PAPERS

ON THE

LAND REVENUE SYSTEM

OF

BRITISH INDIA.

CONTENTS.

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BY THE

BENGAL LANDHOLDERS' ASSOCIATION,

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Introductory Note.

The recent controversy on the Land Revenue policy of the Government in the different Provinces of India, has excited keen interest in the minds of the educated people of India. The controversy was started by Mr. Romesh C. Dutt, C.I.E. in his Open Letters to Lord Curzon, written early in 1900, and published in the shape of a book in the same year. The principal recommendations made by Mr. Dutt in these Letters received the support of a number of able and distinguished retired Indian officers, like the Right Hon'ble Sir Richard Garth and Mr. H. J. Reynolds late of Bengal, Sir John Jardine and Sir William Wedderburn late of Bombay, and Mr. R. K. Puckle and Mr. J. H. Garstin late of Madras;—and they submitted a Joint Memorial to the Secretary of State for India pressing for the needed reforms in the Indian Land Revenue Administration.

The Memorial was forwarded to India, and Lord Curzon, after obtaining reports from the Local Governments, published an able and exhaustive Resolution, dated 16th January 1902, which has since been reprinted in the form of a book. This was followed by a series of Letters written by Mr. Dutt in March 1902, pointing out how far the recommendations made in the Memorial were accepted by the Government, and in what respects they were not adopted.

The Committee of the Bengal Landholders' Association are of opinion that these papers have a more than temporary interest. They throw light on the history of the Land Revenue administration in the different Provinces of India, and also embody the opinions of able, experienced, and thoughtful administrators on important questions relating to Land Revenue Settlements. The Committee have therefore decided to issue these papers in the present collected form.

BENGAL LANDHOLDERS' ASSOCIATION,
16, Loudon Street, Calcutta,
July 1902.

MAHARAJA JAGADINDRA NATH ROY,
(Nator.)
A. CHAUDHURI,
Honorary Secretaries.

MEMORIAL of 20th December, 1900.

To

THE RIGHT HONOURABLE

Lord George Francis Hamilton, M.P.,

Her Majesty's Secretary of State for India,

India Office, Whitehall S.W.

My Lord,

In view of the terrible famines with which India has been lately afflicted, we, the undersigned, who have spent many years of our lives among the people, and still take a deep interest in their welfare, beg to offer the following suggestions to your Lordship in Council, in the hope that the Land Revenue administration may be everywhere placed on such a sound and equitable basis as to secure to the cultivators of the soil a sufficient margin of profit to enable them better to withstand the pressure of future famines.

2.—We are well aware that the primary cause of famines is the failure of rain, and that the protection of large tracts of country by the extension of irrigation from sources that seldom or never fail has been steadily kept in view and acted on by the Government for many years past; but the bulk of the country is dependent on direct rainfall, and the pinch of famine is most severely felt in the uplands, where the crops fail simply for want of rain. The only hope for the cultivators throughout the greater part of India is therefore that they should be put in such a position as to enable them to tide over an occasional bad season.

3.—To place the cultivators in such a position, we consider it essential that the share taken as the Government demand on the land should be strictly limited in every Province. We fully agree with the views of Lord Salisbury, when Secretary of State for India, as set out in his Minute of April 26th 1875:—

> "So far as it is possible to change the Indian fiscal system, it is desirable that the cultivator should pay a smaller proportion of the whole national charge. It is not in itself a thrifty policy to draw the mass of revenue from the rural districts, where capital is scarce, sparing the towns, where it is often redundant, and runs to waste and luxury. The injury is exaggerated in the case of India, where so much of the revenue is exported without a direct equivalent."

4.—Without going into tedious detail, we consider it very advisable that, in those parts of the country in which the Land Tax is not permanently settled, the following principles should be uniformly adhered to:—

(*a*) Where the Land Revenue is paid directly by the cultivators, as in most parts of Madras and Bombay, the Government demand should be limited to 50 per cent. of the value of the nett produce, after a liberal deduction for cultivation expenses has been made, and should not ordinarily exceed one-fifth of the gross produce, even in those parts of the country where, in theory, one-half of the nett, is assumed to approximate to one-third of the gross, produce.

(*b*) Where the Land Revenue is paid by landlords, the principle adopted in the Saharanpur Rules of 1855, whereby the Revenue demand is limited to one-half of the actual rent or assets of such landlords, should be universally applied.

(*c*) That no revision of the Land Tax of any Province or part thereof should be made within thirty years of the expiration of any former revision.

(*d*) That when such revision is made in any of those parts of India where the Land Revenue is paid by the cultivators direct to the Government, there

should be no increase in the assessment except in cases where the land has increased in value (1) in consequence of improvements in irrigation works carried out at the expense of the Government, or (2) on account of a rise in the value of produce, based on the average prices of the thirty years next preceding such revision.

5.—Lastly, we recommend that a limit be fixed in each Province beyond which it may not be permissible to surcharge the Land Tax with local cesses. We are of opinion that the Bengal rate of $6\frac{1}{4}$ per cent. is a fair one, and that in no case should the rate exceed 10 per cent.

We have the honour to be,

Sir,

Your obedient Servants,

24, Palace Court, W.,
20th December, 1900.

(Signed)

R. K. PUCKLE,
Late Director of Revenue Settlement, and Member of the Board of Revenue, Madras.

J. H. GARSTIN,
Late Member of Council, Madras.

J. B. PENNINGTON,
Late Collector of Tanjore, Madras.

H. J. REYNOLDS,
Late Revenue Secretary to the Government of Bengal, and late Member of the Legislative Council of the Governor General of India.

RICHARD GARTH,
Late Chief Justice of Bengal.

ROMESH C. DUTT,
Late Offg. Commissioner of Orissa Division in Bengal, and Member of the Bengal Legislative Council.

C. J. O'DONNELL,
Late Commissioner of the Bhagalpur and Rajshahi Divisions in Bengal.

A. ROGERS,
Late Settlement Officer and Member of Council in Bombay.

W. WEDDERBURN,
Late Acting Chief Secretary to the Government of Bombay.

JOHN JARDINE,
Late Judge of the High Court of Bombay.

J. P. WOODRIDGE,
Late B.C.S., and formerly Offg. Settlement Commissioner, C.P.

LORD CURZON'S RESOLUTION OF 16TH JANUARY 1902.

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

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

3. On the present occasion he is, however, less concerned with the individual statements or misstatements that may have been made with regard to particular areas—the replies of the Local Governments to which show that an imperfect acquaintance with facts has been the source of much confusion and misunderstanding—than he is with the larger questions affecting the land-revenue policy of the government as a whole, and the connection which it is alleged to have with the recurrence and intensity of famine of India. It does not seem necessary to discuss the economic fallacy that any alteration in the system or scale of assessments can permanently save an agricultural population from the effects of climatic disaster. The relation of cause and effect between a good rainfall, abundant crops, and agricultural prosperity is not more obvious than is that between a bad monsoom, deficient produce, and a suffering people. When the vast majority of the inhabitants of a country are dependent upon an industry which is itself dependent upon the rainfall, it is clear that a failure of the latter must unfavourably, and in extreme cases calamitously, affect the entire agricultural community. The suspension of the rains means a suspension of labour;

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

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

5. By the ancient law of the country—to quote the opening words of Regulation XIX of 1793, by which the Permanent Settlement was created in Bengal—the ruling power is entitled to a certain proportion of the produce of every acre of land unless it has transferred or limited its rights thereto. The procedure by which that proportion is determined is styled a Settlement of the Land Revenue. A Settlement is of two kinds: permanent, by which the demand of the State is made fixed and unalterable for ever; temporary, under which the State demand is revised at recurring periods of greater or less duration. Inasmuch as all agricultural land in India must fall within either the permanently settled or the temporarily settled areas, it is desirable to consider what are the criticisms or proposals that have been made with reference to each of these two classes. The permanently settled districts, as is well-known, cover the greater part of Bengal, parts of the North-Western Provinces and Madras, and a few other isolated tracts. At an earlier period the school of thought that is represented by the present critics of the Government of India advocated the extension of the Permanent Settlement throughout India; and although this panacea is no longer proposed, the Government of India are invited by Mr. Dutt to believe that had such a policy been carried into effect 40 years ago, "India would have been spared those more dreadful and desolating famines which we have witnessed in recent years." It is also stated by the latter in his letter upon Land Settlements in Bengal that in consequence of the Permanent Settlement in that Province the cultivators are more prosperous, more resourceful, and better able to help themselves in years of bad harvest, than cultivators in any other part of India, that agricultural enterprise has been fostered, cultivation extended, and private capital accumulated, which is devoted to useful industries and to public works and institutions. The hypothetical forecast above recorded is not rendered more plausible to the Government of India by their complete inability to endorse the accompanying allegations of fact. Bengal, and particularly Eastern Bengal, possesses exceptional advantages in its fertility, in its comparative immunity from the vicissitudes of climate to which other parts of the country are liable, in its excellent means of communication, in its enjoyment of a practical monopoly of the production of jute, and in the general trade and enterprise which radiate from its capital city. But neither these advantages nor the Permanent Settlement have availed to save Bengal from serious drought when the monsoon failure, from which it is ordinarily free, has spread to that part of India. Omitting to notice the frequent earlier famines, that known as the Behar famine of 1873-74 (so-called

from the part of the Bengal Province most seriously affected) cost the State £6,000,000 while it can be shown that in the famine of 1897 there were at the height of the distress considerably more than ¾ million persons on relief in the permanently settled districts of Bengal, and that the total cost of that famine to the Bengal Administration was Rs. 1,08,04,000, or £720,266 (as compared with a famine expenditure of Rs.98,28,000, or £655,200, in Madras, and Rs.1,26,37,000, £842,466, in Bombay), and this although the daily cost of relief for each person was less (Re. 0·81 in Bengal as compared with Re. 1·04 in Madras and Re. 1·06 in Bombay). If the figures of persons in receipt of relief in the permanently settled districts of Western Bengal were compared with those of the adjoining temporarily settled districts of the North-Western Provinces, where the conditions were closely similar, it would also be found that the percentage was more than half as high again in Behar as in the North-Western Provinces. The Government of India indeed know of no ground whatever for the contention that Bengal has been saved from famine by the Permanent Settlement, a contention which appears to them to be disproved by history, and they are not therefore disposed to attach much value to predictions as to the benefits that might have ensued had a similar settlement been extended elsewhere.

6. As regards the condition of cultivators in Bengal, who are the tenants of the land-owners instituted as a class in the last century by the British Government, there is still less ground for the contention that their position, owing to the Permanent Settlement, has been converted into one of exceptional comfort and prosperity. It is precisely because this was not the case, and because, so far from being generously treated by the zemindars, the Bengal cultivator was rack-rented, impoverished, and oppressed, that the Government of India felt compelled to intervene on his behalf, and by the series of legislative measures that commenced with the Bengal Tenancy Act of 1859 and culminated in the Act of 1885, to place him in the position of greater security which he now enjoys. To confound this legislation with the Permanent Settlement, and to ascribe even in part to the latter the benefits which it had conspicuously failed to confer, and which would never have accrued but for the former, is strangely to misread history. As for the allegation that the Permanent Settlement has been the means of developing in Bengal an exceptional flow of public-spirited and charitable investment, while the Government of India are proud of the fact that there are many worthy and liberal-minded landlords in Bengal—as there also are in other parts of India—they know that the evils of absenteeism, of management of estates by unsympathetic agents, of unhappy relations between landlord and tenant, and of the multiplication of tenure holders, or middlemen, between the Zemindar and the cultivator in many and various degrees—are at least as marked and as much on the increase there as elswhere, and they cannot conscientiously endorse the proposition that, in the interests of the cultivator, that system of agrarian tenure should be held up as a public model, which is not supported by the experience of any civilised country, which is not justified by the single great experiment that has been made in India, and which was found in the latter case to place the tenant so unreservedly at the mercy of the landlord that the State has been compelled to employ for his protection a more stringent measure of legislation than has been found necessary in temporarily settled areas. It is not, in fine, in the Permanent Settlement of Bengal that the ryot has found his salvation; it has been in the laws which have been passed by the Supreme Government to check its license and to moderate its abuses.

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

8. The zemindari tenure is the prevailing form of land tenure in the Central Provinces, the North-Western Provinces and Oudh, and the Punjab.

