The system would have answered for a Ryotwarree settlement; but as the water rate will not in practice extinguish the zemindar's increase of rent, and is taken from the cultivator, not from the landlord, the system would fail to attain the object in view, namely, to lay under contribution the increased rental obtained by the landlord.



But suppose the contrary to happen, and the canal steadily to bring an increasing area under irrigation, is the landlord to benefit in the whole increase of rental without any increased payment to Government?—Under present rules he will do so, because it was thought that the reservation of a right to increase the demand on this account would create distrust, and nullify the benefits of a settlement in perpetuity.

Proposal to tax future extension of canal irrigation at the acreage rate of Extraordinary Revenue.

If, however, these profits could be taxed according to a fixed rate easily applied, the objection might be obviated. The proposal now submitted is to apply the rate at which the Extraordinary Revenue falls on the area irrigated by the canal as an acreage rate according to which the area hereafter brought under canal irrigation would be assessed with additional Extraordinary Revenue. But taking the analogous rule for enhanced profit by alluvion from rivers, no change would be made until the area under canal irrigation should exceed that at the last settlement by a large per-centage, say 20 per cent. Whenever the average area, as found, say quinquennially from the accounts of the Irrigation Department, is found to be in excess of that per-centage, the Extraordinary Revenue would be adjusted accordingly. A corresponding revision and reduction would be granted in case the area were *reduced* more than 20 per cent., from causes beyond the control of the agricultural population.

Area to be the quinquennial average of canal returns.

To obviate frequency of change, it might be provided that no revision would be claimable on either side at shorter periods, than say five years, (or it might be seven or ten); and that the calculation would then be on *the average* of the yearly returns of the Canal Department for such period. Casual fluctuations would thus be left out of account, and the adjustment would be on average capability as from time to time found to be developed by the canal. The extraordinary profits of the landlord would be brought under contribution by a fixed and certain rule; while, at the same time, no alteration would be made suddenly, or upon any temporary and unimportant increase of irrigation.

Take as an illustration the case of Bhutola above referred to. The canal area is 150 acres; the Extraordinary Revenue, 225 rupees; the average rate is, therefore, Rs. 1. 8. No alteration would be made, so long as the increase of irrigation did not exceed 20 per cent., *i. e.*, 30 acres. But supposing the average irrigation to increase from 150 to 300 acres, then the acreage rate would give an Extraordinary Revenue of 450 rupees, instead of 225; and the aggregate jumma would rise from 650 rupees to 875 rupees, the whole, of course, being collected as Land Revenue from the landlord.

In case the water rate were charged by measure [paymana] or by contract, the same proportion would be observed as exists between the charge as made by the Canal Department, and the estimated area represented thereby; the object being simply to realise from the landlord an additional rate, corresponding with the amount of water rate collected from the cultivator.

The same system could be adapted to new canals, or new branches of existing canals. The stipulation here would be that, in case lands were brought under irrigation from a canal, they would be liable to be assessed to the Land Revenue Extraordinary, by the application of an acreage rate not exceeding the difference between the average of the dry and of the wet rates for the village or pergunnah as assumed at Settlement. Only in tracts where irrigation is unknown (as in Bundelkhand, if a canal is ever constructed there), would it be necessary to determine a new rate for the purpose?

Zemindar's increase of rental would thus be assessed approximately.

By this system the profits of the zemindars would be made roughly to yield a revenue to Government, and the inequality of assessment which results from leaving them wholly untaxed would be so far obviated. It is not pretended that any such assessment would be exactly proportioned to the profits in each case. These vary so greatly that no average could bring them fully under adequate assessment. Thus when canal water is substituted for wells, there is little or no gain.\* Dry cultivation changed into wet brings a large profit, but it will vary with the soil. Where waste lands are brought under the plough, and irrigated from the canal, the gains from the newly created rental are the largest of all. But to assess the landlord in each case in exact proportion to the profit would be, in reality, to make a new settlement of the land revenue—a proceeding inconsistent with the principles of a permanent settlement. We must either, therefore, relinquish the permanent settlement in all canal villages, or be content with a measure which gives only approximate results.

Data those on which water rate had already been collected.

It has been objected that the system would involve inquisition and interference, opportunities of fraud, &c. But under ordinary circumstances no measurements or inquisition would be needed. The data would be supplied complete by the Canal Department. That Department must make a yearly survey of the area under irrigation, or in some other way, by measure, contract, &c., determine the amount of canal assessment. If those data are sufficiently accurate for the imposition of the water rate, they must equally supply a satisfactory basis for the new demand, which is intended to be supplemental to the water rate.

Supposing

\* Where the people are obliged, whether they will or not, to use canal water, in consequence of the destruction of their wells, and the impossibility of working new ones, a suitable consideration would be required in the adjustment of the Extraordinary Revenue on extended irrigation so caused. But in other respects, there would be nothing inequitable in charging the ordinary rate on this class of lands; and it would have the advantage of making the people keep as much as possible to their wells, and thus saving the canal water for other places where more urgently required.

Supposing this system to be sufficient to meet the claims of Government, would it, on the other hand, be in any way inconsistent with the principles of the permanent settlement, and by introducing an element of uncertainty detract from the motives to industry, and improvement anticipated from that measure? To this it may be answered that the elements of uncertainty are almost entirely eliminated. The acreage rate would be a fixed rate. The area to which it would be applied is a known quantity, already recorded by authority as the basis of the water rate—a much larger demand of cognate character. If the collection of canal revenue by imposition of the water rate is not inconsistent with the permanent settlement, where the landlord and tenant are often one and the same person, the imposition of another rate on the landlord, based on the same data, may be admitted as innocuous. If the assessment were in any measure levied, or could be enhanced, in reference to improvements brought about by the capital or labour of either the landlord or tenant, it would be open to objection: but no such result is possible. The people would reap the whole benefit of their own capital and their own exertions, and only a light tax would be imposed for benefits acquired alone through the agency of the State.

The tax would be certain, and would not be on profits produced by exertions of landlord or tenant.

Under the proposed system, the feeling which now weighs with some settlement officers to under-estimate the Extraordinary Revenue would no longer find any countenance. However scrupulous the assessing officer, he would, without hesitation, levy the full share of Government upon the canal profits, because he would know that, if the canal irrigation fell off to any material degree, the landlord would be entitled to call for a revision of his assessment.

If, notwithstanding what has been advanced in favour of this scheme, it be deemed to involve a degree of variability in the Government demand inconsistent with a permanent settlement, I see no resource but to leave the existing system as it stands. But in this event, settlement officers should be warned that canal profits are not to be under-estimated from any apprehension as to their uncertainty; the State taking upon itself the responsibility of the assurance that, wherever the supply fails, due attention will be given to a re-adjustment of the revenue, correspondent with the extent of loss and failure.

The only apparent alternative, adherence to existing system.

Simla, 10 May 1865.

W. Muir.

From A. M. Monteath, Esq., Under Secretary to the Government of India, to R. Simson, Esq., Secretary to the Government of the North-Western Provinces (No. 496); dated Simla, 27th July 1865.

I AM directed to acknowledge the receipt of your letter, No. 648, dated the 30th ultimo, and in reply to state that the Governor General in Council approves of the views of the Lieutenant Governor on the question of permanent settlement in relation to canal irrigation as expressed in the resolution received with the communication under acknowledgment.

Home Department—Revenue.—No. 1666.

From E. C. Bayley, Esq., Secretary to the Government of India, to R. Simson, Esq., Secretary to the Government, N. W. P.

Sir,

Simla, 19 June 1865.

I AM directed by the Right Honourable the Governor General in Council to transmit for the guidance of his Honor the Lieutenant Governor, the copy of a Despatch from the Right Honourable the Secretary of State, No. 11, dated 24th March last, having reference to the discussions which have passed on the subject of a permanent settlement of the land revenue, and laying down definitively the principles on which it is to be concluded.

2. His Excellency in Council requests that the Lieutenant Governor will issue instructions to all officers concerned in the settlement of the land revenue, in conformity with paragraphs 18, 19, and 21 of the above Despatch, and with due advertence to the subjoined remarks and injunctions.

3. His Honor will observe that the existing rules have been modified to the following extent.

4. Assessments, to be confirmed in perpetuity, must be at a fixed amount, calculated with a reference to existing assets. No progressive assessment will therefore be admissible, under any circumstances, to settlement in perpetuity.

5. But while the settlement is to be concluded, in reference to the present value of an estate, the settlement officer will not necessarily be restricted to 50 per cent. of its estimated value or gross rental; the jumma may be slightly in excess of the sum which would have

been assessed, had the settlement been only for a term of years. In illustration of this rule, the Secretary of State has quoted a remark by Mr. Money, who observes that existing settlements, being formed at 66 per cent. of estimated assets, "there is no hardship in making a settlement in perpetuity at not more than 60, when land is readily available to reduce the rate to 50."

6. But his Excellency in Council commands me to impress upon the Settlement Department the necessity of using this discretion with extreme judgment and caution. No assessment should be made upon the strength of unreclaimed land, under any circumstances, until the Assessing Officer shall have personally examined the soil, and assured himself that it may be easily and profitably brought under tillage. The addition to the assessment should also invariably be *within* the full estimate of prospective improvement.

7. Where an estate has been assessed upon these principles, it will be offered to the proprietor at the jumma so fixed in perpetuity. Should the assessment on these terms be refused, the Collector will reconsider the case, and make a settlement under the ordinary rules for 30 years.

8. It will be understood that, as a general limit, the permanent settlement will be restricted to estates in which not more than 20 per cent. of the fairly culturable land remains unreclaimed, as explained under the existing rule on that head.

9. Para. 19 of the Secretary of State's Despatch refers to the term of settlement for backward tracts. This will be a point for the consideration of his Honor the Lieutenant Governor, in regard to the peculiar circumstances of each tract or district. His Excellency would only remark that where an assessment can be fixed, fair at once to the Government and the proprietor, with reference to the general resources and condition of an estate, the term of settlement should not be less than 30 years.

10. It will be observed that where the settlement is made for a term and not in perpetuity, no guarantee or expectation is to be held out as to the conditions of the settlement which will be made by Government at the close of the term. Such parts of the existing orders as are inconsistent with this rule, must be held cancelled.

11. Para. 21 relates to the subject of mines and minerals. The ruling contained in my letter of 1st December last will be observed. A clause will be inserted in the settlement engagement reserving the right of Government to its share, as revenue, in the produce of mines and minerals. And in the case of mines and minerals in waste lands, instructions will be hereafter issued. Meanwhile, Rule 12\* of the Waste Land Rules must govern all grants, so long as those rules are in force in their present shape.

\* Of Resolution of the 17th October 1861.

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(Revenue.—No. 17.)

To His Excellency the Right Honourable the Governor General of *India*  
in Council.

Sir,

India Office,  
London, 17 March 1866.

Para. 1. I HAVE had under my consideration in Council the Despatch from your Excellency in Council, dated the 3rd August last (No. 25), in which you inform me of the orders issued by you to the Lieutenant Governor of the North-Western Provinces, on the receipt of Sir Charles Wood's Despatch of the 24th of March last (No. 11), in regard to the proposed permanent settlement of that portion of territory. You also forward a series of correspondence having relation to the mode in which the permanent settlement of estates which have not yet received the full benefit, or, perhaps, any benefit, from the irrigation which they may hereafter obtain from the Ganges, Jumna, or other canals may be effected.

2. Before proceeding to consider this question, I may at once inform you that I approve the instructions conveyed in your Secretary's letter of the 19th June 1865, to the Lieutenant Governor, in regard to the permanent settlement of the North-Western Provinces.

3. I observe that the Lieutenant Governor, in his Resolution of the 30th June 1865, has determined to maintain "the present system, which is the matured result of the experience of many years, and is well understood both by the officers of Government and by the people;" and he rejects any attempt to secure to the State a share in the profits accruing from tracts brought under canal irrigation subsequent to permanent settlement, unless, possibly, in the shape of a special charge

charge on landlords for irrigation, over and above the water rates, to be levied by officers of the Canal Department.

4. To these arrangements your Excellency in Council has given your approval.

5. The "present system," which your Excellency in Council has resolved to maintain, is defined by Mr. Muir as consisting in assessing the lands at half of their average assets, however created, whether through canal irrigation or otherwise; in other words, in taking one half of the entire rental received by the landlord as the Government share.

6. I quite agree with the Lieutenant Governor in considering that it would be incompatible with the idea of a permanent settlement to insert a condition in the sunnud, under which all lands hereafter brought under irrigation should be subjected to the same acreage rate, as those already irrigated; and it seems to me that the same objection applies to the plan referred to by him of making a special charge upon landlords for irrigation, over and above the water rates, which are paid by the cultivators for the use of the water which is supplied to them. I cannot but think that the principle of a permanent settlement would be vitiated if the jumma originally fixed is to be hereafter liable to be increased by the imposition either of an augmented assessment, or of a special charge for water rate; and it would, probably, be indifferent to the landlord in what shape the additional impost was demanded.

7. It appears to me, however, that, unless suitable precautions are taken, great inequalities of assessment must follow from the plan proposed to be pursued by the Lieutenant Governor. Assume the case of two estates, equal in extent and natural capability, of which one is under the full influence of the canal, while the means of irrigation have not yet reached the other. The first estate may, without irrigation, have produced a rental of 3,000 rupees per annum, which, from the ready supply of water, has been increased to 5,000 rupees per annum. Under the "present system" the permanent jumma, supposing the estate to be cultivated up to the prescribed limit, would be fixed at 2,500 rupees per annum. The second estate, however, in its unimproved condition, would be liable only to a permanent jumma of 1,500 rupees per annum, although containing land capable of raising the rental to 5,000 rupees per annum, whenever the means of irrigation should be supplied to it. In a few years, therefore, the two estates will produce an equal rental, when the landlord of the first will contribute to the State 2,500 rupees per annum, and the owner of the second will continue to hold his estate at the original jumma of only 1,500 rupees.

8. In order to obviate this state of things, to ensure as near an approach to equality in future assessments as may be practicable, and to provide for the just claims of the State when the condition of such estates shall have been improved by the application of canal water, it appears to me that some rule should be laid down analogous to that prescribed in regard to the extent of cultivation required before an estate can be admitted to permanent settlement. Under paragraph 18 of Sir Charles Wood's Despatch, of the 24th March (No. 11) 1865, no estate of which the actual cultivation amounts to less than 80 per cent. of the cultivable or malgoozaree area, is admissible to a settlement in perpetuity. In like manner, a rule might be laid down that no permanent settlement should be concluded for any estate, the assets of which would, when canal irrigation shall have been carried to the full extent at present contemplated, exceed, in the opinion of the officers of the Settlement and Irrigation Departments, the existing assets in a proportion exceeding 20 per cent. All such estates should, as in the case of estates in which the cultivation is not fully developed, be treated in the ordinary manner, and settled on the present assets for such term, not exceeding 30 years, as you may determine on.

9. I desire that this question may be carefully considered, and the result communicated to me.

I have, &c.  
(signed) *De Grey and Ripon.*

(Home Department—Revenue—No. 29 of 1866.)

To the Right Honourable Viscount *Cranborne*, Secretary of State for India.

My Lord,

20 November 1866.

WE duly received the Despatch of the Earl de Grey and Ripon, No. 17, dated 17th March last, on the principles to be observed in the permanent settlement of estates affected by canal irrigation. Before coming to a decision on this important question, we deemed it advisable to call for the opinion of the Lieutenant Governor, North-Western Provinces, after consultation with the chief revenue and canal authorities under his control. This we have now received; and we forward a copy of the Despatch from the Government, North-Western Provinces, and of its enclosures, for your Lordship's consideration.

2. It will be remembered that Her Majesty's Government coincided with our view that the assessments of the permanent settlement were to be framed on the general principle of taking half the assets, however created; and that no demand in the shape of an acreage rate, or special charge, should hereafter be imposed on the landlords for additional lands brought under irrigation, beyond the ordinary water rate charged by the canal authorities.

3. It is obvious, however, that under this system the assets of an estate, not open to canal irrigation at the time of settlement, might be greatly increased at any future period by canal water being led into it; and that if such settlement be made permanent, inequality of assessment and loss to Government will be the result. It was, therefore, proposed by Lord de Grey and Ripon to exclude from the permanent settlement estates "the assets of which would, when canal irrigation shall have been carried to the full extent at present contemplated, exceed, in the opinion of the officers of the Settlement and Irrigation Departments, the existing assets in a proportion exceeding 20 per cent.;" the rule being based on the analogy of that which requires as a condition of permanent assessment that four-fifths of the cultivable area be under cultivation.

4. The reports now submitted for your Lordship's consideration are, upon the whole, adverse to this proposal; the opinion of the Lieutenant Governor is very decidedly so.

5. The view urged by the Sudder Board of Revenue, at Allahabad, requires special discussion. Premising that it has been enjoined authoritatively that 80 per cent. of an estate must be under cultivation to qualify it for permanent assessment, and that a corresponding ratio has now been proposed by the late Secretary of State in respect of canal irrigation, they recommend that the principle be extended and generalised, and that a like rule be applied to every class of possible improvements. Thus, by means of wells, embankments, drainage, watercourses, manure, location of cultivators, &c., the value of any estate may be improved till it reaches the maximum or extreme potential limit of excellence. The Board's plan is that the settlement officer shall fix this potential limit on a consideration of all possible future improvements for each estate as it comes under settlement; and if, at the time being, the estate has not reached to within 20 per cent. of such limit, then the privilege of a permanent settlement shall be refused. The Board think that, if the general principle were thus broadly laid down, the necessity for any special rule in reference to canal irrigation would be superseded.

6. But we are of opinion that there would be grave objection to any plan of this kind. It would be a matter of extreme difficulty to establish any practical standard of possible improvement that might be accomplished by means of skilled labour and capital: the process would be purely theoretical; and the upshot, matter of mere opinion or conjecture. We should strongly object to the benefits of a permanent settlement being curtailed and neutralised upon such loose and vague grounds.

7. But the leading objection to any such scheme is that it would remove from the grand measure in contemplation the very class of properties it is calculated chiefly to benefit. Where estates have reached, or nearly reached, the limit of possible

possible improvement, there the motives created by a permanent limitation of the Government demand are not needed, or are needed but in a very inferior degree. It is with the express object of stimulating the investment of capital, and the application of skill and labour in landed improvement, that it has been proposed to make the assessment permanent. True, a certain measure of development is required as a preliminary to this concession; and reasonably so, for otherwise the finances would unduly suffer. This principle has been recognized from the period when the measure was first proposed for the North-Western Provinces.\* But such a limitation is very different from the principle advocated by the Board; a principle that would altogether circumscribe the action of the permanent settlement, and strip it of the chief value and merit to which it lays claim. To adopt such a measure would be virtually to recede from the promise already held out of a permanent assessment.

8. There is, however, a broad and clear distinction between improvements of the general character above adverted to, and the improvement occasioned by canals. It is the object of the permanent settlement, in leaving the enhanced profit raised by the skill, exertion, and capital of the occupant entirely in his hands, to create the most powerful incentive to the progress and prosperity of the country; but in the case of canal irrigation, the benefit is created without any application of skill, exertion, or capital on the part of the occupant. The water is brought to his door; the value of his fields is enhanced by virtue of the labour, skill, and capital of others.

9. Improvement from canal irrigation is, therefore, entirely different from improvements made by the agricultural population. Of the former, "the profits are in no sense, or in a very limited sense, the result of expenditure of capital by the proprietor. It is the capital of the community which has produced these results; and the community at large, that is the State, is entitled to share in the profits."† Canal irrigation, then, is not one of the improvements which the permanent settlement is intended to create; and, in so far, the argument for a permanent limitation of assessment will not apply to enhanced profits expected from its extension.

10. The only point open to discussion is, whether it would be expedient to enforce the right of the State to share in such profits; whether, in point of fact, we could do so without infringing the essential principles of a permanent settlement; or whether we should not rather unsettle the expectations of the people, introduce an element of uncertainty inconsistent with the absolute fixity of the land revenue, and so mar the measure.

11. We presume that there will be, at this stage of the discussion, no disposition to reconsider the decision we have already arrived at with the sanction of Her Majesty's Government, negating any attempt to recoup the Government in its prospective loss of revenue by a special acreage rate or charge upon the landlord.‡ There remains, then, for inquiry, only the proposal contained in Lord De Grey's Despatch, to remove from permanent assessment all estates which, when canal irrigation shall have been carried to the full extent now contemplated, may be expected to have their assets increased thereby more than 20 per cent.

12. If this principle be limited to such tracts as will certainly, or with reasonable likelihood within a definite period, come under the influence of canal irrigation, we do not apprehend injury or harm from its application; and it will certainly, to some extent, guard the financial interests of Government and promote uniformity of assessment. But the expression made use of in Lord De Grey's Despatch,

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\* Regulation IX, 1805, sections 7 and 24. The permanent settlement then proposed was to have been restricted to "such lands as shall be in a state of cultivation sufficiently advanced to render it proper to fix the assessment on the same in perpetuity."

† Minute by Mr. Muir, dated 5th December 1861, paragraph 63. See also note at p. 16 of the same Minute.

‡ See the Honourable Mr. Drummond's Minute, dated 30th June 1865, and his present Minute, paragraph 13. And Mr. Muir's note, dated 10th May 1865, page 10 *et seq.* Also paragraph 73 *et seq.*, of Minute dated 5th December 1861, quoted above.

Despatch, "full extent now contemplated," is vague; and if thereby it is the intention to extend the principle to projects in mere contemplation—if the bare possibility of a region being at some future period visited by an intended canal, or some new branch of an existing canal, be regarded a sufficient reason for withholding permanence of assessment, then we concur wholly with the Lieutenant Governor that the proposed limitation will prove injurious, and, to a very material extent (so far as the Doab is concerned), abrogate the boon already held out of a permanent land revenue assessment.

13. We would submit for your Lordship's consideration that the analogy of the rule for waste lands, which apparently suggested the present proposal, is not altogether apt and complete. With waste land the point is easily ascertained. It is only necessary to consult the record of measurement to determine whether four-fifths of the assessable area is already under cultivation; and whether, according to the rule, the estate is qualified for permanent settlement or not. With irrigation the case is entirely different. Where the system of rajubas (subsidiary watercourses) is complete, or under early orders for completion, there the expected enhancement may be matter of approximate estimate. But where a work is contemplated, but not yet laid out, it would be hardly possible to say what areas are likely to come under irrigation. It would be necessary to exclude whole tracts, and that upon a basis contingent and conjectural. The financial results involved are shown by the Lieutenant Governor to be altogether disproportionate to the injury and disappointment thus entailed.

