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OPEN LETTERS TO LORD CURZON

OPEN LETTERS TO LORD CURZON
ON
FAMINES AND LAND ASSESSMENTS
IN INDIA

BY

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PREFACE

IN December last I had occasion, in the course of my Presidential Speech at the Lucknow Congress, to draw attention to the fact of the over-assessment of agricultural holdings in some provinces of India, and the consequent impoverishment of cultivators and agricultural labourers, who form four-fifths of the population of India. I pointed out that while in Bengal and Northern India, where cultivators paid rents to private landlords, the rents were comparatively moderate, in Madras, Bombay and the Central Provinces, where the Government assessed the soil, the assessments were excessive and the people were poorer and more resourceless. And I also stated that in the famines of 1877, 1897 and 1899, the parts of India which were over-assessed had suffered most severely.

The question has naturally received a great deal of attention both in England and in India within the last six months. In England, an important debate took place in the House of Commons in April last, and Mr Samuel Smith, M.P., in referring to my statements, spoke the simple truth when he said that the best remedies for famines in India were the moderating of rents and the extension of irrigation works. And Lord George Hamilton, Secretary of State for India, while doubting the accuracy of my statement about moderate rents in

Bengal, admitted that in the Central Provinces the assessment might have been too severe.¹ In India, also, during the discussion of the annual Budget in the Viceroy's Council, all the Indian members of the Council pleaded in favour of moderate assessments, long leases, and irrigation works,² and Lord Curzon promised to bestow his careful consideration to the subject. And during the discussion of the Provincial Budget of the North-West Provinces and Oudh, Sir Antony Macdonnell, the Lieutenant-Governor of those Provinces, was good enough to refer to my statements, and pointed out that in Northern India the policy of the Government during the present century has been to gradually moderate the land revenue demand.

The attention bestowed on the question by these high and responsible officials promises the most beneficent results, and the terrible and wide-spread famine of the present year raises the question of land assessments in India above the sphere of party controversies and invests it with a grave and national importance.

If lands have been over-assessed in some provinces of India, if the revenue demand has been raised too suddenly and too high, if the population of the country has thereby been rendered resourceless and incapable of helping themselves to any extent in years of drought,

¹ "Mr Dutt seemed to think that in the Central Provinces the Government of India were exacting an exorbitantly high land revenue. He was very reluctant to dogmatise as to what was and what was not a reasonable land revenue, and he should be very sorry to say that in the past they might not here and there have placed the land assessment too high."—Report of Lord George Hamilton's speech in the *Times* of the 4th April 1900.

² See Appendices D to H.

—no class of men will be more anxious to remedy the evils than British administrators, who have devoted themselves to the great task of improving the material condition of the people of India. It is in the hope of rendering some help in the great work which they have undertaken, and of removing some of the deep-seated causes of poverty and indebtedness among the cultivators of India, that the present work is published.

The land question in India is generally considered an intricate subject by public men in England, and is therefore avoided. But the main features of the Indian systems are so simple that they are easily explained and are as easily grasped. It is only necessary to remember that the land systems are different in the different provinces of India, and if we examine the system in each province separately, the main facts will appear exceedingly simple, and we shall obtain a clear and comprehensive idea of the conditions of the agricultural life of an agricultural nation.

In BENGAL the cultivators of the soil pay rents to private landlords, and the revenue payable by landlords to the Government has, in most parts of the province, been fixed for ever by the Permanent Settlement of 1793. The rents paid by cultivators to landlords generally do not exceed one-fifth or one-sixth the gross produce, and the revenue obtained by the Government represents *five to six per cent.* of the gross produce.¹

In NORTHERN INDIA also the cultivators of the soil pay rents to private landlords. But the revenue paid by landlords to the Government has not been per-

¹ See Appendix A.

manently fixed (except in some districts), and is resettled at each recurring settlement. Generally speaking, settlements are made once in thirty years, and about one-half of the rental of landlords is claimed by the Government as revenue. The rents paid by cultivators to landlords represent, on an average, about one-fifth the gross produce, and the revenue collected by the Government represents *eight to ten per cent.* of the gross produce.¹

In BOMBAY the cultivators, generally speaking, pay the revenue direct to the Government, there being no intervening landlords, and the revenue is resettled usually once in thirty years. Lands are assessed according to their situation and productive powers, and also with an eye to their fiscal history, and no endeavours are made to take a fixed and definite proportion of the produce as revenue. It was once believed that the land revenue represented about one-eighth the gross produce, but at the present time it is generally *between twenty and thirty-three per cent.* of the gross produce.²

In MADRAS also the cultivators pay the revenue direct to the Government, except in some tracts where the revenue is paid by landlords and is permanently fixed. The revenue obtained from cultivators direct is fixed at each recurring settlement, and settlements are often made for shorter periods than thirty years. One-half of the *nett* produce of the soil, *i.e.* of the value of the produce after deducting the cost of cultivation, is claimed by the State as revenue; and there is a rule in force that this demand shall not in any case exceed one-

¹ See Appendix A.

² *Ibid.*

third or two-fifths of the *gross produce*. On an average, the State demand represents *twelve to twenty per cent.*¹ of the gross produce for dry lands, and *sixteen to thirty-one per cent.* of the gross produce on wet lands.¹

Lastly, in the CENTRAL PROVINCES, the cultivators pay rents to private landlords, and landlords pay the revenue to the Government. But unlike Northern India, rents in the Central Provinces are not settled by the landlords and cultivators among themselves, but are fixed by Government officers at each recurring settlement; and the revenue demand is not one-half the rental but sometimes goes up to sixty per cent. of the rental. At the last settlement, effected after 1890, the revenue was very largely enhanced, approximating to, and even exceeding, a hundred per cent.² in some districts. Complaints made at the time were disregarded, but the famines of 1897 and 1900 disclose the wretched condition to which the cultivators have been reduced. And from the statement made by the Secretary of State for India, quoted before, there are reasons to hope that the assessment will be revised, and the mistake committed will be rectified, as soon as the present famine is over.

Such, briefly, are the different land systems in the different provinces of India.³ It will be found that the incidence of the land revenue varies considerably in the different provinces. And it is significant that the provinces which have suffered most severely from

¹ See Appendix A.

² See Appendix C.

³ I have treated Northern India as one province though it really comprises two provinces under two separate Administrations, one for N. W. Province and Oudh, and the other for the Punjab.

famines within the last twenty-five years, *i.e.*, in 1877, 1897 and 1900, are the provinces where the demand payable by cultivators is fixed by the Government, and the land revenue is unduly high.

Nearly forty years ago, after the severe famine of 1860, Lord Canning, then Viceroy and Governor-General of India, recommended the extension of the Permanent Settlement to all parts of India; Sir John (afterwards Lord) Lawrence supported the recommendation, and two Secretaries of State for India, Sir Charles Wood and Sir Strafford Northcote, approved of the proposal. It was known then that the proposal involved some sacrifice of the prospective rise in the land revenue of India, but Sir Strafford Northcote was prepared to make the sacrifice with the object of improving the material condition of the people, and of confirming the loyalty of the landed classes in India to the British Rule.¹ Twenty years of uninterrupted peace within the natural frontiers of India, and of devoted loyalty on the part of the people, weakened instead of strengthening this very laudable desire on the part of their rulers, and the proposal of a Permanent Settlement was finally rejected in 1883. I have always considered this an unfortunate decision for the people of India. The extension of the Permanent Settlement would have led to some accumulation of capital which is now the crying need of India; it would have improved the condition of landlords and cultivators alike; and it would have made them more resourceful, and more able to help themselves in years of drought and failure of harvest. I had

¹ See Appendix I.

occasion to express this opinion during the famine of 1897¹ and I still hold the same opinion.

In the present work, however, I have not thought that it will serve any useful purpose to repeat the same recommendation. I have not, in these pages, recommended the extension of the Permanent Settlement to all the provinces of India. On the contrary, I have considered it more useful to suggest such protective measures as are consistent with the different systems prevailing in the different provinces. I have suggested no changes in the prevailing systems, but I have urged that, under each provincial system, some protection against undue and uncertain enhancements should be given to the cultivators of each province. And above all I have urged the acceptance of that proposal which was made by Lord Ripon, when the scheme of a Permanent Settlement was abandoned, that in districts which have been surveyed and settled the Government demand from the cultivators should not be enhanced except on the equitable ground of a rise in prices. This will afford some security to cultivators, while it will leave a door open for the future increase of the land revenue.

In the five Open Letters to the Viceroy of India, which form the principal portion of this work, I have endeavoured briefly and clearly to explain the fiscal history of the five great provinces of India and the condition of the cultivators of the soil in those provinces. I do not claim to have placed any new facts before the Government; on the contrary,

¹ "England and India," Chatto & Windus, London, 1897.

the Government has undoubtedly many sources of information not available to me, and a comprehensive and minute knowledge of many facts and figures not known to me. The only claim which these Letters have to the consideration of the British administrators and of the British public lies in the fact that they are based on a life-long study of the actual condition of the Indian cultivator in his village, and that they seek to describe the real and deep-seated causes of his chronic poverty and indebtedness, and that they represent the views and opinions of the best informed, the most thoughtful, and the most moderate section of my countrymen. For these reasons they will, I venture to believe, receive the consideration of a Government which seeks by all possible means to know the views of the people themselves; and they will probably also interest the British public who are now keenly anxious to remedy, as far as is humanly possible, the causes of the recurring famines in India. There is no doubt these famines are directly caused by the failure of the annual rains over which man has no control; but it is equally certain that their intensity and their disastrous effects can be to a great extent mitigated by moderating the land tax, by the construction of irrigation works, and by the reduction of the public debt and the expenditure of India.

The suggestions I have made in the following pages are, I believe, moderate and practicable, and do not contemplate any change in the different land systems which prevail in the different provinces of India. For the sake of convenience I will sum them up below :

- (a) Where the State receives land revenue through

landlords, and the revenue is not permanently settled, we ask that the "Saharanpur Rules" limiting the State-demand to one-half the rental may be universally applied.

• (b) Where the State receives land revenue direct from cultivators, we ask that the rate may not exceed one-fifth the gross produce of the soil in any case, and that the average of a district, including dry lands and wet lands, be limited to one-tenth of the gross produce, which is approximately the revenue in Northern India.

• (c) Where the State receives land revenue direct from cultivators, we ask that the rule laid down by Lord Ripon, of permitting no enhancements at recurring settlements, except on the ground of an increase in prices, be universally applied.

• (d) Where the land revenue is not permanently settled, we ask that settlements be made not oftener than once in thirty years, which is the general rule in Northern India and Bombay.

• (e) We urge that no cesses, in addition to the land revenue, be imposed on the land except for purposes directly benefiting the land; and that the total of such cesses may not exceed six and a quarter per cent. (one anna in the rupee), in any province of India.

• (f) We urge that now that the protective railway lines have been completed, a million tens of rupees be annually spent out of the Famine Insurance Grant on protective irrigation works; that these works be undertaken, as recommended by the Famine Commission of 1898, "without expectation of direct return" from the outlay; and that the cultivator be left the option of

using the water when he requires it, and paying for it when he uses it.

• (g) And lastly, we urge that in the case of any difference between cultivators and Settlement Officers in the matter of assessment, an appeal be allowed to an independent tribunal not concerned with the fixing and levying of the land tax.

It will be obvious to every reader that it is not possible to improve the condition of the Indian cultivator without granting him some security from uncertain demands and harassing claims which are a ruin to agriculture and a bar to all improvements. And it will be also obvious that the security contemplated in the above rules, and the limitations on land revenue prescribed therein, are not possible without some check on the growing and ruinous expenditure of the Indian Government. We cannot moderate the revenue demand without moderating the expenditure; we cannot give relief to the overtaxed cultivator without economy and retrenchment. This is a subject which I have not touched upon in the present work, because it is so vast and so important that it requires to be dealt with fully in a separate work.

The Royal Commission on Indian expenditure has just brought out its Report with minutes of the valuable evidence it has recorded.¹ The British Parliament has not yet had time to consider this Report, and we will not anticipate the verdict of the British nation. But one thing which very painfully strikes the Indian

¹ Extracts from the evidence of some great authorities on Indian matters have been given in Appendix U of the present work.

reader is that, among all their many valuable suggestions, the majority of the Commissioners have not strongly and adequately insisted on a reduction of the public expenditure in India and of the annual drain from India. Such a reduction is absolutely necessary in the interests of the Indian people, and without such a reduction India cannot be saved.

Retrenchment is said to be one of the great principles of the Liberal Party in Great Britain ; Retrenchment is the first principle of the popular party in India. Educated, moderate, and loyal Indians, who have studied Indian problems and Indian facts carefully, and are animated by a sincere desire to support and help British administration in India, feel that no permanent improvement in the condition of the people is possible without some reduction in the public expenditure. But unfortunately, this Retrenchment Party in India, if I may so call it, has no control over administration, and is debarred from influencing the administration. The Finance Minister and the officials generally in India are, no doubt, aware of the importance of economy ; but the vital and absolute necessity of retrenchment does not come home to them as it does to the people ; it is not a question of life and death with them as it is with the people. And so it happens that the Expending Party,¹—I use this phrase without any reflection on British administrators,—is permanently in power in India ; the Retrenchment Party is never in power and has no control over the administration ; and no

¹ See evidence of Sir Auckland Colvin and Sir David Barbour in Appendix U.

adequately strong endeavour has been made in India to reduce expenditure. The Famine Commissions of 1878 and 1898 did not adequately grasp this point; and the majority of the Royal Commission on Indian Expenditure have failed to deal with it adequately.