The suggestions with regard to it which the Government of India have been invited to consider are as follows:—

9. It is nowhere clearly stated, but it may be inferred, that in the opinion of their critics some limit should be placed to the amount of rent which the landlord may take from his tenant. The Government of India would have been better pleased had greater prominence and a more indisputable enunciation been given to this proposition, since it is one with which they are in cordial agreement. It does not seem to them to be consistent that great stress should be laid upon the share of the produce which should be taken by the Government, when it deals directly with the tenant, or with the share of the rental that it should take from the landlord when the latter is the intermediary, while little or no attention is devoted to the rent paid by the cultivator in cases where he happens to pay it to a zemindar. If it is the interests of the ryot that are at stake, and that stand in most urgent need of protection, that protection is not less necessary when his payments are made to a native landlord in the form of rent than when they are made in the form of land revenue to the British Government. Such being the logic of the case, it is with satisfaction that the Government of India can point to the fact that the principles here laid down have been, and are still, the basis of the numerous Tenancy Laws which have been enacted by them in recent years. Mention has already been made of the Tenancy Acts in Bengal. Similar legislation has been carried through for the Central Provinces, and is now being undertaken in the North-Western Provinces. The Government of India will welcome from their critics upon future occasions a co-operation in these attempts to improve and to safeguard the position of the tenant which they have not hitherto as a rule been so fortunate as to receive.

10. The next contention is that where the land revenue is paid to the State by the landlord the principle adopted in the Saharanpur Rules of 1855 limiting the State demand to one-half of the rent or assets of the landlord, should be universally applied. Here it seems to the Governor-General in Council to be necessary to utter a word of caution, which will be found to apply both to the present and still more to some of the subsequent proposals that will come under examination. These proposals contain the common suggestion of definite mathematical fractions of rent or produce, as the maximum share of Government. The Governor-General in Council while far from denying the possible utility of such standards as general principles of guidance, must guard himself from any acceptance of them as hard-and-fast rules of practice. It is impossible to apply any one criterion to all parts or classes in one province, much more so to the whole of India. The conditions of uniformity, which would alone justify uniformity of treatment are in many cases lacking. A rule of division which would be light in one case might be harsh in another: a proportion of rent or of produce which would leave a wide margin of profit in one part of India might be vexatious elsewhere. While, therefore, general principles may reasonably be formulated in order, as far as possible, to secure unity and continuity of policy, the Government of India would deprecate, in any case, the hasty acceptance of too precise mathematical formulæ, as likely to tie the hands of their officers, and to produce rigidity instead of elasticity, in Land Revenue administration.

11. Subject to the above qualification the Governor-General in Council now proceeds to examine the suggestion of a 50 per cent. limitation of the Government share in the landlord's rental. It has already been stated on the authority of Regulation XIX, 1793, that the ruling power in India has always, by the ancient law of the country, been entitled to share in the produce of the soil. Regulation II of 1793 pointed out that the Government share of that produce was fixed by estimating the rents paid by the tenants, deducting therefrom the cost of collection, allowing to the landlords one-eleventh of the remainder as their share, and appropriating the balance or ten-elevenths, as the share of the State. But if this was the ostensible basis, upon which the Permanent Settlement in Bengal was originally made, and if, at the commencement of their fiscal admnistration, the Government of India thus followed indigenous

custom in assessing the revenue, they soon began to moderate the severity of the practice. It is unnecessary to trace here in detail the process of mitigation. It will suffice to say that long before the late century had reached its midway point, the demand of the State upon the landlord had been limited to two-thirds of the net assets. About the middle of the century, *i.e.*, before the Mutiny, the question of the relative shares of the State and of the landlords in the net produce of the soil came again under careful review in Northern India; and the result of this further consideration of the matter was embodied in what are known as the "Saharanpur Rules" (so called because they were issued in connection with the resettlement of the land revenue of the Saharanpur District of the North-Western Provinces). The Settlement Rules previously in force authorised the demand of two-thirds of the net produce of an estate, or rather of its value in money, as the Government shares in respect of land revenue. The Saharanpur Rules, issued in 1855, laid down "not that the revenue of each estate is to be fixed as one-half of the net average assets, but that in taking these assets with other data into consideration the Collector will bear in mind that about one-half and not two-thirds as heretofore, of the well-ascertained net assets should be the Government demand." These orders have since remained the accepted canon of assessment on landlords' estates in the North-Western Provinces, and they continued to govern assessments in the adjacent districts of the Central Provinces, until the constitution of the latter as a separate administration in 1862. But for the assessment of the Nagpur District of the Central Provinces, which had been escheated to the Government of India in 1854, assessment up to 60 per cent. of the gross rental had been permitted by separate orders issued in 1860, owing partly to the undesirability of introducing too sharp a revision from the practice of the previously existing native administration, partly to the great extent of uncultivated land, which enabled the landlords largely to increase their incomes while the Settlement was running its course.

12. It is, therefore, an erroneous assumption that what is known as the "half assets rule" anywhere bound the Government to take as its land revenue from a district as a whole no more than 50 per cent. of the capital rental of the land-owners. Not only were there no compulsory orders in the matter, but the construction placed on the word "assets" at the time, and for many years later, permitted the Settlement Officer to look beyond the actual cash rental, and to take into consideration prospective increases of income, to assume a fair rent for land held by tenants enjoying privileges as against the landlord, and to consider the profits of "sir" or home-farm cultivation (where the land was held entirely by cultivating proprietors) as well as the rental value of home-farm lands. Hence it arose that the assessments taken, though amounting only to about 50 per cent. of the nominal assets, absorbed as a rule a considerably higher proportion of the realised rental. In the recent years, however, there has been a steady movement in the downward direction. In the North-Western and other zemindari provinces prospective assets have been excluded from consideration; allowances have been made for improvements made by the landlord, for precariousness of cultivation, and for local circumstances; and the revenue has been fixed at a share of the actual income of the proprietor; this income including a fair rental value for the lands which he farms himself, or assigns on privileged terms to tenants. The share to be taken as land revenue by Government is thus being brought down in the North-Western Provinces—in the interests of the proprietor—to an average of less than 50 per cent. while in the re-settlement of Oudh, now on the point of completion, the average falls below 47 per cent. In the Central Provinces, which have been for a shorter period under British rule, and where much higher assessments, amounting in some cases to cover 75 per cent. of the actual income, were inherited from the Maharatta Government, there has been a progressive reduction of assessment; but it has not yet reached the very moderate level that is common in the North-Western Provinces. In time, as population increases, and more labour and expenditure are devoted to cultivation, the share taken by Government may be expected still further to diminish, and already (as pointed out in the Report from the Central Provinces) three of the districts in the north of the Provinces

have recently been re-assessed (from a desire to limit the sudden enhancements that result from long term of settlements) at less than 50 per cent. of the rental. In Orissa the gradual reduction of the Government proportion has been even more striking. In 1882 it was authoritatively declared to be 83·3 of the assets; in 1833 it was lowered to 70—75 per cent.; in 1840 to 65 per cent., with a permissive reduction to 60 per cent.; while at the re-settlement just concluded, it has been brought down to 52½ per cent. In the Punjab, where proprietary cultivation is common and where the maximum land revenue that may be taken is the "estimated value of half the net produce"—the principal guide to this being the rents that are paid by neighbouring tenants-at-will—the calculations given in the official reply reveal yet lower proportions. Assessments of 45, 39, 35, and 25 per cent. are recorded in particular cases, and the general average is shown not to exceed 45 per cent. of the net income.

13. From this summary it results that while the standard of 50 per cent. has nowhere been laid down as a fixed and immutable prescription, there has been, and there is, a growing tendency throughout temporarily settled zemindari districts to approximate to it, and in special circumstances a very much lower share is taken. It does not appear to the Government of India to be necessary to issue fresh regulations upon a matter in which their general policy is so clear and where, save in exceptional cases to be justified by local conditions, uniformity of practice is now so common.

14. The Governor-General in Council now passes to the consideration of those parts of the country where under temporary settlements, the ryotwari or peasant proprietary form of tenure prevails, and where the cultivator pays directly to the State. The principal illustrations of this category are the greater parts of the Presidencies of Madras and Bombay and the Provinces of Burma and Assam. The recommendations that have been made with regard to these areas will now be examined. It should be noted, however, that there is not complete identity between the two forms of the first recommendation that falls to be noticed; for whereas the memorial sets forward the proposition that "the Government demand should be limited to 50 per cent. of the value of the net produce, after a liberal deduction for cultivation expenses has been made, and should not ordinarily exceed one-fifth of the gross produce even in those parts of the country where, in theory one-half of the net is assumed to approximate to one-third of the gross produce." Mr. Dutt, when speaking for himself, urges that "the impracticable rule of realising one-half the net produce or one-third the gross produce be abandoned, and the rule of fixing one-fifth the gross produce as the maximum of rent be adopted." It appears, therefore, that whereas Mr. Dutt as a signatory of the memorial does not contemplate the complete abandonment of the net produce standard, he yet when petitioning on his own behalf, describes it as impracticable, and urges its disappearance. Moreover, in the latter capacity, he advocates a further mathematical criterion, namely, that, while the maximum of one-fifth the produce should not be exceeded in the case of any single holding, the average land revenue for a whole district, including wet and dry lands, should be limited to one-tenth, as alleged to be the case in Northern India.

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

16. The Government of India believe it to be an entirely erroneous idea that it is either possible or equitable to fix the demand of the State at a definte

share of the gross produce of the land. There is a great practical difficulty in ascertaining what the average produce is. It is dependent upon a number of varying factors, such as the industry and resources of the cultivator, the nature of the crop, the capacity, security, and situation of the holding, and the change of the seasons. The share of the gross produce which a crop can afford to pay must stand in close relation and in inverse proportion to the amount of expenditure which has been required to grow it, and this will vary very greatly, for instance, in the case of sugarcane and of wheat. In zemindari districts, accordingly, rental value, and not produce, has for the last 50 years been adopted as the basis of assessments, although the latter have commonly been checked by comparison with produce, with the result, as a rule, of showing that, judged by that standard, they were unreasonably low. In the ryotwari provinces of Madras and Burma, the attempt has been made to fix assessment rates in accordance with produce but the rules giving effect to this principle fence it round with so many qualifications as practically to involve its abandonment. It is now nearly 40 years since the alternative standard of half the net produce was introduced in Madras, the reason being that the gross produce standard, while it favoured the more fertile pressed with extreme severity upon the poorer lands. But even the standard thus adopted has not been worked up to in practice. There and elsewhere the net produce has been valued at much less than the current money rates, the outturn per acre produced from crop experiments has been notoriously under-estimated, and liberal deductions have been made for unprofitable cultivation, distance from markets and vicissitudes of season, so that the rates in actual use for assessment are considerably below the nominal share. There has been a similar reduction in the theoretical measure of assessment, which is also one-half of the net produce in Burma; and the last assessment report received from the Hanthawaddy District shows that the assessment actually imposed fell short of a quarter (not one half) of the net produce by nearly 20 per cent. The truth is that assessment of land revenue is subject to so many complicated and varying conditions that any attempt to reduce it to an exact mathematical proportion either of gross or of net produce would not only be impracticable, but would lead to the placing of burdens upon the shoulders of the people, from which, under a less rigid system, if sympathetically administered, they are exempt. Nor must the influence of the personal equation be ignored. Those who are familiar with the realities of assessment know well that among Settlement Officers there is a growing inclination towards leniency of assessment; and that this spirit is encouraged by the avowed policy of Government, of the considerateness of which the progressive reduction of the State demand already indicated affords conclusive proof. The more the officers of Government know of the people, and the more intimate their mutual relations become, the less likelihood is there of severity in the enforcement of public dues. In no official relation does a member of the Public Service come into such close contact with the people as in Settlement work: and it cannot be his desire to aggrieve those among whom he is spending some of the most laborious years of his life or to initiate a Settlement which after a short interval will break down. Every natural instinct and every recent injunction of the Supreme Government urge him to reasonableness and moderation.