14. But if, as we have suggested above, in the opening sentence of paragraph 12, the measure be limited in its operation, we think that it might unobjectionably, and with some advantage, be carried out in the following manner. It would in the first place devolve upon the Irrigation Department to indicate, upon a large district or pergunnah map, the limits to which canal irrigation will certainly, or with reasonable probability, extend within a given period, say five or six years. The settlement officer would then prepare a list of estates falling within the line of canal irrigation. From this he would strike out all estates which, from his own knowledge, were, on an approximate estimate, irrigated either from wells or canal water up to the standard indicated in the Despatch under reply. Of the remainder he would send the village maps (showing field boundaries) to the canal officer, who, from scientific survey and knowledge of the canal levels and slope of the country, would be able to estimate and mark off on the village maps the area likely to come under the influence of canal irrigation. Comparing this with the area of each estate already watered from wells and its general resources, the settlement officer would now be in a position to say with tolerable certainty whether the canal was likely to increase the assets by more than 20 per cent., and whether there should, under the proposed rule, be a permanent settlement or not.

15. We submit, however, that it would be more in analogy with the rule for waste lands if the proportion were fixed at one-fourth, or 25 per cent. The condition in case of waste is that 80 per cent. shall be cultivated, leaving a margin of 20 per cent. (or one-fourth of the existing area of cultivation) for future improvement.

16. Where estates are, under the above rule, excluded from permanent settlement, it might be advisable to limit the engagement to 10 or 15 years; within which period the expectations of the irrigation and revenue officers, as to extended use of canal water, would, no doubt, be realised.

17. Such is a general outline of the rules which we submit for your Lordship's consideration. We should greatly deplore any arrangement calculated to limit largely the bounds to which the permanent settlement would otherwise extend. When we consider, on the one hand, the great social and political benefits to be looked for from a permanent settlement in the North-Western Provinces; and, on the other, to the revenue which Government will save by no longer having to incur the cost of periodical survey and assessments, and by the results of the larger application of industry and capital that must materially mitigate the pressure of famine in years of drought, we do not doubt that, even in a financial point of view, the measure will prove advantageous to the Government.

Having

Having now held these provinces upwards of 60 years, we have ample means for effecting a fair and equitable assessment of the land revenue in perpetuity; and we earnestly trust that no conditions may be imposed to shackle this great work, or mar its success.

We have, &c.  
 (signed) *John Lawrence.*  
*W. R. Mansfield.*  
*W. Grey.*  
*G. N. Taylor.*  
*W. N. Massey.*  
*H. M. Durand.*

From *R. Simson*, Esq., Secretary to the Government of the North-Western Provinces, to *E. C. Bayley*, Esq., Secretary to the Government of India, Simla (No. 858A); dated Nynee Tal, 28th September 1866.

I AM directed to acknowledge receipt of your letter, No. 701, dated 9th May last, with its enclosure, and in reply to forward copies of the papers noted on the margin, together with a Minute recorded by the Honourable the Lieutenant-Governor, containing the opinion of his Honor upon the proposal to exclude from permanent settlement all estates the assets of which would, when canal irrigation had reached its limit, exceed the existing assets by more than 20 per cent.

From Sudder Board of Revenue, North-Western Provinces, No. 541, dated 31st August 1866, and enclosures.  
 From Secretary to Government, Public Works Department, Irrigation Branch, North-Western Provinces, No. 4001, dated 28th July 1866, with enclosure.

From the Secretary to the Board of Revenue, North-Western Provinces, to *R. Simson*, Esq., Secretary to the Government of the North-Western Provinces (No. 541); dated Allahabad, 31st August 1866.

IN the orders of Government, No. 386A, dated 23rd May last, Revenue Department, the Board are called upon to report on the suggestion contained in the 8th paragraph of the Despatch of the Right Honourable the Secretary of State, No. 17, of the 17th March 1866.

Present :  
*C. B. Thornhill*, Esq., Senior Member,  
 and  
*R. N. Cust*, Esq., Junior Member.

2. The suggestion is, "that a rule might be laid down that no permanent settlement should be concluded for any estate, the assets of which would, when canal irrigation shall have been carried to the full extent at present contemplated, exceed, in the opinion of the officers of the Settlement and Irrigation Departments, the existing assets in a proportion exceeding 20 per cent."

3. In dealing with this question it is necessary to bear in mind that assets (*i. e.*, the rent roll) of an estate are ordinarily increased by canal irrigation only when that irrigation is supplied to land which was previously without artificial irrigation.

4. The landlord has no concern with the source of irrigation; whenever he finds land artificially watered, he demands the enhanced rate of rent for it; consequently when canal water is, from its cheapness, substituted for water previously drawn from wells, the difference between the canal water rate and the cost of well irrigation is a clear profit to the cultivator, the landlord obtains no share of it, nor is the Government land revenue benefited.

5. In estimating the effect of extension of canal irrigation upon assets or rent, we must know not only the area to which it will be extended, but the unirrigated area which will be benefited.

6. It seems very essential that this should be prominently noticed, because there is a vague impression abroad that the canal does not obtain the credit to which it is entitled for the increase to the "land revenue" justly attributable to its operations.

7. In Colonel Dyas's Memorandum, forwarded under the endorsement of the Junior Secretary to Government, No. 638 of the 6th instant, it is stated that, when the full supply of between 6,000 and 7,000 cubic feet of discharge is obtained per second, and the standard of 296 acres of irrigated area per cubic foot per second is worked up to, the Ganges Canal will irrigate two millions of acres, which, at four rupees an acre, will bring in a direct revenue, from irrigation alone, of 80 lakhs of rupees per annum.

8. Colonel Dyas then goes on to say that Government ought not to relinquish its claim to share in the agricultural profits created by works of irrigation. It is here apparently assumed that increased rates of rent (which alone would entitle the Government to a share in the profit) is the invariable result of canal irrigation. This, however, is not a necessary consequence, as the profits or difference between the cost of well and canal irrigation are taken by the cultivator.



9. To take the most favourable view, it may be assumed roughly that the rent paid by cultivators for irrigated land is double that which is paid for unirrigated, say eight rupees for irrigated, and four rupees for unirrigated. Then, if the canal converted 2,000,000 acres of unirrigated land into irrigated, it would double the rents paid to the zemindars; in round numbers, say it would put 80 lakhs into their pockets, and on revision of settlement one-half of this, or 40 lakhs, might be claimed by Government as its share of the increase; and the canal should fairly be credited with this amount, in addition to the 80 lakhs which it would receive as direct water rent.

10. But if the canal water should be distributed to those localities only where well irrigation had been previously practised, the increase to the rents would be absolutely nothing, and there would be no prospect of any increase to the Government land revenue from this cause.

11. If, then, the canal officers desire to credit the Irrigation Department with its share of enhanced revenue from the land, it is of primary importance that their attention should be directed to bestowing water upon those localities where irrigation from other sources has hitherto been impracticable.

12. So long as the canal water merely supplants well water, the land revenue gains nothing; and in estimating the possibility of existing assets being hereafter increased 20 per cent. by the canal, it is necessary, in the first place, to ascertain whether the canal extension will affect land which is not now artificially watered.

13. Villages would be grouped into the following classes:—

1st. Those which, from the elevation of the land, or other causes, lie beyond the influence of the canal.

2nd. Those which already receive the full benefit which can be anticipated from the canal.

3rd. Those which are partially irrigated from the canal, and to which the means of canal irrigation will be still further extended.

4th. Those which now receive no canal water, but come within the range of contemplated extensions.

14. We have now only to deal with the last two groups.

15. It has already been ruled by Sir Charles Wood, in his Despatch of the 24th March 1865, that permanent settlement will not be granted unless 80 per cent. of the malgoozaree area of an estate is under cultivation.

16. In addition to this, another condition is now required, that the estate shall have reached 80 per cent. of the assets which may be anticipated to result from the full development of the canal extension now contemplated.

17. The question then arises, whether irrigation from other than canal sources will equally entitle the estate to the benefit of permanent settlement.

18. In other words, whether the intention of the Right Honourable the Secretary of State will not be equally attained if the word "canal" be omitted and the rule be read—

"That no permanent settlement shall be concluded for any estate the assets of which have not reached 80 per cent. of the amount which they are susceptible of attaining under a full development of the available means of cultivation and irrigation."

19. The rule so worded would give the benefit of a permanent settlement to those landowners who have expended capital in the construction of wells, or other means of artificial irrigation, and it would in fact lay down the condition upon which Government consents to grant permanent settlement,—that the estate shall have reached 80 per cent. of the rent-roll which it is estimated to be fairly capable of attaining under good management and by an adequate expenditure of capital.

20. The decision of what the ultimate capability of an estate may be must be left to the discretion of the settlement officer, who will take into consideration all the local circumstances bearing on the question.

21. But before the revenue officers can offer an opinion upon this subject, it will be necessary that they should be in possession of a clear and accurate statement of the intentions of the canal authorities.

22. Mr. William, the Commissioner of Meerut, is of opinion that the existing canal system must be entirely altered before the object of its construction, viz., the prevention of famine, will be attained in more than a very partial degree; canal irrigation, he thinks, should be stopped in those parts of the country where irrigation from wells is practicable, and restricted to such high tracts as can only be watered by a canal in consequence of the soil not permitting the construction of wells.

23. In the memorandum by Colonel Dyas, which has been before quoted, it is stated that the area at present irrigated by the canal is 578,000 acres, and that it is expected that this area will eventually be increased to 2,000,000 of acres.

24. The

24. The area of the districts lying between the Rivers Ganges and Jumna, and within that portion of the Doab which is traversed by the canal, is, in round numbers, 12 millions of acres, so that there is no expectation of bringing more than a sixth of the surface of the Doab under canal irrigation.

25. It has already been shown that the Government land revenue is directly increased by the canal, only where lands are irrigated by it which were previously dry.

26. It is evident that the general benefit to the country will be in the same ratio as that to the Government revenue, because rents rise in proportion to the productiveness of the soil, and the Government demand is based on the rents.

27. The substitution of canal for well water does not necessarily enhance the productive power of the land. The end and aim of the canal in the prevention or mitigation of famine will not, therefore, be attained until its water is given only to those lands which can be watered by no other means.

28. It may be urged that the benefits of the canal were most marked and indisputable during the scarcity of 1860 ; but it must be remembered that the canal has now caused well irrigation to be neglected, and in many cases abandoned. Wells cannot be constructed on a sudden emergency, and those tracts in which the use of canal water has superseded that of wells may be regarded, for the present, as dry tracts dependent on the canal alone for the means of artificial irrigation.

29. In accepting, then, the rule proposed by the Secretary of State, it seems desirable that no reference should be made to canal irrigation : but that every estate which is found by the settlement officer to have reached within 20 per cent. of its ultimate fairly attainable rental should be admitted to permanent settlement, and that the Canal Department should be urged to aim at the irrigation of 2,000,000 of acres of land which can be irrigated by no other means, as the ultimate fulfilment of the design with which this great national work was undertaken. That the rent is measured by the productiveness of the soil, and not by the prices of produce, is shown very remarkably in the comparison of the rent rates prevailing in Mozuffernuggur, where the settlement was made by Mr. Thornton, and that which has recently been made by Mr. Martin, after a lapse of 30 years. Notwithstanding the very great rise in the market price of all agricultural produce, the rates of rent have remained absolutely unchanged.

30. Mr. Forbes, the Collector of Meerut, considers that a large number of estates have already reached the standard of development which entitles them to the benefit of a permanent settlement, and strongly advocates the immediate introduction of the measure in such cases.

31. There seems to be a general feeling among those officers who have been consulted, and whose opinions are appended, that, if permanent limitation of the Government demand is to be contingent upon the operation of the canal, the measure must be indefinitely postponed, and that such postponement is to be deprecated. There are, moreover, whole provinces, as Rohilcund, in which canals are in their infancy, and where many years must elapse before any appreciable results can be produced, and yet irrigation from wells is so readily effected from the proximity of the water to the surface that every zemindar has it in his power, by a moderate expenditure of capital, to raise the productiveness of his estate to the required standard. It would appear to be in accordance with the spirit of the intention of the Government that permanent settlements should be granted in all cases where the concession involves no surrender of the just claims of the State.

32. There is, however, a difficulty in the practical application of the word "estate," which, as defined by the revenue acceptance of the word, means "any parcel or parcels of lands which may be separately assessed with the public revenue."

33. A village may comprise within its limits several mehals or estates ; and though these estates may be in all respects independent of each other as regards responsibility for the Government demand, yet their lands are frequently intermingled, and in the survey maps are recognised only as parts of one village, the survey being conducted village by village, and not by estates into which those villages are subdivided.

34. It might, therefore, be advisable to withhold the grant of permanent settlement to fractional portions of a village, although it might constitute a separate estate. It would seem unjust, at first sight, to refuse this boon to the proprietor of a small and well-cultivated estate, because his neighbours had neglected their lands ; but unless some such limitation is imposed, the complications which might hereafter arise would entail greater inconvenience than the hardship which individuals might suffer by the proposed restriction.

35. Under the existing law every sharer in an estate, no matter how small his share may be, can cause his holding to be divided off and erected into a separate estate, and might eventually be admitted to permanent settlement, the rest of the village remaining under temporary engagements. Circumstances might arise to induce the owner of the permanently settled estate to sell it to the owners of the rest of the village, who could then legally apply to have the mahal re-incorporated with the parent estate, and thus there might be villages of which one portion was settled in perpetuity, and the other liable to periodical revision of the Government demand.

36. The following statement shows the progress made in the survey of districts within the influence of the Ganges Canal :—

Saharunpore	-	-	-	-	-	Completed.
Meerut	-	-	-	-	-	"
Mozuffernuggur	-	-	-	-	-	"
Boolundshuhur	-	-	-	-	-	"
Allyghur	-	-	-	-	-	About to be commenced.
Etah	-	-	-	-	-	In progress.
Furruckabad	-	-	-	-	-	"
Mynpoory	-	-	-	-	-	Not commenced.
Etawah	-	-	-	-	-	"
Agra	-	-	-	-	-	"
Cawnpore	-	-	-	-	-	"

37. I am to add that the junior member has not had time to consider this subject as fully as he could wish, nor has he had an opportunity of conferring with canal and settlement officers, or of visiting the tracts influenced by canals and under-settlement; but, as the senior member has had lately all these advantages, and as the junior member quite agrees with the tenor of the above remarks recorded by the senior member, as far as they go, he has agreed to their being transmitted to Government, reserving to himself an expression of opinion on the main question at some future occasion.

#### APPENDIX (A.)

EXTRACT from a LETTER from the Commissioner, Meerut Division, to the Officiating Secretary to the Board of Revenue, North-Western Provinces (No. 419); dated 28th July 1866.

MR. DANIELL reports to the effect that, in Dehra Dhoon, all lands which can at any time be irrigated by canals have already been considered in the settlement as capable of irrigation, and have been assessed accordingly; and that there is, therefore, no reason for delaying permanent settlement in the case of those estates which are fit for permanent settlement, in anticipation of extension of canal irrigation.

The Collector of Saharunpore reports as follows:—"In almost all the tracts irrigated from the canal in the Saharunpore district, the average depth of the water from the surface is certainly not more than 15 feet. Here kutchas wells, which last nine months, cost from two rupees to five rupees, and with the same wells, when wicker frames are used, the cost of construction is five rupees to 12 rupees, which wells, if repaired slightly after each rainy season, last for many years. Thus, even where masonry wells do not exist, irrigation is less expensive from kutchas wells, including cost of construction, than irrigation from the canal at the present rates.\* Consequently it would be fair, with reference to other districts less advantageously situated, to consider that estate in the Saharunpore district insufficiently developed for the introduction of the permanent settlement where at least one-third of the area was not irrigated either from wells or the canals, though there are certain tracts that must be exempted from the operation of a rule of this character.

"With reference to the question put, however, it appears to me that the permanent settlement of estates, in which canal irrigation has not reached to a certain amount of development, should be delayed, but that it would be just at the same time to attach a similar restriction to estates possessing peculiar natural advantages for irrigation from wells."

The Officiating Collector of Allyghur considers it impossible to answer the Board's queries distinctly, without knowing the extent to which it is contemplated to carry canal irrigation; but he thinks permanent settlement should not be delayed, because the development of canal irrigation is an unknown quantity—he thinks a supplementary settlement merely for the irrigation might be made, or the article of water should be purchased in the market like any other article.

In my opinion it is impossible to ascertain the possible direction in which branches of the canal not as yet constructed will extend themselves, or be extended, or the facilities which will offer themselves to some villages to avail themselves of canal water by making private watercourses. That it is impossible to reduce to a practicable or statistical shape the probable expansion of agricultural assets from canal irrigation.

No revenue officers could do this, because they are not sufficiently well informed as to what may be the intentions of the canal authorities; whatever those intentions now may be, the carrying them into effect depends on so many contingencies that I do not think even the canal officers could give such statistics.

But I believe that, if the permanent assessment of estates is to depend in any way on the present extent and future possible expansion of canal irrigation, the idea of immediate permanent settlement must be altogether abandoned.

I have repeatedly expressed my opinion that the object of the construction of the Ganges Canal, that is, the prevention of famine, is secured only in a very partial degree by the present arrangements, and that in time these arrangements must be entirely altered. I believe that the time must come when, instead of that tract being irrigated, in which there can be full

\* See note to paragraph 14.

full irrigation from wells, while the high and dry tracts where the construction of wells is almost impracticable, are left unirrigated, the canal water must and will be taken from the naturally irrigable lands, and diverted to those which are still just as liable to drought and famine as they were when Sir Proby Cautley first proposed his magnificent work.

If this is not the result of a wise determination to make the canal supplement instead of supersede natural sources of irrigation, I believe it will follow, what I look upon as inevitable, that is, the enhancement of the rate of water rent; this enhancement is manifestly contemplated.

When the cost of irrigation from the canal exceeds the cost of well irrigation, canal water\* will no longer be taken where wells exist or can be made; and when this happens in the distribution of the canal supply, it must go to those tracts where the water will still be in demand.

The effect of this in this Division would be probably that canal irrigation would nearly cease in the Saharunpore district, where the Collector asserts that, in almost all the tracts irrigated from the canal, the average depth of water from the surface is certainly not more than 15 feet, where temporary wells can be made for from two to five rupees each, and such as will last many years for from five to twelve rupees.

In the Moozuffurnuggur district, the flushing of lands already nearly destroyed by the Eastern Jumna Canal will probably cease.

The high sandy country between the Kali river and the Ganges will be more fully irrigated, and perhaps the tract between the Kali and Hindun now liable to drought will get by the Deobund branch, the water made available from the Saharunpore district.

In the Meerut district considerable changes will occur.

But the greatest will be in the Boolundshuhur and Allyghur districts. The Futtehghur and Boolundshuhur branches would most probably be pushed on. If the first watercourse is finished (it is already excavated through more than half the length of the Boolundshuhur district), probably in about 300,000 acres canal irrigation will be introduced, and on the western side of the district more than 100,000, which are now dry, would have the benefit of the Boolundshuhur Branch Canal, while in the centre of the district thousands of wells now abandoned would be brought into use again. In Allyghur, by the continuation of the Futtehghur and Boolundshuhur branches probably 400,000 acres would be irrigated.

It is impossible to give correct statistics; this is only an approximation to what should be anticipated. It is difficult to suppose that, when it is proved, as it certainly will be, that canals pay well directly; and if that is ever proved that, by the Madras system, the large supply which now runs to waste in the Ganges and Jumna can be utilised, there will be no want of water for the Lower Doab.

The most protracted examination of the papers of every district in this division would, I believe, lead to no other conclusion than an array of calculations and figures, which certainly might be, and probably would be made inapplicable simply by a further enhancement of canal water rate.

In fact if, as has been noticed above, permanent settlement is to be refused till all possible or probable extension of irrigation is accomplished, the boon which has been put before the people, and accepted by many, must be withdrawn.

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#### APPENDIX (B.)

EXTRACT from a LETTER from *W. A. Forbes, Esq.*, Collector of Meerut, to *F. Williams, Esq.*, Commissioner, 1st Division, Meerut (No. 147); dated 21st July 1866.

I AM of opinion, therefore, that it is very advisable not to assess for perpetuity an estate, which has not a certain proportion of its area under irrigation, whether from wells or canal, provided that such permanency of settlement should not now be withheld from an estate in which from depth of water from the surface, or from the high level of its lands, there is no apparent probability of its irrigated area being extended.

Under Sir Charles Wood's Despatch, dated 24th March 1865, the rule was laid down that 80 per cent. of the Malgoozarce area must be under cultivation, in order to entitle it to permanent settlement. I do not read the extract from the present Despatch to mean that 80 per cent. of the culturable area must be irrigated, as has been lately held "in another place," but that some analogous rule should be laid down on the subject of irrigation.

I would thus suggest that if 80 per cent. of the culturable area of an estate be actually under cultivation, and if 50 per cent. of that same area be irrigated, whether from wells or canals, that estate should be admitted as fitted for permanent assessment.

I am a strong advocate for the immediate introduction of the permanent settlement, but that only such estates should be admitted to enjoy the advantages of such a measure as are found to have reached a proper and sufficient standard. I consider that such a standard has been

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\* I am informed that, already owing to the enhancement of rates, several villages high up the canal have given up the use of canal water, and have thus enabled the canal officers to give water to additional villages down below.

been arrived at by a large number of estates over a considerable proportion of the provinces, and that those estates should be at once and for ever settled in perpetuity.

As regards the 5th paragraph of the Sudder Board's letter, No. 272 of the 18th ultimo, which calls for this expression of opinion, I am totally unable to form any idea of the possible development of canal irrigation. Neither can I ascertain the possible directions in which branches of the canals, not as yet constructed, may extend themselves. It is my opinion that already the system of canal irrigation channels has been extended beyond the power of the canal authorities to carry irrigation as far, that is to say, as the Meerut district is concerned. The area brought within reach of canal water is greater than the authorities can guarantee a full supply of water for, and even should the supply be increased by any alterations to the canal works, the demand for water lower down the Doab must yearly increase in a still greater proportion.

Irrespective, therefore, of any of the contingencies mentioned in paragraph 5 of the Board's letter, I consider permanent settlement should be introduced into all estates which have reached a certain limit as regards cultivation and actual or probable irrigation.

#### APPENDIX (C.)

EXTRACT of a LETTER from the Collector of Moozuffurnuggur, to the Officiating Secretary to the Board of Revenue, North-Western Provinces (No. 35); dated 25th June 1866.

IN those districts of the Upper Doab, like Saharunpore, Moozuffurnuggur, Meerut where canals have been in operation for years, the country being covered with a net work of water-courses, I cannot conceive the necessity of delaying the permanent settlement one moment, provided, of course, there be nothing abnormal in considerable tracts calling for their exclusion from the general rule.

If in the highly cultivated districts above cited possible development of an already highly ramified canal irrigation be held to be sufficient warranty to deprive an estate of the grand benefit of a permanent assessment, then we must also pay regard to the possibility of water-courses at present in full play, eventually being abandoned, and estates now thoroughly watered becoming dry from some stoppage or other, to the possibility of one district abundantly irrigated at the time of settlement being partially, or wholly deprived of irrigation because another district bids higher for canal water; in fact, if further development be an element of disturbance, *à fortiori*, further deterioration from accidents of all kinds will throw us out more than all, and with nothing assured the State cannot hold out any promises to the people, the demand will ever remain fixed.