In Great Britain the public debt was reduced by over a hundred and sixty millions within forty years after the Crimean War; in India the public debt was not reduced, but went on increasing during the same period, even if we leave out the expenditure on railways. There was no determined endeavour made in India, as was made in Great Britain, to decrease the nation's liabilities; there was no effort made to reduce that annual drain from the Indian revenues which necessarily impoverishes the country and the cultivating population. We hear constantly of the elasticity of the Indian revenues and the recuperative power of the Indian people; the famines of 1897 and of 1900 are a terrible answer to such consoling but unsound and untrue representations.

The great military expenditure of India, too, is not only ruinous but absolutely inequitable. Retired viceroys of India and high military authorities have told the Royal Commission that to saddle India with the expenditure of wars outside India is unjust, illegal, and inequitable; that to maintain at the cost of India a vast force required for Great Britain's Imperial purposes is unfair.¹ Let us honestly endeavour to connect cause and effect; and let those who feel for the millions of

¹ See evidence of Lord Northbrook, Lord Ripon, Lord Lansdowne, Sir Henry Brackenbury, and Sir Edwin Colles in Appendix U.

voiceless cultivators who crowd round relief centres at each recurring famine, or die on the roadside and in obscure villages, bring it home to their minds that famines in India are greatly due to that policy of saddling India with the cost of vast armaments and wars which she should not bear, and which she cannot bear.

Indian witnesses have also urged before the Royal Commission the unfairness of virtually excluding Indians from high appointments in their own country, which they are fitted to hold. They referred to the Parliamentary Return of 1892, showing that of all the appointments of the value over a thousand rupees (£67) a year, the people of India were permitted to hold a small proportion aggregating to about *three millions* sterling, while appointments aggregating to about *fifteen millions* sterling a year were reserved for Europeans.¹ And they pleaded that this was a source of material loss and of moral degradation which neither the august Sovereign of India nor the British people wished to perpetuate.

These are subjects which I have purposely excluded from the scope of the present little volume. I desired to make it an easy handbook on the land question of India, on the condition of the cultivators and the incidence of the land tax, and on the reforms needed to make agriculturists more self-relying and resourceful, and famines less frequent and less fatal. But the reader will undoubtedly perceive that limitations cannot be placed on the revenue-demand without retrenchment

¹ See Appendix V.

in expenditure, and without a readjustment of the financial relations between Great Britain and India on those lines which are considered fair and equitable for the British colonies.

A greater danger than the Mutiny of 1857 not only threatens, but has actually overtaken India, in the impoverishment of the people and the frequency and intensity of recent famines. And the highest type of courage and of statesmanship, such as was evinced by a Canning and a Lawrence in the past, will be needed once more to save the empire,—to moderate rents and taxes, to reduce debt and expenditure, to deal with India as England deals with her colonies in financial matters, and to associate the people of India in the control of their finances and the administration of their own concerns.

ROMESH DUTT.

UNIVERSITY COLLEGE, LONDON,
20th June 1900.

OPEN LETTERS TO LORD CURZON

FAMINES IN INDIA

THE Reports of the Indian Famine Commissions, published in 1880 and in 1898, tell a melancholy tale. Excluding severe scarcities, often confined to limited areas, there were eighteen famines between 1770 and 1878; and if we add to this list the subsequent famines of 1889, 1892, 1897, and 1900, (we have a sad record of twenty-two famines within a period of 130 years of British rule in India.)

I. *Bengal Famine of 1770.*—The first great famine in India which attracted the attention of the British nation to the state of things in India was the Bengal famine of 1770. Like all famines, it had its immediate cause in the failure of rains; but the intensity of the famine, and the great loss of life it caused, were partly due to the maladministration of the East India Company, and the consequent impoverishment of the people. The Court of Directors deplored “the corruption and rapacity of our servants,”¹ but were unable to check the evils until the famine disclosed the state to which the country had been reduced. It was officially estimated by the Members of the Council, after they had made a circuit through the country to ascertain the

¹ Letter of the Court of Directors to Bengal, dated 17th May 1766.

effects of the famine, that about (one-third of the population of Bengal, or over ten millions of people, had died of that famine.) The terrible calamity aroused the attention of the British public to Indian administration, and the Regulating Act of 1773 was passed by the Parliament to improve the administration.

II. *Madras Famine of 1783.*—There was a famine in Madras in 1783, mainly due to the wars of Warren Hastings with Mysore. The exact loss of life from this famine is not known.

III. *Famine in Northern India in 1784.*—There was a very wide-spread and intense famine in Upper India in 1784, directly due to failure of rains, but aggravated in some places by blunders and maladministration. Upper India was not then under British rule, but British officers had been sent to Oudh to command the Nawab's troops, and, following the mischievous practice of the times, they had farmed the revenues of the country for their private gain. Large numbers of the people were driven to rebellion and were put down with cruel severity. Captain Edwards visited Oudh in 1774 and 1783. In the former year he had found the country flourishing in manufacture, cultivation, and commerce; in the latter year he found it to a great extent "forlorn and desolate." Warren Hastings himself witnessed the effects of the famine in Behar, and recorded that: "The distresses which were produced by the long-continued drought unavoidably tended to heighten the general discontent; yet I have reason to fear that the cause existed principally in a defective, if not a corrupt and oppressive, administration. I am sorry to add that from

Buxar to the opposite boundary I have seen nothing but traces of complete devastation in every village." When inquiries were made later, it was found that one-third of the lands in the state of Benares had gone out of cultivation by 1788. The exact loss of lives from the famine of 1784 in Upper India is not known. On the 13th of August 1784, Pitt's Bill for the Better Government of India was passed, and in the following year a nobleman of high reputation and character, Lord Cornwallis, was sent out as Governor-General of India.

IV. *Bombay and Madras Famine of 1792.*—There was famine in Bombay and Madras during Lord Cornwallis's administration, and it was in 1792 that relief works were first opened by the Madras Government for the support of the famine-stricken. The loss of life from this famine is unknown. Lord Cornwallis made a *Permanent Settlement* of the land revenues with the Zemindars or landlords of Bengal in 1793; and since that date there has been no famine in the permanently settled tracts of Bengal, causing serious loss of life.

V. *Bombay Famine of 1803.*—The wars of Lord Wellesley with the Mahrattas, which prevented much land being sown, and the ravages caused by the army of Holkar and the Pindarees, were the principal causes of this famine. Grain was imported by the Government into Bombay and sold at a fixed price to the public; exportation was prohibited; and public works and hospitals were started in the towns of Bombay and Surat for the relief of those who flocked to those towns. The number of deaths from this famine is not known.

VI. *Famine in Northern India in 1804.*—The

wars of Lord Wellesley, the ravages caused by the army of Holkar, and also the early mistakes made by the East India Company's servants in land revenue administration, seem to have aggravated the effects of this wide-spread famine. A part of the dominions of the Nawab of Oudh had been ceded to the British Government in 1801, and blunders were made by the new rulers in the collection of the land revenues. Mr Dumbleton, one of the early collectors of revenue, said in a letter to the Board of Revenue, that the Settlement of 1802 "pressed beyond a fair demand," and that the severe rates of the Nawab's Government were stereotyped, "*without the same elasticity in realising.*"¹ The Government made large remissions of revenue during the famine of 1804, gave loans and advances to land-owners, and offered a bounty on grain exported into Benares, Allahabad, Cawnpur, and Fatehgarh.

VII. *Madras Famine of 1807.*—The early endeavours to assess lands in Madras were as unhappy as in Northern India, and when there was a wide-spread failure of rains in 1806, it was followed by a severe and desolating famine. Large crowds of emaciated people flocked into the town of Madras, attracted thither by the existence of a charitable association and by the hope of obtaining gratuitous help without limit. The Government at the outset declared against any interference with private trade, but in the end they conceived it necessary to purchase grain, guaranteeing a minimum price to importers. The number of deaths from this famine is not known. It was during the early part of

¹ Baden-Powell's "Land Systems of British India," vol. ii. p. 14.

this famine that Sir Thomas Munro wrote in favour of employing labour, but against gratuitous relief. "The natives of India are probably as charitable as those of any other country, and the poor may be left to their care. . . . I see no cause to apprehend a famine in the Ceded Districts. I cannot discover that such an event has ever happened in any former period, unless when war was added to an unfavourable season."

VIII. *Bombay Famine of 1813*.—Similar causes led to a similar calamity in Bombay six years later. The Government refused to prohibit export or to import grain on this occasion, and recorded in a separate minute its adherence to the principles of political economy as expounded in Adam Smith's *Wealth of Nations*.

IX. *Madras Famine of 1823*.—A new system of land-settlements, ordered by the Home Government in 1812, was introduced first in Madras and then in Bombay. The system was one of settlements, not with landlords or Zemindars as in Bengal, but with individual cultivators or Ryots; but the fundamental principle, so far as the revenue was concerned, appears to have been the same as in Bengal,—the Government demand on the land was considered to be fixed for ever. There was a famine in Madras in 1823, and a severe scarcity in Bombay in the following year. Mr Mountstuart Elphinstone, Governor of Bombay, declined after some discussion, to interfere with private trade; in Madras a bounty was offered on all grain imported to the distressed locality. The mortality is unknown.

X. *Madras Famine of 1833*.—The northern districts of the Province suffered most from this famine,

specially the district of Gantur, in which the mortality was so terrible that this was known as the Gantur Famine. The Government appears to have been taken by surprise, and the severity of the calamity was not recognised till too late. Very little was done to relieve distress, except by the distribution of gratuitous food in the towns to which the sufferers flocked. It was estimated that 200,000 persons died in Gantur out of a population of 500,000. Groups of people died in the street of Madras, numbers perished in Masalipatam; in Nellore "the roads were strewn with dead bodies."

XI. *Famine in Northern India in 1837.*—The earlier mistakes in land administration were very slowly rectified in Northern India, and a regular settlement was begun in 1833. But the revenue demanded was still excessively heavy, being two-thirds of the rents received by landlords.

There was a failure of rains in 1837 and a famine ensued. "I have never in my life," wrote Mr John (afterwards Lord) Lawrence, "seen such utter desolation as that which is now spread over the pergunas of Hodal and Palwal." Deaths were numerous. In Cawnpur a special establishment patrolled the streets and the river to remove the corpses. The same thing was done in Fatehpur and Agra. In many places the dead lay on the roadside till wild animals devoured the corpses. The views adopted by the Government were that the Government should offer employment to those who could work, but the relief of the helpless and infirm should be left to the charitable public. The mortality due to this famine was estimated long after by Colonel Baird Smith

at about 800,000; but the Famine Commission considers this much under the mark.

XII. *Madras Famine of 1854.*—A famine visited the northern part of the Madras Presidency and portions of Hyderabad in 1854. Relief was administered only by public works, and for over nine months over fifty thousand people obtained relief on these works. The mortality from this famine is not known, but the census taken in 1856-57 showed that the growth of the population had received a serious check.

XIII. *Famine in Northern India in 1860.*—The mistake of demanding two-thirds of the rental as the Government revenue, which was committed in the Settlement of 1833-49, was rectified by the "Sahranpur Rules" of 1855, and the Government revenue was fixed at one-half the rental, which is the recognised rule in Northern India to the present day. This gave great relief to the landlords and cultivators alike; and when the East India Company was abolished in 1858, the administration of the Indian Empire came directly under the Crown. The wars of the Indian Mutiny, and the acts of retribution which followed, had, however, greatly interfered with cultivation, and when there was a failure of rains in 1860, it was followed by a famine. The principles of relief were the same as were adopted in 1837, viz., that the duty of the State was to provide employment for those who could work, and of the charitable public to support those who could not. Ten large relief works were opened, and minor works were opened to provide work for those who could not travel. Gratuitous relief at the expense of the charitable public

was generally distributed in the shape of cooked food, and this excellent system was first introduced at Moradabad by Mr (now Sir John) Strachey, who was then collector of the district. 35,000 people were employed for ten months on relief works, and 80,000 people received gratuitous relief for nine months. The mortality was high, and Sir A. Cotton estimated it at 200,000 at least. After the famine was over, Colonel Baird Smith was deputed to examine into the causes of famines. He reported that the famine of 1860 was less severe than the famine of 1837 on account of the more lenient land assessments made by the Government, and he recommended a Permanent Settlement of the land revenues, such as had been made in 1793 in Bengal. Lord Canning, then Viceroy of India, strongly recommended such a Settlement; and the Secretary of State for India recorded a memorable resolution describing the proposal as "a measure dictated by sound policy and calculated to accelerate the development of the resources of India, and to insure in the highest degree the welfare and contentment of all classes of Her Majesty's subjects in the country." If this proposal had been then carried into effect, India would have been spared those more dreadful and desolating famines which we have witnessed in later years. But the interests of the land revenue received greater consideration than the well-being of the people; and after a fruitless discussion of twenty-one years, the proposal of Lord Canning was rejected by the Secretary of State for India in 1883.

XIV. *Orissa Famine of 1866.*—There was a famine

in some parts of Madras, and in spite of relief given to 12,000 people in relief works for fifteen months, and to 31,000 people gratuitously for sixteen months, the number of deaths increased by about 450,000. But this famine was most severely felt in Orissa, a part of the Province of Bengal where, generally speaking, no Permanent Settlement of the revenues had been made. The means of communication to Orissa were imperfect; the Government had with difficulty thrown in 10,000 tons of food grain by November 1866; but meanwhile the mortality among those whom this relief did not reach was severe; and it was estimated that one-third of the population of Orissa, or nearly a million persons had died. The inundations of the year caused further damage to the crops, and relief operations had to be resumed in the succeeding year.

XV. *Famine in Northern India in 1869.*—There was a famine in Rajputana in 1869 and cholera and locusts added to the sufferings of the people. The same famine also affected Northern India; 65,000 persons were employed on relief works in the N.W. Provinces for twelve months, and 18,000 persons received gratuitous relief daily. The mortality from the famine was estimated at 1,200,000.