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

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

18. The next recommendation to which the attention of the Government of India has been drawn is that no term of settlement in temporarily settled district should be for a shorter period than 30 years. The history of Settlements may briefly be summarised as follows. In Bombay the thirty years' term was introduced by the Court of Directors so far back as 1837. From there it was extended to Madras and the North-Western Provinces, where it has been the standard period for the last half a century. The same principle was followed in an extension of the Orissa Settlement in 1867, and in confirming most of the Settlements made in the Central Provinces between 1860 and 1870. But it never came into general use in the Punjab, where, in the greater part of the province, the shorter term of 20 years has been the recognized rule. The question was exhaustively examined in 1895, when it was finally decided by the Secretary of State that 30 years should continue to be the ordinary term of settlement in Madras, Bombay, and the North-Western Provinces, that in the Punjab 20 years should be the general rule (30 years being admitted in some cases), and in the Central Provinces 20 years also. A 30 years' term has been adopted for the recent re-settlement of Orissa. In backward tracts, such as Burma and Assam, and in exceptional circumstances, such as exist in Sind, shorter terms are permitted. The reasons for the differentiation are familiar and obvious. Where the land is fully cultivated, rents fair, and agricultural production not liable to violent oscillations, it is sufficient if the demands of Government are re-adjusted once in 30 years, *i.e.*, once in the life-time of each generation. Where the opposite conditions prevail, where there are much waste land, low rents, and a fluctuating cultivation, or again where there is a rapid development of resources owing to the construction of roads, railways, or canals, to an increase of population, or to a rise in prices, the postponment of re-settlement for so long a period is both injurious to the people, who are unequal to the strain of a sharp enhancement, and unjust to the general tax-payer who is temporarily deprived of the additional revenue to which he has legitimate claim. Whether these considerations justifying a shorter term of settlement than 30 years, apply with sufficient force to the Punjab and the Central Provinces at the present time; and if they do apply at the present time, whether the force of their application will diminish with the passage of time, are weighty questions to which careful attention will be given by the Government of India upon a suitable occasion.

19. It may further be pointed out that many of the objections at one time urged to revisions of settlement have become, or are fast becoming obsolete. The process of re-settlement itself is more rapid, and less disturbing than was formerly the case. Where the re-settlement of a district thirty years ago lasted for six or eight years, the work is now, in a large district, usually completed in about four years and often in less. The improvement in the village records, and their punctual correction and maintenance up to date, have to a large ex-

tent obviated the necessity for detailed surveys, and for those local enquiries by subordinate officers, which were in former times a fruitful source of harassment and extortion to the agricultural community. The aim of the existing policy is to exclude underlings from all connection either with the work of assessment or with the preliminary investigations leading up to it and to devolve upon the Settlement Officer and his gazetted Assistants all the negotiations with the people. The Government of India and the Local Governments will always be ready to carry this policy to further developments, their object being to simplify the maintenance, correct and up to date, of the village papers, and thereby to secure an authentic record of the rights and privileges of the people, as well as a trustworthy instrument for the speedy determination of the fair claims of the Government on the land.

20. Again, the principle of exempting from assessments such improvements as have been made by private enterprise, though it finds no place in the traditions of the past, has been accepted by the British Government, and is provided for by definite rules, culminating, in the case of the Bombay Presidency in legal enactments which secure to the cultivator in perpetuity the whole of the profit arising not only from such irrigation works as private wells or tanks, but from the minor improvements which would count for an increase in assessment under a system of re-classification of the soil. The Madras ryots have a recognized right to enjoy for ever the fruit of their improvements, and the exemption of wells, irrigation channels, and tanks whch are private property is provided for by executive orders. Minor improvements are also protected, as in Bombay, by the permanent recognition of a land classification once fairly effected. In zemindari provinces, where the revenue is temporarily assessed on estates as a whole, and not on each particular plot of land composing them, the State has not similarly surrendered its right to all share in improvements in which the capacity of the soil plays a part with the industry or outlay of the cultivator. But the principle followed has been that additional assessments should not be imposed on these grounds until the private labour or capital expended upon them has had time to reap a remunerative return. In the Punjab and Bengal the term of exemption has been fixed, without reference to the term of settlement, at 20 years for masonry wells, five years for canal distributaries, and ten years for other irrigation works. In the North-Western Provinces and the Central Provinces, irrigation works not constructed by Government are freed for the term of settlement next following their construction, the average period of exemption being 45 years in the former, and 30 years in the latter Provinces. The rules of all Provinces provide for the grant of longer terms of exemption in special cases. This summary of existing procedure reveals a variety in practice which it is not possible to reduce to complete uniformity. It is the intention, however, of the Government of India, in consultation with the Local Governments, to take the whole matter into consideration, with a view to the framing of rules that may stimulate the expenditure of private capital upon the improvement of the land, and secure to those who profit by such opportunities the legitimate reward of their enterprise.

21. The question of the effect upon the domestic life of the community of long as against short settlements has been the subject of much discussion. It may be regarded as certain that long term settlements leave more money to the people, however large be the revenue enhancement at the close. On the other hand, short term settlements, which are the familiar practice of Native Rulers, excite less discontent, when not associated with inquisitorial proceedings. An increase of liabilities which comes once in a generation is said by some to be more acutely resented than one which has been rendered familiar by more frequent repetition. Upon this point it is difficult and perhaps unnecessary to pronounce: attention should, however, be called to a concession made by the Government with a view to reducing its own share of the produce, and leavng more to the landholder. Formerly the basis of assessment was the anticipated average yield of the land during the coming period of settlement. Now it is the actual yield at the time of assessment, so that the land-owner enjoys to the full any new advantages that may accrue, either from his own outlay or from outside

circumstances, in the interval before the next revision is made. Assessment upon actual, as distinct from prospective, assets has thus become a cardinal principle of the land-revenue policy of Government.

22. In the foregoing paragraphs a partial answer has been given to the next prayer of the memorialists that in ryotwari tracts "there should be no increase in assessment except in cases where the land has increased in value, (1) in consequence of improvements in irrigation works carried out at the expense of Government; (2) on account of a rise in the value of produce, based on the average prices of the thirty years next preceding such revision. The first of the above provisos is not included in Mr. Dutt's independent recommendation, which is to the effect that no enhancement be anywhere permitted at a new settlement except on the ground of an increase of prices. The entire contention will now be examined. The principle that the State in India has a right to share in the produce of the land carries with it the right to share in any increment of the produce of its value. In the case of increments resulting from the expenditure of private labour or capital, this right, as has already been pointed out, has been altogether waived in some provinces, and materially limited in others. But it can scarcely be contended that such a surrender should equally apply to improvements produced by the growth of population, by the gradual development of the country, by the introduction of new staples, or by an increase in the productivity of the soil and in the value of its produce, more particularly if the latter are themselves the result of an expenditure upon irrigation or communications that has been incurred by the State. The concession to the landlord or the tenant of a complete monopoly of the profits of all improvements of the soil in perpetuity, whether created by himself or not, would be a doctrine, not merely economically unsound, but without any foundation in native custom or any precedent in history. What happens in practice is this: in zemindari areas the claims of Government to a share in the increasing value of the land are adjusted by a periodical settlement with the landlords for its portion of the rental, subject to a not infrequent sacrifice, in the interest of the tenants, of the fractions which might fairly be claimed. The possibility of making prices the basis of assessment in these tracts was carefully considered, and was finally negatived by the Secretary of State in 1885. Some interesting information may be derived from the Bengal Report as to the inequality of assessment which has resulted in that province from the non-interference of Government during the past century; and from this may be deduced how uneven a settlement would become that was only liable to revision by an all-round enhancement or deduction. Whatever be the case as regards zemindari districts, it is now, however, urged that in ryotwari areas no ground of enhancement but a rise in price should in future be allowed. Attention has already been called to the limitation that has been placed by Government upon the discretion of its officers in respect of changes in land classification as a possible basis of enhancement. In Bombay no change in a classification once definitely accepted is permitted by the law. In Madras, though the Government of India, acting under the instructions of the Secretary of State in 1885, have declined to give a pledge against future revisions of classification, they have intimated their cordial acceptance of the principle that the existing classification, if found to be in the main equitable, shall on resettlement not be disturbed. In these circumstances, to deny the right of the State to a share in any increase of values except those which could be inferred from the general tables of price statistics—in itself a most fallacious and partial test—would be to surrender to a number of individuals an increment which they had not themselves earned, but which had resulted, partly from the outlay of Government money on great public works, such as canals and railways, partly from the general enhancement of values produced by expanding resources and a higher standard of civilisation.

23. The concluding proposal, which it is the duty of the Governor-General in Council to examine, and which, in slightly different shapes, finds a place in both memorials, is that no cesses should be imposed on the rental of land, except for purposes directly benefiting the land, and that a limit should be fixed beyond which it may not be permissible to surcharge the land tax with local taxation.

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

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

25. It may be objected, however, that the Rates which are levied for Local Self-Government purposes are not the only extra charges imposed upon the population, and that count should also be taken of the sums payable by them for the remuneration of the village officers—the watchman, the headman and the accountant. The support of this village staff has been a charge on the community from time immemorial. In the Central Provinces and Bombay watchmen are still remunerated, according to ancient custom, by grants of land and by fees collected by them directly from the people. Elsewhere they are supported by the proceeds of a cess to which in some provinces non-agriculturists not unreasonably subscribe. The headman is a functionary of more importance in ryotwari than in zemindari villages; and, except in Madras, Sind and Coorg, his remuneration in ryotwari provinces has been accepted in whole or in part as a charge upon the land revenue which he collects. In the zemindari provinces the proprietor of a village is also its headman, but where there are several shares in the proprietorship of a village one or more of their number represent the remainder, and have a right to a commission on the revenue payable through them, the rate being generally 5 per cent. This represents a communal arrangement of very long standing. The village accountant's functions have been of late years considerably modified by his employment in the maintenance of a connected system of agricultural statistics for his village. The addition to his duties has been acknowledged in some provinces by grants towards his remuneration from the public revenue, but elsewhere than Bombay, Berar, Burma and Assam, a cess provides, at all events, a part of his salary. The Governor-General in Council does not consider that these customary contributions towards the maintenance of the staff of village officers can be classed as local taxation without some important qualifications. The commission paid in zemindari areas by the proprietors to their representatives is in no sense a tax, and it is necessary, of course, to exclude from the watchman cess the contri-

bution made in some provinces by non-agriculturists before adding it to the charges on the agricultural population. Assuming, however, that, subject to these deductions, the maintenance of village officers should be accounted as taxation, it is a noteworthy fact that in no provinces but Sind, Madras, and Coorg does local taxation exceed the maximum limit suggested in the memorial, the incidence in these provinces being respectively $12\frac{1}{4}$, $10\frac{1}{2}$, and $13\frac{3}{4}$ per cent. on the ryotwari revenue. There can be little doubt that it would be substantially lower, if calculated on the true rental value. The general conclusion of the Government in India is that there is no reason for thinking that local taxation if properly distributed is on the whole either onerous or excessive, while as a general rule, it already falls short of the limit which the memorialists would propose to fix. But there are grounds for suspecting that the distribution is often unfair; and that the landlords shift on to the tenants that share of the burden which is imposed by the law upon themselves. In the present backward condition of so many of the people, it is not possible effectively to redress this injustice; and the question presents itself whether it is not better as opportunities occur, to mitigate imposts which are made to press upon the cultivating classes more severely than the law intended. The Government of India would be glad to see their way to offer such relief.

26. But the burdens of which complaint is made are by no means confined to the legal cesses, which, after all, are few in number and strictly limited in amount. There are also, in some zemindari tracts, a number of practically unauthorised village cesses of which no mention has been made by the critics of the existing system, but which are well-known to all those who are familiar with the economy of rural life in India. In many cases these unrecognized and often undesirable imposts exceed the total of the cess levied under the British administration. Their imposition was prohibited by the Regulation of 1793, and ever since that date has been steadily discountenanced by the Government of India, as vexatious to the ryot and detrimental to the successful cultivation of the soil. Their complete suppression by the action of Government is not practicable in the present state of education among the agricultural classes. But the subject is one to which the friends of the ryot might appropriately devote their concern, and in which their exertions might be of much use in supplementing the opposition of Government to a wholly illegitimate form of exaction.