	Rs.	a.	p.	
Year ending 31st October, 1862 -	56,053	2	38	Allow that irrigation will increase in the districts forming the Upper Doab (the published returns of the Ganges show the irrigated areas of Moozuffurnuggur to be as marginally noted), I am clearly of opinion this ought not to present any obstacle
Ditto - - ditto - - 1863 -	29,187	3	14	
Half year ending 30th April 1864 -	38,269	-	25	

to the extension of the permanent settlement, because what Government may lose by foregoing a trifling augmentation of land revenue, it gains politically by spreading contentment far and wide among a swarming, needy, agricultural population, to whom these inquisitorial and periodical revision of settlements are highly obnoxious and depressing. One let it be known that there is a limit to the land tax, and confidence will be created, more capital be attracted, and the value of landed property will rise immensely. In these parts I would not allow possible development or possible deterioration to weigh against the primary object of having the settlement declared permanent.

It is well known that the facile, comparatively cheap, and the rapid mode of artificial irrigation afforded by canals enables the cultivator to sow his lands with a larger proportion of the valuable products than he did before, even if irrigation from wells be plentiful, and water not far distant from the surface, and how great must be the change where wells are scarce? This being notoriously the case, it follows, as a necessary consequence, that the gross and net produce is enhanced by no outlay of the agricultural community, but by the direct operation of a great public work of utility undertaken by the State. In the profits then, of this project, surely the State, as guardian of the interests of the entire public, should be a large shareholder, and this cannot be done if the permanent settlement be conceded before canal irrigation is introduced into districts.

It may, however, be alleged the permanent settlement can be completed irrespective of canals, the State recompensing itself for the outlay on irrigation works by enhancing the price of water; the fallacy of this argument has, I think, been sufficiently refuted by the conference held at Agra in January 1865. An adequate price for canal water in the shape of a rate will be taken under any circumstances, but this can never supply the gap between an assessment based on an average rental, including canal profits, and one based on a rental excluding canal profits; therefore I say the permanent settlement should not be extended to districts about to be benefited by canals, for these temporary assessments must first be made; and, when sufficient time has been given for the development of canals, then collect data, and upon a full knowledge of all the facts Government can, with confidence give assent to a permanent limitation of the land revenue, otherwise the loss to the State would be very considerable, and there would occur the anomaly of glaring inequality in the assessments of different districts, perhaps bordering on each other.

In paragraph 5 of the letter under reply the Board direct Collectors to "reduce to a practical

practical and statistical shape that vague and undefined expansion of agricultural assets which has so much perplexed the decision of the main question." Now, the only way a decisive answer can be given to the query whether irrigation is likely to be more expansive or not is to apply to the Irrigation Department to ascertain whether such and such districts received their full supply of water. I am not aware of any important channels about to be projected in Mozuffurnuggur, seeing that we have so many already. Water does not reach the tail of some of them. I do not think we are likely to have more. If a more minute inquiry be necessary, village by village, to find out what estate has taken the full compliment of water, and what estate taken a little less than it ought to have taken, or a little more than can be expected over a series of years, this will be a work of time as well as of doubtful utility when completed. I contend that, as a rule, where a canal has been in operation six years, or so, self-interest will prompt landholders to take a maximum of water, such a thing as withholding from the use of water with the view of exhibiting diminished assets at the time of assessment will no doubt occur, but these instances are rare, and can be met by punitive measures, just the same as if a proprietor was to wilfully throw his estate out of cultivation in order to obtain a reduction in the demand; *vide* paragraph 59, Directions to Settlement Officers, and Section 4, Regulation II., 1826.

The statistical information required by the Board has already formed the subject of Circular No. T., dated 17th August 1861, which prescribes that, in the Nos. II., III., Village Statements, the amount of canal irrigation, and the portion of revenue due to this cause, be carefully eliminated after full allowance be made for wells, &c., thrown into disuse by canals. These statements will accompany reports on revised settlements of land revenue, and will show practically all that can be learnt on the matter. At least the result will be but an approximation to the truth; for, in so intricate and difficult an inquiry, it is quite impossible to arrive at mathematical precision like you can in case of the amount of culturable area entitling an estate to permanent assessment; the survey shows this to be a fraction of an acre. I see no objection to prescribing that estates before being permanently settled should have 60 to 80 per cent. of their irrigable areas under irrigation. The irrigable areas to be ascertained by applying to the Canal Department, checked by plane table measurement and local investigation.

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APPENDIX (D.)

EXTRACT from a LETTER from A. O. Hume, Esq., C.B., Collector of Etawah, to J. D. Sandford, Esq., Officiating Secretary to the Sudder Board of Revenue, North Western Provinces (No. 247); dated 7th July 1866.

I AM in receipt of your letter, No. 460, dated 18th June 1866.

Her Majesty's Secretary of State for India has now proposed a fourth alternative which I confess had not suggested itself to me, viz., openly and *bonâ fide* to abandon all idea of a permanent settlement for the present, and to wait till after 20 or 30 years' further experience we are in a position to decide what may and what may not be fairly expected from canal irrigation.

Earnest and persistent an advocate as I have ever been for a permanent settlement of these provinces, I am bound to confess that if, as you remark, the principle\* against which I have so long contended has really been definitely and conclusively adopted, the only wise and honourable course is that which is now proposed by Her Majesty's Secretary of State for India.

If now, however, the principle proposed in the Despatch of the 17th March be adopted, if the permanent settlement be delayed until canal irrigation has nearly attained its maximum, and until, therefore, we are in a position to estimate fairly the probable permanent results of this new agent, all my former objections at once vanish. Uncertainty of supply will then have ceased to complicate the question, long before then we shall know sufficiently accurately what we may fairly expect from this noble, but still at present, always breaking down and perpetually being patched up work. Uncertainty of distribution will also have ceased to mislead us; it is scarcely being too sanguine to believe that by that time, at any rate, the canal engineers will have finally decided which are good and which bad lines of irrigation channels, and will have settled which they intend to maintain and which to close. Lastly, after a further practical experience of some 20 years, we shall know something certain (which we now do not) of the agricultural results of the Ganges Canal irrigation,—we shall know what soils can bear irrigation yearly, what only once in two, three, or four years; and what, if any, deterioration the land undergoes owing to the salts and other matter in solution or suspension, which the canal water brings upon the land. These, and 20 other similar questions, of which we are now in the most profound ignorance, will by that time have been more or less cleared up; and I, for one, if the rule now proposed by Her Majesty's Secretary of State for India be adopted, shall heartily concur in the

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\* Viz., of including canal irrigation profits in the assets on which a permanent assessment was to be based.

the principle (by no means necessarily objectionable *per se*, but for which the times are not now ripe) that when the permanent settlement eventually comes to be made, it shall be made on the then total existing assets, no matter whence derived.

There is, however one drawback. The famous Permanent Settlement Despatch (which, if fairly acted up to, would have been the Magna Charta of Upper Indian landholders) is definitely abrogated; and that inestimable boon, the permanent settlement, which our people have been so long promised, must be deferred for another 20 years at least, if not *sine die*.

It seems scarcely necessary for me to point out that 20 years at least must elapse before any considerable proportion of the villages of these provinces will have attained to within 20 per cent. of their maximum contemplated canal irrigation area.

The Muttra branch is not commenced, the proposed Western Jumna Agra Canal is not surveyed, the Lower Doab extension is still in *nubibus*.

Almost everywhere we stand, as it were, on the threshold of a system of artificial irrigation, the limits of which even the boldest can scarcely guess at. Even in districts where the Ganges Canal has long been in operation, by no means the majority of those villages whose irrigation has been contemplated for the last 20 years have ever yet enjoyed the slightest benefit from the canal; while even in the case of those villages which have for several years past been partially irrigated, not one-fourth of the maximum area is, I believe (in this district at any rate) under canal irrigation.

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#### APPENDIX (E.)

From *C. H. T. Crosthwaite*, Esq., Settlement Officer, Etah, to *J. D. Sandford*, Esq., B.A.,  
 Officiating Secretary to the Board of Revenue, North Western Provinces (No. 48);  
 dated 13th July 1866.

IN reply to your letter, No. 460, dated 18th June 1866, I have the honour to state my opinion on the subject as requested. The Secretary of State has proposed a rule "that no permanent settlement should be concluded for any estate the assets of which would, when canal irrigation shall have been carried to the full extent at present contemplated, exceed in the opinion of the officers of the Settlement and Irrigation Departments, the existing assets in a proportion exceeding 20 per cent.

2. In order to carry out this rule in practice, the settlement officer must be able to determine for each individual estate two questions—

First. The possible increase of irrigation.

Secondly. The additional rental due to such increase of irrigation.

3. Now, if the first question were answered, the second would offer no difficulty. We have abundant data to determine with sufficient exactness the difference which irrigation would make in the rental of any given soil. But until the first problem is solved, we cannot touch the second.

And it is precisely this problem the solution of which is so hard.

4. For instance, take the case of a village lying within the area affected by the canal but not yet irrigated. The problem is to determine whether the assets of this village will by irrigation be increased 20 per cent. when the canal system is fully developed.

I must know (1) whether any existing watercourse can supply this village; (2) to what extent it can supply it; (3) whether by flush irrigation or not; (4) if no existing watercourse is available, whether the levels admit of the construction of one; (5) if the levels are favourable, whether the supply in the main canal will allow of it, and so on. Lastly, if these points are all answered favourably, I must know whether this watercourse will be made or not; and to know this, I must have a foreknowledge of the designs and intentions of the future officers of the Irrigation Department who may have charge of the district.

5. Again, if we take the case of a village not within the present irrigated area, but within the probable influence of a contemplated branch canal. For example, I may take the villages along the Futtehghur branch canal in this district, the land for which has been long ago taken up, though no excavations have been made. Here at the very threshold the question meets me, will this branch be made? and I believe it is quite impossible to answer this question at present. To answer it at all we must go into the whole question of the supply of water in the main canal, whether and to what extent this supply will be increased by the remodelling now under consideration; and after all that there will remain the question whether the then engineers will not think some other line more profitable. And supposing that all these points could be satisfactorily settled, we shall then have to determine whether the minor watercourses will reach our village or not,\* and to determine this we have no data. We might have the country surveyed,  
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\* It sometimes happens that the villages actually on the bank of the main canal cannot get water.

and the best lines for rajbuhas marked out. But any one who knows how the present lines have been selected, "the rajbuhas in many cases swamping low moist land and running riot over barren sandy wastes," will \* at once give up the attempt as hopeless.

6. Lastly, we have the case of a village to which irrigation has already reached, but in which there is room for expansion of assets, by increased resort to it. Here the difficulties are somewhat less. But even here they are great. There is an utter absence of certainty. The supply of water in the canal or rajbuha may admit of increased irrigation—or it may not. That increase may be enough to raise the assets 20 per cent.—or it may not. In short, it is all matter of guess and conjecture here as in the other cases. For these reasons, to reduce the possible increase of rental in each case to a practical and statistical shape is impossible; and, if every estate whose assets may be increased 20 per cent. is to be denied a permanent settlement, we must deny a permanent settlement not only in the Doab, but also in Rohilkund, to every village except the few in which irrigation has evidently reached its maximum. I see no other course open to us.†

7. The question, therefore, is virtually one of having a permanent settlement or not; and as I believe it has been definitely decided once for all that there is to be a permanent settlement, it follows that the rule proposed by the Secretary of State should not be adopted.

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APPENDIX (F.)

EXTRACT from a LETTER from *H. B. Webster, Esq.*, Officiating Collector of Boolundshuhur, to *F. Williams, Esq.*, Commissioner of the Meerut Division (No. 231).

I AM of opinion that it would not be advisable to defer the permanent settlement of estates in which canal irrigation has not reached to a certain amount of development; that is, in which the existing assets could be increased by 20 per cent. were canal irrigation fully developed; first, because to do so would be to defer the permanent settlement of by far the greater portion of the country, and to defer it *sine die*; for it is impossible to say for certain when, how, and to what extent canal irrigation may be developed.

I think it would be unfair to exclude from the benefits of a permanent settlement any estate merely on the grounds that, in the opinion of settlement or canal officers, a certain amount of possible extension of canal irrigation would produce a certain corresponding increase of its assets.

It would be extremely difficult to estimate beforehand, with any degree of fairness, the possible amount of such increase; and even supposing that a correct estimate could be arrived at, the expected extension of irrigation might never take place after all, and a permanent settlement would have been refused without reason.

It is true that this might be obviated by a condition being made on the part of Government that, if the expected extension of irrigation did not take place within a certain time, a permanent settlement should be granted on existing assets, but this would lead to endless revisions and alterations, and would tend to shake the belief of the people in the intention of Government really to confer a permanent settlement.

Moreover the refusal of a permanent settlement on the ground of a possible extension of canal irrigation is unnecessary; the object is that Government may not be debarred from its proper share of the increased profits of land due to a work constructed from public funds; and this object can easily be attained, notwithstanding the grant of a permanent settlement by the adoption of the acreage rate proposed by Mr. Crosthwaite, and approved by the Honourable W. Muir in his note on the assessment of rental arising out of canal irrigation, dated 10th May 1866.

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COPY of a NOTE drawn up by the Chief Engineer, Irrigation Works, North-Western Provinces (No. 65 C.); dated 11th July 1866.

PERMANENT SETTLEMENT, NORTH-WESTERN PROVINCES.

ABSTRACT.

(A.) OFFICIATING Junior Secretary to Government, North-Western Provinces, forwards copy, Revenue Despatch No. 17, dated 17th March 1866, and requests chief engineer to report on paragraph 8 of Despatch, concerning limitation of permanent settlement to estates

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\* *Vide* note by Mr. A. Colvin, in the collection of papers on the Permanent Settlement.

† I do not myself see the justice of denying a permanent settlement to estates on the ground of future increase of assets by the canal, when we do not deny it on account of the certain increase from rise of prices and enhanced value of land.



## CORRESPONDENCE RELATING TO THE

estates, the assets of which would, when irrigation shall have been carried to the full extent at present contemplated, not exceed the existing assets by more than 20 per cent.

(B.) Chief engineer requests superintending engineers to report on the best means of arriving at a knowledge of the estates indicated.

(C.) Superintending engineer, 1st Circle, thinks rule proposed in paragraph 8 of Despatch the fairest that can be devised. Proposes to obtain from executive returns showing area at present irrigated in each village, and area that might be irrigated, supposing the full supply contemplated by Sir P. Cautley, was given to the canal and its branches. These returns to be furnished to settlement officers, who could then apply the Pergunnah rates of increase in assets to the additional areas.

(D.) Chief engineer requests superintending engineer will have the returns prepared as he suggests.

(E.) Superintending engineer makes a slight correction in his 553, at suggestion of chief engineer.

(F.) Superintending engineer, 2nd Circle, thinks the Eastern Jumna Canal is the only irrigation work in his circle, the assets of estates along which are not likely to be increased more than 20 per cent. above present assets; and, with regard to the Eastern Jumna Canal even, it would be difficult to fix definitely what is the full extent of irrigation at present contemplated; and consequently to supply the information wanted.

## REMARKS AND RECOMMENDATIONS.

THE Ganges and the Eastern Jumna Canals are the only two works of irrigation involved in the present inquiry. It is not probable that the supply of the Eastern Jumna Canal will be increased, and its average area rate of "irrigating duty" per cubic foot per second is sufficiently high to enable us to conclude that no very great extension of the total area of irrigation need be looked for.

2. But the case of the Ganges Canal is different. Its supply is at present limited to about 4,000 cubic feet per second, and it is hoped that this may before many years be raised to between 6,000 and 7,000, a supply which at existing area rates of irrigating duty would at once raise the total area of irrigation from the present 578,000 acres to nearly 1,000,000 acres; which again must be doubled in order to represent the results of working up the irrigating duty rate of the water received to the Eastern Jumna Canal standard of 296 acres per cubic foot per second; and at no very distant period it may be hoped that even a higher standard may be reached. However, for the present it may be assumed that the Ganges Canal will irrigate two millions of acres, which at four rupees an acre will bring in a gross revenue from irrigation alone of eighty (80) lacs of rupees per annum. The gross revenue from irrigation is at present but 13 lacs.

3. These figures show what a large amount of revenue is at stake. The pith of the matter under inquiry is very clearly put forth in the 7th paragraph of the Secretary of State's Despatch.

4. In my remarks on the Irrigation Revenue Report for 1863-64, endeavouring to show (in paragraph 21) how essential it is that all proceeds resulting from the construction of works of irrigation should be clearly entered, whether they happen to be on the debtor or on the creditor side, whether profit or loss, in order that Government might be in a position to see whether the construction of any proposed new work was advisable or not, I added, "In irrigation two elements, earth and water, must combine before the result can be achieved. Without land to irrigate, water is of little value; and it is equally true that without water the land must remain unproductive." Again: "In this part of India, Government is lord of the water as well as of the soil."

5. It appears to me that Government ought not to relinquish its claim to share in the agricultural profits created by works of irrigation, whether these works be constructed by Government or by a company.

6. Since the above remarks were made, Government North-Western Provinces (Resolution, No. 0171, dated the 14th November 1865) has fixed on a form of revenue account for irrigation works, one of the items of which is "enhancement of land revenue," the corresponding item on the opposite side being "abatement of land revenue;" and Government of India has now ordered (No. 501 (C.), dated 6th June 1866) that "this part of the results of canals, in increased land revenue, shall find a proper place in the Irrigation Annual Reports." Thus finally disposing of an objection raised by some who could not see the different circumstances under which works of irrigation and works of communication are placed, and who omitted the consideration that the advantages of cheap communication are provided by canals also, but that no attempt is made to take credit for enhancement of land revenue on that account. The argument was that because, in the case of a road or a railway, credit was not taken for enhancement of land revenue resulting therefrom, it should not be done in the case of a canal. This objection has now been disposed of.

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7. The suggestion of the North-Western Provinces Government, however, to substitute for enhancement of land revenue an additional special charge as water-rate on land brought under irrigation after their jumma has been permanently settled, has been objected to by the Secretary of State, whose decision is equivalent to a declaration that "water-rates shall be uniform over large areas."

8. I may note that an increase of the water-rate would not meet the requirements of the case so well as an enhancement of the land revenue. For it has been ruled by the Secretary of State that the irrigation rate must be uniform over large areas, but the results of irrigation are by no means uniform. Some soils are much more benefited than others, the crops produced are better, and the owners are able and willing to pay more, for it may be the same quantity of water. Now the settlement officer is not prohibited from taking into account these inequalities; on the contrary, it is his business to go thoroughly into them, so that he is in a position to fix the enhancement in such a manner that the total demands of Government under all heads shall press hardly on no man, so that all may benefit by the providence of Government in supplying water for irrigation, and that Government may receive in return what is justly its due.

9. But supposing a large proportion (in part of the Punjab, I have known it to be nearly one-half) of the rate of four rupees an acre (which may be assumed to be the Government share of all proceeds from irrigation works in Northern India, at a very moderate estimate) to have been included in the jumma of old irrigating villages, how then—if that jumma is permanently settled—will it be possible hereafter to raise the water-rate sufficiently to secure anything like the Government share of proceeds from newly irrigating villages? for it has been ruled that the same water-rates must be applied to all, old and new.

10. I have already shown that, in the case of the Ganges Canal, the area at present irrigated is barely two-sevenths of the area which will be irrigated at no very distant time, and it is probable that not more than one-half of the present irrigation belongs to villages which can be permanently assessed under the 8th paragraph of the Despatch, so that what I apprehend is that, in consideration of the present Government claims from one-seventh part of the area which will shortly be irrigated by the Ganges Canal, the precisely similar claims from the remaining six-sevenths of that area may be lost for ever; and what is worse, the canal may be for ever debarred from showing on the credit side of its revenue account more than one-third of what ought to be shown, and of what Government has directed shall be shown, as its actual ultimate returns.

11. Under these circumstances, and under the supposition that it is absolutely necessary to include in the permanently settled jumma of irrigating villages the enhancement of land revenue due to the operations of existing works of irrigation, complete or incomplete, it would appear to me to be unadvisable to extend the permanent settlement to any village which receives irrigation from an incomplete work, whether the area of irrigation in that village is likely to increase or not.

12. As to the practical difficulty of arriving at the amount of that enhancement, it has been got over, years ago, in the Punjab, and Mr. Wynne, the settlement officer of the Saharunpore District, has already calculated the enhancement for that district; and he has shown that there is really no great difficulty in arriving at a very fair and trustworthy estimate of its true amount. Besides, Government of India has ruled (No. 501 C, dated 6th June 1866), that in any case that enhancement must be arrived at, and shown in the Irrigation Revenue Reports.

13. I should mention the case of wells thrown out of use by the greater facility and cheapness of irrigating with canal water.

14. I think any abatement of land revenue, arising from this cause, should be shown under the heading provided (as already explained) for "abatement." But I think this item would be found to diminish rapidly as the water rates were raised to a near equality with the cost of well irrigation. The wells would gradually come again into use; and this appears to be a result to be wished for, as the canal water could then be given elsewhere to more thirsty districts.

15. I have now stated all that occurs to me as bearing on this matter from an irrigating point of view.

16. The Returns called for from Superintending Engineers of the villages which are likely to be affected by the provision of paragraph 8 of the Despatch, shall be submitted on receipt.

(signed) *J. H. Dyas*, Lieut.-Col., R.E.,  
Chief Engineer, Irrigation Works,  
North-Western Provinces.

No. 4091, dated Nynee Tal, the 26th July 1866.

ORDER.—Ordered, that a copy of the foregoing be forwarded to the Secretary to this Government, in the Revenue Department, with reference to Mr. Officiating Junior Secretary Robertson's letter, No. 385A, dated 23rd May last.

(signed) *J. H. Dias*, Lieut.-Col., R. E.,  
Under Secretary to the Government of North Western Provinces,  
Public Works Department, Irrigation Branch.

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CANAL IRRIGATION and PERMANENT SETTLEMENTS in the NORTH-WESTERN PROVINCES.

In his Revenue Despatch, dated the 17th March last, No. 17, reviewing the orders issued by the Governor General in Council, in regard to the permanent settlement of the North-Western Provinces, the Secretary of State for India has referred for careful consideration the propriety of introducing a rule that no permanent settlement shall be concluded for any estate, the assets of which would, when canal irrigation shall have been carried to the full extent at present contemplated, exceed, in the opinion of the officers of the settlement and irrigation departments, the existing assets in a proportion exceeding 20 per cent.

2. In reporting upon this suggestion and submitting the opinions of officers of the settlement department, the Board of Revenue observed "that so long as canal water merely supplants well water, the land revenue gains nothing; and in estimating the possibility of existing assets being hereafter increased 20 per cent. by a canal, it is necessary, in the first place, to ascertain whether the canal extension will affect land which is not now artificially watered;" and they propose, as an amendment of the rule suggested by the Secretary of State, which will, they think, equally meet his intention, that the word canal be omitted, and the rule be read:—

"That no permanent settlement shall be concluded for any estate the assets of which have not reached 80 per cent. of the amount which they are susceptible of attaining under a full development of the available means of cultivation and irrigation."