XVI. *Bengal Famine of 1874.*—There was a famine in Behar in 1874; it was the first famine in India in which loss of life was prevented; and the wise and ample relief measures adopted by Lord Northbrook, then Viceroy of India, were completely successful. 735,000 persons were employed on relief works for nine months, and 450,000 persons received gratuitous

relief for six months. The result of inquiries specially made was to indicate that no mortality whatever was due to the famine.

XVII. *Madras Famine of 1877.*—In fatal contrast to the Bengal famine of 1874, the Madras famine of 1877 was attended with serious loss of life. The Ryotwari Settlement of Madras, effected in the early years of the century, had been recognised to be permanent. In 1856 the Government of Madras had declared in its Administration Report, that “the ryot under this system is virtually a proprietor on a simple and perfect title, and has all the benefits of a perpetual lease.” In 1857 the Board of Revenue had declared that “a Madras ryot is able to retain his land perpetually without any increase of assessment, so long as he continues to fulfil his engagements.” And in 1862 the Government of Madras, in its letter, No. 241, of the 8th February, had stated that “there can be no question that one fundamental principle of the Ryotwari System is that the Government demand on the land is fixed for ever.” Nevertheless, the Survey and Settlement operations, introduced in Madras after 1857, ignored these repeated pledges and made rents liable to enhancement on various grounds at recurring settlements. The serious question attracted the attention of Lord Northbrook when he was Viceroy of India; and during the administration of his successor, Lord Lytton, occurred the severest famine which has visited Madras within this century. Sir Richard Temple was sent as Famine Delegate of the Government of India

in January 1877, and he unwisely reduced the wages in relief works to a scale which, in the opinion of the Sanitary Commissioner, Dr Cornish, provided less than subsistence for the labourer. Sir Richard Temple stated his reasons, thus:—"This rate (two annas per diem) is fixed upon the supposition that it will purchase one and a half pounds of grain per diem, a quantity which is deemed essential for a man while at work. There might indeed be a question whether life cannot be sustained with one pound of grain per diem, and whether Government is bound to do more than sustain life. This is a matter of opinion; and I myself think that one pound per diem might be sufficient to sustain life, and that the experiment ought to be tried." The unhappy experiment was tried, and abandoned after three months, and it was also then decided that weakly persons, incapable of performing half the task work, should be supported at their homes. The intensity of the famine decreased when the rains commenced, and the numbers receiving relief fell from 2,218,000 in September 1877 to 440,000 in December 1877. The loss of life from this famine was estimated at over five millions.

Lord Lytton was succeeded as Viceroy of India by the Marquis of Ripon, and he tried to settle the vexed land question of Madras on an equitable basis. In his Despatch of the 17th October 1882, Lord Ripon laid down the principle that in districts which had been surveyed and settled by the Settlement Department, assessments should undergo no further revision except on the sole ground of a rise in prices. This decision gave the

Madras cultivator some fixity of rent after the old right of a *perpetual* assessment had been ignored; it did away with the harassing reclassification of soils and recalculation of grain returns at each recurring settlement; it left the door open to an increase of the Government revenues on the reasonable ground of an increase in prices; and it was a reasonable compromise which was accepted by the Madras Government itself. It is one of the saddest episodes in the history of Indian administration that this moderate measure, calculated to give some security of rent and tenure to the harassed and famine-stricken Indian cultivator, was rejected by the Secretary of State for India in his Despatch of the 8th January 1885. The Madras cultivator has been deprived of that *perpetual* assessment which he was declared to enjoy in the first half of the century; and he has not yet obtained that *security of rental* which Lord Ripon and the Madras Government agreed to bestow on him. The interests of the land revenue are placed higher than the well-being of the people.

XVIII. *Famine in Northern India in 1878.*— There was a famine in Northern India in 1878. The average daily number of relief works for twelve months was 557,000, and in poor houses, 13,750. The relief works were placed under the Public Works Department with little control from the local civil officers, and the result was disastrous. The excess mortality from this famine was 1,250,000.

XIX. *Madras Famine of 1889.*— There was a famine in the Ganjam District of Madras and in parts of Orissa in 1889. Relief works were started in

Ganjam, but gratuitous relief to the infirm and the weak was unfortunately delayed with fatal results. When Lord Connemara, the Governor of Madras, visited Ganjam in June 1889, 18,000 people were employed on relief works, and 2300 people had been admitted to gratuitous relief. Lord Connemara recorded that "a large amount of distress, amounting to starvation, existed, and that the most urgent orders and the most prompt action were required if many lives were not to be lost by the most lingering and dreadful of deaths." The numbers on village relief rose to 93,000 in the first week of August, and 11,000 persons were also daily fed in the kitchens in that month. The mortality in Ganjam during the famine year (Oct. 1888 to Sept. 1889) was high. In Orissa the distress was less, the numbers on relief did not exceed 3600 in September 1889, but the deaths from the combined effects of famine, cholera, and other diseases generally brought on by privation, were numerous.

XX. *Famine in Madras, Bengal, Burma, and Ajmer in 1892.*—There was a wide-spread famine in 1892, affecting portions of India as remote from each other as Madras, Burma, and Ajmer. The average numbers relieved in Madras in June 1892 rose to over 87,000; in Behar to 47,000, and in Ajmer-Merwara to 34,000. In Burma the numbers in February were 30,000. In Madras the death-rate was higher than usual; in Bengal "there were no deaths from starvation."

XXI. *Famine in Northern India, Bengal, Burma, Madras, and Bombay in 1897.*—A more wide-spread

and intense famine than had ever before visited India appeared in 1896-97. The number of persons relieved in the different Provinces, when the famine was most acute, are shown in the following table.

| | | |
|-----------------------|---------------|-----------|
| N.W. Provinces & Oudh | May 1897 | 1,062,000 |
| Bengal | June 1897 | 820,000 |
| Central Provinces | May 1897 | 567,000 |
| Madras | July 1897 | 215,000 |
| Bombay | April 1897 | 478,000 |
| Punjab | February 1897 | 50,000 |

The largest number relieved in the months of the acutest distress may therefore be taken at 3,000,000. In the N.W. Provinces and Oudh the famine relief operations were "a conspicuous success." In Bengal the operations were "eminently successful." In the Central Provinces the local authorities "failed to grasp the situation," the operations were inadequate, and the death-rate in the eighteen districts of the Province rose from an average of thirty-three to an average of sixty-nine per mille in 1897. In Madras the operations were "as a whole adequate and successful" though there was some increase in the death-rate in the affected districts. In Bombay "as a whole the measure of success attained was very great," although there was an increase in the death-rate. In the Punjab, the measures adopted were eminently successful.

Towards the conclusion of their report the Famine Commissioners record the following significant remarks about the labouring classes of India. "This section is very large and includes the great class of day-labourers and the least skilled of the artisans. So far as we have

been able to form a general opinion upon a difficult question from the evidence we have heard and the statistics placed before us, the wages of these people have not risen in the last twenty years in due proportion to the rise in prices of their necessaries of life. The experience of the recent famine fails to suggest that this section of the community has shown any larger command of resources or any increased power of resistance. Far from contracting, it seems to be widening, particularly in the more congested districts. Its sensitiveness or liability to succumb, instead of diminishing is possibly becoming more accentuated."

XXII. *Famine in the Punjab, Rajputana, Central Provinces and Bombay in 1900.*—Of the famine from which India is suffering in the present year it is not possible to give any final figures, either to show the numbers relieved, or to indicate the mortality. "In the present month (June 1900) nearly six millions of people are on relief works, and in spite of every effort on the part of relief officers, mortality is high in Gujrat and elsewhere. It is a sad but a significant fact that the last famine of this century is also the most wide-spread and the severest famine that has ever visited India.

One cannot read without a feeling of sadness and of humiliation this melancholy record of famines in India under British rule. There were reasons for famines in the last century and in the early years of this century. When an old system of government breaks down, and the country passes under a new power, wars and disorders are inevitable. When the Moghal power broke

down in India, and Mahrattas and Afghans contended for supremacy, war and devastation followed. And when the British nation entered into the arena, they too took their part in many wars which impeded cultivation and harassed the population of peaceful villages. In the words of Sir Thomas Munro, wars were added to unfavourable seasons to bring on recurring famines in India. We may also add to these reasons the misrule of the servants of the East India Company, and the unhappy blunders which were perhaps inevitable, when a new race of rulers found themselves suddenly called upon to administer the land revenues of a strange and newly conquered country.

But these causes have long ceased to operate. In 1858, the administration of the country passed from the East India Company to the Crown, and since then India has enjoyed profound peace, undisturbed by a single war within her natural frontiers. The land is fertile; the people are peaceful and loyal, industrious and frugal; and generations of British administrators have been trained in the duties of Indian administration. And yet famines have not disappeared. Within the last forty years, within the memory of the present writer, there have been ten famines in India, and at a moderate computation, the loss of lives from starvation and from diseases brought on by these famines may be estimated at fifteen millions within these forty years. It is a melancholy phenomenon which is not presented in the present day by any other country on earth enjoying a civilised administration.

An explanation is sometimes sought for this pheno-

menon in the supposed improvidence of the people, in the rapacity of the money-lender, or in the increase of population. A close examination of facts, however, shows the unsoundness of such explanations. The increase of population in India is slow, slower than in England and Wales, slower than in eighteen other countries out of twenty-eight for which figures are available. The peasantry of India are not improvident, they are the most frugal and the most provident of all races of peasantry on earth. And the money-lender is the result, not the cause, of the poverty of the cultivators. In portions of India where cultivators are well off, the money-lender has little influence; where the peasantry are in perpetual poverty, the money-lender saves them in times of difficulty but gets a good grip over their land and property.

If we honestly seek for the true causes of recent famines in India, without prejudice or bias, we shall not seek in vain. The immediate cause of famines in almost every instance is the failure of rains, and this cause will continue to operate until we have a more extensive system of irrigation than has yet been provided. But the intensity and the frequency of recent famines are greatly due to the resourceless condition and the chronic poverty of the cultivators, caused by the over-assessment of the soil on which they depend for their living.

We have no wars within the natural frontiers of India now, but peace has not brought with it a reduction in the public expenditure or in the public debt. India maintains the most expensive foreign

government on earth, and one-third or one-half of the net revenues of India is sent out of India every year, instead of being spent in the country to fructify her industries and trades. Land revenue is the most important item of the Indian revenues, and so it happens that the taxation falls heavily on the cultivators of the soil, and reduces them to a condition of chronic poverty. They can save nothing in years of good harvest, and consequently every year of drought is a year of famine. *

It is necessary, for a clear understanding of the subject, to consider the different Provinces of India separately. In BENGAL and in NORTHERN INDIA the cultivators generally pay rents to private landlords, and wise laws have been made to restrict the demands of landlords, though a further extension of these laws is still necessary. The State-demand from the landlords, too, has been restricted—in Bengal by the Permanent Settlement of 1793, and in Northern India by the Sabaranpur Rules of 1855—and the land revenue realised is between five and ten per cent. of the value of the gross produce of the soil. But in BOMBAY and in MADRAS the State itself is virtually the landlord; it has not provided adequate protection to the cultivator against over-assessment; and the land revenue realised is between twelve and thirty-one per cent. of the gross produce in Madras, and probably more in Bombay.¹ In the CENTRAL PROVINCES, the cultivators pay rents to private landlords, but the rents so payable are fixed by the State, and the proportion of the rent demanded as Government revenue is also fixed by the State. In

¹ See Appendices A and B.

recent settlements the rents have been raised from two to twenty per cent. and the revenue from twenty to one hundred per cent.¹

Such, briefly; are the land administration arrangements in the five different portions of the Indian Empire, and if we examine somewhat closely the death-rates of the famines which have occurred in India within this generation, *i.e.* within the last twenty-five or thirty years, we shall find that deaths have generally been most numerous, and famines have been most intense and fatal, in those places where the cultivators are the least protected against over-assessment. In 1874 there was a famine in Bengal which caused no loss of life; in 1877 there was a famine in Madras, and over five millions of the population perished. In 1892 there was a general famine in many parts of India; there was loss of life in Madras, but in Bengal "there were no deaths from starvation." In 1897 there was also a general famine; in Bengal and Northern India the relief operations were successful in preventing loss of lives; in the Central Provinces the deaths were more than double the normal rate. And in the present famine the distress is most severe, and the deaths most numerous, in Bombay and the Central Provinces.

There is no people on earth animated by a more loyal and sincere desire to contribute to the resources of the Government according to their power than the people of India. They desire that the revenues of the Government should increase with the increasing pros-

¹ See Appendix C.

perity of the people. They pray that the revenues of the Government be not increased by over-assessing the soil and impoverishing the people. Any endeavour to increase the revenues of India by over-assessment of the soil is both unjust and unwise—unjust because the soil in India is now virtually the only means of the nation's subsistence, and unwise because the revenues of India and the trade with India will not increase in the long run if the people are impoverished.

FIRST LETTER TO LORD CURZON: THE CENTRAL PROVINCES.

MY LORD,—I had the honour, in course of the interview which Your Excellency granted me, to place certain facts and figures relating to Settlements in the Central Provinces before Your Lordship. I take the liberty of noting those facts somewhat more fully and clearly in this letter, and hope they will receive such consideration from Your Lordship as they may seem to deserve.

2. The first regular Settlement of the land, after the Provinces came under British administration, was effected after 1860. Moved by a sincere desire to improve the condition of the people of the newly-conquered Provinces, Lord Canning's Government expressed itself, in letter No. 2279, dated 28th June 1860, in favour of long leases and light assessments. And para 24 of the Settlement Code modified the old rule of demanding sixty-six per cent. of the landlord's assets, and fixed fifty per cent. of the assets as the proper and equitable Government revenue.