27. The Governor-General in Council has now reviewed the particular suggestions of Mr. Dutt and the memorialists. There remains to be noticed the underlying idea by which they have all alike been animated, and which, in some parts of the former's writings has found definite expression. It is the theory that the amount of the land revenue taken by the Government of India, in one form or another, from the people is mainly responsible for famine, with its corollary that were the assessments diminished, famines would be less frequent, or that at least when they do occur, they would cause infinitely less suffering, the Governor-General in Council does not believe that countenance to this theory can be derived either from the recorded facts of history, or from the circumstances of the present day. The evidence that has been adduced in this Resolution testifies to a progressive reduction of assessments, extending throughout the last century, and becoming more instead of less active during its second-half. If then the severity of famine be proportionate to the weight of assessments, the famines in the earlier part of the 19th century ought to have been incomparably more serious than towards its close; whereas the contention is familiar that the reverse has been the case. Again the contention that in recent famines the parts of India that suffered most severely were the parts that were most highly assessed, finds (with the exception of Gujerat, which had not been seriously famine-stricken for a century and was soft and unprepared) no support in fact, and was expressly disowned by the recent Famine Commission. It is conclusively disproved in the case of the Central Provinces by the evidence of the Chief Commissioner, that, in the famine of 1899-1900, the districts, which felt the famine pressure most acutely were those which had been

exempted from paying the revised assessments, introduced at the previous revision; while the districts that suffered most from the famine of 1896-97 were those in which there had been no enhancement for 40 years.

28. The fallacy in question is the result of an imperfect appreciation of the smallness of the land revenue compared with the enormous losses resulting from a widespread failure of crops. It has been estimated that in the Central Provinces the agricultural classes have lost 40 crores of rupees, or more than 26 millions sterling, during the past seven years—an amount equivalent to the total land revenue of 50 years; while seven years' land revenue would be required to recoup the State for its famine expenditure in these provinces since the year 1896. Similar calculations could be made with regard to the other famine-smitten provinces. It is clear that no reduction of the land revenue demand, short of its total abolition, and not even its abolition itself could enable any community to hold up its head against a calamity so vast and so appalling.

29. It is not of course disputed that if the Government were largely to abate its demand, and the amount of such abatement were fairly distributed among the cultivating classes and were saved up by them, instead of being thoughtlessly spent, or absorbed by an increase of population, or appropriated by a particular section, a reserve would be created that might enable those classes better to withstand the losses caused by failure of the rains. But, unfortunately, neither in the past nor in the present circumstances of the country can any warrant be found for the belief that the revenue so relinquished by Government would constitute a famine relief fund in the hands of the people. Experience has shown that excessive leniency of the kind in question reacts prejudicially upon the industry of the agricultural classes, while it encourages the transfer of the soil to money-lenders and middlemen who swallow the profits intended for the cultivators, and reduce the latter to a condition resembling serfdom. In illustration a reference may be made to Behar, which is permanently settled at a very light revenue, estimated as equivalent to a concession of at least 80 lakhs of rupees a year to the inhabitants. These advantages, however, have been monopolised by the land-owning section of the community, while the Behar tenants remain among the most heavily rented in India; and as the experience of two famines in the last 30 years has shown, have displayed the least capacity of resistance to the shock.

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

31. It is noteworthy that the theory, which has here been examined, meets with no encouragement at the hands of the latest expert body that has enquired into the facts of the case, *viz.*, the Famine Commission of 1901. After stating what was, in each of the province visited by them, the pressure of the land revenue on the soil—in figures which have already been cited—they concluded by saying that except in Bombay, where they regarded it as full, the incidence of land revenue is low in moderate years, and that it should in no way, *per se*, be the cause of indebtedness. It is unnecessary, on the present occasion, to discuss what are the secondary causes of famine—for as to the primary, there can be no dispute—and of the poverty and indebtedness which famine brings in its train. But it is manifest that any one who shuts his eyes to the industrial and economic forces that are at work in India at the present time, and that are patent upon the surface of agrarian life, who does not take into account the over-increasing sub-division of holdng (arising from the land hunger of the peasant population and the inveterate reluctance of the ryot to move even the smallest distance from his native place), the decline of industrial occupations other than agriculture, the rack-renting to which tenants are subjected by the more in-

considerate class of landlords and especially by middlemen of various degrees, the usurious rates of interest demanded by the money-lending class, the speculative expenditure upon litigation, the proneness to extravagance on festival occasions, and the numerous payments, in the form of petty bribes, among the ryots themselves, but who concentrates his entire gaze upon one aspect alone of their poverty, will carry away a most distorted impression both of the malady which he has set himself to diagnose and of the remedies which it is in the power or is the duty of Government to apply.

32. Before concluding his examination of this problem, the Governor-General in Council desires to notice three aspects of the land-revenue question, involving three possible causes of hardship to the poorer landholder, which seem to him to be of much greater importance than the criticisms which he has so far been engaged in examining. The first of this is the pitch of enhancement; the second is the levy of the same assessment in bad years as in good, on the assumption that savings in the one will meet the losses of the other; the third is the effect of local deterioration upon land-revenue payments.

33. That revenue enhancements must often be large, is of course, the direct consequence of long term settlements, and it is, no doubt, because their disturbing effect furnishes an argument for shorter settlements, that a reference to it has not been found in the fore-front of attack. There can be no question of the hardship which a family must experience in finding its income suddenly reduced by a third or even more, as may happen, for instance, when at the end of a term of settlement it is enjoying 75 per cent. of the assets, and re-settlement is made at 50 per cent. The queston in the aspect now under consideration is not really affected (as is sometimes assumed) by the grounds on which the enhancement is made: a heavy addition to the assessment is as disturbing if justified by a large increase of cultivation as if resulting from a rise in valuation rates. It may be argued that a family in such a case has profited largely by the enjoyment of income which it would have lost under a shorter term of settlement; that it should have saved from its surplus to meet the eventual curtailment of its means; and that the State will find long term settlements exceedingly advantageous if it is not only to lose all increment during their currency but also to forego part of its dues at their close. But the question must be considered from a practical point of view and with reference to the conditions of human nature. The State cannot without hesitation call upon people suddenly to effect a great reduction in their domestic expenditure however well justified in theory its demand may be. A man will look more to the actual increase of his obligations than he will to the arithmetical standards by which it is justified or determined. If for 30 years he has been paying a land revenue of Rs. 1,000 and is called upon to pay Rs. 2,000 upon re-settlement, it is small consolation to him to be told that while the former sum represented 50 per cent. of his former assets, the latter only amounts to 47 per cent. of his assets as they now stand. A reduction in percentages is far from compensating him for an enhancement of burdens.

34. To meet such cases the Government of India desire to lay much stress upon the principle of gradual and progressive enforcement of sudden increases of other than moderate dimensions. The mitigation of large enhancement by spreading its imposition over a term of years has been a recognized feature in the settlement procedure of Upper India for a long time past, but has not till recently been brought systematically into practice. In 1895 the Government of India, with the concurrence of the Secretary of State, drew general attention to the advisibility of making larger use of progressive enhancements. In the North-Western Provinces, very complete effect has already been given to this principle. Similiar rules have recently been used in the re-settlement of the Seoni district in the Central Provinces, and the expediency will now be considered of prescribing it for general guidance in those provinces. The rules on this subject contained in the Bengal Settlement Code are of particular application to ryots and tenure-holders, but they admit the use of progressive assessments in the Orissa Settlements, though they lay down no definite scheme of progression, and, as a matter of fact, progressive assessments were most liberally

granted in those Settlements at a loss to the State of nearly eight lakhs of rupees. In the Punjab, the use of progressive assessments has been discouraged on the ground that, though appropriate means of easing an enhancement to a large landholder, they are not suitable to the circumstances of the petty proprietors who hold a very large proportion of the land in that province. Large increases in the demand have been commonly avoided by under-assessment. But it seems open to question whether an expedient which has proved serviceable in other parts of India might not be usefully adopted in the Punjab, and the point will be considered, though the effect of progressive assessments in this province would be to raise not to lower the Government revenue. Turning now to ryotwari settlements, a rule of the Madras Settlement Code limits to 25 per cent. the enhancement which may be imposed at once, the balance being imposed by annual instalments, each not exceeding $12\frac{1}{2}$ per cent. on the original assessment. This gives a ryot six years in which to accommodate himself to the doubling of this assessment. In the Bombay Presidency also the levy of substantial enhancement is distributed over a term of years, and the maximum enhancement variations from these rules have, however apparently been permitted. The procedure of ryotwari settlement renders it difficult for an assessing officer to pay close regard to the circumstances of individuals in framing his proposals, and there is, therefore, the greater need of general rules to obviate hardships in particular cases even if it be conceded that men who cultivate their own land can support a heavier percentage enhancement than those who subsist upon rental receipts. The question is one that calls for and will receive further consideration.

35. The question of varying the revenue demand to meet the character of the season is similiar to the preceding in that it involves a departure from the theory of settlement at the cost of some revenue to the State. In theory the Government revenue represents the sum that may fairly be demanded on an average of seasons, and it is assessed in the belief that cultivators will save from the surplus of good years to meet the deficit in bad. It is manifest, however, that in tracts where the chances of a bad harvest are high it must be exceedingly difficult to make allowances for crop failure in framing the assessment rate. And it is also clear that the agricultural classes have not as a rule yet learnt to regard a good harvest not as an occasion for larger expenditure, but as a means of insurance against failure of crops. In truth, to a poor family a short harvest must be a severe calamity. The assessment may absorb but a small share of the gross produce of its land. But circumstances depend on the net produce on which the assessment is in higher proportion, it is obvious that on inferior land a substantial deficiency in the outturn may leave no net produce whatever so that (in the absence of savings) the assessments can only be paid by borrowing or by stinting the necessaries of life. When such a deficiency is frequent, the rigid demand of the land revenue must add very materially to the hardships endured by a poor and uneducated people.

36. In tracts where great variations from the average of produce are not very frequent, such a demand may be suitable enough, its simplicity and educative effect compensated for the hardship that may be felt in individual cases. But where the produce of the land is liable to great and frequent fluctuations owing to failure of irrigation or vicissitudes of season, there is reason to apprehend that a fixed assessment may ruin people before it teaches them. The revenue systems of several provinces,—notably those of Madras and the Punjab,—have recognized the necessity of special arrangements for the remission of revenue for failure of crops on lands capable of being supplied by State irrigation works. In Madras no revenue is charged upon irrigable land the produce of which has not matured owing to failure of the ample water supply; and in the Punjab this principle has received a further development, a deficiency of produce, not amounting to total failure, entitling the ryot to a proportionate abatement of the assessment rate. This system entails an elaborate procedure for crop inspection and throws much responsibility upon native subordinates. But it has worked well, and is being extended. Unirrigated lands in the ryotwari Provinces of Burma and Assam are ordinarily exempt from payment of

assessment if left unsown but these provinces afford almost the only exceptions to the rule that lands which are dependent upon the rainfall pay a fixed assessment irrespective of their produce. During the past twenty-five years, the advantages for lands of this description, of a more elastic system of collection have been urged at various times on the Government of India by very high authority, and have been carefully debated with Local Governments. The weight of opinion has been against change: but this seems to be due partly to the idea that remissions in some years would be balanced by an increase of assessment in others, and partly to the difficulty contemplated in appraising the loss sustained by each of thousands of small holdings. The Government of India freely admit that a fluctuating assessment, in the sense of an assessment without a definite maximum limit in cash, and annually varying with the outturn of the crops, is exceedingly difficult to work with fairness throws an undesirable amount of power into the hands of subordinate officials, and lacks the influence for thrift which has been the desire of Government to secure in its land-revenue policy. It would be a retrograde step, and would imply a reversion to the methods of native rule. But these objections would not apply so forcibly to a system under which the procedure of particular harvests would be taken merely to justify the reduction of a standard demand, when such produce falls below a point at which relief is, for general reasons, pronounced to be necessary. Experience gained on a large scale during the past years of distress, indicates that when crop failure affects an entire village, or other separately assessed area the difficulty of dealing with holdings individually may possibly be met by working from aggregate to detail, by accepting the village, or other such area, as the unit for calculating the amount of reduction to be given and leaving it to subordinate officials of approved character merely to distribute this amount according to the degree of the loss sustained by individuals. Where a landlord is interposed between the ryots and the Government, his assistance will often be of value in making this distribution, as it is in the interest of his rental collections that it should be fair. Such a system will no doubt offer difficulties of its own, and careful supervision would be indispensable. But the Government of India are not satisfied that in certain well-known tracts of insecure land, where crops are liable to violent fluctuations in produce, some such plan is not required in the interests of people and the question of its introduction will receive fresh consideration. It would be essential that the working of the system should be under the supervision of European officers of experience, at all events during the first years following its introduction.