3. They support this recommendation on the ground that the rule so worded would give the benefit of a permanent settlement to those landowners who have expended capital in the construction of wells and other means of artificial irrigation, and would, in fact, prescribe as the condition upon which the Government consents to grant a permanent settlement, that the estate shall have reached 80 per cent. of the rent roll which it is estimated to be fairly capable of attaining under good management, and by an adequate expenditure of capital.

4. They add that the decision of what the ultimate capability of an estate may be, must be left to the discretion of the settlement officer, who will take into consideration all the local circumstances bearing on the question; but before the revenue officer can offer an opinion on the subject, it will be necessary that he should be in possession of a clear and accurate statement of the intentions of the canal authorities.

5. The arguments for and against the introduction of any such rule have not been directly noticed by the Board, the principal ones may be briefly stated as follows.

6. On the one hand it will, to some extent, prevent great inequality of assessment, and will secure to the State its fair share of the profits derived by the landholders from the development of works of irrigation; on the other it will be a virtual denial of the boon of permanent settlement, without any fault of the proprietors, to a very considerable portion of the most fertile, populous, and politically important districts in these provinces, while the question of who is and who is not entitled to benefit by a permanent assessment, must be left to be determined upon grounds, which are in a great measure theoretical, and will necessarily vary with the varying views and experience of the several settlement and irrigation officers, which cannot but be productive of greater inequalities than those which it is sought to remedy.

7. Before proceeding further, I would invite attention to the full and exhaustive discussion which the subject has received in the able papers quoted in the margin,\* which have already been submitted to the Government of India.

8. The

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\* From Board of Revenue to Government, North Western Provinces (No. 128), dated 14th February 1861, and Enclosure.

From Board of Revenue to Government, North Western Provinces (No. 132), dated 15th February 1861, and Enclosure.

From

8. The general conclusion arrived at by Sir G. Edmonstone, is thus summed up in the last paragraph of his Minute on the permanent settlement, dated 27th May 1862 :—

“In view of the large sacrifice\* to which the Government must submit by giving permanency to a settlement of the land revenue in these ‘zones of irrigation,’ before the sources of that irrigation have been fully developed, I should have been disposed to advise the postponement of the measure for such period as might be necessary to bring about that development; but that the arguments advanced in paragraphs 64 and 78 of Colonel Baird Smith’s Report, are convincing as to the wisdom of its earlier execution, and further that the difficulties which have been discussed in these papers must recur hereafter, if, as may be assumed, the action of the Government in respect of works of irrigation should not cease with the completion of those now in progress.”

9. Colonel Baird Smith thus expressed himself:—

“It may be supposed that a great sacrifice of public revenue is involved in the concession of a perpetually fixed demand on the part of Government. It is to be observed, however, that (with a single exception to be noticed separately) the recent tendency of the measures of Government has shown a different conviction, and indicated a belief that its interests are best secured, not by general enhancement, but by general lightening of its demand on the land. The latest orders under which settlements now in progress are conducted, prescribe a reduction of the proportion of the rent or net produce hitherto appropriated as Government revenue from 66 to 50 per cent., and I have no doubt that this is a most wise and prudent step, sure to justify itself before many years pass away. It is scarcely possible, indeed, that a tax on rent, which even at its minimum absorbs half that product, and presses exclusively on a single section of the community, can be permitted to increase. The tendency will, I believe, be quite in the opposite direction; and instead of desiring to raise the moderately assessed districts to the level of the highest, the best revenue authorities will probably seek to lighten the pressure on the latter, and in this manner rather than by the converse process, to equalise the burden generally. Such an equalisation would lead to an universal increase in the wealth of the agricultural classes. The price of land would rise gradually from four or five years’ purchase of the Government revenue to 10 or 12 times that standard. Capital would, in time, accumulate in other hands than those of the money-dealers, or the scarcely-taxed native commercial classes in general. The land would enjoy the benefit of such accumulations; and as a necessary consequence of the increased prosperity of that class which must always be the very core of native society, and with the strength or the weakness of which the social fabric generally must always have the acutest sympathy, trade and commerce and general wealth would not only increase, but as years passed on, the community must grow stronger and stronger, and the risk of its collapsing under any such calamities as that we are now considering, would gradually become less and less. Assuming then that the results of the measure would, in some degree, at any rate, realise these anticipations, it seems unreasonable to suppose that an intelligent and powerful Government could fail to participate in them. Its intelligence would direct it to the least offensive and most effective means of sharing in the general prosperity, and its power would insure the fair trial and ultimate success of those means. There would be no real sacrifice therefore, I believe, but on the contrary, a marked increase of the public resources, from the creation of the increased private prosperity to which it is conceived that a perpetual settlement of the public demand must lead.

“While, therefore, some objection may be taken to the disorganising influence of extensive canal action on revenue relations, and while I may admit the force of this objection as bearing on the conversion of prolonged into perpetual settlements, I believe that due consideration should also be given to its strengthening and progressive tendencies. I have already likened these rich tracts secure against the fluctuations of seasons, and filled by a prosperous people, to the bars and bonds that hold material structures together, and our experience of the famine of 1860–61, is certainly full of proof of the justice of the comparison. I have not seen in my own experience much display of those feelings of discontent and dissatisfaction with the good fortune of their neighbours which people in districts as yet unsupplied with canal irrigation are said to feel; I have even been told by some that such irrigation is regarded within and without canal districts as rather more of a curse than a blessing, while again I have learnt from all who have lately seen the action of the system, and

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From Board of Revenue to Government, North Western Provinces (No. 133), dated 15th February 1861, and enclosures.

From Board of Revenue to Government, North Weestrn Provinces (No. 191), dated 9th March 1861, and enclosure.

To Board of Revenue (No. 561A), dated 7th June 1861.

Extract, paragraph 3, of Government of India’s letter (No. 2033), dated 7th October 1861.

Extract, paragraphs 62 to 82, of Colonel Baird Smith’s Report on the Famine of 1860–61, dated 14th August 1861.

To Board of Revenue, North Western Provinces (No. 1322A), dated 27th November 1861.

From Under Secretary to Government of India (No. 1474), dated 20th March 1862.

To Under Secretary to Government of India (No. 227A), dated 31st March 1862.

From Board (No. 911), dated 24th December 1861, and enclosures.

Minute by the Lieutenant Governor, North Western Provinces, dated 27th May 1862.

To Secretary to Government of India (No. 578A), dated 27th May 1862.

\* See tables in paragraphs 66 and 74 of Colonel Baird Smith’s Report, as showing the effect of canals in adding to the value of the gross produce of the land, and consequently in increasing assets.

and have been able to judge for myself, that its influence for good is, in fact, beyond all gainsaying. It is at the same time right to make it known, that importance is attached to the disturbing influence under reference, by most of those to whose judgment and experience on such points, I willingly defer with respect and confidence. I have accordingly given much anxious thought to the working out of plans whereby the influence of canal action may be made compatible with a perpetual settlement of the land revenue, and I am confident that this result may be attained without serious difficulty. The details are intimately connected, however, with questions bearing on canal administration generally, which must come under discussion hereafter, and it will be best to give the whole together; but meanwhile it is proper to say that my conviction of the expediency of fixing the public demand in perpetuity, is quite unaffected by the peculiar position of districts having canals of irrigation executed solely at the cost of the Government within their limits. Even if it were necessary to omit the strips of country so situated for a time from the perpetually settled tract, it would be better to do so, than by reason of the existence of these zones of irrigation, to deny the great and strengthening boon to the tract in general. I trust to be able to prove that the first alternative is altogether unnecessary, but I have no hesitation in declaring my preference for it, should the proof fail, over the existing system of progressive enhancement of the land tax, even though at longer intervals apart.

“The objection thus dealt with has other aspects, and there are additional reasons against pressing it too far. If so pressed, it would paralyse all material or administrative improvements likely to produce inequality in the social *status* of different classes of the people. If such inequality produced by Imperial canals is a mischief to be abated only by the periodic sweep of the Collector’s measuring chain over the land, why except like inequalities due to Imperial railways or roads? We know that the vicinage of these is as sure to produce them as the vicinage of canals, though the process may not be so speedy, or the results so soon measurable. Why, too, except natural differences tending to the same end, class industry, class thrift, and other qualities whose influences are self-evident? It is undeniable that the ultimate tendency of a perpetual settlement, with the stimulus it gives to action, the free scope it allows to capital, the fair play it secures to capacity for business, and so on, is to establish and consolidate gradations in society. Is this really any objection to it? I cannot help thinking, for my own part, that it is one of the best promises the scheme possesses, for it promises to correct gradually and naturally, without shock or injustice, social laws and customs which, like those of inheritance, for example, tend to perpetuate poverty and administrative policies, which, though sanctioned by loved and respected names, and growing out of pure and high principles of humanity and good will, have yet been injurious and weakening in their influences on society.”

10. Mr. Muir, in his very able Minute, dated 15th December 1861, observes, paragraph 71:—

III. Deferment of perpetual settlement in tracts affected by canals.

“Again it has been proposed to except the tracts of country likely to be affected by canals from permanent settlement, until the benefits of irrigation from them shall have reached, or nearly reached, their full development; the settlement would then be made at the enhanced scale of assets arising therefrom. Such is the condition of the country through which the Eastern Jumna Canal runs, and from the assessment of which the Government has derived its full share of the increased rental. But it will be many years before this state shall have been fully attained in the Ganges Canal; before the thousand subordinate channels of distribution shall have been completed, and brought into use by the people. Meanwhile, the greater part of the Doab, a tract the best calculated, perhaps, in these provinces to appreciate the blessings of a permanent assessment, would be debarred for an indefinite period from their enjoyment. Besides, canals may hereafter be introduced into parts of country under then already permanent settlement; so that the difficulty must be faced at some period; and another expedient than postponement must be provided.”

11. Death has deprived us of the details of the plan which was contemplated by Colonel Baird Smith, and I concur unreservedly in the opinion that, in the absence of any other scheme, which will satisfactorily meet the difficulties of the case, there is no alternative but to carry out the permanent settlement, irrespective of the future development of canal irrigation.

12. I participate so entirely in the belief expressed by Colonel Baird Smith, “that in an unconditional permanent settlement of the land revenue demand there would be no real sacrifice, but, on the contrary, a marked increase of the public resources, from the creation of the increased private property to which it must lead;” that I have never laid particular stress on a resort to measures intended to secure to the State its due share of prospective profits on rents from canal irrigation, and consequently in referring to such a scheme, in Resolution of this Government, dated 30th June 1865, I purposely abstained from anything more than a bare allusion to it.

13. I may now, however, explain that the plan which suggested itself to me as apparently free from the objections attaching to other propositions was this: to make no alteration in the uniform rate of water rent, but to give no water to any village that had not received it before conclusion of permanent settlement, except on the condition that, after three years of irrigation, an additional annual payment should be made to the officer collecting canal dues, equal to (one or two rupees, or whatever amount was ascertained to be the fair general average over the whole country of the State share of the enhanced rent profits) per acre of irrigable

irrigable land; estates to which canal irrigation had extended to any extent before permanent settlement being left free from all interference.

14. There would here be no interference with the fixity of the revenue settlement, nor with the uniformity of the water rates; the rule is clear, intelligible in its principle, and simple of application; the payment would be optional; if the water was considered worth the sum demanded it would be readily agreed to; if not, the water would be employed elsewhere.

15. Referring again to the arguments above noticed, for and against the rule now proposed by the Secretary of State, I would observe that as respects inequality of assessment, arising from immediate permanent assessment, the objection is one of comparatively little practical importance; equal, if not greater, differences have existed in the permanently settled districts of Bengal without provoking discontent: to the objection that we shall concede to some greater advantages than we do to others, it may fairly be replied that under no circumstances could we ensure that all should fare alike. On the other hand, the inequality of treatment which will necessarily accompany the practical application of the rule proposed by the Secretary of State, seems to me far more open to objection than that of eventual irregularity in the incidence of the assessment.

16. The sacrifice of revenue involved appears to me to be very much over-estimated. From the very careful inquiries instituted by the settlement officers of the districts of Boolundshuhur and Mozuffernuggur, the one disposed to under-estimate, the other to over-value, the enhanced profits of the landlords from the action of canal irrigation, it would seem that 10 or 12 per cent. would represent the full amount of the revenue at stake.

17. The total land revenue of all the districts in the Doab affected by the canals, omitting Saharunpore, is 1,22,50,000, and 12 per cent. upon this would give 14½ lakhs as the additional revenue to be eventually obtained when the canal system is fully developed, say 20 or 30 years hence; for the intervening period nothing would be gained.

18. Colonel Dyas indeed speaks of a future total increase of revenue from the Ganges Canal of 80 lakhs of rupees, but he has overlooked the fact that half of this only would be payable to Government, and that of the 2,000,000 acres estimated, 578,000 are already assessed at their full value; deducting this there remain 1,422,000 acres, which at two rupees would yield 28,44,000 rupees, or at Rs. 1. 8., the rate assumed by Mr. Muir as a general average, 21,33,000 rupees.

19. Even if this calculation were adopted, I cannot think that for such a sum as this we should at the last moment hesitate to fulfil the expectations we have raised, and withdraw the promised boon of permanent settlement, nor indeed does it appear to me befitting a great Government to seem to grudge a sacrifice, which is as nothing when compared with that which must result from the future rise of prices, and enhanced value of land generally which has been freely accepted.

20. But, as remarked both by Colonel Dyas and the Board of Revenue, and as I fully agree, the primary object of the Ganges Canal, which is the work chiefly affecting these discussions, is the prevention of famine; and, if this object is attained, I hold that the amount expended on it would have been well applied, even if it yielded no other return; as well certainly as the enormous sums sunk in roads during the last 30 years; but when it is considered that the gross return from water rent alone will, when the works are completed, aggregate some 50 lakhs of rupees, which would be equivalent to at least 10 per cent. upon the capital invested, the Canal Department and the State may well rest satisfied with such results, without seeking to enhance its apparent gains from other indirect sources.

21. To sum up briefly the conclusions to which I have been led, after full and anxious consideration of this difficult subject, I am of opinion that, as a measure of large and enlightened policy, the permanent settlement of these provinces should be carried out generally unhampered by further conditions; that the introduction of the rule suggested by the Secretary of State or Board of Revenue into the districts of Saharunpore, Mozuffernuggur, and Boolundshuhur, in which the settlement has been all but completed, would give just ground for much disappointment and dissatisfaction; and that its application in other districts would tend to check progress, and the development of irrigation itself, and prove a serious mistake; and, lastly, that the rule I have myself proposed appears to me the only alternative, if any additional conditions must be imposed; but that I do not recommend it; though as it would be applied by the Canal Department as a condition of a first supply of water, it would not, I conceive, injuriously affect the permanent settlement.

(signed) *E. Drummond*, Lieutenant Governor  
of the North Western Provinces.

24th September 1866.

From Sir *George Couper*, Baronet and c. b., Secretary to the Government of the North Western Provinces, to *E. C. Bayley*, Esquire, Secretary to the Government of India (No. 578 A.); dated Nynee Tal, 27th May 1862.

WITH reference to your predecessor's letter (No. 2033), dated the 7th of October 1861, I am directed to forward to you, for the consideration of his Excellency the Viceroy and Governor General in Council, the accompanying copies of minutes recorded by his Honor the Lieutenant Governor and the senior and junior members of the Sudder Board of Revenue in these Provinces, on the expediency of forming a permanent settlement of the North Western Provinces.

MINUTE by *W. Muir*, Esquire, Senior Member of the Sudder Board of Revenue, on the Expediency of forming a Permanent Settlement of the North Western Provinces; dated the 5th December 1861.

Fixity and perpetuity of tenure not involved in the discussion.

IN discussing this question, it seems expedient at the outset to clear away a misapprehension which I have found frequently to exist. It has been urged that a perpetual settlement is needed in order to give a permanent proprietary tenure. This, however, is not the case. Perpetuity of proprietary tenure is not only quite compatible with an assessment liable to revision, but it actually does exist in as full and perfect a form throughout these Provinces as it would have done had the settlement from the first been permanent. The title by which proprietors hold land in Benares or Jounpore, under a permanent assessment, is in nowise better, *as regards perpetual fixity*, than it is in Azimghur or any other temporarily settled district. In respect of the limitation of the Government demand, the right may be more valuable in the former than in the latter; but in respect of permanency of title there is absolutely no difference in value whatever.

2. The grand distinction between the state of *property* as such, in these Provinces and in Bengal, is that, in the latter, the persons with whom Government entered into engagements at the permanent settlement were recognised as absolutely and exclusively the proprietors, although they were very often in reality only sharers or part proprietors in their estates.\* In these Provinces the errors in the recognition of proprietorship that were committed in the early settlements have been held liable to amendment; and subsequent detailed investigations, under judicial powers conferred for the purpose, have ascertained and fixed the proprietary right in those individuals who, by the prescriptive exercise of proprietary functions, were entitled to be so recorded.

3. The errors committed in Bengal were, however, by no means errors necessarily inherent in a perpetual settlement of the land revenue. The revenue demand might have been declared perpetual, without making the Government to guarantee proprietary titles according to a faulty and deficient registration. The two operations in a settlement, viz., assessment of the demand and record of proprietary and other rights, are ordinarily performed together, but they are essentially independent of one another.† The perpetuity of the demand was not therefore, in itself, a reason why the errors of proprietary registration in Bengal should not have been amended by subsequent measures, nor is it any defect in the proprietary titles in these Provinces, that they have been ascertained and recorded prior to a permanent settlement.

4. It is clear, then, that in these Provinces, as the rights of property have been carefully ascertained and recorded, the title thus secured is quite as fixed and permanent as any title in Bengal, with the additional advantage of being the rightful title, that is to say, a title in close accordance with prescriptive possession.

5. Whatever benefits, therefore, a permanent settlement may bring with it, security and perpetuity of title must be left out of the account; and it does not appear in what respect "the tenure of land" in these Provinces could be improved by any fresh "Legislative sanction,"

\* "In Bengal, Behar, and Orissa, the permanent settlement effected a great revolution in the state of landed property. It very extensively deprived the village communities and inferior holders of their rights, and created new and absolute rights of property in behalf of persons who had previously possessed only a limited interest on the produce of the land."—*Directions to Collectors*, paragraph 91.

† "The early settlements in these Provinces were made very much as those in Bengal, without minute inquiry into the extent or capabilities of the several estates, or into the nature of the rights possessed by the persons with whom the settlements were made. Since then, under the provisions of Regulations VII. of 1822, and IX. of 1833, a minute inquiry has been made into every circumstance connected with landed property; and a complete record has been compiled of every fact so far as it could be ascertained."—*Idem*, paragraph 152.

† "There are evidently two distinct operations in the formations of a settlement. The one is fiscal, the determination of the Government demand; the other is judicial, the formation of the record of rights. Ordinarily the two operations are performed at the same time, and there are many reasons which render such an arrangement very desirable. But if, from any cause, the judicial part was omitted when the fiscal was performed, there is no reason why the former should not be subsequently carried into execution, without disturbing what had been previously done towards the latter."—*Directions to Settlement Officers*, paragraph 2.

sanction," as appears to be contemplated by the Government of India,\* in the case of such districts as may be continued under temporary settlement.

6. I proceed, then, to consider the question of a permanent settlement on its own merits.

7. As the advantages of such a settlement have been very forcibly stated by the late Colonel Baird Smith, C.B., so the disadvantages have been ably argued by Mr. Keene, in a pamphlet† which I have just received from him, and which I place with this Minute.

8. *Disadvantages of a Permanent Settlement.*—They may be reduced to the following:

1st. The Government shuts itself out for ever from its legitimate share in the profits arising from the extended cultivation and increased productiveness of the soil.

2nd. It divests itself of the ability of re-adjusting its revenue according to the altered value which in the progress of time different localities often assume towards one another, or to the altered prices which, in the lapse of ages, may affect the produce of the whole country.

9. There is no question but that the stimulus to agriculture imparted by the protection of our Government and the security of long settlements would, even under the present system of periodical assessments, cause in the next 30 years (as they have caused in the past) a vast extension and improvement of agriculture. We have the example of Goruckpore in point. The incentive to exertion produced by a fixed assessment for 30 years has been so strong as to secure a prodigious reclamation of waste land, so large indeed that, even at the lowered standard of present assessment, in that single district an increase of some eight lakhs of rupees, or about 40 per cent., on the former demand is expected under the settlement now in progress. The Government, as part landlord, is entitled to its share in this increase. Property in the temporarily settled districts exists (it is argued) with this as an essential condition of its existence. To confer the exclusive advantages to be derived from its share in the increased assets on any set of proprietors, is simply to enhance the value of their property by alienating a profitable right of Government, without any equivalent, and at the expense of the other portions of the community, on whom will fall the burden of making good the prospective loss thus created.

Increase of revenue from future extension of agriculture relinquished.

10. The same argument applies with still greater force, as has been shown by Colonel Baird Smith, to those tracts of country where the increase of the cultivated area, and of the value of the produce, is the effect of Government works of irrigation. Here the increase is the result of expenditure of capital, not by the proprietor, but by the Government, or in other words by the community at large; and the Government title to share in the increased profits is thus doubly stronger than in the case before supposed.

Especially in case of Government irrigation works.

11. Farther, in the lapse of time, vicissitudes take place. One portion of the country under the influence of new lines and facilities of traffic becomes prosperous, another by the desertion of old routes and modes of communication sinks in the national scale. The latter cannot now bear the revenue demand, which it formerly discharged with ease; the former has a surplus of profit greatly disproportionate to the standard at which its settlement was framed. The adaptive character of our present system enables us here to balance periodically the burdens of the State. Those who have prospered through the force of circumstances are assessed (according to the known and essential conditions of their tenure) at a moderate proportion of their increased profits, and from the same source the Government is enabled to remit a suitable proportion of the heavy assessments which may be bearing down the less fortunate tracts. Where the assessment is perpetually fixed, it will be impossible to afford the relief which such vicissitudes render imperative without a clear loss to the Government. Instead of periodical equalisation of uneven assessment, there will be the hazard of remissions being required with no fund of equivalent increase from which to meet them.

Power given up of re-adjusting the revenue to fluctuations of agricultural condition.

12. This is a point Mr. Keene has laid much stress upon as an argument for *postponing* the permanent settlement in these parts, for he says that we are in a state of transition, and that, when new lines of traffic, new emporia of trade, and new systems of irrigation, have declared themselves, "we may then admit that the time has come for a permanent settlement." But it appears to me that this argument, if pressed to its legitimate limit, would defer to so indefinite a future the whole question as to be virtually a negative of a permanent settlement altogether.

Preface, p. ii.