3. Unfortunately the intentions of the Government were not carried into effect in the Settlement which followed. Two mistakes were made. In the first place the rents payable by cultivators to landlords (Malguzars) were fixed too high; and in the second place the

revenue payable by Malguzars to the Government was fixed too high.

4. Under the old Hindu Law, one-sixth the gross produce of the soil was recognised as proper and equitable rent, and for thousands of years the cultivators of India have paid at this rate. Some Hindu or Mahomedan sovereigns occasionally demanded a higher rate of rent, but in the olden days there were various ways of evading such demands, and it may be safely asserted that no higher rent than one-sixth the gross produce was ever actually realised in any Province of India. At the present time the Zemindars of Bengal make their own arrangements with the cultivators, and in no District is the general average of rent higher than *one-sixth the gross of produce*, while in many Districts it is considerably less. In the North-Western Provinces also, where the Zemindars are now allowed to make their own arrangements with the cultivators, the rate of rent is about *one-fifth the gross produce* (*vide* Sir Antony Macdonnell's evidence before the Currency Committee,—answers 5737 to 5740).

5. The principle, however, which was adopted in the Settlement of the Central Provinces after 1860 was that *one-half the net produce of the soil* should be paid by cultivators as rent to landlords. The net produce was ascertained by deducting from the gross produce the supposed cost of cultivation. (Calculations about the actual cost of cultivation can never be accurately made, and the errors committed by Settlement Officers were not always in favour of cultivators. The result was that about one-third of the gross produce was

deducted as the cost of cultivation, and one-half of the remainder was fixed as the rent payable by cultivators to landlords. Virtually, therefore, the rent fixed was about at *one-third the gross produce*,—a rate which is unexampled in Bengal or Northern India, and which is double the rate prescribed by the old Hindu Law.

6. The second mistake which was made was to demand an unduly large share of the Malguzar's assets as Government revenue. The principle that one-half of the Malguzar's assets should be demanded as revenue was repeatedly laid down and insisted upon in the orders of the Government of India, and I have failed to discover under what authority this principle was departed from in practice. As a matter of fact, however, the revenue demanded was sometimes seventy-five per cent. of the Malguzar's assets, a rate which is unexampled in Northern India at the present day, and which would be ruinous to the landlords of any poor and agricultural country. A double injustice was thus perpetrated in the first Settlement of the Central Provinces; the rents payable by cultivators to Malguzars were fixed too high; and the revenue payable by Malguzars to the Government was fixed too high.

7. One redeeming feature of the Settlement, however, was that it was made for a long period of thirty years. New lands were brought under cultivation within this period, and as the Government revenue remained fixed, the severity of the Settlement was felt less and less with the lapse of time. The period of Settlement at last expired, and the time came for a new Settlement.

8. It might be expected that the mistakes made in the first Settlement would now be avoided after the experience of thirty years, and that the peasantry of the Central Provinces would receive the same considerate treatment as the peasantry of Northern India. As a matter of fact, however, (the Settlement which has been effected in the Central Provinces since 1890 has been felt as more harsh and severe, and has caused more actual suffering and distress, than any previous Settlement in any part of India.¹ The facts that I state have been obtained after careful inquiry from the best sources of information available to me, but Your Excellency's Government will be able to correct me if I am wrong in any particular. (My information is, that the rents now fixed can with difficulty be paid even in years of good harvest, that they leave no fair margin for saving for bad years, and that they can never be realised by Malguzars from year to year. Large tracts of the country, which were previously under cultivation, have gone out of cultivation owing to over-assessment, and instances have occurred in which Malguzars have applied to surrender their estates in order to be relieved of their liability to pay a Government revenue which they cannot pay, and their application has not been granted.) The condition of the peasantry and the landlords alike, after this new Settlement, contrasts unfavourably with the condition of the same classes in Northern India; and as the period of Settlement too has been unwisely reduced, there is no prospect, either in the immediate or in the remote future, of an im-

¹ See Appendices C, F and X.

provement in the condition of the people from a state of hopeless penury and indebtedness.

9. Rents have been enhanced at this last Settlement after very complicated calculations which need not be described in detail in this letter. Briefly speaking, lands were first classified after "crop experiments" and "local inquiry," and the incidence of the old rental for each "soil unit" was ascertained by a process of calculation illustrated in the footnote.¹ After this the *Settlement Officer* decided on "general considerations" what enhancement he would impose on the village, and having done this, he calculated at what rate it fell per soil unit. The standard unit enhancement rate was then applied to the holding of each cultivator according to the "soil units" comprised in his holding.

10. These complicated calculations were unintelligible to the cultivator, and were moreover made in the dark. What the cultivator did understand was that a general enhancement had been effected over the high rental of the old Settlement; and there was alarm and consternation in the country when the new enhanced rents were proclaimed. I repeat, my Lord, that these rents if enforced will leave the peasantry of the Central Provinces in a permanent state of indebtedness and destitution.

¹ A village has 600 acres of first class lands

and 400 acres of second class lands.

Rate of first class soil to second class is 20 to 12.

The old rental of the village is Rs. 1000.

Acres 600 × 20 = 12,000

400 × 12 = 4,800

Total, 16,800 soil units.

Incidence of old rental

per soil unit $\frac{\text{Rs. } 1000}{16,800} = \cdot 95$ or nearly one anna.

11. The revenue demanded from Malguzars was fixed equally high. (Departing from the old rule of demanding fifty per cent. of the landlord's assets as revenue,—a rule which is in force in Northern India,—the authorities of the Central Provinces asked the sanction of the Indian Government to demand fifty to sixty-five per cent. of the Malguzar's assets as revenue.) The Government of India in its letter No. 397, dated 31st May 1888, had "some hesitation in allowing in any case so high a percentage as sixty-five to be taken," but nevertheless did grant the permission in some cases, and made sixty per cent. the maximum rate in other cases. If we add to these high rates another twelve and a half per cent. which has been added as rates, it will be easy to see that between seventy and eighty per cent. of the landlord's *supposed* assets, *i.e.* nearly one hundred per cent. of his *real* assets, are now demanded by the Government as revenue.

12. My Lord, the question to which I have ventured to invite Your Lordship's attention is one of life and death to the Indian cultivator in the Central Provinces. The question is not a complicated one but a very simple one. If after the experience of nearly a century of administration it has been found in Northern India that the wisest, safest, and most considerate policy is to let landlords make their own arrangements with cultivators as regards rents, subject to salutary checks imposed by the Government, is it a wise policy in the Central Provinces for the Government to fix after calculations, which are unintelligible alike to landlord and tenant, what rent each cultivator should pay for his holding?

If private landlords in Northern India consider one-fifth of the gross produce a fair rent for the lands held by their tenants, is it considerate of the British Government to impose on the poorer peasantry of the Central Provinces a rental of one-third or more of the gross produce? And if the Government of the North-Western Provinces consider forty per cent. of the landlord's assets as fair Government revenue (*vide* Sir A. P. Macdonnell's evidence before the Currency Committee),¹ will Your Excellency's Government sanction and approve of a State-demand of sixty or sixty-five per cent. in the Central Provinces, *plus* twelve and a half per cent. as rates? These are simple questions which will demand from Your Lordship an early consideration, because they affect the well-being of more than ten millions of Her Majesty's Indian subjects, who have suffered most acutely during the famines of 1897 and of the present year, and who are at present the most helpless and resourceless class of peasantry in all India. The main reason of their wretchedness is manifest from the facts stated above. There is not a cultivator in India who does not understand and recognise *three annas in the rupee* out of the gross produce of his holding as a fair and equitable rent, leaving a fair margin of saving. And there is not a cultivator in India who does not feel *five or six annas*

¹ Exception has been taken to this statement. Sir Antony Macdonnell has pointed out that though the Government in the N.W. Provinces takes about forty per cent. of the rental, its proper theoretical share is fifty per cent.* I accept this correction, but it does not affect my argument, as I have recommended that fifty per cent. of the rental be fixed as the Government demand in the Central Provinces and elsewhere.

in the rupee of the gross produce as an oppressive and exhausting rent, impoverishing him in good years, and sending him to relief works in bad years.

13. My Lord, Your Excellency's administration has been marked by a famine which exceeds in its intensity any previous famine known in India. I trust and hope that Your Excellency's administration will also be marked by one of those great remedial measures which permanently ameliorate the condition of the people, and which the grateful population of India cherish and remember from generation to generation. The impoverishment of an Indian Province under British administration is a more serious calamity than any defeat or disaster which has been known in the history of British rule in India, and if Your Lordship be convinced after inquiry that the impoverishment of the people of the Central Provinces is due to any extent to the exhausting rental fixed in those Provinces, as compared with Northern India, I feel convinced, Your Excellency will not lay down the reins of administration in India without removing the cause of their permanent wretchedness, and enabling them to improve their own condition, as the peasantry of Bengal and of Northern India have been enabled to do.

14. The close of the present famine operations in the Central Provinces may appear to Your Lordship an appropriate time to institute an inquiry, not merely into systems and rules of relief works, but into the general condition of the people, and the incidence of the land revenue and rents, as compared with Northern India. Such an inquiry may elicit facts which are

not now clearly known, and may be fruitful of some suggestions for permanently improving the condition of the agricultural population, an object which Your Lordship is endeavouring to secure by every possible means. No one can be better fitted to superintend, help, and direct such an inquiry than the present Chief Commissioner of the Central Provinces, Mr Fraser, who has already won the esteem of the people by his sympathy and his real desire to secure their interests. The people of the Central Provinces will have confidence in him, and in any other officers whom Your Excellency may entrust with the task. And should Your Excellency consider me fit to represent the views and wishes of my countrymen on the Commission which may be appointed to conduct the inquiry, I shall be prepared, on receipt of Your Excellency's commands, to return to India, to join the work at any time that may be fixed for the inquiry. And I shall ask for no remuneration for my humble services in the conduct of an inquiry needed for the well-being of millions of my countrymen.

12th February 1900.

SECOND LETTER TO LORD CURZON: MADRAS

MY LORD,—In continuation of my letter of the 12th February I have the honour to submit to Your Excellency this brief note on Land Settlements in the Madras Presidency. The subject has repeatedly come under the consideration of Your Lordship's predecessors, and will probably receive Your Lordship's attention.

2. (Madras was one of the first Provinces in India which came under British administration, and while some estates were permanently settled with landlords, in the rest of the Province a *Ryotwari* Settlement was made directly with the cultivators.) Sir Thomas Munro, the virtual author of this system, explained the principle of the Settlement in his evidence before a Select Committee of the House of Commons on the 15th April 1812. And his idea was to regard each cultivator as the proprietor of his holding, and to make a perpetual Settlement with the cultivators, as a permanent Settlement had been made with Zamindars in Bengal in 1793 by Lord Cornwallis.¹

3. This was the principle recognised by the Government of Madras for over forty years after the time of Sir Thomas Munro. As late as 1855-56, the *Ryotwari* system was thus explained in the Madras Administra-

¹ See the letter of the Madras Government to the Government of India, No. 241, dated 8th February 1862, Appendix K.

tion Report:—“Under the Ryotwari system every registered holder of land is recognised as its proprietor and pays direct to Government. He is at liberty to sublet his property or to transfer it by gift, sale, or mortgage. He cannot be ejected by Government so long as he pays the fixed assessment. . . . The ryot under this system is virtually a proprietor on a simple and perfect title, and has all the benefits of a *perpetual lease*.” And in 1857 the Madras Board of Revenue thus described the Ryotwari tenure in a report to Government on the Survey and Settlement then proposed to be introduced:—“A general opinion prevails in England that the Bombay Settlement for thirty years secures a far greater permanency of tenure to the landholder than the present Ryotwari tenure of Madras. This is altogether an error, for a Madras ryot is able to retain his land *perpetually without any increase of assessment*, as long as he continues to fulfil his engagements.” *The Italics are my own.*

4. My Lord, the *first* point to which I desire to invite Your Excellency's attention is that this right of the Madras cultivator to a fixed, perpetual, and unalterable assessment, recognised by the British Government during half a century, has been virtually confiscated by the British Government within the last forty years. This will appear perfectly clear from the following extract from para 4 of the Madras Board of Revenue's Standing Order I., as amended on the 1st July 1895 under orders from the Madras Government. “At each Settlement or re-settlement of a District, Government will fix at its discretion the period for which such Settlement or re-

settlement shall be in force. The Collector shall then notify the period in the District Gazette, and explain to the ryots that the new rates will not be liable to alteration during the currency of the Settlement period; but that on the expiry of the said period, Government reserves to itself the right to revise the assessment in such manner as may then seem just and proper, either with reference solely to a rise or fall in prices, or with reference also to other considerations such as would require a re-classification of soils or a re-calculation of the grain outturns." I beg, my Lord, to point out that while in 1857, the Madras Board of Revenue recognised the right of the cultivator "*to retain his land in perpetuity without any increase of assessment,*" in 1895, the Madras Board of Revenue claimed for the Government the right "*to revise the assessment*" at each recurring settlement, and to enhance rents on various grounds.

5. I cannot believe that the British Government deliberately desired on this or on any other occasion to violate a right which it had deliberately affirmed and recognised before. I am inclined to believe that in the Settlement and Survey operations which were introduced after 1857, the real position of the Madras cultivator was lost sight of, and rules were introduced to secure an increase of the land revenue without an adequate consideration of the rights of the cultivator. So far as the Madras cultivators are concerned, there can be little doubt that the rights previously assured to them have in effect been withdrawn, and the pledges previously given to them have in effect been violated.