37. In a country of the size and diversity of India exceptions must occur to the general rule of agricultural progress, and localities are to be found where the conditions are those of actual deterioration. The Governor-General in Council has in mind not only the losses of population and of produce which are the unavoidable consequences of severe famine, but the circumstances of tracts and villages which lose ground owing to such special causes as the effect of decimating epidemics of malarial fever or other conditions, whether connected or not with vicissitudes of season. For some years past the Government of India have insisted upon the importance of the early detection of cases of local deterioration, and have committed to provincial Departments of Land Records and Agriculture the conduct of systematic enquiries to this end. But the information thus collected has not always been fully utilized, and there have been cases in which a reduction of revenue was not granted till the troubles of the people had been aggravated by their efforts to provide the full fixed demand. It is no doubt true that any alteration of the assessments is in conflict with the terms of the original contract, by which the landholder has undertaken a liability for loss in return for an expectation of profit. But in this matter the interests of the Government are identical with the interests of the people, and it is unwise to exact from impoverished persons a revenue which they really cannot pay, merely because they are under an engagement to pay it. The Governor-General in Council is convinced of the desirability of granting prompt relief in these cases, whether they involve tracts or single villages, even though

such a course may involve a departure from the strict principles of settlement. The amount of revenue which the concession will cost to the State will be insignificant compared with the advantages obtained in assisting and encouraging an afflicted population.

38. In the review of their land-revenue policy which has now been brought to a close, the Government of India claim to have established the following propositions, which, for convenience sake, it may be desirable to summarise before concluding this Resolution:—

(1) That a Permanent Settlement, whether in Bengal or elsewhere, is no protection against the incidence and consequences of famine.

(2) That in areas where the State receives its land revenue from landlords, progressive moderation is the key-note of the policy of Government, and that the standard of 50 per cent. of the assets is one which is almost uniformly observed in practice, and is more often departed from the side of deficiency to that of excess.

(3.) That in the same areas the State has not objected, and does not hesitate, to interfere by legislation to protect the interests of the tenants against oppression at the hands of the landlords.

(4.) That in areas where the State takes the land revenue from the cultivators, the proposal to fix the assessment at one-fifth of the gross produce would result in the imposition of a greatly increased burden upon the people.

(5.) That the policy of long term settlements is gradually being extended, the exceptions being justified by conditions of local development.

(6.) That a simplification and cheapening of the proceedings connected with new settlements, and an avoidance of the harassing invasion of an army of subordinate officials, are a part of the deliberate policy of Government.

(7.) That the principle of exempting or allowing for improvements is one of general acceptance, but may be capable of further extension.

(8.) That assessments have ceased to be made upon prospective assets.

(9.) That local taxation as a whole though susceptible of some redistribution is neither immoderate nor burdensome.

(10.) That over-assessment is not, as alleged, a general or widespread source of poverty and indebtedness in India, and that it cannot fairly be regarded as a contributory cause of famine.

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

(11) the progressive and graduated imposition of large enhancements;

(12) greater elasticity in the revenue collection, facilitating its adjustments to the variations of the seasons, and the circumstances of the people;

(13) a more general resort to reduction of assessments in cases of local deterioration, where such reduction cannot be claimed under the terms of settlement.

39. In thus defining their policy the Government of India would not desire to claim for the land Revenue system of British India an exactitude or a freedom from blemish to which it cannot pretend. Historically it owes its immediate origin to practices inherited from the most decadent period of native rule, and its form to changes made slowly, and not without mistakes by men who were aliens to the country, and could only with difficulty, and by slow degrees, assimilate the requirements or enter into the feelings of the people. Where habit and precedent count for more than wisdom, there has been need for caution in reform; and logical completeness or simplicity could not be expected of a system, born amid such surronundings, applied to such manifold conditions and to so heterogeneous a population, and subject, in the various stages of its development to considerations of practical expediency rather than of abstract symmetry or scientific perfection. Indeed the one claim which the

Government of India would decline to make for the land-revenue system of this country is that it can properly be regarded as a science at all. In no country can land valuation be so described, and India, in spite of records, estimates, and tables, is no exception to the rule. A part of the weakness of the criticisms which have been directed against it, arises from the erroneous assumption that it can be regulated by fixed laws, or shaped by arithemetical standards. Assessments cannot be dictated by the theorist in his study; they elude dogmatic treatment, and can only be worked out by the Settlement Officer in the village and on the fields. While they may admit of statistical analysis, they are liable to be hampered by premature statistical definition. The true function of Government is to lay down broad and generous principles for the guidance of its officers, with becoming regard to the traditions of the province and the circumstances of the locality, and to prescribe moderation in enhancement, and sympathy in collection. Above all, it is its duty to exercise discrimination in the choice of the agents whom it employs for this most critical and responsible of tasks. The Governor-General in Council acknowledges with gratitude the services that have been rendered to Government in this respect by a long line of devoted and capable officers, and he believes that the existing system, if pursued upon the lines that have been indicated, is both well suited to the present conditions of the country, and campatible with its future development, and that the revenue which it provides, and which is more lenient in its incidence than at any previous stage of Indian history, is capable of being levied from the people with surprisingly little hardship and without discontent.

Order.—Ordered that the above Resolution be forwarded to the Local Governments and Administrations of Madras, Bombay, Bengal, North-Western Provinces and Oudh, Punjab, North-West Frontier Province, Burma, Central Provinces, Assam, Hyderabad, and Coorg, for information.

Ordered also that the Resolution be forwarded to the Finance Department for information and to the foreign department for communication to the Chief Commissioner, Ajmer-Merwara, and the honourable the Agent to the Governor-General, Baluchistan.

Ordered also that the Resolution be published in the Supplement of the *Gazette of India.*

(True Extract.)
J. B. FULLER,
Secretary to the Government of India.

MR. R. C. DUTT'S REPLY.—I.

[*The Pioneer*, 12th March, 1902.]

A series of letters on the land tax in the different provinces of India were addressed by the present writer to Lord Curzon, Viceroy of India, in the course of 1900, and were subsequently published under the title of "Open letters to Lord Curzon on Famines and Land Assessments in India." The views expressed in my letters were also the views of many distinguished Englishmen who had retired after long and meritorious work in India; and a joint memorial was submitted, towards the close of 1900, to the Secretary of State for India. Among the signatories were the Right Hon'ble Sir Richard Garth, late Chief Justice of Bengal, Sir John Jardine, late Judge of the High Court of Bombay, Mr. R. K. Puckle, C.S.I., late Director of Revenue Settlement in Madras, Mr. H. J. Reynolds, C.S.I., late Revenue Secretary of Bengal, Mr. A. Rogers, late Member of Council in Bombay, and Mr. J. H. Garstin, late Member of Council in Madras. I betray no confidence in informing you that the draft of the memorial was made by the most experienced revenue officer among us, Mr. Puckle, and that his draft was adopted with some slight modifications after several conferences.

The Secretary of State forwarded this Memorial to the Government of India for consideration and Lord Curzon's very able Resolution on the subject has just appeared.

Lord Curzon has approached the subject with a statesmanlike conviction of its vast and national importance. He has obtained reports from the Local Governments of the different Provinces; he has recognised the question as transcending the sphere of party or sectional controversy; and he has dealt with his critics with that courtesy which is a part of him. A few extracts from the opening paragraphs of the Resolution will indicate the spirit in which the Viceroy has approached the subject:—

"The Government of India welcomed the opportunity thus afforded to them to instituting renewed enquiries into a matter that has, for more than a century, been the subject of anxious discussion. The well-being of the agricultural community in India, constituting as it does so overwhelming a proportion of the entire population of the Indan Continent, and contributing so large a quota to the Indian revenues, cannot fail to be to the Government a matter of the most intimate concern; nor can it be denied that upon the incidence of the land revenue collections must the prosperity of those classes in a great measure depend. The question may be recognised, therefore, as one of the highest national importance, transcending the sphere of party or sectional controversy, and demanding at once the most exhaustive scrutiny and the most liberal treatment. . . . If prevention of the inevitable consequences of drought be an ideal incapable of attainment, mitigation is manifestly an object worthy of the closest attention of the Government. It cannot but be their desire that assessments should be equitable in charactter and moderate in incidence; and there should be left to the proprietor or to the cultivator of the soil—as the case may be—that margin of profit that will enable him to save in ordinary seasons and to meet the strain of exceptional misfortune."

In these passages, the Government of India have fully recognised the cardinal principle which I have urged so often in recent years, that in an agricultural country like India, the prosperity and well-being of the nation greatly depend on the incidence of the land revenue being moderate and equitable; and that land assessments should be so made as to leave to the proprietor or the cultivator of the soil a margin of profit, which will enable him to save in ordinary years to meet the strain of exceptional bad harvests. I could not wish for a more emphatic confirmation of the opinions which I have so frequently advanced; and I gratefully acknowledge that there is no difference, in principle, between the views I have urged, and the views so authoritatively laid down in this Government Resolution. And if I still press for land reforms in India, it is because the prevailing practice in India is *not* in conformity with this prin-

ciple: the incidence of land revenue is *not* moderate and equitable; and a sufficient margin is *not* left to landlords and cultivators to meet the strain of occasional bad harvests.

The Permanent Settlement.—The question of permanent settlements does not arise in this discussion. Believing as I still do, that a permanent settlement of the land revenues would be in the highest degree beneficial to the people, and would add to their wealth, prosperity, and staying power, I, nevertheless, refrained from urging such a settlement in my Open Letters, because the India Office had rejected the proposal so late as 1883. And the retired officers who submitted their Memorial to the Secretary of State did not ask for a permanent settlement. We asked for such concessions as were probable, and were consistent with the present land policy of the India Office and the Indian Government. Nevertheless, Lord Curzon has, in his Resolution, dwelt at considerable length on the question of permanent settlements, and the following extracts from his Resolution will explain His Excellency's views:—

"The Government of India indeed know of no ground whatever for the contention that Bengal has been saved from famine by the permanent settlement, a contention which appears to them to be disproved by history, and they are not therefore disposed to attach much value to predictions as to the benefits that might have ensued had a similar settlement been extended elsewhere.

"As regards the condition of cultivators in Bengal, who are the tenants of the land-owners instituted as a class in the last century by the British Government, there is still less ground for the contention that their position, owing to the permanent settlement, has been converted into one of exceptional comfort and prosperity. It is precisely because this was not the case, and because, so far from being generously treated by the zemindars, the Bengal cultivator was rack-rented, impoverished, and oppressed, that the Government of India felt compelled to intervene on his behalf, and by the series of legislative measures that commenced with the Bengal Tenancy Act of 1859 and culminated in the Act of 1885, to place him in the position of greater security which he now enjoys. To confound this legislation with the permanent settlement, and to ascribe even in part to the latter the benefits which it had conspicuously failed to confer, and which would never have accrued but for the former, is strangely to misread history."

In other words, Lord Curzon holds, *firstly*, that the permanent settlement of Bengal has not prevented the worst effects of famines; and *secondly*, that the prosperous condition of the Bengal cultivator is due, not to the permanent settlement, but to the land legislation of 1859 and 1885. An examination of the facts of the case does not support His Excellency's views.

Bengal in 1770 was visited by the worst famine that has ever afflicted India, and one-third of the population of that rich and fertile province, estimated at ten millions or more, was swept away within twelve months. Bengal was permanently settled in 1793; and since that date famines have been rare in Bengal, and *there has been no famine within the permanently settled tracts causing any loss of life.* The agricultural people are generally prosperous and resourceful; and with some help from the Government they have tided over the worst calamities without that most lamentable result of famines,—a ghastly tale of deaths. The very reverse of this has been the case in every other province of India, not permanently settled. The agricultural people are so resourceless and impoverished, that the most liberal relief measures have failed to save lives; and the uniform story of deaths by the million has been told in every famine year. These are facts that tell their own tale. Within a period of over a hundred years there has been no famine in permanently settled Bengal causing loss of life; while loss of life has been lamentable and frequent in every other province of India in spite of all relief operations. The contention, therefore, that the permanent settlement has saved Bengal from the worst results of famines is not disproved, but proved by history, as completely and unanswerably as any economic fact can be proved.