13. So also with the question of prices. It would be impossible at any future period to say that prices had reached a limit beyond which they will not rise. In certain quarters, indeed, such as Jubbulpore, which are at present far removed from any general market, it may

\* Paragraph 3, Government Order No. 2033, dated 7th October.

† "The Indian cotton question stated, with especial reference to the tracts situated between the Rivers Ganges and Jumna, by a district officer."



may be a question whether the demand should be made perpetual until the effect of the opening of the new communications now under construction has fully told upon the prices of its agricultural produce. But in respect of the greater portion of these Provinces, it may be doubted whether the tendency will not be rather in the opposite direction; for districts at present remote will, by the extension of railways, be brought into nearer competition with its markets, and the effect will be to lower prices. So far, then, as this argument likewise is concerned, its legitimate conclusion is not so much to postpone a permanent settlement as practically to reject it.

Possible fall in the value of silver.

14. The only remaining point for consideration is one which may be thought too recondite and theoretical for any practical weight. But the Government, before it irrevocably commits itself, is bound to keep in its view all the contingencies and possible future effects, however remote, of a step which will affect so large a portion of its existing revenues. It is quite possible, then, that silver may in a future age greatly fall in value.\* The prices of all other commodities would correspondingly rise, and the expenses of Government, both in its general expenditure and in the salaries of all its *employés*, would be increased in a similar proportion. Meanwhile, the income derived from the land revenue would remain stationary; or, rather, it would suffer an actual deterioration, measured by the fall in the value of the metal in which it is paid. Supposing the fall of value to be one-fourth, then, for every 100 rupees of revenue as originally fixed, Government would receive the value of only 75 rupees. The effect would be the same as if the proportion of profit assigned to proprietors were increased 25 per cent., or if the proportion of produce representing the share of Government were decreased by that amount. So far as the discharge of liabilities arising from the existing Government debt is concerned, there would be no inconvenience, as these, being contracted in the same currency, would suffer an equal depreciation. But in other respects any great revolution of the kind contemplated might prove embarrassing to the Government of the day.

15. Under the principle of temporary settlements, it would be always in the power of Government to re-adjust its demand, either by the addition of a per-centage corresponding to the altered value of the currency or otherwise. How far the advantage of being able to exercise this power would warrant any practical action will be further considered below.

16. *Advantages of a Permanent Settlement.*—I pass on now from the objections against a permanent settlement to the advantages which it offers.

Expense of periodical re-settlement saved.

17. *First*, as respects the directly financial results, there would be the saving of the very material expense incurred by the Government in the periodical revision of its demand. To enforce any satisfactory equalisation of the assessment, a detailed field measurement from time to time becomes necessary; and this process is especially required in all those tracts in which it is contemplated to assert the right of Government to an enhanced revenue based on the extension of agriculture. This operation, and the measures attendant on it, cannot be carried on without considerable expenditure of the public money. In the present year it is estimated that between four and five lakhs of rupees will be spent by Government on this object, and an equal, if not greater, amount will probably be required for many years to come, before the 30 years' settlement now expiring shall have been revised.

18. A permanent settlement once introduced, would free the Government for ever from this expenditure; and the saving may be taken, so far as it goes, as a set-off against the potential increase of revenue under the present system which will be abandoned.

Zemindars and ryots saved from the exactions incident to a re-settlement.

19. In a similar manner, the people themselves will be saved from the expenses, exaction, and oppression to which at every re-settlement they are liable. I cannot regard this a light advantage. Let our settlement officers be never so active and vigilant, the subordinate agency at their disposal is, like all other native agency, generally speaking, venal and corrupt. They have opportunities of misrepresentation to injure the zemindars and ryots, and to favour one party or class at the expense of another; and they are not slow to turn their opportunities to account. Their time is short, and they make the most of it. This species of tyranny is, I believe, in no case wholly absent; and in most settlements falls heavily on the people. It would be totally swept away by permanent assessment to the great relief of all classes.

Disadvantage from want of periodical survey and record of rights.

20. It may be urged, on the other hand, that the present advantage of a periodical detailed survey, and the ascertainment and record of all landed rights as they stand, will be lost to the inconvenience of the people and the detriment of the public administration. The outlines of possession are liable to alter greatly in the course of 30 years: the limits of cultivation vary, and changes occur in the distribution of property and of the rights of occupancy. Without a new field-measurement, no full and complete registration of these can

\* "Nobody can say that some day silver may not also undergo a great fall, brought about by a production which should be distinguished by the two following characteristics of being much greater in comparison, with the employments to which it had hitherto been applied, and of being produced under more favourable circumstances, that is, at less cost per kilogramme for the metal obtained. There are strong reasons for thinking that, if the United States annexed Mexico, and penetrated further into the regions of Central America, this event would not be of tardy accomplishment, under the auspices of a race so industrious and so enterprising as the Anglo-Saxons. . . . Nevertheless, full of silver is an event to be anticipated, an event even probable at no very distant date."—*Chevalier, on the fall of Gold*, p. 128.

can be compiled; the rapid variations arising in the lapse of time soon leave the old record behind; it no longer corresponds with existing facts, and becoming obsolete loses its value. That some benefits of convenience and usefulness may be thus given up is possible; but the loss, whatever it may be, can in some degree be repaired by requiring of the Putwarees that their annual record shall keep pace with the changes of the year. And if care be taken at the final settlement (which I presume will precede any measure of perpetuity) to make the survey and record of occupancy and rights very complete, I do not see why these documents should not be kept up in a manner sufficiently perfect for all practical purposes. But giving the objection its utmost weight, it will go but a short way to counterbalance even the minor advantages of a permanent settlement referred to in the previous paragraph.

21. Looking now to the benefits which may be anticipated in the improvement of property, I notice first the periodical check which the prosperity of the country receives under the present system whenever a settlement approaches near its termination. As the assessment of the coming settlement is to be fixed in reference to the extent of cultivated area and value of the produce, it is the natural object of every proprietor to make these appear as small as possible. Hence not only is the expenditure of capital on new improvements stayed, but the state of existing prosperity is actually depreciated. The proprietor refrains from cultivating the usual breadth of crop; he narrows the area of land under irrigation; he postpones the sowing of valuable staples. It is quite natural that he should do so. The present sacrifice will be amply made up, if even a small diminution of the Government demand is thereby obtained. Penalties are threatened for such procedure; but so long as human nature is what it is, penalties will be fruitless, and every fresh settlement upon existing assets will tend to this result.

Permanent settlement will remove the check to agricultural improvement occurring towards the close of a settlement.

22. Leaving out of view the few last years of a temporary settlement, it must be admitted that the effect of a determination of the assessment for 20 or 30 years has been found eminently beneficial in insuring improvement. Colonel Baird Smith's Report bears ample testimony that it is so; almost every district in these provinces is an unequivocal witness to the same truth. The security of a long settlement stimulates industry and encourages the expenditure of capital, for the profits of the period are certain to replace the capital, and to yield a handsome return besides. But it is also certain that the inducements to investing capital in the improvement of the land would in most cases be very greatly strengthened by fixing the demand in perpetuity. When any large disbursement is now contemplated, it is perfectly natural for the proprietor to hesitate. He will reflect whether it is, after all, worth his while to sink 1,000 rupees, say in a well, which shall add 200 rupees to his rental, seeing that in consequence of this increased profit, he may be sure that at the next settlement 100 rupees will be added to the assessment of his estate. Had the settlement been permanent, there would in such a case have been no doubt about the matter; where the settlement is temporary, the project is in all likelihood cast aside.

Permanency of settlement will encourage investment of capital.

23. The inexpediency (if not, under some circumstances, injustice) of such a course has not escaped notice. The late Court of Directors ruled\* that a liberal consideration was to be given for all improvements effected at the expense of the occupant, especially recent improvements, "with regard to which he has reaped the advantage only for a short period." The 37th Rule for re-settlement, issued in 1854, contains a still stronger injunction to make allowance for the expenditure of capital, and to assess a correspondingly moderate jumma.† But it is evident that the principle prescribed by the late honourable Court is of too vague a character to effect any certain results; and even the rule issued by the Board must prove practically inoperative so far as security to the landlord is concerned. It would be a matter not of exact calculation, but of mere speculation, what portion of increased productiveness was attributable to the investment of capital; and generally the assessment of an estate is affected by so many considerations, and depends so greatly on the *opinion* of the settlement officer, that the rule, as a ground of confidence in the future, could afford to proprietors no practical satisfaction, and is not calculated to diminish that uncertainty of reaping the full results of labour and capital which is the bane of all temporary settlements.

Investment of capital discouraged under the present system.

24. Some parts of the country, as those regions in Bundelcund which are incapable of irrigation, may be less affected by this consideration than others; but even there advances must be expended for the settlement of new cultivators, the digging of wells for drinking water, the provision of seed, and other conditions necessary for founding fresh hamlets and extending cultivation. There is probably no part of these Provinces in which the impulse imparted by a permanent settlement would not be felt, where investment of capital would not be materially quickened.

25. It is true that great allowance must be made for the habits of the people. Motives

of settlement will tell on the native community.

\* Despatch, dated 13th August 1851.—This laid down that "although settlements must be formed with reference to the value of the land at the time," still a liberal consideration was to be "given for the improvements attributable only to the efforts of the tenant himself, and especially with regard to such as are of a comparatively recent date, and with regard to which he has reaped the advantage only for a short period under the old settlement."

† "In villages the cultivation of which has been much extended since the settlement by the breaking up of new land or the per-centage of irrigation increased by the sinking of new wells or other improvements, the expenditure of capital must be allowed and a moderate jumma assessed."—Rule 37.

of this kind will have their full and legitimate influence upon European settlers; but the natives of India are disposed "to leave well alone," and to keep to the old ruts which the usage of ages has sanctioned. Accordingly we do not find such great difference in the progress of the four permanently settled districts in these Provinces as we might have looked for, although the inducements to invest capital from the limitation in perpetuity of the Government demand have been for more than half a century in full force there. Nevertheless, even if we take into our account the prescriptive indifference and immobility of the national character when ordinary motives are concerned, it would still be against reason, and against the experience of other parts of the country, to hold that so vital a change as the fixing for ever of the present shifting assessment should not produce the most important results.

Increased value of land caused by permanency of the assessment.

26. For it is not doubted that the value of property would be vastly increased by such a measure. Nasir Ally Khan Bahadoor (who, being a resident of Jounpore, is a good authority on the subject) assures me that an estate would sell in a permanently settled district at from two to three times the value it would fetch, though in every other respect similar, if under temporary settlement.\* Where the superior value of a permanently settled estate is so decidedly recognised by the people themselves, it is against all analogy to suppose that the disposition to invest capital in its improvement will not likewise exist in a corresponding degree. Therefore I do not doubt that a great and accelerated improvement of property would result from a permanent settlement of the revenue.

Political benefit of contentment.

27. The political benefits, moreover, to be looked for from the measure are not small. A degree of contentment and satisfaction will be diffused over the land which it is not easy to estimate.

28. Opinions, indeed, on this head have been sometimes expressed in extravagant terms. The comparative immunity of Bengal from revolt in 1857-58 has by some been attributed in part to this cause. Experience refutes the conjecture. In these provinces, the quarter in which the people continued longest and most persistently to oppose our Government, was that of Ghazee-pore, a permanently settled district. The truth is, that the inducements to revolt were, to a great extent, local in their character; they were brought to bear in their full strength on hardly any part of Bengal; but where they were brought to bear, as in the case of Shahabad, the permanent settlement was as powerless to hold them in check as the temporary settlement.

29. But though by no means inclined to attribute any such magical effect to a settlement in perpetuity of the land revenue, I am well assured that the measure would be hailed with intense satisfaction by the landholders in these provinces. I was not aware till lately how strong is the popular feeling on the subject. Indeed, it is only of late that the attention of the landholders has (I suppose in consequence of its discussion during the last two or three years in the public prints) been recalled to it as a measure at all likely to be introduced. But (in the Lower Doab at least) they have quickly become accustomed to the idea, and are prepared to welcome the boon whenever it may be conceded.

Recapitulation of benefits.

30. To resume: the benefits to be expected from a permanent settlement are—

- 1st. Saving of the expenditure now occasioned by the necessity of periodical assessment.
- 2nd. Deliverance of the people from the vexations prevalent at every re-settlement.
- 3rd. Freedom from the tendency to depreciation of property towards the close of each temporary settlement.
- 4th. Prosperity arising from increased incentive to improvement and expenditure of capital.
- 5th. Greatly increased value of landed property.
- 6th. Content and satisfaction among the people.

Saving of Revenue Establishments.

31. To these it has been suggested to add the saving to Government from the decrease of expenditure in the subordinate establishment required to collect the revenue. The revenue will certainly be realised with greater ease; yet I doubt if much direct saving of salaries can be anticipated from this cause. The Tehseeldar and his staff will have more time to devote to their judicial and other duties. Indirectly also, savings in the higher branches of the service may be facilitated by the measure. For example, when the settlements, preliminary

\* I give the following rates from him as those which are notoriously current:—

The calculation is based on the average net surplus profits remaining after the Government demand and all other expenses have been paid.

Under temporary settlement, a property yielding 12 annas per mensem of such profit, that is, nine rupees per annum, would fetch 100 rupees; or a little above 11 years' purchase. Where the permanent settlement prevails, the same price would be given for a property yielding four, five, or six annas per mensem, that is, three rupees, Rs. 3. 12., or Rs. 4. 8. per annum; being at the rate of from 22 to 33 years' purchase. (It is remarkable that the greater the proportion of surplus profit to the assessment, the higher the market rate per cent.)

Ahmud Buksh, an intelligent landholder of Futteh-pore, confirms this statement, and adds from his experience as Vakeel in the Sudder Court, that there is a corresponding superiority in the value attached even to a *cultivating tenure* in the permanently settled districts.

liminary to the act of perpetuity have all been completed, a single officer may probably suffice to conduct the duties of this Board.

32. Let us now revert to the objections brought against a permanent settlement, and see how they stand in comparison with the advantages.

Advantages of a permanent settlement weighed against the disadvantages.

33. First.—The net surplus of revenue to be looked for at each revision from the growing prosperity of the country, after adjusting all necessary fluctuations, is abandoned for ever. I do not estimate the prospective revenue which will be sacrificed from this cause at any very large figure. The opinion of our Board in the Administration Report for 1859-60, that the amount of land revenue is not likely to vary to any great degree from its present amount, is, I believe, correct.\*

34. This estimate, however, was formed on the supposition that the Government would retain the power of periodical re-adjustment, and would be able to reimburse itself for reductions arising from calamity and deterioration, by levying an increase where it was justified by increase of assets. The calculation will of course be affected by the relinquishment of that power. Any variations which may become necessary under a perpetual assessment will be only on the side of reduction.

35. But neither do I calculate reductions from this cause at any very serious amount, if the precaution be taken (which I will endeavour to show below is necessary) of a careful revision of the existing settlement before it is declared to be perpetual.

36. The special cause of increased productiveness arising from Government works of irrigation I reserve for further consideration.

37. There remains the contingency of a future fall in the value of silver. This contingency might be met, as well as other objections above urged (according to some authorities) by a very long settlement, say, 50, or even 100 years, which would secure many of the benefits of perpetuity, and yet leave the Government free to assert its rights, should it deem it expedient in a future generation; or a legislative enactment might reserve and except the contingency of the fall of silver from the guarantee of perpetuity. The merits of such expedients will be treated of in a future part of this paper. Supposing, however, that no such expedients are found to be feasible, I do not think that the remote risk contemplated from this cause can be allowed to weigh against the immediate benefits to be expected from a permanent assessment.

38. Although no increase of income from the *land tax* will for the future be possible, yet other branches of the revenue will not fail eventually to share largely in the benefits flowing from the accelerated progress and increased prosperity of the country. This is a sufficient reply to the objection that "those who call upon the Government of India to forego the power of raising, without oppression, an elastic description of revenue, are bound to indicate the sources whence it could be made good."† It must be remembered that *no present loss* of revenue is incurred (that is, if a careful revision precede the measure); the loss is one which, it is apprehended, will happen some 30 or 40 years hence. But by that time we may fairly look for a far greater enhancement of the revenue from the indirect return caused by the vastly improved resources of the country than could have been obtained from the taxation of a portion of the increased rental anticipated from the extension of agriculture.

Relinquishment of prospective enhancement of the land revenue will be compensated in direct returns from increased prosperity. Pamphlet before quoted, page 27.

39. Allowing, then, the widest scope and fullest consideration to all the objections which can be urged against departing from the established system of temporary settlements, the advantages of a settlement in perpetuity appear to me vastly to outweigh them all, and I most decidedly advocate the measure.

40. So much for the general question; I pass on to notice several special points which will require consideration, supposing that the Government decides in favour of a permanent settlement. These relate—

Details involved in carrying out the measure.

- 1st. To the time when the measure should be introduced.
- 2nd. The manner of its introduction.
- 3rd. Whether there should be any, and what exceptions.
- 4th. Whether any special arrangement is called for in the case of irrigation from Government canals.

41. The sooner a measure of such beneficial tendency is carried out the better, *with due advertence to the moderation and uniformity of the assessment to be thus irrevocably fixed.*

I.—Time when it should be introduced. Any

\* After referring to several instances of extensive reduction on the one hand, and of large enhancement in Goruckpore on the other, we wrote:—"In the re-settlements of Seharunpore and Boolundshuhur it is probable that the net result will be a small gain to the Government, but in many of the districts which in a few years will become open to revision, it is likely that the application of the liberal rule of settlement at half the assets will, to some considerable extent, affect the revenue. Against this, however, may be placed the general tendency of the revenue to advance from the lapse of *maafee* tenures and the settlement of confiscated *jagheers*. Upon the whole, then, it is not expected that the land revenue of these provinces will materially vary from its present amount."—*Revenue Administration Report for 1859-60*, paragraph 20.

† It is to be observed that the benefit to the revenue from lapse of rent-free tenures would not of course be affected by a permanent settlement.

Any hasty or premature determination, which should stereotype existing inequalities, would injure the interests of the people as well as of the Government. Almost fabulous tales of extreme variation in the pressure of the perpetual assessment of Bengal reach these provinces; and that not arising so much from subsequent improvement, as from original inequality; a rental of several thousands of rupees is said sometimes to yield to Government but 10 or 20. On the other hand, there are not wanting instances of excessive severity and of revenue sales as the consequence. We have in our own permanently assessed districts not infrequent examples both of undue pressure and of inordinate profit. To relieve the former the Government is occasionally put to some loss. There have also been cases where from the unequal distribution of an otherwise just demand on the component parts of a joint property, similar results have occurred.

42. Now, although we had advantages in the settlement under Regulation IX. of 1833, which Bengal had not, and the assessments were framed with an approach to uniformity, yet that object was often very imperfectly gained; and we have now opportunities far superior to what then existed for making an equable assessment.

43. Further, the development of resources in various degrees caused by the long limitation of demand, during the currency of the settlement now expiring, has occasioned diversities of condition and pressure, even in assessments originally tolerably uniform. These have been often due as much to natural advantages as to increased industry. It is no departure from the principles above advocated to say that such improvements, having occurred under a settlement avowedly temporary, should be taken into account in fixing the perpetual assessment.

II.—Permanent settlement should be preceded by a careful revision.

44. The permanent settlement will give far greater satisfaction to the people generally if it is preceded by a careful revision, and all are allowed a fair start together in the race of future improvement. Such is the opinion of all the native gentlemen whom I have consulted. They deprecate any hasty process by which present inequalities should be stereotyped as unjust and inexpedient.

45. Any premature measure of this kind would further involve the Government in considerable loss. There are quarters where it is well known that the Government revenue presses too heavily; and we are only waiting for their turn of re-settlement to grant in them the necessary relief. In the course of re-settlement this will be done probably without any loss, upon the whole result, to the Government; otherwise an unnecessary defalcation is sure to arise.

46. The perpetual settlement then should be introduced into each district, so soon as a careful revision can be effected. The work of re-settlement is already going rapidly forward. In one district it may be said to have been completed, and in three others it is in progress. The other settlements can be taken up in the order of their falling in.\* The latest term extends to 1874, and the interval will not be too long for a careful revision. But there would be no objection to commence work in anticipation of the expiration of any existing settlement, provided a sufficient number of qualified officers are available.

47. It appears to me that every previous effort should be redoubled for securing a strictly equal and impartial assessment, seeing that any inequalities which may be now admitted will soon be beyond our reach to remedy. Especially the *European* staff for settlement purposes should be advanced to its utmost possible strength: so that as little temptation may be left as practicable to native officials for corruption. The inducements offered to secure favour in a settlement known as about to be a perpetual one, will be immense, and it is not in the generality of native officials to resist such inducements.

48. Extraordinary arrangements if calculated to secure this object, ought not, therefore, to be rejected simply because they are irregular or expensive. An officer, for example, whose standing entitles him to the position of a judge, and whom it might be otherwise desirable to employ in the settlement of a district, should be so employed, notwithstanding the extra expense necessary to provide him with suitable emoluments. Any amount of expense will prove a real saving in proportion to the accuracy thereby obtained in the perpetual assessment.

49. Although there is no district in these provinces to which the permanent settlement should in my opinion be applied without revision, yet there is at least one in which the revision of survey and record has been so successfully carried on by means of the Putwarees and others, that the materials are, I believe, almost at hand for the revision of settlement: I allude to the district of Meerut, where probably the necessity for a new survey will not be found to exist.

50. Another advantage in the course proposed is, that in this final re-settlement, a careful field

* DISTRICT.	Date on which Settlement under Regulation IX. of 1833 expires.
Seharunpore - - -	July 1857 (new settlement nearly completed).
Boolundshahur - - -	" 1859
Goruckpore - - -	" 1859
Mozuffernuggur - - -	" 1861
Meerut - - -	" 1865
Furruckabad - - -	" 1865
Budaon - - -	" 1866
Bijnore - - -	" 1866
Azimghur - - -	" 1867
Bareilly - - -	" 1867
hahjehaup ore - - -	" 1868
Allyghur - - -	" 1868
Allahabad - - -	" 1869
Mynpoory - - -	" 1870
Cawnpore - - -	" 1870
Futtehpore - - -	" 1870
Etawah - - -	" 1871
Muttra - - -	" 1871
Moradabad - - -	" 1872
Agra - - -	" 1872
Humeerpore - - -	" 1872
Banda - - -	" 1874

field survey, and revised record of occupancy and rights, will be prepared in accordance with the existing *status* of property and possession. The extensive destruction of former records in 1857-58 renders this in many quarters a step that is almost indispensable; and these records, now revised and placed once for all on a satisfactory basis, will form the foundation of the record of changes to be kept up by the Putwaree in accordance with the facts of the day.

51. I now come to consider whether there are any parts of the country so exceptionally situated, as to render it questionable whether they are yet ripe for a permanent settlement.

III.—Whether the measure should be postponed in any parts of the country.