And at the present time the Madras cultivator, instead of holding "his land in perpetuity without any increase of assessment," is subject to enhancement at each recurring Settlement, and has been reduced to a state of poverty and indebtedness which makes him an easy prey to famines in years of bad harvests.

6. This grave and important matter attracted the attention of Your Excellency's predecessors. Lord Mayo was of opinion that when the quality of soil and the quantity of produce were once determined, there should be no further alterations in the assessments except on the ground of fluctuations in prices. (Lord Northbrook was also in favour of a self-regulating system of assessments, and was against the system of repeating valuations at each fresh Settlement. The great famine of 1877 occurred under Lord Lytton's administration, and is estimated to have carried off five millions of the impoverished population of the Madras Presidency. This calamity hastened a solution of the problem, and Lord Ripon, who succeeded Lord Lytton, proceeded on the lines laid down by his predecessors.) In his despatch of the 17th October 1882, Lord Ripon laid down the principle that in Districts which had once been surveyed and assessed by the Settlement Department, assessments should undergo no further revision except on the sole ground of a rise in prices.) This decision was accepted by the Madras Government in 1883. And while it restored to the cultivators something of their old right to a perpetual assessment, it conferred on the Government the right to increase the revenue on the reasonable ground of an increase in prices. It was

the best compromise which could be effected after the old right had been sacrificed; it gave the cultivator some security of assessment without which agriculture cannot flourish in any part of the world; and it did away with those harassing operations, leading to reclassification of soils and recalculation of grain outturns, which are felt as the most oppressive features of Settlement operations in Madras.

7. Unfortunately, after the departure of Lord Ripon from India, his proposal was vetoed by the Secretary of State for India in his despatch of the 8th January 1885. The lessons of the Madras famine of 1877 were to some extent forgotten, the impoverished condition of the peasantry was overlooked, and the proposal to which both the Madras Government and the India Government had agreed, for giving some security of assessments to the Madras cultivators, was disapproved by the authorities in London. For the people of Madras, the despatch of the 8th January 1885 is one of the saddest documents ever issued from London; it reopened the question which had been wisely solved after years of mature deliberation in India; and it has thrown back the Madras cultivators into another era of uncertainty, needless harassment, and unjust enhancements. I venture to hope that this grave question will receive Your Excellency's attention, and that Your Excellency will receive the sanction of the Secretary of State for India to the solution which Lord Ripon, agreeing generally with the views of Lord Mayo and Lord Northbrook, proposed in his despatch of the 17th October 1882.

8. The *second* point to which I solicit Your Lord-

ship's attention is the manner in which assessments are now revised at each recurring Settlement in Madras.¹ The principle accepted is that *one-half of the net produce of the soil* is due to the Government as revenue, and this net produce is ascertained by deducting from the gross produce the estimated cost of cultivation. The calculations are made by Settlement officers, and are not always in favour of cultivators, and mistakes which are inevitable in such calculations are fatal to successful agriculture. For good lands in Tanjore District the estimated annual cost of cultivating an acre of land is fixed at Rs.14 as shown in the footnote.² Many of the figures given in the list are very inadequate; and no allowance is made for the feeding and housing of bullocks, or for thrashing and storing the rice, or for conveying it to markets. But what I wish to specially point out is that while Rs.14 is fixed as the estimated cost of cultivating an acre of good land, Rs.6 is all that is allowed for cultivating an acre of ordinary arenaceous sandy soil. Your Excellency

¹ The absurdity of the present methods of assessment in Madras has been exposed by Mr A. Rogers, late member of the Bombay Council. See Appendix R.

| | Rs. | As. | P. |
|--|-------|-----|----|
| ² Value of bullocks | 1 | 5 | 6 |
| Agricultural implements | 1 | 7 | 6 |
| Seeds | 2 | 3 | 0 |
| Coolies for ploughing | 1 | 10 | 3 |
| Cost of manuring | 2 | 12 | 0 |
| Coolies for transplanting | 1 | 4 | 0 |
| Weeding | 0 | 11 | 0 |
| Watering and watching | 0 | 7 | 6 |
| Clearing silt from canal | 0 | 3 | 0 |
| Reaping and stacking | 1 | 6 | 0 |
| Lowering levels of fields | 0 | 10 | 3 |
| | <hr/> | | |
| | Rs.14 | 0 | 0 |

is aware that the cost of cultivating poor soil is not always less than the cost of cultivating good soil in proportion to the produce; and every cultivator in India knows that Rs.6 an acre, corresponding to Rs.2 the *Bigah* of Bengal measurement, does not cover the cost of cultivation of any kind of cultivable soil in India. The Madras authorities must themselves be aware of this fact. Mr Meyer says "the tendency to make the cultivation expenses roughly proportionate to the value of the land is one of the weak points of the Settlement Department." Dr Maclean says in p. 109 of the Manual of the Administration of Madras: "The cost of cattle, implements, seed, the wages of permanent servants, and the cost of transplanting are taken as constant, whatever the soil." Mr Master writes in his report on the Western Delta, para 79:—"I cannot ascertain that the outlay on the poorer soil is much smaller than on the richer; indeed, some stoutly maintain that it is larger." And Mr Bowden, himself a landholder of considerable experience, wrote in his letter of the 5th December 1895 to the Collector of his District:—"The idea that the cost of cultivating an acre of poor land is less than the cost of cultivating a better class of land is purely mythical. So far from this being the case, the poorest land often demands the greatest outlay. Ryots know this well to their cost." Nevertheless, My Lord, (the Settlement Department endeavours "to make the cultivation expenses roughly proportionate to the value of the land," and this renders the estimate of the "net produce" of the soil wholly unfair and untrustworthy. Assessments made on such

calculations are ruinous to the cultivation of the poorer class of lands, and it has been pointed out by Mr A. Rogers, one of the greatest authorities on revenue settlements that the Indian Civil Service has produced, that over three millions of acres of cultivable lands are out of cultivation in Madras.

9. Another rule which regulates the assessments made in Madras is that the rent or revenue fixed by such calculations *should not exceed one-third of the gross produce of the soil* where the land is not irrigated at Government cost. I have had occasion to point out in another place that this proportion is excessive, and will necessarily impoverish the peasantry of any part of India. In Bengal, the cultivators do not pay more than *one-sixth* the gross produce to their landlords in a District, if the District average be taken. And in Northern India, according to Sir A. Macdonnell's evidence before the Currency Committee, the cultivators pay about *one-fifth* of the gross produce of the soil to their landlords. I hold it, my Lord, that where the British Government stands virtually as landlords, the Government should be less exacting, and not more exacting, than private landlords in India. And I also hold it, that cultivators living directly under the British Government should be treated more leniently, and not less leniently, than cultivators living under private landlords. I feel confident that these views will commend themselves to Your Lordship, and that Your Lordship will condemn both the rule of levying *one-half the net produce* as revenue, and the rule of making that revenue approximate *one-third the gross produce*. There is not

a cultivator in India who does not recognise 3 annas in the rupee of gross produce as fair rent. And there is not a cultivator in India who does not consider 5 or 6 annas out of each rupee of gross produce to be an oppressive and impoverishing rate of rent.

10. The *third* and last point to which I beg to invite Your Excellency's attention is the Bill recently introduced in the Madras Legislative Council to enable the Government to levy a compulsory water-rate on all lands within the wet cultivation area, without allowing the cultivators the option to take or to refuse water. The reason assigned in the Statement of Objects and Reasons is that, "where a field is in the midst of wet cultivation, any attempt to exclude the water is frustrated by percolation." Tested by the experience gained in other parts of India, the reason is insufficient. There are large tracts of country in Behar, in Burdwan, and in Orissa, which are within the irrigation area, but no cultivator is compulsorily assessed on the ground that attempts to exclude the water from his field are frustrated by percolation. A private cultivator who digs a well or a tank to irrigate his field cannot recover a part of the cost from his neighbour even if he proves that his neighbour's field has been benefited by percolation; and the Government should not, by legislation, assume a power which would be considered unjust and wrong in a private individual.

11. A compulsory water-rate has been repeatedly condemned by the highest authorities. In 1870, the Duke of Argyll, then Secretary of State for India, refused his sanction to the Northern India Canal and

Drainage Bill because His Grace held that "to force irrigation on the people would be not unlikely to make that unpopular which could otherwise scarcely fail to be regarded as a blessing." Another proposal made in 1879 in connection with the Bombay Irrigation Act, that all lands commanded by the water of the canals should be taxed, was also thrown out by the Secretary of State for India. There is far less reason for a compulsory rate in Madras than in Northern India, because it was shown in a Memorandum prepared in 1889, and presented to both Houses of Parliament, that while canals paid only four per cent. on their cost in the Punjab and the N.W. Provinces, the irrigation works in Madras paid more than fifteen per cent. on their cost. It is not stated in the Statement of Objects and Reasons that the revenue has declined in recent years.

12. The High Court of Madras has held that, under the present law, a cultivator cannot be taxed unless he applied for the water. It is proposed in the Bill, not only to alter the law and to make the water-rate compulsory within wet cultivation areas, but also to bar the jurisdiction of the High Court and all Civil Courts in cases relating to assessments of water-rate made by the Collector. My Lord, the people of India have the greatest veneration and faith in the High Courts of Justice, and to bar the jurisdiction of High Courts in the matter of water-rate assessments would create the impression that the Government seeks to uphold an act of wrong-doing by stopping all appeals to Courts of Justice. It is neither fair nor wise that such an impression should be created in India, and it is not

necessary that the British Government should shrink in any particular class of cases from that appeal to justice which is allowed in all other classes of cases.

13. The suggestions, therefore, which I have the honour to submit to Your Excellency with regard to Madras are these. (That Your Excellency will find it possible to confer on the Madras peasantry that qualified permanency of assessments which was contemplated by Lord Mayo and Lord Northbrook, and was proposed by Lord Ripon in 1882 with the concurrence of the Madras Government.) (That in revising assessments, one-fifth of the gross produce (and not one-half of the net produce) be accepted as the maximum of rent. (And that the water-rate within the wet cultivation area be not made compulsory in Madras, as it has never been proposed to make it compulsory in Bengal.)

14. I trust and hope that Your Excellency's administration will be marked by these remedial measures for improving the condition of the Madras cultivators. There never has been a time within my recollection, which goes back to the closing years of the East India Company's rule in India, when the people of India suffered so intensely from two such desolating famines within three years, as the famines of 1897 and 1900. And there never has been a time when they deserved a more considerate, a more lenient, a more sympathetic treatment at the hands of their rulers. No Government measures affect the well-being of the masses of the people of India to the same extent as the assessment of agricultural holdings. And should Your Excellency find it possible to place these assessments on a moderate

and *permanent* basis, precluding harassing surveys and reclassifications of the soil, and permitting the cultivators to save and to improve their condition in the future, Your Lordship's administration will be remembered as a beneficent era in the history of British Rule in India.

20th February 1900.

THIRD LETTER TO LORD CURZON : BOMBAY

MY LORD,—In continuation of my letters of the 12th and 20th February last, on the subject of Land Settlements in the Central Provinces and in Madras, I take the liberty to submit for Your Excellency's consideration the facts and circumstances narrated below relating to Settlements in the Bombay Presidency. The distressed condition of the agriculturists of the Deccan and Southern India has often received the attention of Your Excellency's predecessors, and I feel convinced that in the present year of famine the subject will receive Your Lordship's attention, and that every suggestion made with the honest desire of improving the condition of the peasantry of Bombay, Madras, and the Central Provinces will receive Your Lordship's consideration.

2. *Land System in the Deccan under Mahratta Rule.*—The prevailing tenure in the Deccan under the Mahratta rule was the *Miras* tenure, under which the Land Tax was fixed in perpetuity in money or in kind in proportion to the net produce, and settlements were made with village communities through their headmen on the joint and several responsibility of the *Miras* holders. When additional contributions were required by the State for prosecuting wars or other purposes, they were levied in the shape of extra cesses or special demands from the village communities, and did not disturb

the unity of village life and the permanence of the Land Tax. Extraordinary contributions were frequent in the last years of the Mahratta rule; village communities were harassed with unending demands and went largely into debt to meet them; but even then the unity of village life and the permanence of the land assessments were seldom disturbed.

3. *Early Land Settlements under British Rule.*—The dominions of the last Mahratta Peshwa passed under British Rule in 1817; and from that year the land revenue was continuously raised. In 1817 the revenue realised in the newly-acquired territories was eighty lakhs, in 1818 it was raised to 115 lakhs, and in a few years more it came up to 150 lakhs, or a million and a half tens of rupees. The village community system broke down under this pressure, and the *Ryotwari* system, introduced in Madras by Sir Thomas Munro, suggested the introduction of a similar *Ryotwari* system, in Bombay, *i.e.*, a system of separate settlements with individual cultivators.

4. *Settlement of Pringle and Cruickshank.*—Settlement on the Madras principle was ordered by the Government of Bombay in 1825, and was undertaken by Mr Pringle, C.S., in the Deccan, and by Captain Cruickshank in Gujerat. But the estimates of produce made were incorrect, the share demanded as revenue was therefore unfair, and the cultivators were reduced to poverty and distress. The settlement operations, both in the Gujerat and in the Deccan, were stopped in 1829-30, "Every effort was made—lawful and unlawful—to get the utmost out of the wretched peasantry,

who were subjected to torture—in some instances cruel and revolting beyond description—if they could not or would not yield what was demanded. Numbers abandoned their homes and fled into neighbouring Native States; large tracts of land were thrown out of cultivation, and in some districts no more than a third of the cultured area remained in occupation.” (*Administration Report for 1892-93*, p. 76).