But it has been urged in the second place that the comparative prosperity of the Bengal cultivators is due not to the permanent settlement but to later legislation, *i.e.*, to the Rent Acts passed between 1859 and 1885. I myself rendered some humble assistance in the framing of the Rent Act of 1885, and my services on the occasion were kindly acknowledged in the *Calcutta Gazette* by the then Revenue Secretary of Bengal, Mr. Antony MacDonnell, now Sir Antony MacDonnell, the most distinguished Indian administrator of the present generation. I shall be the last person, therefore, to deny that the Rent Acts of Bengal were needed for the protection of cultivators, or that they completed the good work done by the permanent settlement. But to maintain that the Permanent Settlement did no good until the Rent Acts were passed is to discredit the testimony of the ablest officers and the most distinguished statesmen who lived and worked in India during three generations. Their recorded opinions have been quoted in my work on the *Economic History of British India*, which is expected to appear next month, and need not be fully recapitulated here. There were men among them like Colebrooke, who had served in India for over forty years, who had known Bengal before the permanent settlement and after, and who declared in 1808 (long before the Rent Acts were passed) that "the reviving prosperity of the country, its increased wealth and rapid improvement, are unquestionably due to the permanent settlement." There were thoughtful observers like Bishop Heber who wrote in 1826 (long before the Rent Acts) that "in Bengal, where independent of its exhuberent fertility there is a permanent settlement, famine is unknown" Lord William Bentinck, as Governor of Madras, recommended a permanent ryotwari settlement; and Sir Thomas Munro insisted on this all through his life, and stated before the House of Commons that there was no difference between the zemindari settlement of Bengal and the ryotwari settlement of Madras as regards permanency. One Governor-General, the Marquis of Wellesley, was so convinced of the benefits of the permanent settlement that he pledged the word of the British Government, in 1803 and 1805, by Legislative Acts and Proclamations, to extend it to Northern India. His successor Lord Minto recorded his opinion in 1813 that "to ameliorate generally the conditions of the natives, it is our firm conviction that no arrangement or measure will tend so speedily and effectually to the accomplishment of those important objects as the establishment of a permanent settlement." Lord Minto's successor, the Marquis of Hastings, once more urged in 1820, that "it is, then, our unanimous opinion that the system of a permanent settlement of the land revenue, either upon the principle of a fixed jumma, or of an assessment determinable by a fixed and invariable rate, ought to be extended to the Ceded and Conquered Provinces." The Directors of the East India Company rejected the proposals of the three successive Governor-Generals, and broke the pledge given by Legislative Acts and Proclamations, not because the permanent settlement in Bengal had borne no fruit, but because a trading Company would sacrifice nothing of their own prospective profits and dividends for the happiness of the people of India. The Company was abolished in 1858; the first Bengal Rent Act was passed by Lord Canning in 1859; and the same Viceroy urged once more the extension of a permanent settlement to all provinces of India for the prevention of such famine as he had witnessed in Northern India in 1860. Sir Charles Wood, then Secretary of State for India (afterwards Lord Halifax) accepted the proposal and described it as "a measure dictated by sound policy, and calculated to accelerate the development of the resources of India, and to ensure, in the highest degree, the welfare and contentment of all classes of Her Majesty's subjects in that country." Sir John Lawrence, (afterwards Lord Lawrence) wrote in the same year, "I recommend a perpetual settlement, because I am persuaded that, however much the country has of late years improved, its resources will be still more rapidly developed by the limitations of the Government demand." And Sir Stafford Northcote, Secretary of State for India, approved of the proposal in 1867 "in consideration of the great importance of connecting the interests of the proprietors of the land with the stability of the British Government."

Such were the opinions of three generations of distinguished administrators and able statesmen in India,—of men who built up the Empire, and valued the contentment and happiness of the people. But, unfortunately, the desire to promote the welfare of the people did not ultimately shape the action of the Government; the desire to conciliate the people lost its force when the empire became stable; the desire to continuously add to the land revenues prevailed; and the proposal of extending the permanent settlement into all provinces of India was rejected by the India Office in 1883.

Since then the Indian Government have tried to persuade themselves, and to persuade others, that the permanent settlement is a useless and a hurtful institution. English landed proprietors, who themselves enjoy and appreciate the benefits of a permanent settlement in England under Pitt's Act of 1798, learn to repeat, when they arrive in India, that what is good for themselves is not good for the people of India. Young men, fresh from schools, when they come out as administrators to India, learn to sneer at the opinions of Cornwallis and Sir Thomas Munro, of Wellesley and Lord Hastings, of Canning and Lawrence, of Lord Halifax and Sir Stafford Northcote, as the "school of thought" of an earlier period which is now out of date and out of fashion. And the people of India are asked to believe, with all the eloquence of official persuation, that the grapes which are now placed beyond their reach are sour, and that they will thrive best under a continuous increase of the State demand from the soil. All this is very intelligible, however sad. But the impartial student of history will occasionally turn from the made-to-order opinions of modern times to the freer discussions of past generations; to the opinions of men who watched the operation of the permanent settlement from the earliest period; judged its merit from the highest stand-point, *viz.*, that of the happiness of the people of India; and recommended its extension with greater freedom than has been enjoyed by any Viceroy since 1883.

Remedies proposed in the memorial of 1900.—But as has been stated before, the question of a permanent settlement does not arise in the present discussion. The extension of the permanent settlement to other provinces of India was not urged in my Open Letters to Lord Curzon; and it was not recommended in the Memorial submitted to the Secretary of State for India in 1900. The memorialists made some exceedingly moderate proposals for placing reasonable limits on the land tax, limits which are consistent with the present land policy of the India Office and the Indian Government. The proposals were: (1) Half net produce from cultivators paying the land tax direct. (2) Half rental from landlords paying the land tax. (3) Thirty years' settlement rule. (4) Limitation of enhancements from cultivators to the ground of increase in prices. (5) Limitation of cesses to 10 per cent. of the Land Revenue.

With your permission I propose to examine, on a future occasion, how far Lord Curzon has found it possible to accept these proposals, and on what points His Excellency has not found it possible to adopt them.

MR. R. C. DUTT'S REPLY.—II.

[*The Pioneer*, 28th March 1902.]

In my last letter, which appeared in your issue of the 12th March, I made mention of the five rules which were suggested in the Memorial of 1900, to limit the land tax within reasonable and intelligible limits. I propose in the present letter briefly to examine how these rules have been dealt with in the Government Resolution.

(1) *Half net produce from cultivators.*—The first rule suggested by the memorialists was worded thus: "Where the land revenue is paid directly by the cultivators, as in most parts of Madras and Bombay, the Government demand should be limited to 50 per cent. of the value of the net produce after a liberal deduction for cultivation expenses has been made, and should not ordinarily exceed one-fifth of the gross produce even in those parts of the country where in theory one-half the net is assumed to approximate to one-third the gross produce."

The first part of the rule limiting the Government demand to one-half the net produce, is based on Sir Charles Wood's despatch of 1864, and is accepted, in theory, by the Madras Government. "It is now forty years," says Lord Curzon's Resolution, "since the alternative standard of half the net produce was introduced in Madras." The memorialists, therefore, suggested no new rule, but only recommended that the accepted rule should be fairly and universally worked wherever the land tax was paid by the cultivators direct. In Bombay, no endeavours are made to limit the land tax to one-half the net produce; in Madras the calculations are often so made that, according to the testimony of many revenue officers, the land tax approximates sometimes to the whole of the net produce. What the memorialists urged was that the rule, accepted in theory, should be strictly and universally carried out in practice; and that the cultivator sohuld be saved, in every single case, from an assessment exceeding one-half the net produce of his field. His Excellency the Viceroy must feel, as strongly as we do, that such protection is needed by each individual cultivator; but nevertheless the Government Resolution provides no such protection, and leaves the incidence of the land tax on the peasant proprietors of Madras and Bombay as uncertain as before.

The second part of the rule quoted above was meant as a further limit, and provided that the land tax, estimated at half the net produce, should not exceed the maximum of one-fifth the gross produce. Lord Curzon has declined to adopt this limit also, and deals with the proposal in these words: "The gross produce standard recommended by the memorialists would, if systematically applied, lead to an increase of assessment all round. The report from the Central Provinces shows that the proportion to produce of the gross rental ranges from one sixth to one-fourteenth, and that the enforcement of any such standard would double the liabilities of the raiyats. The Bengal Report gives statistical reason for believing that rents are generally much below one-fifth of the gross produce, and indicates that raiyats on Government temporarily settled estates are, judged by this standard, better off than under proprietors with a permanent settlement. The Madras reply says that 'if Government took one-fifth of the real gross produce from its raiyats, it would fully double its present land-revenue.' The Governor-General in Council is unable to accept a proposal which could only have consequences the very opposite of those which are anticipated by its authors."

The reference to the tenants of private landlords in Bengal and the Central Provinces is out of place, because the rule framed by the memorialists was intended for tracts "where the land revenue is paid directly by the cultivators, as in most parts of Madras and Bombay." Tenants of private landlords are protected by the Rent Acts of the different provinces, and the more complete the protection, the more thorough will be the support which those Acts will receive from all true well-wishers of Indian cultivators. In the rule now under consideration the memorialists explicitly confined them-

selves to the cases of the cultivators who paid the land tax direct to Government, and it is a matter of regret that the rule framed by them has been completely misapprehended by Government. For the memorialists did not suggest one-fifth the gross produce as the *standard* of land tax; they suggested it as the *maximum* which should never be exceeded. As far back as 1883 one-fourth the gross produce was suggested as the maximum rent payable by Bengal raiyats to their private landlords, and in reducing this proportion to one-fifth Sir Antony MacDonnell, then Revenue Secretary of Bengal, recorded the following remarks: "It was never pretended that all landlords were justified in claiming one-fourth of the produce as rent, or that the proportion should be looked on otherwise than as the farthest limit which under circumstances most favourable to the landlord his claims might reach. . . The result of the information collected by these officers was to induce the Lieutenant-Governor to advocate the substitution of one-fifth for one-fourth of the gross produce in the Tenancy Bill now before the Legislative Council of India." The memorialists had this rule before them when they framed a similar rule for tenants paying direct to Government; and in suggesting the maximum of one-fifth the produce, they did not pretend that "the proportion should be looked on otherwise than as the farthest limit which under circumstances most favourable" to the Government, its claim might reach.

As a matter of fact Government very often exceeds this limit. It was in evidence before the Famine Commission of 1880 that the land tax in some talukas in Madras was as high as 31 per cent. of the gross produce; and the Madras Board of Revenue now explains that this high rate referred to a small area and that a "truer idea is given by the figures 12 to 28 per cent." It was in evidence before the Famine Commission of 1900 that the land tax in some districts of Gujerat was 20 per cent. of the gross produce; and it is obvious therefore that this full rate must have been exceeded in many particular villages and talukas in those districts. The object of the memorialists was to prevent such excessive assessments in any single case. Their intention was that the soil, should in no case exceed 20 per cent. of the gross produce. They hoped that the maximum limit proposed by Sir Antony MacDonnell for the tenants of the Bengal zemindars would be fixed by the Government for raiyats paying the land tax to the State direct. The Government has misapprehended this suggested rule; has described the evil consequences of another rule which the memorialists did not propose; and has declined to place any maximum limit on the land tax payable by cultivators. I deplore this decision. It was eagerly hoped that the revelations made by the Famine Commissions of 1880 and 1900 would induce Lord Curzon to place some clear, workable, intelligible maximum limit on the State—demand from the peasant proprietors of India. Not only is it necessary that Revenue and Settlement Officers should be moderate in their demands, but it is also necessary—in India more than in any other country in the world,—that the cultivators should know and understand clearly what the State demands, and what they are entitled to keep. Uncertainty in the State—demand paralyses agriculture. And this fatal uncertainty will hang on the agricultural industry of India until some future ruler, in closer touch with the people and with a firmer determination to protect them at all costs, will declare to them in language which they can understand, how much the Government claims from the produce of their fields, and how much is assured to them, untouched by the Settlement and the Revenue Officer.