52. It has been doubted by several intelligent native gentlemen to whom I have spoken whether the tracts on the right bank of the Jumna, and below its junction with the Scinde, are of a character which will be much benefited by a permanent settlement. The soil in general is of a character upon which irrigation cannot be brought to bear; there is no opening to proprietors to expend capital on the construction of wells for that purpose. The region is also dependent on the periodical rains, and these again are so liable to fail that it is difficult for any length of time to maintain an uniform assessment. Where estates break down, the elastic nature of the present system enables you to diminish the revenue, and when it has regained a prosperous condition again to assert the legitimate demand of the State. The same may be said of the singular deterioration caused by the *hans* root, which, once allowed place, runs its course; for years paralysing the efforts of the cultivator. If the assessment be made permanent, it is alleged, every vicissitude of this kind will lower the demand, and the Government revenue will dwindle down to a serious extent.

53. First, as regards the last-mentioned danger; it can to a great measure be averted by allowing remission of revenue for a term of years in estates visited by calamities of season or otherwise. The jumma of the permanent settlement would be borne on the rent roll, to be again re-imposed when the effect of the visitation had passed away. If the original assessment be fair, and equally distributed, no serious loss to Government need be apprehended under such a system.

54. Next, as regards the expenditure of capital. It is true that the same field does not at present exist in these quarters for the construction of expensive works as in the Cis-Jumna Districts. But still there are not wanting important objects on which capital can be expended; from the expenditure of which capital, it may be presumed, the temporary nature of the present settlement tends to hold the proprietors back. The estates in Bundelcund have very extensive areas, and but few villages located in them. Tillage is ordinarily confined to the vicinity of a village; and in order to found new hamlets and thus increase cultivation, wells have to be sunk; for no drinking water is during the greater part of the year otherwise to be procured. This of course involves a heavy outlay over and above the ordinary expenses of settling new cultivators, and advancing them money for seed, bullocks, &c., and funds for their own subsistence. I have no doubt that necessities of a corresponding character will be found to exist in almost every quarter; and that substantial advantage will accrue from the knowledge that the fruits of increased industry and disbursement will be reaped exclusively, and for ever, by the proprietor.

55. The same remarks apply to the southern pergunnahs of this district (Allahabad), in which the proprietors are, according to Nasir Ally Khan, so ignorant and indifferent that they will not appreciate, even if they could comprehend, the value of the concession. But this may be doubted. There is no surer means than self-interest to call forth the energies of even such rudimental classes, and to elevate them from their present low and backward condition.

56. It may further be remarked that the chief cotton-producing tracts lie on the right bank of the Jumna, and I should be loth to see them excluded from the benefits of the measure even if the objections were stronger than I rate them.

57. The only localities in these provinces which may reasonably be excepted, are those in which the progress of reclamation is so backward that only a small portion of large areas has been brought under tillage. For example, some parts of the new Terai zillah, and of the other districts which border on the hills, are not in a sufficient state of forwardness to warrant a final declaration of a perpetual demand. This principle is admitted in Regulation IX. of 1805, which held out to these provinces the prospect of a permanent settlement. The measure was to be limited to "such lands as shall be in a state of cultivation sufficiently advanced to render it proper to fix the assessment on the same in perpetuity." The permanent settlement would, however, in such case be only postponed. The circumstances of each tract should be decided upon separately on its own merits.

Sections VII. and XXIV., Regulation IX. of 1805.

58. I am doubtful likewise, whether the Jubbulpore division and Chundeyree, and perhaps parts of Jhansie, may not also fall under the same category. In the first-named division the proprietary title has hitherto been declared vested exclusively in Government, and the occupants have been held to be only farmers. The proprietary right is now about to be recognised. Moreover, the revenue arrangements there have never been in a satisfactory state; there are large tracts of land lying waste; and the region is emphatically in a transition state. The opening of the Bombay Railway will at once raise prices to an enormous

enormous extent. And altogether it may be prudent to see the effect of the new settlement for some years before finally fixing it for ever. The point is one on which further discussion may throw new light, and I am unwilling at present to express a decided opinion on it.

Case of maafee and other privileged proprietors.

59. The assessment of maafee estates, and those held under a partial exemption from the demand of revenue, will, of course, not be fixed, so long as the privileged title under which they are held does not lapse. There would be no advantage in settling a prospective assessment in perpetuity upon them; any general instruction to do so would probably raise the suspicion that some new measure of resumption was contemplated. The only exception would be where the privileged holder is also the recognised proprietor, and where he might of his own accord apply for the declaration of a permanent assessment. Here it might be done.

60. Where the proprietary title of a maafee estate is vested in any other party than the maafeedar (who in such case is the mere representative of Government and entitled to receive no more than it would have received), and a settlement is made with the proprietors fixing the revenue demandable by the maafeedar, such revenue should be treated in the same basis as Government revenue and settled in perpetuity. So likewise with subordinate properties held on an independent footing, even though the revenue demand is paid not direct to Government, but through the channel of the zemindars. In Talookdaree estates, likewise, of which a sub-settlement may have been made with the "inferior proprietors," and that arrangement is now maintained, it would be competent to the Government to fix the assessment to be paid by the subordinate holders in perpetuity.

IV.—Irrigation from canals.

61. The last subject to be considered is that of irrigation from Government canals. The facts and the difficulties involved by them in relation to a perpetual assessment have been fully and impartially stated by Colonel Baird Smith, C. B.

Title of Government to share in the increased productiveness caused by them.

62. The benefits derivable from canal irrigation vary according to the capacity and antecedents of the land affected. Where canal irrigation becomes a mere substitute in land previously irrigated by wells, the benefit may be rated at little or nothing; where lands already under dry crop are watered from the canal, the produce is vastly enhanced: where waste lands, which could not otherwise have been brought profitably under cultivation, are rendered fruitful, the gain is equal to the entire net rent of such lands.\* The water-

\* This subject has been treated in detail in the Board's address to Government, dated the 14th of February last, from which I extract the following paragraphs:—

5. "It is necessary to inquire in what degree, assets will be improved by the introduction of canal irrigation, and the loss to Government, if no arrangement be made for the State sharing in the increased returns.

6. "There will be three classes of lands, each affected in a different degree.

7. "First, lands already irrigated from wells, wheels or natural streams, but which may hereafter be made available for canal irrigation. Here the benefit would consist simply in the substitution of an easier and cheaper mode of procuring the water and conducting it to the fields, for a more expensive and difficult mode. The general belief of the people (shared in generally by district officers) is that fields irrigated from wells yield an appreciably heavier and better crop than those irrigated with canal water; and this apart from the liability of the ground, especially near the head of a Rajbuha, to become covered with the silt which is borne down and deposited by the canal water. Supposing this were admitted, there is still the advantage to the cultivator of a less expensive process which diminishes the cost of cultivation, and leaves, therefore, a larger surplus of net profit. The benefit would secure some clear balance of advantage in favour of the canal irrigation. Yet the benefit would not be felt fully at the first; because, in such cases, the cultivator is already provided with cattle and all the gear, &c., necessary for his wells; and being moreover, accustomed from long habit to irrigate from them, it would take some time for the new system to supplant the old one.

8. "On the whole the benefit in respect of this class of lands would not be so sensible or so immediate as to justify the introduction of canal water being made the ground of any increased demands during the currency of a settlement. The case would be fully met by the demand from the Canal Department of the ordinary water-rates whenever the canal water began to come into use.

9. "Secondly, where cultivated lands not previously irrigated are brought within range of canal channels, the benefits would be large and important. Instead of being dependent on the precarious rain of Heaven, the Kurreef crops, as well as the Rubbee harvest, would be rendered secure and certain. The Rubbee crops would gain beyond all comparison in heaviness and value. Where only the inferior cereals are now produced, the higher kinds of crops would be cultivated. In many places sugar-cane, rice, &c., would be introduced. The value of the assets from land so situated, after payment of all canal expenses, would at the least be doubled, and often greatly more than doubled.

10. "Thirdly, but canal water would not simply be available for lands already under cultivation. It may confidently be expected that large tracts of arable lands which either cannot at present be cultivated at all, without artificial irrigation, or which could not be cultivated at any profit, would be brought under the plough, and would yield rich and remunerative crops. Here the increase of produce, after payment of the moderate canal costs, and the ordinary costs of cultivation, would be all clear again.

11. "Taking now the case of villages containing lands of the second and third classes, it is evident that in both there would be a large addition to the profits of the zemindar. In the second class of lands, it would arise from the increased rent of fields already under cultivation. In the third it would consist of the entire rent of the area newly brought under tillage. If such increase were in any measure attributable to the expenditure of labour and capital on the part of the agriculturists themselves, it would be reasonable that they should enjoy the enhancement of income arising therefrom. But it is not so. The advantage is gained purely by the construction of a public work at the cost of the State. It no more arises from the exertions of the proprietor than increased profits from the accession of alluvial lands. A village which profits by alluvial addition is held to be open to revision of jumma during the currency of settlement and to a corresponding increase in the Government demand; and there is no greater reason of immunity where the increase of assets arises from a cause just as much beyond the control of the owner. The benefit is equally clear, equally great, equally gratuitous."

Various degrees of benefit from canal irrigation.

I.—In respect of lands already subject to irrigation.

II.—In reference to lands heretofore unirrigated.

III.—In reference to new lands brought under cultivation.

Second and third classes fairly open to increased revenue demand.

water-rate paid to the Canal Department is an uniform rate, and is necessarily very low, being calculated to meet the first of the above cases where the smallest degree of benefit is derived from the canal. In the two latter cases the water-rate is altogether inadequate.

63. Now, it is evident that where large areas already under dry cultivation are by canal irrigation rendered doubly profitable, the State is entitled to share in the increased profits produced by its own capital. Much more is it so in the case of lands, which otherwise could not be cultivated at all at a profit, but which may hereafter be rendered fertile by the construction of a canal cut. The profits are in no sense, or in a very limited sense, the result of expenditure of capital by the proprietor. It is the capital of community which has produced these results; and the community at large, that is the State, is entitled to its share in the profits. The levy of the present uniform water-rate is a very partial and inadequate assertion of this title.

64. The right of Government under the existing system is jealously guarded, not only for the interest of the Exchequer generally, but also because these profits are one cause by which the State is justified in extending its canal system, and a chief source from which it is enabled to do so. The right is easily asserted at each recurring settlement, because the State then comes in and assesses its revenue at the sum of half the rental of the estate, including that of the newly cultivated or improved lands. The benefits, then, reaped by Government from canals under the present system, consist *first*, of this periodical improvement of the land revenue; *second*, of the general security they afford to the revenue against famines; and *third*, of a light uniform water-rate calculated to give a moderate return of interest on the capital invested in the undertaking.

65. Of these benefits the *second* and *third* will remain unaffected by the new system. Is the *first* to be altogether abandoned?

66. "The idea of property," says Mr. Mill, "does not necessarily imply that there should be no rent, any more than that there should be no taxes. It merely implies that the rent should be a fixed charge, not liable to be raised against the possessor *by his own improvements, or by the will of a landlord;*" and, again, the same thing is described as "possession in perpetuity at a money rent either fixed or varying according to some rule which would leave to the tenant the whole benefit of his own exertions."

Political Economy,  
Ch. VII. Sec. I.  
Idem, Ch. VIII.  
Sec. 4.

67. If, then, any plan could be devised by which the Government should secure the portion of the profits due exclusively to the expenditure of its own capital, without by any possibility infringing on the fruits of the proprietor's labour and capital, the essential requirements of property would be maintained without affecting the financial interests of the State.

Expedients for  
enabling Govern-  
ment to maintain,  
under a permanent  
settlement, its title  
to share in the assets  
created by canals.

68. Various expedients have been proposed for attaining this object.

69. First (as before-mentioned in reference to the possible fall of silver), it has been suggested that a very long settlement might be allowed, of 50 or even 1,000 years, at the close of which the increase of profits due to this source might be carefully calculated, and the just proportion of the Government dues assessed thereon. But whatever benefits a long lease of this nature would bring, it would not be a settlement in perpetuity. In India, as elsewhere, there is a charm in the word "for ever," which is entirely broken if the term falls short of absolute perpetuity. Again, in what respect would it be possible to define the exact proportion of the profits attributable to the canal as distinct from those created by the capital and industry of the occupant? \* and even if it were possible, how should we convince the proprietors that such prospective demand would be confined to that share? Uncertainty and mistrust would take the place of those feelings of confidence and security which it is the grand object of a perpetual settlement to create and confirm.

I.—Long term  
settlements.

70. The same objections exist, even in a stronger form, to the proposal for a legal reservation to Government, in the act of perpetuity, of the right to assess its canal profits at any future period at which they may be fully developed. If any rule or procedure could have been settled, by which the power of Government to take the increased profits due strictly to the influence of its own capital and no more, could have been *defined* and *limited* in a satisfactory and absolute manner, then the idea of property as above explained might have been compatible with such a scheme. But I can conceive no such expedient. And even if such an expedient were possible, it would still be an impracticable task so to explain the reservation, that it should be fully and correctly understood by the people; for, if they failed fully to understand or implicitly to believe it, the effect would be equally injurious as if there had been no limitation at all. Where millions of ignorant persons are concerned,

II.—Reservation by  
law of its title.

\* On this subject I quote from a previous paper:—"When a new settlement comes to be made, how is it possible to indicate what portion of increased productiveness is attributable to the canal, or what portion of extended cultivation has been and would not equally have arisen from other causes? In Seharunpore the cultivation has increased prodigiously since the settlement of 1837; the increase is general and not confined to canal villages. Why should the Government adjust this assessment to the capacity of villages which have improved in the one case, and not in the other? In a canal village, for example, how can it be proved that a tract of fields brought under canal irrigation would not, to a great extent, if not equally, have been brought under well irrigation, as the country improved and capital increased, even had there been no canal in the district."—Note by Secretary to the Government of the North Western Provinces, dated the 29th October 1858, paragraph 19.



it is a matter of incalculable difficulty to communicate the exact bearing any stipulation or reservation; and it would involve even greater risk and difficulty to persuade the landholders that some latent pretext under which the Government would hereafter be enabled to neutralize the pledge of perpetuity, did not lie concealed under such a reservation. Thus suspicion and mistrust would be engendered, and the benefits of a perpetual settlement neutralized. I do not see that any such reservation is practicable.

III.—Deferment of perpetual settlement in tracts affected by canals.

71. Again, it has been proposed to except the tracts of country likely to be affected by canals from permanent settlement until the benefits of irrigation from them shall have reached, or nearly reached, their full development; the settlement would then be made at the enhanced scale of assets arising therefrom. Such is the condition of the country through which the Eastern Jumna Canal runs, and from the assessment of which the Government has derived its full share of the increased rental. But it will be many years before this state shall have been fully attained in the Ganges Canal; before the thousand subordinate channels of distribution shall have been completed and brought into use by the people. Meanwhile, the greater part of the Doab, a tract the best calculated perhaps in these provinces to appreciate the blessings of a permanent assessment, would be debarred for an indefinite period from their enjoyment. Besides, canals may hereafter be introduced into parts of the country under their already permanent settlement; so that the difficulty must be faced at some period; and another expedient than postponement must be provided.

IV.—Differential water-rates.

72. There is yet another way in which the interests of Government might in a partial degree be secured, viz., by the application of a differential water-rate. While we were anxiously considering last year whether the right of Government to share in the increased assets arising from new lines of irrigation could not be asserted even during the currency of a settlement, a scheme of this kind was suggested as a possible solution of the difficulty.\* Thus the charge for water applied to lands previously irrigated from wells or otherwise would be at a minimum rate; that for former dry cultivation, now irrigated, at a higher rate; that for waste lands newly brought under cultivation by canal water at the highest rate. But it appears to me that on the introduction of a permanent settlement, such a system could not be resorted to without a special reservation sanctioning it in the act of perpetuity. It might be said that the process would be nothing more than simply affixing a price to the water; and that in selling the water, the Irrigation Department has a right to affix any price they choose for their commodity. This would be true if the differential scale had reference to the increased cost of a cut, say to any particular locality, or, in short, to any other consideration but that of the varying *increased productiveness of the land itself*.

For

\* "The first plan (the levying of a varying water-rate) indeed would answer, were there any ready means of assessing a differential water-rate calculated on fixed and uniform principles with reference to the advantages gained from the use of canal water. Those advantages (as shown in paragraph 6 *et seq.* of my former letter) are very various in degree. In some cases where the means of well irrigation were previously available, the benefit may be very small; nay, in some cases, from deterioration of soil or other causes incident to the use of canal water, there may be a positive loss. On the other hand, unirrigated lands would benefit very largely, yet here also in greatly differing degrees; the increase of assets where the soil is suitable to sugar-cane and rice crops being beyond all comparison greater than in the case of lands suitable only for the growth of common crops. And the same may be said of lands hitherto uncultivated, but made capable of tillage from the presence of canals; this class of lands yielding of course the greatest amount of new profits. If no differential scale of water-rates be applicable to these various classes of soil, very great inequality of assessment, not to say in some cases unfairness if not positive injustice, would be the result.

5. Yet the Board, as at present advised do not see their way to any satisfactory system for a differential scale of water-rates, without inflicting as great a degree of uncertainty as would be occasioned by the plan they have proposed, possibly a greater degree. They freely admit that if any scheme for fixing a uniform scale of the above nature proportioned, however roughly, to the benefits derived by the several classes of soil, could be devised, it would be the most satisfactory settlement of the question. The land revenue would then remain unalterable for the whole term of settlement; and the Government would have its fair share in the increased produce by means of the water-rate."—*Sudder Board to Government, No. 133, dated the 15th of February 1861.*

The project was favourably received by Government, which said,—“There can be no question that the most satisfactory way of removing the difficulties which have led to this discussion will be to assess the canal water-rents at differential rates varying with the degree of advantage derived by different lands, and even the same classes of land in different positions from canal water.

20. “The Lieutenant-Governor cannot think that the elaboration of such a scheme will present all the difficulties which the Board anticipate. It appears to him that by the consentaneous and united action of the Collector and the Canal Officer an assessment of differential water-rates might be carried out in such a way as to secure a fair equality of burden on account of these rents; to bring to the credit of the Canal Department the amount of revenue which it is fairly entitled to claim; to leave the land revenue, consequently ‘a fixed and unvarying quantity,’ and while giving satisfaction to the people to obtain for the Government its just share of the increased assets arising from works of irrigation constructed at its sole cost.

21. “For this purpose the joint action in concert of the Canal Officer and the Revenue Officer will be indispensable. Neither the one nor the other could carry it out singly. The one will be the best if not the only competent judge of the extent to which water from the canal can be carried with advantage, of the varying quantity which will reach lands at various distances and in various localities, and of the expenses which will be incurred by each village or tract in bringing the water upon its lands; the other will be the best, if not the only competent judge of the degree in which the lands of different villages will be benefited by the introduction of canal water. He will know how far the existence of well irrigation may affect the value of water to be brought from the canal. He will know the extent of cultivated land unirrigated which may be benefited by the canal. He will know, too, the area of uncultivated land which, now yielding nothing, may be made productive by the water derived from the canal; and lastly, he will be able with little difficulty to estimate the degree in which the value of lands of different classes may be affected by canal irrigation according as they are capable or not of bearing sugar-cane, rice, garden stuffs, and the more valuable kinds of crops generally.”—*Government of the North Western Provinces, No. 561 A., dated 1st June 1861.*

For example, in Bengal, under the absolute perpetuity of the land revenue, I should think the principle would not be tenable; but whether it would be legal or not (without an express reservation which would not be politic, for reason above assigned), it appears to me that the process would closely resemble an assessment (not on the water) but on the increased productiveness of the soil;\* and that the scheme consequently is not expedient, and must be abandoned.

73. The Canal Department must therefore (it appears to me) realise its revenue by *uniform* water-rates. But there is no reason why, under the operation of a permanent settlement, it should not demand a higher water-rate than it would have done had the system of temporary settlement been continued. Under this latter system, the Government looks for a return from its disbursements, not simply to the water-rate, but to the enhancement of revenue expected at the ensuing settlement. Such an enhancement is, in fact, a second canal charge in another form. The cultivator is assessed in the water-rate by the canal officer; the proprietor is assessed in a part of his increased rental by the revenue officer. It is evident that *so long as this system prevails*, there is great danger in an undue enhancement of the water-rates;† for it is plain that these might be increased to an extent which might prove, in fact, a second assessment upon a rental already fully assessed by the revenue officer. That danger (with an exception to be noted below) would no longer exist under a perpetual assessment. The increased assets arising from irrigation will, under a permanent settlement, be free for ever from a assessment; and the Canal Department will be at liberty to raise its rates for water to as high a point as the people are willing to pay for it. The Government may thus be reimbursed to a certain, though comparatively limited, extent, for the profit which it gives up in relaxing its hold on increased assets in the Revenue Department.

Under permanent settlement uniform water-rates may be raised without detriment.

74. But there is an exception from this rule. The increase of water-rate would, as I have shown, be justified, because the Government abandons its former right of assessing increased profits. But the existing settlements have been already framed upon a calculation which includes those profits; and, so far as this has been done, the above considerations will not be applicable. For example, on the East Jumna Canal, the full effects of which have already been taken into account in the land revenue settlement, there would be no reason (so far as the loss caused by a permanent settlement is concerned) to raise the water-rate at any future period. But in settlements made while an irrigation work (as the Ganges Canal) is in progress, and the effects are only partially developed, the case is different. Suppose a village at settlement without any canal irrigation, to come hereafter within its influence; and to have 500 beegahs under irrigation, whereby the produce is increased by an additional value of 2,000 rupees, and the rental by 1,000 rupees. If the canal rates are raised all round by six annas per beegah (or an equivalent on the *pymana*), the canal revenue would consequently be increased by Rs. 187. 8., representing the gain to Government from the increased produce. Suppose, on the other hand, that the canal irrigation and increase of assets had in this village *preceded* the settlement, the increase of rental must have been then assessed at from probably four to five hundred rupees. And it would consequently be only fair and equitable that if an enhancement of water-rate in consequence of the permanent settlement took place, an estate so situated should be exempt therefrom. Otherwise rental that had been already taxed by the Land Revenue Department would come a second time under the influence of what is intended to be purely a substitute for such taxation.

With one exception.

75. While, therefore, I would advocate the liberty to raise the water-rate, in order to make some compensation for the right of periodical assessment now proposed to be relinquished, allowance should, I think, be made for all estates already under canal irrigation at the settlement, to the extent to which such irrigation may have been taken into account by the settlement officer; and such exceptions from enhanced water-rate would require to be adjusted by the canal officers in concert with the Revenue Department.

76. Colonel Baird Smith has proposed that the canal water-rate should, where irrigation has become sufficiently developed, be consolidated with the land revenue: I think that this could be done only in exceptional cases.‡ Where the water-rate, as I believe to be ordinarily the case, is paid by the *cultivator*, the landlord could not equitably be required to make himself responsible for its payment in perpetuity on the same terms as the land revenue. So also, where one portion of a joint estate held in divided shares benefits to the exclusion of another, or benefits more than another, by canal irrigation, it would hardly be equitable to bind the whole community by a joint assessment to pay the consolidated demand for water, by which they profit unequally, some of them perhaps not at all. Farther, the consolidation could only take place

Opinion against consolidation of water rate with land revenue.