First Regular Settlement from 1836.—The Government then ordered a general inquiry into the subject, which was conducted by Mr Goldsmid, C.S., who was subsequently joined by Captain Wingate and Lieutenant Wash. Their Joint Report, submitted in 1836, proposed a new Land Revenue Settlement on an improved plan. The proposal was accepted, and forms the basis of what may be called the first regular Settlement in this Presidency, which commenced in 1836. The principles of this Settlement were these: *in the first place*, it continued the old system of separate settlements with individual cultivators; *secondly*, it instituted leases of thirty years for the short leases which had preceded; and *thirdly*, it abandoned the basis of produce estimates and substituted the estimated value of lands as the basis of assessment. The Settlement, commenced on these principles in 1836, was completed, or nearly completed, by 1872, and showed an increase of land revenue from Rx.1,533,000 to Rx.2,031,000, an increase of thirty-two per cent., exclusive of Poona, etc., then under a second Settlement. (*Administration Report for 1872-73*, p. 49.)

6. *Second Regular Settlement from 1866.*—The leases

granted at the first Settlement began to fall in from 1866, and a second regular Settlement commenced, and is still proceeding. Out of 27,781 villages in the Provinces, 13,369 villages have up to date been resettled, and the total land revenue of these villages has increased from Rx.1,446,000 to Rx.1,886,000, showing an increase of eighty per cent. (*Administration Report for 1898-99, Appendix II. (i., p. 2.)*)

7. *Third Regular Settlement from 1896.*—The leases granted at the second Settlement began to fall in from 1896, and a third regular Settlement has commenced and is still proceeding. Seventy-eight villages in the Poona Collectorate have been resettled, and the revenue of these resettled villages has increased from Rx. 10,353. to Rx.13,359, showing once more an increase of thirty per cent.

8. *Undue Enhancements of Land Revenue.*—My Lord, the brief history of Land Settlements in Bombay given above will indicate to Your Excellency one principal reason of the impoverished condition of the Deccan cultivators. The produce of the soil does not increase, either in quantity or in value, thirty per cent. every thirty years, and the endeavour to obtain such an increase in land revenue necessarily leaves the cultivators in a state of greater helplessness and poverty after each Settlement. Much of the best lands in the Deccan was under cultivation in 1836, *etc.*, after the first twenty years of British rule in that country; new lands brought under cultivation since are less fertile and less productive; and the disproportionate enhancements of land revenue obtained at each successive

Settlement have necessarily impoverished the peasantry and made them more resourceless and helpless in years of bad harvests.) The late Sir William Hunter, speaking in the Viceregal Council in 1879 about the Bombay Settlements, said that "the fundamental difficulty of bringing relief to the Deccan peasantry . . . is that the Government assessment does not leave enough food to the cultivator to support himself and his family throughout the year." This fundamental difficulty has not been removed since, and the assessment commenced after 1896 is more severe, and is likely to leave the cultivator more impoverished and resourceless than the assessment commenced after 1866.

9. *No Check on Enhancements provided in the Revenue Law.*—My Lord, (the revenue law of the Province provides no adequate check on these assessments. The assessment made is not based on estimates of the produce of the fields,) but on a scientific but thoroughly unpractical appraisal of the intrinsic value of the land, and an examination of the fiscal history of the *Talooka*. Enhancements are made not merely on the equitable grounds of extension of cultivation and rise of prices, but also on the vague and indefinite ground of improvements effected by the State. A new road constructed, a new line of railway opened, and even the general advance of the country in times of peace, may be, and are, included under this third head as a ground of enhancement; and it will be obvious to Your Lordship that the condition of the Deccan peasantry can never improve so long as the Deccan Settlement Officer is armed with this comprehensive power to raise

the rental with the general advance of the country. So far as the cultivator of the Deccan is considered, the blessings of peace and the benefits of a civilised administration add to his impoverishment, because improved roads and communications, and the general advance of the country are made a ground of enhancement of his rent. If such roads and communications have increased the prices of the produce, an enhancement of the rental on this definite ground is just and fair. If the roads and communications have not increased the prices of food grains, wherein is the cultivator benefited? and why should his rental be increased because his richer neighbour can travel by rail, or his money lender has a civil court nearer at hand? All the real advantage¹ which the cultivator secures from the general advancement of the country is shown in the rise of prices, and that is a just and legitimate ground of enhancement of rents.¹) To provide an additional ground for enhancements when the prices have not risen is to tax the cultivator for a benefit which he has not derived, and makes him poorer after each Settlement.

10. *No Equitable Limitations on Enhancements.*—My Lord, there are no equitable limitations to the enhancements, which the Settlement Officer is empowered to make. The rule is that (1) the increase of revenue in the case of a *Talooka*, or group of villages, should not exceed thirty-three per cent.; (2) the increase of revenue in the case of a village shall not exceed sixty-six per cent.; (3) the increase of

¹ This was practically the only ground of enhancement contemplated by the Governor of Bombay in 1862. See Appendix L.

revenue in the case of an individual holding shall not exceed one hundred per cent. I beg that these checks on the powers of the Bombay Settlement Officer may be compared with the limitations prescribed in the Tenancy Act for the Bengal Zemindar. It is undesirable that the Government should take wider powers of enhancement with respect of cultivators living under the State, than it allows to private landlords in respect of cultivators living under such landlords.

11. *No Judicial Checks on Enhancements.*—Lastly, My Lord, (there are no judicial checks on the action of the Settlement Officer. In 1873, an appeal in an assessment suit was preferred in the High Court of Bombay, and the High Court decided the case against the Settlement Officer, and in favour of the plaintiff. Immediately after, a Bill was introduced in the Council to exclude the jurisdiction of the High Court and of all Civil Courts in matters relating to assessments, and the Hon. Mr Ellis explained the object of the Bill in these memorable words: "It was not expedient that the general policy of Government in relation to the land revenue should be questioned, or that the details of revenue assessments should be questioned by the Civil Courts." The Bombay Revenue Jurisdiction Act of 1873 was accordingly passed, excluding the jurisdiction of Civil Courts in matters of assessment; and if the assessment is severe or unfair, or the Settlement Officer commits a blunder, the aggrieved cultivator has no independent tribunal to appeal to from his decision. My Lord, I do not wish to make any reflection against Revenue Officers. I have been a Revenue Officer myself all

through my official career, and I speak from personal knowledge when I state that Revenue Officers endeavour to perform their difficult and onerous duties as justly and conscientiously as Judicial Officers, or as any other class of officers in India. But it will appear from a moment's reflection that in the matter of assessment suits the Revenue Officer and the Settlement Officer *are virtually a party to the suit*, and it cannot meet the ends of justice if they are made the final judges in such suits. The failure of justice which often results from this inequitable system is illustrated by the facts I have mentioned in paragraph 8 of my letter to Your Lordship of the 20th of February last; the cost of cultivation in Madras is underestimated by the revenue authorities; and the Madras raiyat obtains no redress from this injustice because he cannot ask a Civil Court to determine the actual cost of cultivating his field. In Bengal, the Tenancy Act of 1885 permits the cultivator to take his case to Civil Courts; all over India the private citizen and the private trader are permitted by the British Government and by British laws to seek redress, even against the Government itself, in the impartial Civil Courts of the land. But the cultivators of India, the poorest, the most ignorant, and the most helpless class of the Indian population, are debarred (except in Bengal) from seeking redress against the assessment of Revenue Officers; and the assessment becomes necessarily unfair and excessive because it is unchecked by an appeal to an independent tribunal.

12. *Sir Charles Wood's Despatch of 1864.*—It will appear to Your Lordship from what has been stated in

the four preceding paragraphs that there is no real check against undue enhancements made by Settlement Officers; that enhancements out of all proportion to the increase of produce and the rise of prices are made in the absence of effective checks; and that this is the real reason of that distressed condition of the Deccan cultivator which Sir William Hunter deplored in 1879, and which every beneficent English administrator in India deplores at the present day. The check on enhancements which was generously provided by Sir Charles Wood, Secretary of State for India, as far back as 1864, has turned out to be ineffective in practice. In his memorable despatch of that year Sir Charles Wood laid down the principle that assessments on lands should not on any account, and under any circumstances, exceed one-half of the net produce of the land, *i.e.*, one-half of the produce after deducting the cost of cultivation. This rule, laid down with the most benevolent intentions, has completely broken down in its application. In Madras the cost of cultivation is underestimated in many cases, and no appeal is allowed to Civil Courts against such under-estimation; in Bombay the cost of cultivation is not estimated at all, lands being assessed with an eye to their intrinsic value and their fiscal history.

13. My Lord, it has been a painful task for me to place all these facts and circumstances relating to Land Assessments in India before Your Excellency; and I have done it because I feel convinced that Your Excellency's Government is animated by a sincere desire to materially improve the condition of the

Indian cultivator. There is no race of cultivators on earth who are more loyal, more peaceful, more willing to pay their proper contribution to the State, and more provident and capable of helping themselves if they are allowed the chance. But the continuous enhancement of the rental at each recurring Settlement, not merely on just, and equitable, and real grounds, but on vague, shadowy, and unreal grounds, precludes the possibility of any improvement in the condition of the cultivator, and takes away from him all motive and all power to effect permanent improvements. It is possible, my Lord, without interfering with the steady increase of the Land Revenue of India, to make that increase commensurate with the improvement in the condition of the cultivator; and I trust and hope Your Excellency's Government will adopt measures to secure this desirable object, viz., to make the increase of the public revenues dependent on the improvement in the condition of the people.

14. We do not ask for anything that is unreasonable or impracticable; we ask for those rules and limitations which experience has proved to be practicable and beneficial in some parts of India. In Bengal the rent does not generally exceed one-sixth of the average gross produce in any district; in the North-West it is about one-fifth of the average gross produce, according to Sir Antony Macdonnell's evidence before the Currency Committee. We beg, my Lord, *in the first place*, that this limitation, which is generally observed by private landlords in Northern India, be introduced in the Central Provinces, Madras and Bombay, where Govern-

ment Settlement Officers fix the rental. In the North-Western Provinces again, the Government is satisfied, according to Sir Antony Macdonnell's evidence before the Currency Committee, with forty per cent. of the rents received by landlords from cultivators. We beg, therefore, *in the second place*, that this healthy rule be extended to other parts of India, and that wherever the Land Revenue is obtained from the landlord, one-half of the landlord's assets be fixed as the maximum State-demand. *Thirdly*, in the North-West and in Bombay also, Settlements are made for thirty years; we beg that this rule may be invariably adhered to in all provinces of India, and that no shorter terms of settlement, involving frequent harassment to the people as well as frequent enhancements, be sanctioned under any circumstances. *Fourthly*, we beg that where the Settlement is made directly with cultivators, the rule proposed by Lord Ripon in 1882 with the concurrence of the Madras Government be adopted, and that in districts which have been completely surveyed and settled, no enhancements of rents be made in subsequent Settlements except on the sole ground of a rise in prices. *Fifthly*, where water-rates are imposed for irrigation, we beg that the rates be optional, as it is now in all parts of India; and that it may not be made compulsory until there are stronger grounds for doing so than have yet been shown to exist in the Bill recently introduced in Madras. And, *sixthly and lastly*, we consider it fair, both in the matter of water-rates and of land assessments, to permit the cultivator an appeal to a civil tribunal against the action of the Revenue Officer who is virtually a party to such suits. I do not think

that such a permission is likely to foster litigation ; the Indian cultivator is not often likely to question the action of the Revenue Officer unless the Revenue Officer has committed a mistake. Such an appeal is necessary to guard against unfairness and undue assessments, for the best and most conscientious amongst us are not free from blunders, and it cannot be the desire of the British Government that such blunders should remain unchecked precisely in those cases which affect the interests and the well-being of the helpless and voiceless peasant population of India.

6th April 1900.

FOURTH LETTER TO LORD CURZON: BENGAL

MY LORD,—In continuation of my previous letters on Land Settlements in the Central Provinces, Madras, and Bombay, I ask leave to submit the present letter to Your Excellency about Bengal. I have passed all my official life in Bengal districts, and among Bengal cultivators, and I venture to hope that such facts as I am able to lay before Your Lordship about the agricultural condition of the Province will receive Your Lordship's consideration. I will not enter into any matters of controversy; I will endeavour to make my letter a brief and clear statement of facts.

2. *History of the Bengal Zemindars under the Afghan Rule.*—As far back as we can obtain any evidence of a historical nature, we always find the Province of Bengal parcelled out among Zemindars, who were virtually rulers within their respective estates. When the Afghans conquered Bengal, they carved out estates, here and there, for military Commanders and Jaigidars, but left Hindu Zemindars generally in possession of the estates which they had inherited from their fathers. Mahomedan Kazis and Kotwals performed judicial and police work in towns, but within their own estates the Hindu Zemindars were left with their old powers. They levied rents, preserved peace and order, settled disputes, and led large armies. One

of these Hindu Zemindars helped the Afghan Emperor of Delhi about 1280 A.D., with his own troops against an insurgent chief; and when Bengal became independent of Delhi in the following century, one of the Hindu Zemindars had sufficient influence and military power to make himself King of Bengal, and to leave the throne to his son.

3. *History of the Bengal Zemindars under the Moghal Rule.*—Bengal was once more brought under the rule of Delhi by the Emperor Akbar in the sixteenth century, and (Hindu Zemindars continued to hold the same position, and to exercise the same political and military powers, as they had done under the Afghans.) We read in the *Ayeen Akbari* that the Zemindars of Bengal were mostly Kayests by caste, that the militia force in the Province consisted of 23,330 cavalry, 801,150 infantry, 1170 elephants, 4260 guns, and 4400 boats; and that the revenue of Bengal, including Orissa, was Rs.14,961,483, or in round numbers about Rx.1,500,000. Similarly Behar had a militia force of 11,415 cavalry, 449,350 infantry, and 100 boats, and paid a revenue of Rs.5,457,985, or in round numbers about Rx.500,000. (*Ayin-i-Akbari*, vol. ii., Col. Jarrett's translation, pp. 129 and 158.) Roughly speaking, the land revenue of Bengal, Behar, and Orissa demanded from the Zemindars by the Government of Akbar, but perhaps never fully collected, was about two *Krors*. The land revenue of the same Provinces actually collected in 1897-98 was Rs.39,782,190, or nearly four *Krors*.