(2) *Half the rental from landlords.*—The second rule suggested by the memorialists was thus worded: "Where the land revenue is paid by landlords, the principle adopted in the Saharanpur rules of 1855, whereby the revenue demand is limited to one-half of the actual rent or assets of such landlords should be universally applied." Rule XXXVI of the Saharanpur Rules laid do that "the Government have determined so far to modify the rule laid d para. 52, of the Directions to Settlement Officers as to limit the demand State to 50 per cent. or one-half of the average net assets." Revenue Off from time to time sought to place on these clear words an interpret

they do not bear on the face of them; and have sought to realise as land revenue one-half of the prospective and potential rental of estates. Mr. J. B. Fuller, who was Secretary to the Chief Commissioner of the Central Provinces in 1887, described such procedure (in his letter of the 18th May, 1887) as an attempt "to evade the operation of the half-assets rule." By his singular ability and talents, as well as by his unsurpassed experience in settlement work, Mr. J. B. Fuller has deservedly won the high rank which he now occupies. But alas! one of the first duties of the high office has been an attempt to justify in 1902 what he himself described in 1887 as an evasion of a Government rule by Government officers. As Secretary to the Government of India, he signs Lord Curzon's Resolution, and he writes that "the construction placed on the word assets at the time, and for many years later, permitted the Settlement Officer to look beyond the actual cash rental, and to take into consideration prospective increases of income." I would not like to compare these words too minutely with what Mr. Fuller wrote in 1887. It is pleasanter to know that the old practice, whether an evasion of rules or a misapprehension of them, has now been abandoned. Lord Curzon proceeds to say:—

"In the North-Western and other zemindari provinces, prospective assets have been excluded from consideration. . . In the resettlement of Oudh, now on the point of completion, the average falls below 47 per cent. . . Already, as pointed out in the Report from the Central Provinces three of the districts in the whole of the Provinces have recently been re-assessed. . at less than 50 per cent. of the rental. In Orissa, the gradual reduction of the Government proportion has been even more striking. In 1822 it was authoritatively declared to be 83·3 of the assets; in 1833 it was lowered to 70·75 per cent.; in 1840 to 65 per cent. with a permissive reduction to 60 per cent.; while in the resettlement just concluded it has been brought down to 52½ per cent."

I can scarcely flatter myself that His Excellency meant the last words as a compliment to me personally; but I may say, in passing, that the last resettlement of Orissa went on under my supervision in 1896, and that my recommendations were before the Government when the settlement was finally concluded in 1897. Generally speaking, the Government of India recognises the rule proposed in the Memorial without formally laying it down. "While the standard of 50 per cent. has nowhere been laid down as a fixed and immutable, prescription there has been and there is, a growing tendency throughout temporarily settled zemindari districts to approximate to it." The memorialists may feel satisfied that this virtually proclaims the abandonment of the practice of assessing estates on prospective rentals, or at over half the rental; and they are grateful for this to Lord Curzon.

(3) *Settlements for thirty years.*—The third rule suggested by the memorialists was thus worded: "That no revision of the land-tax of any province or part thereof should be made within thirty years of the expiration of any former revision." The name of Lord William Bentinck is honoured in India for doing away with short settlements and introducing settlements for thirty years. The great settlement of Northern India, effected between 1833 and 1849, was for thirty years. The first great settlement of Bombay, effected in 1837, was for thirty years. Settlements made in Madras have been for thirty years during over half a century. The Orissa settlement of 1837 was for thirty years; and when the period expired in 1877, Lord Lawrence, then Viceroy of India, continued the old settlement for another thirty years instead of harassing the people with a fresh settlement in the year of the Orissa famine. The advantages of long settlements are obvious. In spite of all precautions, every re-settlement is a harassment of the people; short settlements take away all motives for improvement; long settlements give some assurance and encouragement to the people, and promote enterprise in the landed classes. These facts were forgotten or ignored in the last years of the 19th century; and in 1895, Lord Hamilton ruled that while thirty years should continue to be the ordinary term of settlement in Madras, Bombay, and the N.-W. which the twenty years should be the general rule for the Punjab. In the rule

and the Central Provinces. Against this ungenerous departure from a healthy rule I raised my voice in my Open Letter to Lord Curzon on the Central Provinces; and it is against this departure that the rule proposed by the memorialists is meant to be a protest. The Government Resolution defends this departure in the following words: "Where the land is fully cultivated, rents, fair, and agricultural production not liable to violent oscillations, it is sufficient if the demands of Government are re-adjusted once in thirty years, *i.e.*, once in the lifetime of each generation. Where the opposite conditions prevail, where there are much waste land, low rents, and a fluctuating cultivation, or again where there is a rapid development of resources owing to the construction of roads, railways, or canals, to an increase of population or to a rise in prices, the postponement of resettlement for so long a period is both injurious to the people who are unequal to the strain of a sharp enhancement and unjust to the general tax-payer, who is temporarily deprived of the additional revenue to which he has legitimate claim."

A moment's examination will show that this defence of Lord George Hamilton's action of 1895 is unsound. The Punjab and the Central Provinces were not less fully cultivated and not less developed, in 1895, after half a century of British rule than Bombay Province was in 1837, after twenty years of British rule, or the N.-W. Provinces were in 1833, after thirty years of British rule. It is possible that the Government of India sees this; for the closing sentence of Lord Curzon's Resolution on this subject is hopeful. His Excellency writes: "Whether these considerations justifying a shorter term of settlement than thirty years, apply with sufficient force to the Punjab and the the Central Provinces at the present time; and if they do apply at the present time, whether the force of their application will diminish, with the passage of time, are weighty questions to which careful attention will be given by the Government of India upon a suitable occasion." The last words inspire me with hope; and if Lord Curzon succeeds, before laying down his office, to extend the thirty years' rule to the Punjab and the Central Provinces, His Excellency will have satisfied the memorialists and earned the gratitude of millions of cultivators in those Provinces.

(4) *Limitation of enhancements from cultivators.*—The fourth rule proposed by the memorialists was thus worded: "Where the land revenue is paid by the cultivators direct to the Government, there should be no increase in the assessment except in cases where the land has increased in value (1) in consequence of improvements in irrigation works carried out at the expense of the Government, or (2) on account of a rise in the value of produce based on the average prices of thirty years next proceeding such revision."

The object of the memorialists was to define the grounds on which the land tax paid direct by cultivators would be enhanced. As between private landlords and their tenants the Rent Acts of Bengal lay down, clearly and definitely, the grounds of enhancement, and courts of justice will allow no enhancement of rent except on those specific grounds. As between the State and the peasant proprietors no such definite grounds of enhancement of the land tax are laid down, and no appeal to courts of justice is allowed. The result is that the cultivators paying the land tax live in a state of perpetual uncertainty; they do not know on what grounds the State will claim an enhancement at the next settlement; they do not comprehend to what extent the enhancement will be made. As I am writing these lines, I find from the reply of a Member of the Madras Council that in the recent Malabar Settlement, the assessment was raised 85 per cent. at Palghat, 55 per cent. at Calicut, 83 per cent. at Kurumbranat, and 105 per cent. at Walavanad. Such enhancements, made on grounds which the cultivators never fully comprehend, must deaden agricultural enterprise, and keep the cultivating population in a state of chronic poverty.

As far back as 1882, the Marquis of Ripon endeavoured to remove this uncertainty, and made a rule, with the concurrence of the Madras Government, that in districts which had been surveyed and settled, there should be no

increase in the land revenue, except on the equitable ground of a rise in prices. Lord Ripon left India in December, 1884, and in January, 1885, the India Office cancelled his rule and plunged the tenantry of India once more into a state of uncertainty. It was the object of the memorialists to remove this deadening uncertainty; to place the tenants of the State in the same position as the tenants of private landlords have been placed, and to let them know the clear and definite grounds on which the State claimed an enhancement of the revenue at resettlements. They therefore framed a rule similar to Lord Ripon's rule, and they hoped and believed that Lord Curzon would see the necessity of extending to the cultivators paying revenue to the State something of that protection which has been extended by law to cultivators paying rents to private landlords. Lord Curzon's decision on this point is disappointing.

"To deny the right of the State" writes Lord Curzon "to a share in any increase in values except those which could be inferred from the general table of price statistics, in itself a most fallacious and partial test, would be to surrender to a number of individuals an increment which they had not themselves earned."

This decision is disappointing. Increase in values is indicated by the table of prices. Lord Ripon's rule suggested, and the rule framed by the memorialists also suggested, that the Government should obtain an enhancement of revenues when there was such increase in prices. And they reasonably urged that the Government should claim no increase when prices had not increased. All the real advantages which the cultivator secures from new roads or lines of railway are shown in a rise in prices. I was a District Officer in Midnapur ten years ago, when there was no railway line in the District. I am writing the present letter from the same place, which is connected by rail with Calcutta, Bombay, and Madras. And prices have increased owing to this connection. A high official who has been here all these years informs me that rice was selling at 16 seers the rupee ten years ago, and is selling now at $12\frac{1}{2}$ seers the rupee. When such increase takes place in temporarily settled tracts, it is a legitimate ground for enhancement of revenue at the next settlement. When no increase has taken place, the cultivators have derived no advantages; and to claim an increase of revenue at a resettlement is to drive them deeper into debt and poverty. And not to definite clearly and intelligibly the grounds on which the State is entitled to an increase of revenue from lands, is the most efficacious method that human ingenuity could devise for keeping them eternally in the gloom of uncertainty and the slough of despond.

(5) *Limitation of cesses.*—The fifth and last rule proposed by the memorialists was worded thus: "That a limit be fixed in each Province beyond which it may not be permissible to surcharge the land tax with local cesses. We are of opinion that the Bengal rate of $6\frac{1}{4}$ per cent. is a fair one; and that in no case should the rate exceed ten per cent." In my Open Letter to Lord Curzon on the Central Provinces, I made the mistake of stating that local cesses amounting to $12\frac{1}{2}$ per cent. were assessed on the rental. The Government resolution on the Nagpur Settlement, published in the *India Gazette* a year ago, corrected my mistake, and pointed out that the cesses amounting to $12\frac{1}{2}$ per cent. were assessed on the revenue, and therefore came to about $6\frac{1}{4}$ per cent. on the rental. The memorialists had the facts and figures for Bengal, Madras, Bombay and other Provinces before them, but their rule is somewhat obscurely worded. What they meant was that in a permanently settled province like Bengal, where the cesses are imposed on the rental, the rate of $6\frac{1}{4}$ per cent. on the rental is fair; and that in temporarily settled provinces like Bombay, Madras and the N.-W. Provinces, the cesses, calculated on the land revenue, should not exceed ten per cent. of the land revenue. The decision of the Government on this subject is stated in the following words, and gives us some grounds for hope:—

"The general conclusion of the Government of India is that there is no reason for thinking that local taxation if properly distributed is on the whole either onerous or excessive. But there are grounds for suspecting that the distribution is often unfair. . . The question presents itself whether it is

not better, as opportunities occur, to mitigate imposts which are made to press upon the cultivating classes more severely than the law intended. The Government of India would be glad to see their way to offer such relief."

I have now travelled over the entire ground covered by the Memorial, and have shown how the five proposals made therein have been dealt with by the Government. Lord Curzon has approached the subject with a statesman-like conviction of its importance. He has virtually affirmed the principle which we urged that in temporarily settled estates held by landlords, the Government revenue should generally be limited to one-half the actual rental. He has given us hopes that the rule of thirty years settlement which we urged will be extended to the Punjab and the Central Provinces. And he has also given us hopes that the pressure of local cesses will be mitigated. If to all this His Excellency had added some clear and workable limits to the Government demand in raiyatwari tracts, and defined some intelligible and equitable grounds for enhancement of revenue in such tracts, the Government Resolution would have given to millions of cultivators the assurance and the protection they need so much. The subject is one of national importance, and not one for sectional controversy. Personally, I have never written or spoken on the subject, and I will never write or speak on the subject, merely to carry on an idle debate or to prolong a needless controversy. I have felt and I feel, that the happiness and well-being of an agricultural nation largely depend on some clear, definite, intelligible and workable limits being placed on the land tax in raiyatwari tracts, as limits have been placed in zemindari tracts by the Saharanpur rules. And the land question in India will not be solved, and India will know no rest, till this is done.