*Note.*—This part of Colonel Smith's Report is not included in the extracts which have been sent to our Board, and as we have not been furnished with a copy, I write from the recollection of a rather hurried perusal on a former occasion.

where

\* I need hardly remark that the above objection does not apply to the differential rate sometimes levied on the water used for various crops, because the distinction is here founded on the varying quantities of water they require, not on the varying productiveness of the land.

† This point was urged strongly in a Minute now before Government on "the Right of Government in Streams, and the principle of fixing Rates on Water from Canals," dated the 23rd May 1860, paragraphs 19 to 22.

‡ The following Extracts from the Minute dated 23rd May 1860, before referred to, are to the same purport:

13. "In these provinces the universal adoption of the latter mode of assessment (village settlements) renders it quite necessary that the water-rate should be kept distinct from the land revenue. The revenue is

where the system of water-courses had been fully completed; and till that had been accomplished the permanent settlement would have to be held open to this future condition. Looking, moreover, to the possibility of occasional failure of supply, it appears to me (so far as the matter has yet been opened up by discussion) that it will be the preferable plan to keep the water demand altogether distinct from the revenue demand.

77. This would not interfere with any arrangement for fixing the canal demand in perpetuity, where that might be found otherwise advisable. Nor would it present any obstacle to the amount assessed as water-rate being collected by the revenue establishment. I have long thought that this would be an improvement on the present system.\* The details of water, its rates, and the names of the parties who had engaged for it, would be supplied by the Canal Department, and the amount would then be collected by the Tehseeldar. Where the system is by measurement of area under irrigation, this also would probably be best done by the Revenue Department.

78. It appears to me that all matters connected with the revenue of canals, its demand, and collection, might with advantage be placed under the control of our Board, without the organic change in its constitution, proposed by Colonel Baird Smith, and yet in a manner such as to secure the advantages contemplated by him.

Executive Govern-  
ment should be em-  
powered by law to  
fix assessment to  
perpetuity.

79. Although a new law will not be absolutely necessary, empowering the Government to make its land revenue assessments in perpetuity, yet, in order to give confidence to the people, it may be advisable to procure the sanction of the Legislature to its perpetual limitation. It might be enacted that wherever the Government may declare the assessment of any district, subdivision, or estate, to be permanent, the revenue demandable from the same shall remain for ever limited to that amount; and that no further claim of the nature of land revenue shall be lawful.

80. It may be advisable, where so important and irrevocable a step is to be taken, to provide that no assessments shall be declared permanent without the express sanction of the Governor General in Council, in every separate case.

81. No further legislative provision will, I presume, be required, as all the laws relating to the collection of the land revenue will continue as at present, and no subordinate and relative rights or questions of rent, &c., are affected thereby. It is a mistake to suppose that a permanent assessment will be in any degree incongruous with the principles of settlement introduced by Robert Mertius Bud: it will rather form the final development and completion of them.

Road and Educa-  
tional cesses.

82. I would advocate that the road and educational cesses, equal to 2 per cent. on the Government jumma, be consolidated with the Government jumma, and collected as such. In the Treasury accounts the proportion due to each fund would be separated, and assignment made accordingly.

83. I have been concerned to find from his Minute of the 23rd June 1860, that the principle of the Educational Fund does not find favour with the honourable the Lieutenant Governor. The terms laid down by the Seharunpore re-settlement rules, which provide for the payment of this cess, are so far more favourable than those of any previous settlement, that the addition can nowhere be seriously felt.† It is not the place here to urge the benefits to be obtained from this cess. But I trust I may be excused if I say that it appears to me to afford the only prospect of securing a really national system of education, and that it will be a cause of deep regret if it be abandoned.

84. In

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is fixed for a term of years for the whole area of a village within certain defined limits. In a co-parcenary estate there are various subdivisions of the proprietary body, and various interests, more or less distinct and separate one from the other. Some of these subdivisions may be benefited largely by the canal water, others in a less degree, and some not at all. The use of canal water varies according to season, and other incidental circumstances. To attempt a consolidation of the water-rate with the revenue would produce insurmountable embarrassment and confusion. The only practicable plan is to make each cultivator pay for the amount of water which he himself takes from the canal. If a body of landholders, or a village, or a cluster of villages, combine to contract for a consolidated payment, they can of course distribute the amount among themselves; but the circumstance would be exceptional, and its continuance would be dependent upon a voluntary and uncertain combination.

15. "Where the settlement is made ryotwarry, or direct with each cultivator, there the consolidation of the water-rate and land rent may be possible. But even here, if the lease be (as it should be) for a long term of years, the consolidation will only be possible where the supply of water is perfectly certain and uniform from year to year. Any failure in the supply would lead to the necessity for a re-adjustment of the two elements (land revenue and water-rate) composing the demand, far more confusing and harassing, I should think, than if those elements had been kept separate from the first."

\* See paragraph 12 of note by Secretary to Government, dated 29th October 1858, above quoted; and paragraph 24 of the Minute, dated 23rd May 1860, quoted in preceding note.

† It is stated in paragraph 30 of the above Minute, that the deductions according to the Seharunpore rules amount to 8½ per cent., or more than double the income tax: but this calculation is considerably above the reality, because under the standing rules the road and educational cesses are deducted from the gross rental before the apportionment of the 50 per cent. on the Government jumma, and therefore virtually only one-half of the same is borne by the proprietor out of his 50 per cent. of the assets. Moreover, the salary of the putwarry, which forms 6 per cent. of the whole 8½, is a *bonâ fide* village charge which has always (even under the old hard rules of assessment) fallen upon the zemindars, just as much as any other expense incurred for village servants to help in collecting the rents. It cannot, therefore, be justly compared with the income tax on net profits.

As above shown, the road and educational fund together fall on the zemindar at only one per cent. of his jumma,

84. In conclusion I would add that the consideration of the question of a permanent settlement has been discussed entirely on its own merits, and without reference to the privilege of redemption lately conceded by the Viceroy. As the commutation of land revenue by a present payment, wherever acted upon, is to all intents and purposes a permanent assessment, and as moreover it will prove a permanent assessment mainly of those portions of the revenue which are most unfavourable to Government, the argument for a perpetual settlement generally is greatly strengthened by the above measure; if, indeed, the necessity of such a settlement does not follow absolutely as a corollary therefrom.

85. The above remarks have been written hurriedly, as the Government requires an immediate expression of our opinion; and I have refrained from noticing several points of great and general interest discussed in the course of Colonel Baird Smith's report, as they did not appear to me to be essentially connected with the question of a perpetual assessment.

(signed) *W. Muir*,  
Senior Member of the Sudder Board of Revenue,  
North Western Provinces.

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MINUTE by *R. Money*, Esq., Junior Member of the Sudder Board of Revenue, North Western Provinces; dated the 21st December 1861.

IN recording the following remarks on the question of fixing the land revenue of the North Western Provinces in perpetuity, I would premise that I assume the measure to have been determined on and to be inevitable. The policy of removing the bar to improvement which is now presented by the uncertainty of the Government demand is obvious, and the arguments which have been adduced in favour of a permanent settlement appear to be unanswerable. The concession of a permanent settlement is, moreover, partially involved in the option which has been granted to redeem the land revenue in perpetuity.

2. Regarding the question, therefore, as one of time, I shall endeavour to show that arguments may be adduced against the immediate perpetuation of the existing settlement of these provinces of force sufficient to indicate the necessity for delay.

3. Immediate action would involve too heavy a sacrifice in a permanent or prospective loss or relinquishment of land revenue; and, *secondly*, it would fix in perpetuity a settlement which is not equable.

4. The loss of revenue would be incurred in estates which have benefited by the action of canals subsequently to the last revision of assessment, or of which the assets may hereafter be increased by canal irrigation.

2nd. In estates of which only very small portions of the area were under cultivation, when the present settlement was effected, and of which the assets either have been or might be largely increased.

3rd. In estates of which the present assessment is too heavy in comparison with the general average, and in which a reduction of the demand would be inevitable on a revision of the existing settlement.

5. With regard to estates which have been improved by canal irrigation, it may be sufficient to refer to the statement in the 74th paragraph of Colonel Baird Smith's report, which shows that the assets of 17 villages in the Seharunpore district have risen during the last 20 years from 16,050 rupees to 36,970 rupees, or 130 per cent., and in which the Government demand has now been raised from 11,609 rupees to 16,258 rupees, or 40 per cent. The increase of rental in villages of the Meerut district, shown in the 66th paragraph of the same report, is nearly as remarkable.

6. The Goruckpore district stands out conspicuously as that in which the greatest increase of rent has been obtained by the extension of cultivation since the settlement under Regulation IX. of 1833; but that settlement is now under revision, and a corresponding increase of revenue will be obtained. If, however, there is no district which will in this respect bear a comparison with Goruckpore, there are portions of districts and numerous detached villages scattered over the country which must be placed in the same category. I would instance generally

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jumma, the same charge as was formerly made for the road fund alone. Thus, if the net rental were 202 rupees, two rupees (being one rupee for each fund) are first deducted, and the jumma is fixed at half the remainder, *i. e.*, at 100 rupees, or with the two cesses at 102 rupees. Had the cesses not been taken, the jumma would have been 101 rupees, so that the zemindar has in reality but one additional rupee per cent. to pay. If the *principle* be objected to, it might be laid down that 51 per cent. of the rental is to be fixed as the Government revenue, which would provide for both funds; and allotment to them might be made after collection, as proposed in the 80th paragraph.

generally those on the borders of the forest skirting the Himalayan range, and I believe that the seven pergunnahs which form the Tehseeldaree of Husnpore, on the Ganges, in the Moradabad district, and in which a remarkably small proportion of the culturable area was under cultivation at the last settlement, would exhibit an increase differing little in degree from that which has been effected in Goruckpore. To fix permanently the present assessment of the villages of these pergunnahs would be equally unfair to the Government and to the landholders of the remainder of the district. Even if the Government should demand no increase on the aggregate demand of the entire district, the proprietors of those villages which had reached or nearly reached the limit of possible improvement when the present settlement was made, are fairly entitled to demand that the assessment should be equalised before it is fixed in perpetuity.

7. It may be safely affirmed that there is no district which does not contain several estates that are with reference to their capabilities more heavily assessed than the majority, and which would benefit by a reduction of demand on a revision of the settlement. The instances of under-assessment are much more numerous. Justice to the landholders in the former case, and the interests of the State in the latter, point to the necessity of deferring the perpetuation of the settlement until the revision, which is now in progress in a few of the districts of these provinces, shall have been completed in all.

8. The question of realising the return to which the State is entitled on account of its expenditure on canals is much more complicated. The proposed measure must be deferred indefinitely if we await the time when the network of canal irrigation shall have been extended to the utmost practicable limit, and the resources which it will create shall have been fully developed. I should suggest the adoption of a scale of differential water-rates proportioned to the increased profits directly attributable to the canal irrigation. The amount payable by each estate may hereafter be fixed in perpetuity.

9. The inconvenience of collecting the water-rate separately from the several cultivators or under-tenants of an estate might be avoided by a provision that the parties responsible for the payment of the land revenue should hereafter, or so soon as it shall have been permanently fixed on account of any estate, be held liable for payment of the canal assessment, an allowance of 10 per cent. being made for the cost and trouble of collection. The declaration of the fixity of the land revenue demand might, in every instance, be made contingent on the acceptance of this condition.

10. With the proviso proposed in the last paragraph, I would recommend that the land revenue demand of each district should be declared permanent on the completion of the settlement now in progress or impending, but I would strongly deprecate any more premature action as injurious to the interests of the State, and unjust to the many proprietors who would be held entitled to relief on a general revision of the existing settlements.

11. I am of opinion that no amount of direct land revenue, which might possibly be hereafter assessed in excess of the demand which will be fixed at the approaching settlement, could bear any proportion to the increased sources of revenue which will, directly or indirectly, be gradually developed when the utmost possible simplification of the tenure of land shall have been effected and its stability assured.

(signed) *R. Money*, Member.

MINUTE by the Honourable the Lieutenant Governor of the North Western Provinces, in the Revenue Department, under date the 27th of May 1862.

THE questions on which my opinion is required in this department are two, viz. :

1st. "The question of a permanent settlement, not only with special reference to the districts which have recently suffered from famine, but as a general measure applicable, sooner or later, to the country at large."  
 2ndly. The question "as to the value of a legislative sanction for settlements for terms of years in districts," the existing settlements of which may not be of a character to be made permanent; in reference to its effect in improving "the tenure of land."

2. It will be convenient to dispose of this second question before proceeding to the consideration of the much more important and difficult subject of giving permanency to the settlement of the land revenue in these provinces.

3. In the course of the settlements which were effected in the North Western Provinces under Regulation IX. of 1833, and confirmed for certain specified periods by Act VIII. of 1846, in so far as the demand of the Government was concerned, all claims to proprietary right in land were determined by judicial inquiry, and carefully registered. The title so secured is fixed and permanent, though the assessment on the land is liable, as the law now stands,

stands, to variation on the expiry of the periods stated in Act VIII. of 1846. To use Colonel Baird Smith's words (paragraph 79), "the enjoyment of these (rights in the soil) is guaranteed to their proprietors by the most solemn and repeated sanctions." It does not appear to me, therefore, that the "tenure of land" in those districts, of which the existing settlements are not such as should be made permanent, can be "improved" by giving a "legislative sanction" to those settlements. Nor am I aware that any of the objections to which at present temporary settlements are open would be removed by that measure.

4. The other and more important question has engaged my best attention, and I should probably have given expression to my views before this, but for the interruptions incident to my tour, and the hope that I might meanwhile receive the remarks and opinions of the officers of the Irrigation Department on the points discussed in paragraphs 146 to 164 of Colonel Baird Smith's report, relative to the administration of the Irrigation Department, and to the means whereby, in his judgment, "the interests of the Government (in that department) may be so guarded as to ensure their being no obstacle to the perpetual settlement of the land revenue." But I am reminded by a recent letter from the Government of India that the further postponement of my reply is undesirable.

5. In the remarks\* which I was required to submit on the report of Mr. Paterson Saunders, I have committed myself to the opinion that, in the present condition of these provinces, a permanent settlement of the land revenue may be introduced with great benefit, subject to certain conditions and exceptions; and I have pointed to the ground of that opinion in the fact that the system of leases for long periods, which has latterly distinguished the revenue administration of the North Western Provinces, and which has encouraged the application of capital to the land, resulting in very great improvement, would have its legitimate issue only in a perpetual fixity of the Government demand.

\* See your letter No. 1866, dated the 16th September 1861.

6. Regard being had to those remarks which have in some degree anticipated what I should have recorded on the present occasion, it cannot be necessary for me to discuss all the arguments for and against the measure under notice; the less that they have been considered and impartially set forth in the minute of the senior member of the Board of Revenue, North Western Provinces, and that the conclusion arrived at by Mr. Muir is in accordance with the recommendation which is so powerfully and emphatically urged in Colonel Baird Smith's report.

7. I do not in the least doubt that the gradual and cautious concession of a guarantee of permanency to the settlement of the land revenue in the North Western Provinces generally, will be productive of all the advantages which Colonel Baird Smith and Mr. Muir, in even greater detail, have depicted. Judging by the effect of settlements for long periods, it may be safely anticipated that the limitation of the Government demand in perpetuity, will, in much larger degree, lead to the investment of capital in the land. The wealth of the agricultural classes will be increased. The prosperity of the country and the strength of the community will be augmented. Land will command a much higher price. The prospective loss, which the Government will incur by relinquishing its share of the profits arising from extended cultivation and improved productiveness, will be partly, if not wholly, compensated by the indirect returns which would be derived from the increased wealth and prosperity of the country at large.

8. Nor should the minor advantages of freeing the people from the vexation and exaction which are inseparable from a periodical settlement of the land revenue, of saving the large expenditure which each revision of settlement entails upon the Government, and of removing the temptation which the approach of each such revision holds out to land proprietors of temporarily deteriorating their property, be disregarded. These are all burthens which bear, with more or less severity, on the Government and on the people, and if they can be got rid of without lasting detriment to the revenues of the State, few will be found to offer any opposition.

9. It must also be admitted, I think, that the settlement of the Government demand in perpetuity will be politically wise. It is true that in Behar, and also in some of the districts of the Benares Province (notably Ghazeepore) which are permanently settled, the rebellion of 1857-58 was not less general or less determined than in other parts of these provinces, which are under temporary settlement. But these manifestations of feeling must be regarded as having been the result of exciting causes, having but a transient influence, and can hardly detract from the force of the conviction that the absolute limitation of demand upon their land will be received by an agricultural people with the highest satisfaction, and will produce, if anything can, feelings of attachment to the Government, and of confidence in its desire to promote the best interests of the country.

10. But it certainly appears to me that the introduction of a permanent settlement must be subject to certain conditions, exceptions, and reservations; and that some years must pass away before the measure can be consummated. Precipitancy in a matter of this vast importance is to be deprecated, as pregnant with injury both to the Government and the people.

11. The primary *condition* is that the existing settlements in the districts of these provinces must be revised with the utmost care and deliberation before they are declared

to be permanently binding upon the people and the Government. These settlements were effected under the able direction of the late Mr. Robert Mertius Bird, by a selected agency; but it was only gradually that the intricacy and complication of the work were evolved, and that the system was adequately elaborated. It is no reproach to those who were engaged in this difficult and important operation to hold that mistakes must have occurred; that inequalities must prevail, some villages being overburthened, while others are insufficiently assessed; and that the mere march of time, with its attendant changes, has disturbed arrangements which, at the time, may have been just and sufficiently appropriate.

12. To perpetuate these inequalities, which are known to exist, would be unfair both to the Government and to the people. Under the system of temporary settlements, it is possible, periodically, to adjust the burthen of the demand upon the land by raising the assessments where they are so low as to leave an extraordinary profit to the proprietors, in order to compensate for the relief that must be given to those estates which are depressed by the weight of a demand which their assets are insufficient to meet, or which they can meet only with great difficulty. A settlement once declared by law to be perpetual, this power of periodical adjustment will cease; and the loss arising from unavoidable reductions, or, alternatively, from constant remission of unrealisable balances, will fall upon the Government; while the proprietors of estates which are under-assessed, will be in the enjoyment of profits, whether from extended cultivation or other cause, to a share of which the Government would be fairly entitled, but which they will be debarred from claiming if the existing settlement be perpetuated without revision.

13. On the other hand, such perpetuation, without the previous inquiry which all agree in advocating, would be no less unfair to the people, upon whom the burthen of taxation ought to fall equably. The proprietors of over-assessed estates would be borne to the ground by an insupportable weight which they could never throw off. They would be taxed at a rate double or treble of that applied to their more fortunate neighbours, and so be suffering for the benefit of those whose obligations to the Government is nowise different. Improvement would be out of the question. Alienation of the property would, in all probability, be the issue. Conversely, the parties possessing landed property inadequately assessed to the Government revenue, would be exempted for ever from their fair contribution to the necessities of the State, and would have an undue advantage over their brethren "in the race of improvement." Under such circumstances there could not but be much dissatisfaction and discontent, and these not unreasonable, instead of the gratification and the confidence, and the security, which it is the object of the contemplated measure to produce.

14. Another consideration which makes this condition of a preliminary revision more obligatory, is that all the districts in these provinces have a similar and an equal right to benefit of the rule, by which the proportion of the assets, hitherto appropriated as land revenue, has been reduced from two-thirds to one-half. The district of Seharunpore has been re-settled already, and has been admitted to the advantage of this rule. In the settlements which are now progressing in the districts of Moozuffernuggur, Boolundshuhur, and Goruckpore, the same principle has been from the first observed. And there can be no just reason for excluding from the benefit of this rule, whatever that may be, those districts which have not yet come under re-settlement. This, however, is an injustice to which the declaration of perpetuity, without a previous revision of settlement, would give rise.

15. The necessity, then, of this revision cannot, I think, be denied. It must be carried out, as the settlement of each district falls in,\* by the best agency that can be secured, and with all the precautions that are within our reach, as pointed out in the 47th and 48th paragraphs of Mr. Muir's minute. The settlement so revised, after being submitted to the scrutiny of the superior revenue authorities, and being confirmed by the Government, would be declared perpetual, in\* pursuance of authority which should be given by a law in that behalf, either to the Governor General in Council, or the local government.

16. But I am of opinion that certain districts of these provinces must be *excepted* for many years to come from this measure, and there will not be, as Mr. Muir has observed, any repugnance to the terms of Regulation IX. of 1805 in this postponement. The great benefits of a permanent settlement being admitted, it almost savours of injustice to deny them to one or more districts, while they are conceded to others; but the Government is entitled to bear its own interests in mind, and it is on this ground that I would exclude the following districts from the operation of the measure contemplated, until they shall have attained to "a sufficiently improved state of cultivation" to warrant the concession:—

1st. The *Terai District* is almost entirely unreclaimed. It has an extensive area and fertile soil. But it is very sparsely peopled, and the climate is so insalubrious that people are found unwilling to settle there, even on very favourable terms. In this respect improvement will be gradually effected by draining the swamps, and leading the water into artificial channels for purposes of irrigation; but, until this be accomplished, the population increased, and cultivation extended, this Terai district cannot yield a revenue bearing any reasonable proportion to its area, or its latent capabilities;

\* Act VIII. of 1846 shows the year in which the term of each existing settlement will end.

capabilities; and I cannot advise that the Government, by making a settlement in perpetuity, should shut itself out for ever from its legitimate share of the profits, which will accrue as the reclamation and material improvement of this tract progresses.

2nd. The *District of Ajmere* does not appear to me, as at present advised, to be ripe for a permanent settlement.

3rd. The *District of Jhansie*.  
 4th. The *District of Oraie*.  
 5th. The *District of Lullutpore*. } These three districts, belonging to the Jhansie Division, lie on the right bank of the Jumna in Bundelcund. They are at present in a very backward state, and are peopled by races who are the least industrious and least enterprising of agriculturists. There are extensive areas lying waste, which cannot, I conceive, be reclaimed for years to come, even though capital should be forthcoming, simply because the population is in no due proportion to the extent of land which is available, and because the climate of Bundelcund is so uncongenial to the natives of other parts, that new cultivators will not accept land there so long as it is to be had elsewhere.

17. It may be reasonably anticipated that in course of time, and under the encouragement of a light assessment, and a more settled state of things than has usually existed in these quarters, the breadth of cultivation will be extended, and the prosperity of the people be improved. That these results might be in some measure accelerated by a perpetual limitation of the Government demand, as contended for in paragraph 54 of Mr. Muir's Minute, I will not take it upon myself to deny; but I think at the same time that the sacrifice of prospective revenue will be greater than the Government is called upon to accept, and that the measure will be premature in its application to districts which for the most part have been in our possession for no more than eight or ten years.