• 4. *Real Position of the Bengal Zemindars.*—My

Lord, I have thought it necessary to state these facts because (speakers and writers on Indian subjects sometimes make the mistake of supposing that Zemindars were mere middlemen and rent collectors under the Mahomedan rulers, and that they were raised to the status of landlords, in the English sense of the word, by Lord Cornwallis. This is not the fact. Zemindars have not only been *de facto* landlords, but also *de facto* rulers within their own estates, since the dawn of history. They performed the same necessary and useful part in the history of Bengal, previous to the British rule, that the barons of Europe performed, or were supposed to perform, in the Middle Ages. They preserved peace and order within their own estates, repressed crime and punished offenders, adjudicated cases and protected labourers and cultivators, and represented and maintained the royal authority and influence. Their system of administration was no doubt rude, their exercise of power was often arbitrary, and their forces were often engaged in warring with each other, as was the case in Europe down to the eighteenth century. But in spite of all this, the Zemindars of Bengal played a useful and necessary part in the history of those times; they maintained order in the interior where the King or Subahdar had no means and no agency to preserve the peace; they settled disputes, adjudicated cases, and punished crime; and they encouraged learning and arts in their courts. The literature and traditions of Bengal reflect to this day the position and influence which Zemindars occupied in the political and social economy of the Province.

5. *Policy of Warren Hastings.*—When the British became the virtual rulers of Bengal in the latter half of the eighteenth century, the Zemindars of Bengal necessarily lost some of their influence and power. Feudalism had died a natural death in Europe, and it was inevitable that such quasi-feudal powers as the Zemindars exercised before should also be withdrawn. Warren Hastings deprived them of their judicial and police powers, and bestowed those powers on newly-created district collectors and police officers. I will not enter into a discussion as to whether this was wisely or hastily done, but it is obvious that the step was inevitable, for under a modern system of rule the functions of the judge and the police can be exercised only by officers of the Crown. But when Warren Hastings imprisoned defaulting Zemindars, sold their estates to outsiders for arrears, or let them out on short leases, he scarcely acted with sufficient regard to the ancient traditions of the Province, or to the position which the hereditary landlords had held for centuries among their people.

6. *Policy of Lord Cornwallis.*—Lord Cornwallis acted with a truer appreciation of the spirit of Indian institutions. He did not render back to the Zemindars those judicial and police powers of which they had been deprived, but he wisely sought to secure to them that honoured place which they had held for centuries. With the true instincts of a nobleman, he saw that it was not good for the people, or for the rulers, that the estates of the ancient houses should pass into the hands of shroffs and money-lenders and other auction pur-

chasers ; and with the true instincts of a statesman, he endeavoured to give the Zemindars of Bengal the motive and the opportunity to 'extend cultivation, to accumulate capital, and to improve the country. All the estates of Bengal were very severely assessed after an elaborate inquiry, but this assessment, made with a strict regard to the interests of the Government, was declared to be permanent, by the famous Regulation of 1793.

7. *Result of the Permanent Settlement.*—My Lord, this Permanent Settlement of the land revenues of Bengal is sometimes condemned by writers who merely look upon it as a loss to the Government revenue. But administrators who have lived and worked in Bengal districts, and have studied the far-reaching and beneficial results of Lord Cornwallis's policy, do not share this opinion. (In the first place, the placing of a limit to the Government demand in the permanently settled tracts of Bengal has enabled the Government, by subsequent legislation, to limit the demand of the Zemindars themselves from the actual cultivators ; and the cultivators of Bengal are therefore more prosperous, more resourceful, and better able to help themselves in years of bad harvest, than cultivators in any other part of India. In the second place, the limitation of the State-demand has fostered agricultural enterprise, extended cultivation, and led to the accumulation of some capital in the hands of private proprietors, a result which far-sighted administrators wish to bring about in other parts of India. This capital is expended in fostering trades and industries, in supporting schools,

dispensaries, and charitable institutions, in excavating tanks and wells, and lastly in supporting the poorer classes in seasons of distress and famine. I may cite here the remarkable instance of the late Maharaja of Darbhanga, who altogether expended a hundred thousand pounds sterling in relief works and in remissions of rent, during the famine of 1897. In the third place, the modest capital accumulated is not retained in the hands of a few exclusive houses in Bengal; it is fairly distributed among intelligent, enterprising, and industrious men in all districts and of all classes; it passes from those who are unworthy to those who prove themselves to be worthy; it encourages professions, education and culture, and it promotes generally the well-being of all classes and thereby indirectly helps the revenues of the country. Fourthly and lastly, the policy of Lord Cornwallis has confirmed the loyalty of the most substantial classes of the people, and through them of the entire people, towards the ruling power. All who have anything at stake look on the British rule in India, not only as a just and enlightened system of administration, but as a Government with which their own interests are intimately associated, as a Government whose permanence means the well-being of the people. In the dark days of the Mutiny of 1857 there was no disaffection in Bengal, and in the words of Mr Seton Karr, "the Sepoys took to the villages and the jungles, and then they literally melted away before the impassive demeanour, the want of sympathy, and the silent loyalty of the Zemindars." And Your Excellency is aware that in the present year

of a British war in South Africa, Bengal Zemindars have been the foremost, among all the loyal communities of India, in their enthusiastic support of the British cause; and that their influence and their example and their exertions have told on all classes of the people, and evoked a general and enthusiastic expression of loyalty throughout the country.

8. *Rent Laws for the Protection of Cultivators.*—The Regulation of 1793, making a Permanent Settlement of the land revenue payable by Zemindars, contained at the same time a promise to enact laws in the future for the protection of cultivators. This pledge was first redeemed by the Government of Lord Canning by Act X. of 1859, which prohibited the enhancement of rents except on certain well defined and equitable grounds. These provisions of the law of 1859 were upheld by the subsequent Act VIII. of 1868; and lastly the occupancy rights of cultivators were largely extended by the Tenancy Act of 1885, which was drawn up under the Government of Lord Ripon, and passed by the Government of Lord Dufferin. (These rent laws of Bengal have given adequate protection to cultivators) and it will be found on inquiry that the rents generally realised by Bengal Zemindars are fair and moderate, and permit the cultivators of the soil to save in good years for years of bad harvests.

9. *Proportion of Rent to produce in Bengal Districts.*—My Lord, during a period of over twenty-five years that I was employed as a Revenue Officer in different districts in Bengal, I had occasion to make such inquiries for myself; and I found that the rents generally

realised by Bengal Zemindars were about one-sixth of the gross produce in some districts, and were even less in others. I have, since then, compared the results of my own inquiries with the figures contained in Sir W. Hunter's "Statistical Accounts of Bengal," published in 1875 and subsequent years, and I note below the figures given in Sir William Hunter's work. The "Statistical Accounts" do not, unfortunately, give the average produce and the average rents for all districts in Bengal; but for almost every district for which figures are available in the work, they have been reproduced by me in the list given in the next paragraph. I have used the letters (a) and (b) to indicate, generally, superior and inferior lands according to their produce.

10. *Produce and Rent in Bengal shown in figures as given in "Statistical Account of Bengal."*

| District. | Produce per Acre. | | | Rent per Acre. | | | Proportion of Rent to Produce. |
|-------------------|-------------------|----|----|----------------|----|----|--------------------------------|
| | £ | s. | d. | £ | s. | d. | |
| 24 PERGANAS . . . | { (a) | 5 | 2 | 0 | 0 | 18 | } 18·7 per cent. |
| | { (b) | 2 | 2 | 0 | 0 | 9 | |
| NADIYA . . . | { (a) | 3 | 3 | 0 | 0 | 7 | } 13·8 " |
| | { (b) | 0 | 13 | 6 | 0 | 3 | |
| JESSOR . . . | (a) | 3 | 13 | 6 | 0 | 9 | 12·3 " |
| MIDNAPUR . . . | (a) | 3 | 15 | 0 | 0 | 9 | 12·0 " |
| HUGLI . . . | { (a) | 3 | 12 | 0 | 1 | 1 | } 29·4 " |
| | { (b) | 1 | 10 | 0 | 0 | 9 | |
| HOWRAH . . . | { (a) | 3 | 8 | 0 | 0 | 18 | } 25·0 " |
| | { (b) | 2 | 0 | 0 | 0 | 9 | |
| BANKURA . . . | { (a) | 2 | 17 | 0 | 0 | 14 | } 25·5 " |
| | { (b) | 1 | 14 | 6 | 0 | 9 | |
| BIRBHUM . . . | { (a) | 4 | 3 | 0 | 0 | 18 | } 22·7 " |
| | { (b) | 1 | 16 | 0 | 0 | 9 | |
| DACCA . . . | (a) | 4 | 13 | 0 | 0 | 10 | 11·2 " |

| District. | Produce per Acre. | | | Rent per Acre. | | | Proportion of Rent to Produce. | | |
|------------------|-------------------|-----|----|----------------|----|----|--------------------------------|----------------|--------|
| | £ | s. | d. | £ | s. | d. | | | |
| BACKERGANJ . . . | (b) | 1 | 16 | 0 | 0 | 5 | 8 | 15·7 per cent. | |
| FARIDPUR . . . | (b) | 1 | 10 | 0 | 0 | 3 | 9 | 12·5 " | |
| MYMENSING . . . | { | (a) | 5 | 2 | 0 | 0 | 18 | 0 | 17·3 " |
| | | (b) | 2 | 14 | 0 | 0 | 9 | 0 | |
| NOAKHALI . . . | (a) | 3 | 5 | 0 | 0 | 9 | 0 | 13·8 " | |
| TIPPERH . . . | { | (a) | 3 | 12 | 0 | 0 | 18 | 0 | 24·5 " |
| | | (b) | 1 | 18 | 3 | 0 | 9 | 0 | |
| DINAJPUR . . . | (b) | 1 | 16 | 0 | 0 | 9 | 0 | 25·0 " | |
| RAJSHAHI . . . | (b) | 1 | 13 | 0 | 0 | 9 | 0 | 27·2 " | |
| PABNA . . . | (a) | 3 | 15 | 0 | 0 | 9 | 0 | 12·0 " | |
| GAYA . . . | { | (a) | 3 | 12 | 0 | 0 | 18 | 0 | 21·1 " |
| | | (b) | 2 | 10 | 5 | 0 | 9 | 0 | |
| MANBHUM . . . | (b) | 1 | 12 | 0 | 0 | 9 | 0 | 28·1 " | |
| BALASOR . . . | { | (a) | 1 | 0 | 0 | 0 | 6 | 0 | 28·1 " |
| | | (b) | 0 | 12 | 0 | 0 | 3 | 0 | |

N.B.—All districts for which figures are given in Sir William Hunter's work are included in the above list, except Burdwan, Rangpur and Malda, for which the figures given are obviously incorrect. Rents for Burdwan and Rangpur have been overestimated, and rents for Malda underestimated. The average rent for the twenty districts named above is about twenty per cent. of the produce; and if the value of straw was included in the produce in all districts the proportion of rent would be still less.¹

11. My Lord, the figures given in Sir William Hunter's work, and quoted above, were compiled about thirty years ago. Since then the prices of food grains have risen in Bengal higher than the rents of lands, and the Tenancy Act of 1885 has given a wider protection to cultivators than existed before. If an inquiry were now made, district by district, as to the average

¹ For the proportion of the land revenue to rent see Appendix A.

produce, including straw, and the average rents of Bengal, the rents now generally realised will be found to be below one-fifth or one-sixth the gross produce in most districts. It will, therefore, appear that the Permanent Settlement of Bengal and the subsequent Rent Acts have secured all the results which they were intended to secure. They have extended cultivation, fostered enterprise and works of public utility, and maintained in Bengal an intelligent, influential, and loyal class of landlords, the strongest supporters of British Rule in India. They have protected cultivators, moderated rents, and enabled the poorer classes to save something in good years for years of bad harvest. They have decreased the indebtedness of the cultivating classes, and enabled them to live in better houses, use better utensils, and save more in agricultural stock and in silver jewellery, than their fathers did before. And lastly, moral advancement has kept pace with material advancement, and the Bengal cultivator of the present day is better read, better informed, more self-reliant, more able to defend his own interests, than he was before.

12. My Lord, these are blessings which have been secured to the Bengal landlord and the Bengal cultivator by the Permanent Settlement and by the successive Rent Laws of Bengal. But I do not wish to be misunderstood. I do not at the present time ask for the extension of the Bengal system to other parts of India; I have not made any such suggestion in the three letters which I have had the honour to address to Your Excellency. Each Province in India has its

own land system, under which the people have lived for generations, and with which the people are familiar; and it is possible, under each land system, to afford adequate protection to the cultivator against frequent reassessments, and undue enhancements. What I have asked, my Lord, is that such protection be granted to the cultivator of each Province under the land system under which he lives. I have prayed that where the cultivator pays direct to the State, 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. I have prayed that where the revenue is paid by landlords, one-half of their assets be fixed as the Government revenue, as is done in the N.W. Provinces of India. I have prayed that where no Permanent Settlement has been made, the period of each recurring settlement be fixed at thirty years as in the N.W. Provinces of India. And I have prayed that where districts have been once surveyed and settled, a rise in prices be made the sole ground of enhancement in future settlements, as was proposed by the Marquis of Ripon in 1882. I sincerely trust and hope that these proposals, which are moderate and practicable, and which do not in any way modify the principles of the different land systems in the different Provinces, will find acceptance with Your Excellency's Government.