Mr. R. C. DUTT'S REPLY.—III.

[*The Hindu*, 29th March 1902.]

On landing at Madras, last month, I saw for the first time the Viceroy's famous Resolution on the Indian Land Revenue, published in January last. And while I sincerely appreciated the courtesy which distinguishes that document, I was unable to agree in many of the conclusions to which His Excellency has arrived. The ground covered by the Resolution, however, is so vast that I have found it impossible to touch on all the points within the limits of my previous letters. I propose in the present letter to confine myself to some fallacies which have found a place in the Resolution, and to some remedial measures which Lord Curzon has anounced.

Famines and the land revenue.—The Governor-General in Council is unable to accept the theory that: "Were the assessments diminished, famines would be less frequent, or that at least when they do occur, they would cause infinitely less suffering." And yet if we take entire provinces and large tracts of country into consideration, this theory is proved beyond a question. Permanently settled Bengal is lightly taxed, and has known no famine attended with loss of life since 1793. Madras and Bombay under the Ryotwari system bear a heavier and more uncertain land-tax, and the worst famines during the last quarter of a century have been in Madras and Bombay. The Central Provinces had its assessment enormously increased at the last Settlement, and suffered from a desolating famine within a few years. In Northern India the cruel land assessments of the early years of the 19th century were reduced by Bentinck and Dalhousie, and famines within the present generation have been less fatal than those of 1837 and 1860. No statesman outside India questions the theory that moderate taxation helps the people, and heavy taxation impoverishes them. We all hope that Lord Curzon will take his place as a statesman in England after he retires from India; and if he does not accept a peerage, he will seek the votes of some constituency to enter into Parliament again. Will his Excellency promise his constituents that he will keep up a heavy rate of taxation, because according to his Indian theory, heavy taxes do not interfere with the prosperity of the people? It would be interesting to watch the result of the Election.

But let us confine ourselves to India. If moderating the taxes and rents do not improve the condition and the staying power of the people, what was the object of the long line of statesmen from the time of Munro and Elphinstone in pressing for moderation? Why did Lord William Bentinck reduce the land revenue to two-thirds the rental, and Lord Dalhousie reduce it further to one-half the rental, if such reduction was a needless and foolish sacrifice of the Government revenue? Why did Lord Canning place restrictions on enhancements by private landlords in Bengal, and why has that policy been followed by Rent Acts in every province of India, if it is a useless loss to landlords and does not benefit the tenants? British legislation has striven since 1859 to place equitable and intelligible limits on the power of private landlords to enhance rents; and yet the moment we propose such limits on the power of the State in provinces where the State is virtually the landlord, a cry is raised in the official world, and even the Viceroy permits the statement to find a place in his Resolution that to diminish assessments would not promote the prosperity and the staying power of the people!

Money-lenders and the land revenue.—Another fallacy which has found place in the Resolution is this: "Neither in the past nor in the present circumstances of the country can any warrant be found for the belief that the revenue so relinquished by Government would constitute a famine relief fund in the hands of the people. Experience has shewn that excessive leniency of the kind in question reacts prejudicially upon the industry of the agricultural classes, while it encourages the transfer of the soil to money-lenders and middlemen."

The experience of every revenue officer in Bengal directly contradicts this theory. Within my memory,—within the last 43 years since the first Rent Act was passed in Bengal,—the indebtedness of the Bengal cultivators and the power of the money-lenders have decreased in consequence of the provisions

against the undue enhancement of rents; and this has been so even in Behar since the passing of the last Rent Act. It is excessive assessment and rigorous collection, not leniency, which drive the cultivators to serfdom under money-lenders, and this is proved by the report of the last Famine Commission.

In 1876 a cyclone and storm-wave destroyed the crops of many districts in Eastern Bengal, and I was sent as a Sub-Divisional Officer to an island which had suffered the most. I knew that the people had no food, and I was prepared to open relief operations when needed, without acting with hurry. What was my surprise when I found that the people needed no relief and asked for none! The cultivators had paid light rents for years before, and had invested all their savings in silver jewellery for their women, and in other valuable articles. I the year of disaster they sold these silver things, bought shiploads of imported rice, and helped themselves till the next harvest. A small number of orphans and helpless old men who had lost their relations by the cyclone were relieved; the mass of the people supported themselves through the crisis. What was this silver jewellery of the cultivators but "a famine relief fund in the hands of the people?" And if the State treats its ryots in Madras and Bombay as leniently as the private landlords treat their cultivators in Eastern Bengal, the ryots of Madras and Bombay would naturally have "a famine relief fund" in their own hands in some shape or other, for years of drought and distress. For the ryots of Bombay and Madras are not less thrifty and provident, but notoriously more so, than the cultivators of Eastern Bengal. But the State virtually repeats the words of the landlord of the old school:—"Squeeze the tenants well in order to prevent them, poor things, from getting into bad ways!"

Native rule and the land revenue.—Another fallacy which has found place in Lord Curzon's Resolution is that the defects of the present Land Revenue system of India are inherited from the old Native Rule. "The Government of India," says the Resolution, "would not desire to claim for the Land Revenue system of British India an exactitude or freedom from blemish to which it cannot pretend. Historically, it owes its immediate origin to practices inherited from the most decadent period of Native Rule."

The decadent period of Native Rule has many sins to answer for; but in respect of over-assessment of the soil, the East India Company were the worst sinners. This is abundantly manifest from the Blue Books and official records of the early years of the 19th century which I have summarized in my *Economic History of British India*, and need not recapitulate here. It is in evidence that the Company's servants swept aside Village Communities, Jaigirdars, and Polygars, in order to come in direct touch with the cutivators, and they raised a land revenue such as was never known in India before. In Bengal the actual collection during the last three years of the Nawab's administration varied between six and nine million Rupees; in the first year after the Company obtained the Dewani, they screwed up the revenue to nearly 15 million Rupees; and in less than thirty years they made it 27 millions by 1793. In Bombay the revenue of the territories acquired from the last Peshwa in 1817 was increased within a few years from 8 millions to 15 millions of Rupees. In Madras, the Company's servants were actually taking about half the produce of the field as *Land Tax* at the very time when according to the testimony of Dr. Francis Buchanan, private landords in Bengal were taking less than one-fourth the produce as *Rent*. And in Northern India, the land revenue of the Districts ceded by the Nawab of Oudh in 1801 was raised from 13½ million Rupees to 17 million Rupees in three years.

This policy of continuously screwing up the land revenue to a higher figure than was ever known in India before under any Native Rule, was steadily pursued by the Company's servants under the sanction of the Company's Directors; and all thoughtful and moderate Englishmen of the time deplored the policy. Verelst, Governor of Bengal, replied in 1768 to the Director's fresh demands for increase by stating that: "It is totally beyond the power of your administration to make any material addition to your rents." Warren Hastings reported in 1772 that: "Notwithstanding the loss of at least one-third of the inhabitants of that province (Bengal) and the consequent decrease of the cultivation, the

nett collections of the year 1771 exceeded even those of 1768." Colebrooke, writing in 1808, protested against "grasping at the highest revenue and wringing from our peasants the utmost rent." The Madras Board of Revenue raised its voice in 1818 against "binding the ryot by force to the plough, compelling him to till land acknowledged to be overassessed, dragging him back if he absconded, * * taking from him all that could be obtained." Bishop Heber, writing in 1826 said: "The peasantry in the Company's Provinces are, on the whole, worse off, poorer, and more dispirited than the subjects of the Native Princes;" and that "no Native Prince demands the rent which we do." Lieutenant-Colonel Briggs, writing in 1830 said that: "A Land Tax like that which now exists in India, professing to absorb the whole of the landlord's rent, was never known under any Government in Europe or Asia." Robert M. Bird, the Father of Land Settlement in Northern India, said before the House of Commons in 1832, that: "In Madras and other places * * the revenue was fixed too high at the beginning, and impoverishes the people." And the Hon'ble Mr. Shore, writing in 1837 said: "Every successive province, as it has fallen into our possession, has been made a field for higher exaction; and it has always been our boast how greatly we have raised our revenue above that which the Native Rulers were able to extort."

Protection needed in Madras and Bombay.—Much has been done to remedy these abuses since the early years of the Company's Rule. Bengal was saved by the Permanent Settlement. Northern India obtained some relief from Lord W. Bentinck's two-third-rental rule, and subsequently from Lord Dalhousie's half-rental rule. The cultivators of Bengal obtained protection from Lord Canning's Rent Act of 1859, and the tenants of private landlords in the different provinces of India have obtained similar protection from the Rent Acts of the different provinces. But it is a remarkable and a lamentable fact that the Government has not granted to the peasant proprietors of Madras and Bambay the protection which it has granted to the tenants of private landlords under these Rent Acts. The Bengal ryot knows and understands the clear and definite grounds on which his Zemindar may claim an enhancement. The Bombay and Madras ryot does not know and does not understand the grounds on which the State will claim an enhancement at the next revised settlement. The Bengal ryot can reckon beforehand the limits of the Zemindar's claims. The Madras and Bombay ryot cannot calculate beforehand what the Settlement Officer's claims will be. The Bengal ryot can appeal to Civil Courts against unjust claims on the part of his landlord. The Madras and Bombay ryot is allowed no appeal to any independent tribunal against the mistakes of the Settlement or Revenue officer. Certainty and definiteness in the rental makes the Bengal ryot confident in his own rights and prompts him to save. Uncertainty and indefiniteness in the State-demand at each revised settlement demoralizes the Madras and Bombay ryot and takes away from the motive to save. We had hoped that Lord Curzon would on the present occasion introduce some definite rules and limits on the enhancement of revenue in Madras and Bombay (as Lord Ripon did in 1882) so as to grant to the Madras and Bombay ryot the protection and the assurance which the Bengal ryot enjoys. Lord Curzon has allowed the opportunity to pass, and has not granted the needed protection. The land question in India will know no satisfactory solution until some future ruler, more in touch with the people, and more truly realizing the position of the cultivating population, will grant to the Madras and Bombay ryot that assurance and protection which the Bengal ryot enjoys, and without which agricultural prosperity is impossible in any country in the world.

Protection granted by Lord Curzon.—Three remedial measures are proposed by Lord Curzon. They are (1) progressive and gradual imposition of large enhancements; (2) greater elasticity in the revenue collection; (3) reduction of assessments in case of local deterioration. These remedies are excellent, so far as they go, but they do not go far enough. They will obviate temporary hardship, but will not promote the prosperity of an agricultural nation. Large enhancements should certainly be progressively imposed when made,—but they should *not* be made at all except on those clear grounds and under those

strict rules which the Government has provided in the case of private landlords. In the recent Malabar Settlement, the assessment has been raised 85 per cent. at Palghat, 55 per cent. at Calicut. 83 per cent. at Kurumbranad, and 105 per cent. at Walavanad. Private landlords in Bengal stand amazed at these enormous enhancements, and ask themselves under which of the prescribed grounds in the Bengal Rent Act they could induce Courts of Justice to grant them such enhancement of the rental from their ryots! And it is quite clear that if such enhancements are permissible in Madras and Bombay, on the opinion of the Settlement Officer, the condition of cultivators can never be other than one of perpetual poverty and wretchedness. Greater elasticity in revenue *collection* is also necessary in hard times, but the revenue *assessment* should be light to enable cultivators to save in good years. To screw up the land-tax to the "full" amount, and then to allow remissions when harvests fail, is to keep cultivators always on the brink of famines and starvation. Lastly, the reduction of assessments in case of local deterioration is of course necessary, or the country will be depopulated; but will no reduction be made except to prevent depopulation?

The remedial measures proposed by Lord Curzon indicate the desperate condition of cultivators in Southern India, and the desperate cases in which the Government proposes to relieve them. Wiser statesmanship should go further, and should permanently improve the condition of the cultivators, should give them clear, definite, and intelligible rights, and should provide them with a complete protection against enhancement except on clearly defined legal grounds. This is what Lord Canning's Act of 1859 and subsequent Rent Acts have done for the Bengal cultivator. This is what Lord Curzon's Resolution has failed to do for the Madras and Bombay cultivator.