18. In respect of their physical features these districts resemble Humeerpore and Banda, and the Trans-Jumna Pergunnahs of Allahabad, and so far the description given in paragraph 52 of Mr. Muir's Minute applies equally to all; but there is no question that Banda and Humeerpore, which have been under British rule since 1804, are in a more advanced, and also in a more settled condition, notwithstanding that the former has suffered grievously from repeated over-assessment; and is only now recovering slowly from the depression to which it was reduced, under the operation of a favourable settlement, recently effected in a summary way.

19. It is to be regretted that statistics are wanting for the three districts of Jhansie, Oraie, and Lullutpore, and therefore their condition cannot be accurately compared with that of Humeerpore and Banda. But, in respect of these latter, the report on the census of the North-Western Provinces, taken on the 1st January 1853, affords data which enable us to compare them with the other districts of these provinces to which, it is agreed, a permanent settlement may be given; and this may conduct us to a decision of the question now under notice, namely, whether the districts of Banda and Humeerpore may be included in the measure which is contemplated. There are no data more recent than those referred to, and some changes must have taken place since, but these need not interfere materially with the deductions.

20. According, then, to this census of 1853, the average rate of population in the North-Western Provinces was 420 to the square mile, and the per-centage of "agricultural" on total population was 64·7. In Humeerpore the former was represented by 245, and in Banda by 247; while the latter was represented by 71·9 in Humeerpore, and by 69·0 in Banda. Here one great difficulty, against which these districts have to contend, is made apparent. It is, to use the words of the Report, "the scantiness of population as compared with the arable land, and the cry is not for broad acres to till, but for strong arms to guide the plough." The same fact is further shown by a comparison of the area in the hands of each agriculturist, which amounted in Humeerpore to 3·63 acres, and in Banda to 3·75 acres, while the general average in the provinces was 2·86 acres.

21. Still, notwithstanding this difficulty, the proportion of cultivated to total area in these two districts does not contrast so unfavourably as might have been expected with that recorded in the report of other districts possessing much superior advantages.

The general average for the provinces of the "per-centage of cultivated on total area" was	-	-	-	-	-	-	-	-	53·0
In Humeerpore	-	-	-	-	-	-	-	-	58·6
In Banda	-	-	-	-	-	-	-	-	43·9

In Humeerpore, then, at the time the census was taken, the proportion of cultivation was in excess of the average, while in Banda, though 10 per cent. under the general average, it was little below the per-centage in Goruckpore (47·5); Azimghur (49·5); Bijnore (48·5); Moradabad (48·6); Shajehanpore (48·4). All these, Azimghur excepted, are sub-Himalayan districts, possessing belts of forest, but they still afford a tolerably fair standard of comparison. It may, however, be desirable to examine the extent of *barren* area which each possesses, and the proportion of the cultural assessable area which was under tillage at the time of the census.



## CORRESPONDENCE RELATING TO THE

22. The per-centage of barren acres on the total area is stated in the Report to be in the

district of Bijnore	-	-	-	-	-	-	-	-	33·4
Moradabad	-	-	-	-	-	-	-	-	18·6
Shajehanpore	-	-	-	-	-	-	-	-	18·6
Humeerpore	-	-	-	-	-	-	-	-	23·2
Banda	-	-	-	-	-	-	-	-	22·5

while of the whole culturable assessable area is cultivated—

In Bijnore, a proportion of	-	-	-	-	-	-	-	-	70·3
Moradabad	„	-	-	-	-	-	-	-	63·3
Shajehanpore	„	-	-	-	-	-	-	-	36·8
Humeerpore	„	-	-	-	-	-	-	-	58·9
Banda	„	-	-	-	-	-	-	-	33·8

In the comparison of the “per-centage of cultivation on total area,” those districts which possess the largest extent of barren acres, show, of course, results much worse than in point of fact exist. The relative condition of the districts in regard to existing cultivation and future capabilities of extension will be more clearly exhibited by the proportion of the *culturable* area which has been brought under the plough; and tested in this way, Humeerpore is nearly on a par with the prosperous district of Moradabad, while Banda, with all its disadvantages of inadequate population, climate, difficulties of irrigation, and past misfortunes, is not far behind Shajehanpore, which has a population of 427 to the square mile.

23. All the circumstances considered, I must express my opinion that there is no sufficient reason for excluding either Banda or Humeerpore from the benefits which are expected to result from a permanent settlement, if that boon be given to the province of Rohilkund, and to the districts of Azimghur and Goruckpore, even though, as I am aware, the latter district has made great advances since the time when these statistics were collected. If we are to be guided by the declaration of Section 7, Regulation IX. of 1805, then I think, regard being had to the peculiarities of Bundelcund, it must be held that the districts of Banda and Humeerpore have attained, as compared with other more favoured districts, to “a sufficiently improved state of cultivation” to warrant the concession of permanency to their settlements after these have been duly revised.

24. Neither would I be disposed to exclude the Trans-Jumna Pergunnahs of the Allahabad district. I believe that they are very backward, and that the people are extremely ignorant, slothful, and unenterprising; but they compose only a small portion of the Allahabad district, and it does not seem to me to be worth while, for the sake of the small enhancement of revenue which might be derived from them in years to come, to except them from the operation of a measure which will be applied to the rest of the district to which they appertain.

25. It may be left for future consideration whether the district of the Dehra Dhoon, in its very peculiar circumstances, shall be brought under a permanent settlement. There, as in the hill districts of Kumaon and Gurhwal, I should be disposed to leave the effect of the resolution of the Governor General in Council, dated the 17th October 1861, relative to the purchase, in fee simple, of the waste lands, and to the redemption of the land tax, to develop itself, before attempting to introduce the measure now under consideration.

26. But the most difficult section of this important subject remains to be considered. If the public demand on the land is to be fixed for ever, how is the right of the Government to a share in the enhanced profits, produced by irrigation from canals which have been constructed, or which, being now in progress, may be hereafter completed at the sole cost of the Government, to be protected and secured? I have viewed this question in every light, and I have bestowed upon it my most anxious consideration; but I cannot say that I have arrived at any conclusion which is satisfactory to me.

27. All the facts and the embarrassments arising out of them are clearly stated by the late Colonel Baird Smith, and the question is ably discussed, in its various aspects, by Mr. Muir, the senior member of the Sudder Board of Revenue, North-Western Provinces, in paragraphs 62 to 77 of his Minute. It is needless for me to go over the ground which has been already trodden; but I shall be expected to express an opinion as to the course which should be preferentially followed.

28. The following propositions seem to be undeniable. The Government has an unquestionable right to derive a profit from canals which have been constructed, or may be hereafter constructed, solely at the public cost. This profit is divisible into two elements; namely, the one, water rent, or the price of the water furnished by the canal; the other, the increased land revenue arising from the improved productiveness of the land, and, consequently, the enlarged assets due to irrigation from the canal. This enhanced value of their lands being due in no way to the application of their own capital, the landholders, and others who use water from the canal, may be justly required to pay to the Government a share of the profits which they derive from it.

29. To protect the interests of the State under a land settlement, declared to be permanent, of those districts which have canals of irrigation executed at the sole cost of the Government, or which may hereafter receive them, Colonel Baird Smith proposes, in paragraph 158 *et seq.* of his Report, the formation of "an Irrigation Survey and Settlement Establishment," by which "the value of irrigation, as influenced by differences of level, of soil, of supply, and so on, would be determined by close and careful inquiry on the spot, and rates of water revenue, checked and guarded with as much care as those of land revenue, would be obtained, and applied in fixing at a light and equitable total, the demand of Government for water." It is apparently a condition of Colonel Baird Smith's scheme that the water should be delivered "by specific volumes" (paragraph 156), "by measure through regulated outlets" (paragraph 165). He proposes that, ultimately, the canal revenue should be consolidated with the land revenue, the demand being "carefully discriminated in record and account, and credited duly to the Land Revenue and the Irrigation Departments in its proper proportions."

30. Had the Ganges Canal, the canals in Rohilcund, and other irrigation works in progress, reached their full development, as the Eastern Jumna Canal is believed to have done, and were there no probability of other similar works being undertaken, the application of Colonel Baird Smith's system (if feasible in itself) would perhaps offer the best means of securing to the Government its fair share of the profits due to the employment of its capital on the execution of the works in question. But this is in no wise the fact. It is calculated that not less than 1,000 miles of main distributing channels (Rajbhas) remain to be excavated in the divisions of the Ganges Canal; and even, when these shall have been completed, the irrigation will not be developed until the villages generally within reach of the canal shall have acquired confidence freely to take the water, and until the village water-courses shall have been prepared. These results cannot be brought to pass within the currency of existing settlements of the land revenue, so as to admit of the "irrigation settlement" proceeding simultaneously, and *pari passu* with the contemplated revision of the public demand on the land before declaration of perpetuity. And even if there were any reasonable prospect of this, the execution hereafter of other works of irrigation would create the same difficulty, and it would need to be surmounted somehow.

31. I am afraid, too, it must be admitted, as argued by Mr. Muir, that it is hardly possible to lay down any rule whereby "the power of the Government to take the increased profits due strictly to the influence of its own capital, could be defined and limited in a satisfactory and absolute manner,"\* in the case of a reservation being made to Government of a right to assess profits due to the operation of its own canal, when fully developed. Nor can I think that Mr. Muir's objections to any such reservation are weak or groundless. The people are peculiarly suspicious of the intentions and the purposes of the Government, and they would not fail to regard any reservation of such a right as a practical abnegation of the permanency which it would profess to give to the assessment of its demand on the land.

\*Paragraph 70 of Minute.

32. What is apparently contemplated by Colonel Baird Smith's scheme is the assessment of differential water rates, determined by differences of level, of soil, and of supply; but Mr. Muir holds that such an assessment could not be carried out, on the introduction of a permanent settlement, "without a special reservation sanctioning it in the act of perpetuity," because it would be an assessment rather on the increased productiveness of the soil, already assessed in perpetuity, than on the water.

33. On another occasion,† when this subject was brought before me, I expressed my belief that, "by the consentaneous and united action of the Collector and the canal officer, an assessment of differential water rates might be carried out in such a way as to secure a fair equality of burthen on account of these rents; to bring to the credit of the canal department the amount of revenue which it is entitled to claim; to leave the land revenue consequently 'a fixed and unvarying quantity;' and, while giving satisfaction to the people, to obtain for the Government its just share of the increased assets arising from works of irrigation constructed at its sole cost." At that time the question of a permanent settlement had not been mooted, and the complications arising out of the declared permanency of the public demand on the land were not in my view. It seemed to me that the increased value acquired by different lands, and by the same classes of soil in different localities, might be determined; but this process would certainly proceed, in some measure, on considerations of "the increased productiveness of the land itself," and in the case of a district, the settlement of which should have been declared perpetual, would be barred, unless there were an express reservation, the expediency of which is more than doubtful.

† See note to paragraph 72 of Mr. Muir's Minute.

34. Still, if the scheme of assessment at differential rates is in itself feasible, it might be put in execution *simultaneously* with the revision of the land revenue. But here again the difficulty which has been already noticed interposes, namely, that the system could be applied only in canal districts, where the irrigation should have reached its largest development; and it follows as a consequence that, if this plan were chosen, the settlement of very few of the districts adjacent to the Ganges Canal and its branches, or to the canals in Rohilcund, could be declared permanent for years to come. And as it must be assumed that as time advances other works of irrigation will be projected, the postponement above indicated would be almost tantamount to a denial of a permanent settlement *in toto*.

35. The only officer, however, possessing a long and intimate experience of the irrigation system, whom I have had an opportunity of consulting as to the feasibility of Colonel Baird Smith's scheme, entertains very serious doubts on the point. If, as has been assumed above, it is a condition of that scheme, that the water shall be delivered by measured discharge through regulated outlets, then, according to my adviser, this would be the first obstacle to success. Admitting that in theory this system is quite unimpeachable, he holds that on the Ganges Canal it is at the present time certainly impracticable. The grounds on which this opinion rests are briefly stated in the following extract from an official letter on the subject:—

“The Pymana system \* \* \* requires, as an essential element, that the pressure of water over an outlet shall be maintained practically invariable (0·3 foot). To provide for fluctuations in the volume of water carried by a Rajbaha, and to keep the pressure over an outlet constant, some device similar to the modules in use on the canals of Lombardy is necessary. But it has been found by experience that the station module fails on all canals hitherto constructed in this country, owing to the presence of silt in the water. Silt not only renders the fluctuations in the volume of water entering a Rajubha head too great for the module to control, an evil which, if it existed singly, might probably have been remedied, but it chokes up the module itself. Various ingenious modifications of the module have been, from time to time, proposed with a view to adapt it to our canals, but up to this date none have been reported successful. Thus, then, the introduction of the Pymana system on the canals of these provinces generally is, at present, impracticable.

“Supposing, however, that this difficulty were overcome, and that some mode of maintaining a constant pressure of water over irrigation outlets were devised, it would be still premature to introduce the Pymana system on the Ganges Canal even at this stage of its progress. Payment for water by known volumes implies a contract between the canal officer and the cultivator. How are the terms of the contract to be determined? The canal officer knows very imperfectly, the cultivator not at all, what volume of water is required to irrigate a certain area of land. The difficulty of arriving at a satisfactory conclusion on this point is enhanced when several kinds of crops, each demanding a different amount of irrigation, have to be provided for. The data required can be obtained only by extended experience.

“Again, no scheme for supplying canal water on contracts, based either on a standard measure, or an average of past years, can succeed until all irrigation outlets are constructed of masonry, or other material of a permanent nature. That this is not easy of accomplishment may be proved by a reference to the Eastern Jumna Canal, from which irrigation has been carried on for the last 30 years, with every desire on the part of the several officers who have held charge of that canal, to substitute masonry for wooden outlets; but the task up to this date has been but imperfectly executed.

“Lastly, for the satisfactory fulfilment of contracts on the side of the canal officers, it is absolutely necessary that the volume of water carried by a canal should be liable to the minimum of variation; that, as in the case of the Ganges Canal, the portion of the whole volume to be allotted to each division of the main canal, and to each branch, should be rigidly determined; and that the whole of the minor branches, or Rajbahas, should be completed both in number and in working details. How far these necessary provisions exist on the Ganges at the close of this the eighth year of its existence, it is needless to point out.

“The remarks in the last two paragraphs, though made with reference to contracts generally, apply with especial force to the Pymana system, which is indeed a system of contracts founded on refined scientific principles.”

36. But even if these obstacles to the distribution of canal water by measured discharge should be overcome in the course of years, the officer alluded to believes that the work of making a differential assessment of the nature contemplated will be so beset with complications and difficulties, that the result will be very unsatisfactory. Colonel Baird Smith indeed (paragraph 77 of Report) felt confident that there would be no serious difficulty in “the working out of plans whereby the influence of canal action might be made compatible with a perpetual settlement of the land revenue,” and he must in his own mind have had a full conception of these plans; but he has not, unfortunately, developed them in his Report, and his lamented death has deprived the Government of the details, which he would have ably elaborated, of the system he contemplated.

37. If, then, the declaration of perpetuity, in respect of the public demand on the land in the North-Western Provinces, cannot be deferred until works of irrigation in progress shall have reached their full development; if, in the declaration of perpetuity, no reservation can be made to Government (without risk of exciting distrust) of the right to assess profits arising from the action of canals, constructed solely at its own cost, on their attaining to their full development; and if, consequently, the assessment of differential rates of water rent is barred, in that it must be guided, in some measure, by the increased productiveness of the land on which the public demand will have been declared fixed for ever; if these things must be, the only resource left to the Government appears to be that which has been suggested by the senior member of the Sudder Board of Revenue,\* namely, that the rates of water rent should be raised, in order to make some compensation to the Government for relinquishing prospective accessions to its land revenue on the recurrence of periodical settlements. But in this even great caution will be necessary, lest the Government defeat its own purpose. On the Eastern Jumna Canal, which has been in active operation

\* Paragraphs 73-75 of Minute.

operation for 30 years, and has, in the course of this period, so superseded all other modes of irrigation as to render the people almost entirely dependent upon it, the price of water may, it is believed, be raised very considerably without any fear of diminishing the demand for it. But the Ganges Canal is in its infancy. It was opened only in 1855, and then but partially, very few of the distributing channels having been excavated. In the terminal divisions (Cawnpore and Etawa), these are still very backward. Nowhere is irrigation from it developed to nearly its full extent. The people have not yet acquired sufficient confidence to take the water freely; and they are by no means dependent upon this source of supply. The imposition of largely increased water rates, at the present time, and for some years to come, would have the effect of checking, perhaps putting a stop altogether to, irrigation from the canal, which it must be the object of the Government, both for its own sake and for the sake of the country, to encourage and foster by all possible means.

38. In view of the large sacrifice\* to which the Government must submit by giving permanency to a settlement of the land revenue in these "zones of irrigation," before the sources of that irrigation have been fully developed, I should have been disposed to advise the postponement of the measure for such period as might be necessary to bring about that development; but that the arguments advanced in paragraphs 64 and 78 of Colonel Baird Smith's Report are convincing as to the wisdom of its earlier execution, and further that the difficulties which have been discussed in these papers must recur hereafter, if, as may be assumed, the action of the Government in respect of works of irrigation should not cease with the completion of those now in progress.

(signed) G. F. Edmonstone.

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(Revenue, No. 15.)

To His Excellency the Right Honourable the Governor General of *India*  
in Council.

India Office, London,  
23 March 1867.

Sir,

PARA. 1. I have considered in Council the Despatch from your Excellency in Council, dated the 20th November last (No. 29), on the subject of the permanent settlement of estates affected, or liable to be hereafter affected, by canal irrigation.

2. In Lord de Grey's Despatch of the 17th March 1866 (No. 17), it was proposed that a rule should be laid down, excluding from permanent settlement all estates "the assets of which would, when canal irrigation shall have been carried to the full extent at present contemplated, exceed, in the opinion of the officers of the Settlement and Irrigation Departments, the existing assets, in a proportion exceeding 20 per cent."

3. The Board of Revenue at Allahabad desire to generalise the terms of this rule so far as to extend it to exclude from permanent settlement all estates "the assets of which have not reached 80 per cent. of the amount which they are susceptible of attaining under a full development of the available means of cultivation and irrigation." Such a rule would, as your Excellency observes, exclude from settlement all estates which, "by means of wells, embankments, watercourses, manure, location of cultivators, &c.," and, still more, by extension of the facilities of railway communication, had not reached the "maximum or potential limit of excellence," and would, as it appears to me, indefinitely postpone the time when, in the case of the great majority of estates, any permanent settlement could be permitted.

4. The Lieutenant Governor of the North-Western Provinces would, on the other hand, withdraw all restrictive rules (retaining only, I presume, the rule which requires that 80 per cent. of the cultivable area shall be under actual cultivation

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\* See tables in paragraphs 66 and 74 of Colonel Baird Smith's Report, as showing the effect of canals in adding to the value of the gross produce of the land, and, consequently, in increasing assets.

cultivation before a permanent settlement shall be granted), and considers that, "as a measure of large and enlightened policy, the permanent settlement of these provinces should be carried out unhampered by further conditions."

5. Your Excellency in Council is of opinion that the rule prescribed by Earl de Grey, "if limited to such tracts as will certainly, or with reasonable likelihood, within a definite period, come under the influence of canal irrigation," would not cause "injury or harm from its application," and would "certainly to some extent, guard the financial interests of Government, and promote uniformity of assessment." Your Excellency, however, seems to think that the terms used by Lord de Grey, "when canal irrigation shall have been carried out to the full extent at present contemplated," should be construed to apply only to lands to which "canal irrigation will certainly, or within reasonable probability, extend within a given period, say five or six years." In regard to such lands you propose "to limit the engagement to 10 or 15 years, within which period the expectations of the irrigation and revenue officers, as to extended use of canal water, would, no doubt, be realised."

6. I have very carefully considered in Council the various documents which have been placed before me, and, after giving full weight to the varying, and indeed conflicting, opinions of the high authorities who have recorded their views on the subject, I have now to convey to you the final decision of Her Majesty's Government.

7. In consenting to a permanent settlement of the land revenue at the present time, Her Majesty's Government are advisedly making a great financial sacrifice in favour of the proprietors of land. They are giving up the prospect of a large future revenue, which might have been made available for the promotion of objects of general utility, and might have rendered it possible to dispense with other forms of taxation. This sacrifice they are prepared to make in consideration of the great importance of connecting the interests of the proprietors of the land with the stability of the British Government. It is right, however, that I should point out that the advantages now conferred upon the landholders are far greater than those contemplated in former times, and especially that they are quite beyond the scope of the expectations held out when Lord Cornwallis originally formed a similar settlement in Bengal and Behar. The assessment made by Lord Cornwallis left rather less than one-tenth of the rental to the zemindar. The present assessment will leave him one-half; and, in addition to this, one-fifth of the cultivable land, if at present uncultivated, is to be allowed to remain free of assessment for ever. Moreover, this settlement, instead of being granted (as was the case in Bengal and Behar) at a time of extreme depression and impoverishment, is granted at a time of unparalleled hopefulness for all kinds of industry in India, when the demand for every kind of produce is rapidly increasing and the price rising, and when railways and other forms of enterprise are beginning to develop the vast resources of the country, and to add to the wealth of all classes, and most especially to that of those connected with the land.

8. Under these circumstances, it does not appear to be either necessary or reasonable that the Government, as trustees for the whole body of the people, should confer upon the landholder, in addition to the other benefits which I have pointed out, the whole of the great increase in the value of his land which will certainly result from the extension of irrigation, without making any reservation on behalf of the public interest. The only feasible mode of making such reservation appears to be, to withhold the permanent settlement in cases where irrigation is likely to be effected within a reasonable period; and it is with this view that my predecessors have laid down the rules now under consideration. In the justice of the principle on which those rules are founded, I entirely concur. It only now remains to define the period for which it will be right to defer the permanent settlement for lands capable of profitable irrigation, but not yet irrigated. I am of opinion that this period should be not less than 20 years. Great injustice and inequality would result from the adoption of a shorter period; for the projects of irrigation which are now in their infancy will probably receive a large development in the course of the time I have mentioned;

mentioned ; and it would be unfair to enforce the claims of the State upon lands which may be irrigated within the next few years, leaving the estates to which the same boon may be extended a little later entirely free from it. Such a course, besides being unfair, would probably tend to retard the extension of irrigation, by making it the interest of the landholder that it should be deferred till his assessment has been completed.

9. I have, therefore, to desire that the following rules may be observed before estates in the North-West Provinces, or elsewhere, are admitted to permanent settlement, viz. :—

First. No estate shall be permanently settled in which the actual cultivation amounts to less than 80 per cent. of the cultivable or malgozaree area ; and

Secondly. No permanent settlement shall be concluded for any estate to which canal irrigation is, in the opinion of the Governor General in Council, likely to be extended within the next 20 years, and the existing assets of which would thereby be increased in the proportion of 20 per cent.

I have, &c.  
(signed) *Stafford H. Northcote.*

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