25th April 1900.

FIFTH LETTER TO LORD CURZON: NORTHERN INDIA

MY LORD,—In continuation of my previous letters on Land Settlements in the Central Provinces, Madras, Bombay, and Bengal, I take the liberty of submitting to Your Excellency this final letter on Land Settlements in Northern India. The land system in the N.W. Provinces differs somewhat from that in Oudh, and these systems again are somewhat different from the Punjab system; but there is a general resemblance in the systems prevailing in all these three Provinces of Northern India. For in all these Provinces the cultivators generally pay their rents to landlords; and the revenue payable by landlords to the Government (except where it is permanently settled), is liable to revision and enhancement at each recurring Settlement. I shall, therefore, with a view not to prolong this correspondence, endeavour to compress my remarks and suggestions with regard to all the three Provinces of Northern India within the limits of this letter.

2. *Acquisition of the North-Western Provinces.*—The North-Western Provinces came under British Rule at different dates. (a) Benares and some adjoining districts were acquired from the Nawab of Oudh by the treaty of 1775, and were permanently settled in 1795. In this respect they resemble the permanently

settled tracts of Bengal, of which I have spoken before, and I shall have no further remarks to make of these districts in the present letter. (b) Allahabad and some adjoining districts were ceded by the Nawab of Oudh in 1801. (c) Agra and some other districts were conquered by Lord Lake in 1803. Some less important tracts were added in subsequent years.

3. *Early Mistakes in Land Revenue Settlements.*—

It may easily be imagined that mistakes were made by administrators who first endeavoured to settle the land revenues. It was the custom in the last days of the Mahomedan rule to fix the State-demand at a very high figure, and then to realise as much of the nominal demand as was possible from year to year. The mistake made by British administrators was to adhere to this high nominal demand, and then to try and realise the whole of it.) Some British administrators saw this mistake, and one collector, Mr Dumbleton, wrote that the Settlement of 1802 “pressed beyond a reasonable demand,” and also complained that the severe rates of the Nawab’s government were stereotyped by the British rulers, “without the same elasticity in realising.” (Baden-Powell’s “Land Systems of British India,” vol. ii. p. 14.)

4. *Early Settlements, 1802 to 1822.*—Proclamations were issued in 1802, that a Settlement would be made for three years; to be succeeded by another Settlement for three years; and this was to be followed by a third Settlement for four years; after which a Permanent Settlement would be concluded. But before the expiry of the total period of ten years, the views of the rulers had changed, and the idea of a Permanent

Settlement had been abandoned. Two fresh Settlements were made for five years each, *i.e.* down to 1822. In the meantime, Mr Holt Mackenzie submitted his famous Minute, which led to the passing of Regulation VII. of 1822.

5. *Regulation VII. of 1822, IV. of 1828, and IX. of 1833.*—The three successive Regulations were passed within eleven years, but the mistake of over-assessment was not altogether rectified, and the State-demand was fixed at two-thirds of the rental by the last Regulation. Settlements were accordingly made between 1833 and 1849, and the country remained in a state of perpetual poverty. A terrible famine visited the North-Western Provinces in 1837, and desolated the whole country from Allahabad to Delhi, though it was most intense in the Doab, and in the neighbourhood of Agra. The Government revenue was permanently decreased in most districts after the famine.

6. "*Saharanpur Rules*" of 1855.—It was not until 1855 that the exorbitant State-demand of two-thirds of the rental was reduced to one-half the rental by the famous "*Saharanpur Rules.*" This is now the general rule in Northern India, and has given considerable relief to the people. When a famine again visited Northern India in 1860, it was less severe than the preceding one; and Colonel Baird Smith, who inquired into the causes and effects of the famine, declared that its comparative mildness was due to the moderate demands of the State. Colonel Baird Smith recommended a Permanent Settlement of the land revenue for the improvement of the condition of the

people. The recommendation received the approval of Lord Canning and of the Secretary of State for India in 1862; but the proposal was long kept in abeyance, and was, at last, unfortunately abandoned in 1883.¹

7. *Act XIX. of 1873, and the Present Method of Settlements.*—The revenue law was much simplified by Act XIX. of 1873, which repealed about fifty Regulations or parts of Regulations, and eight Acts. The assessment of rents, too, which had hitherto been made by Settlement Officers after elaborate calculations and on somewhat theoretical grounds, resulting in much harassment to cultivators and gross inequality of incidence, was now much simplified. The healthy rule was at last adopted, in 1886, that the rents actually received by landlords, as shown in village rent rolls, should be received as the basis of assessment, with necessary corrections. "We do not," says Sir Antony Macdonnell, in his evidence before the Currency Committee, "for the purpose of assessing the Government revenue, make a basis of our own; we proceed on the basis of actual facts, which have been brought into existence by the operation of the ordinary law of rent, and the arrangement which the landlord has made with his own tenant" (Minutes of Evidence, vol. i. p. 211). It will thus be seen that though the North-Western Provinces have not obtained a Permanent Settlement, which would have led to some accumulation of capital and promotion of industries in the country, yet the worst blunders of the early land-settlements have been rectified one by one. In 1855

¹ See Appendix H.

the revenue was fixed at one-half the rental; in 1873 the Land Revenue Act was simplified; and in 1886 the harassing process of settling rents on theoretical grounds, which still unfortunately prevails in some other parts of India, was abandoned, and the actual rental of the country was accepted, with necessary corrections, as the basis of assessment.

8. *Acquisition of Oudh.*—Oudh was annexed by Lord Dalhousie in 1856, *i.e.* after the land revenue administration had been reduced to system in the N.W. Provinces, and it therefore escaped some of the worst blunders made in earlier years. The landlords of Oudh were called Talukdars, and out of 23,543 villages in Oudh, 13,640 were settled, in 1856, with Talukdars, and 9903 with Village Proprietors.

9. *Settlement after the Mutiny of 1857.*—After the Mutiny of 1857 all lands were confiscated by the Government by a proclamation in 1858. This summary and somewhat alarming procedure was much criticised in England, and then the estates were re-conferred on the Talukdars, with a provision for protecting the rights of subordinate tenants, which provision was entered in the *sanads* or title-deeds which were afterwards issued. The assessment of the estates of six (reduced to five) loyal Talukdars had been made permanent; the other estates were settled between 1860 and 1878 for thirty years.

10. *Acquisition of the Punjab.*—A portion of the Punjab, between the Sutlej and the Ravi, was annexed after the first Sikh war in 1846. The remainder was annexed after the second Sikh war in 1849. And

Delhi and some other districts were transferred from the North-Western Provinces to the Punjab after the Mutiny in 1858. A Board of Administration was formed for the Punjab in 1849; it gave place to a Chief Commissioner a few years later; and after the Mutiny, and after the transference of Delhi and other districts into the Punjab, a Lieutenant-Governor was appointed for the Punjab in 1859.

11. *Settlements in the Punjab; Rates of Assessment.*—Mistakes, similar to those which had been made in the early Settlements in the N.W. Provinces were made in the Punjab, and British administrators endeavoured to realise the rates at which lands were assessed under the Sikhs. Major Wace said, in his evidence before the Famine Commission of 1878, that “commencing, in 1849, with a standard of one-third of the produce, a period of low prices, combined with other considerations affecting the welfare of a newly-conquered and previously much-oppressed country, compelled us to reduce that standard successively to a fourth and a sixth.” Even this standard applied only to Lahore and Amritsar Divisions, settled between 1860 and 1872; in later Settlements, one-half the customary rents was accepted, as in the N.W. Provinces, as the Government revenue (Appendix III. to Famine Commission’s Report, p. 365). A Land Revenue Act (XXXIII. of 1871) was passed for the Punjab in 1871, and this has been replaced by the present law, Act XVII. of 1887. There are a large number of petty landlords in the Punjab, who cultivate their own lands; and in the Famine Commission’s Report (1879) it is stated

that fifty-four per cent. of the cultivated area is held by cultivating landlords, and forty-four per cent. by tenants.

12. *Assessment Rules*.—Rules were formulated, under the Revenue Act of 1871, that the Government revenue should not exceed the “estimated value of half the net produce of an estate, or, in other words, one-half of the share of the produce of an estate ordinarily receivable by the landlord in money or in kind.” This rule has been reaffirmed and explained by the subsequent rules passed under the Revenue Act of 1887, two of which are quoted below :—

“(1) The general principle of assessment to be followed is that the Government demand for land revenue shall not exceed the estimated value of half the net produce of the estate.”

“(3) In estimating the net produce of cultivated lands of any class, whether occupied by land-owners themselves or by tenants, the rents paid in money or in kind on an average of years by ordinary tenants-at-will for such lands in the assessment circle to which the estate belongs, shall be the principal guide.”

It is important to note that while the *principle* fixing the Government demand is the same in the Punjab as in Madras, viz. one-half the net produce, the *practice* is widely different. In the Punjab the usual rent is accepted as the net produce, and the revenue is therefore about half the rental, as in the North-West Provinces. In Madras the net produce is calculated by an elaborate process which is inaccurate in results, and is unjust and oppressive to the cultivators.

13. My Lord, I have in the preceding paragraphs briefly

described the land revenue systems and rules of the North-West Provinces, Oudh, and the Punjab ; and I crave permission to indicate in a few words the modifications and the safeguards that seem to be called for. I will not, in the present letter, recommend the extension of the Bengal system of Permanent settlement to Northern India ; I will merely suggest improvements which are consistent with the systems prevailing in Northern India, and which will not in any way affect the principle of those systems.

✓ 14. *Fair Rents and Secure Tenures for Cultivators.*—The protection of the cultivators is the first object of the Government, and this object is imperfectly secured under the present laws. Sir A. Macdonnell said before the Currency Committee : “ Whenever we find a rent-roll which we consider unstable or excessive, we reduce the rental for the purpose of assessment as between the landlord and the Government ; we make no interference as between the landlord and his tenant ” (Minutes of Evidence, Part. I. p. 211). It is necessary to consider whether such “ unstable or excessive ” rental should be permitted, and whether a maximum limit of rents in proportion to the gross produce should not be laid down by law in case of ordinary cultivated lands. Some years ago the British Indian Association of Calcutta, representing the large landholders of Bengal, proposed to accept twenty-five per cent. of the gross produce as the landlord’s share, as appears from Mr Dampier’s evidence before the Famine Commission of 1878 (Appendix II. p. 72). And when the Bengal Tenancy Bill was framed in 1883, it was proposed to lay down one-fifth the gross produce as the maximum rent. Again, in the Punjab

Administration Report of 1898-99 I find that "over two thousand notices (to eject tenants) were issued in Hissar. Most of these were in Sirsa; they show that the people are preparing for the coming Settlement by ejectment of such tenants as might claim to be occupancy tenants." This, I submit, is another case which requires attention, and I venture to hope that the Government will so modify the law as to extend occupancy rights to all settled tenants in Northern India.

✓ 15. *Fair Revenue and Long Settlements.*—The principle on which Land Revenue is fixed in Northern India, viz. at one-half the rental, is fair, and Settlements are generally made for thirty years in Northern India. It is desirable that these rules should be made universal in their application in all parts of India, to prevent frequent harassment of the people. Each Settlement generally secures a large enhancement on the revenue, as will be seen from the figures given below, and it is necessary

| District. | Increase of Revenue due to resettlement. |
|--------------|--|
| Budaun . | 27·4 per cent. |
| Garhwal . | 53·2 " |
| Unao . | 19·8 " |
| Partapgarh . | 31·7 " |
| Rae Bareli . | 24·8 " |
| Sultanpur . | 24·2 " |
| Lucknow . | 21·5 " |
| Hardoi . | 25·5 " |
| Sitapur . | 28·9 " |
| Bari Banki . | 30·8 " |
| Fyzabad . | 29·0 " |

Administration Report of N. W. P. & Oudh, 1897-98, pp. 7 to 9.

| District. | Old Revenue. | Increase of Revenue due to resettlement. |
|------------|--------------|--|
| | Rs. | Rs. |
| Montgomery | 408,981 | 163,058 |

Administration Report of the Punjab, 1898-99, pp. 23, and Statistical Table XV.

therefore to inquire minutely if this is not partly due to undue and excessive enhancements of the rental secured by landlords. There is always the risk of landlords trying to obtain such enhancements of the rental, after they have submitted to an enhancement of the revenue at a new Settlement.

¶ 16. *The Imposition of Cesses.*—The difficulty of realising direct taxes in India, principally on account of the poverty of the people, has induced the Government to raise such taxes from the land, along with and in addition to the land revenue. In Bengal, cesses are levied from landlords and cultivators for roads, and for public works; in Northern India cesses are levied for Roads, Schools, Post Office, Dispensary, Famines, Patwaris, and Chowkidars, amounting to eight and a quarter per cent. on the rental; and in the Central Provinces such cesses come up to twelve and a half per cent. on the rental. These cesses are assessed on the rent, and paid by landholders with the land revenue; and when the land revenue is enhanced at settlements, the cesses advance automatically. It will be clear to Your Excellency that the object of fixing the revenue at fifty per cent. of the rental is entirely lost if another eight or twelve per cent. on the rental is added under the name of cesses. The "Saharanpur Rules," which reduced the land revenue from sixty-six and two-thirds per cent. to fifty per cent. of the rental, are thus reduced to a dead letter, and the object of fixing a moderate land revenue is defeated, if the land is once more assessed with various cesses. There may be some reason for assessing the land for works which directly benefit the land, like roads and

wells, but there is no reason or justice in assessing the land for schools and dispensaries. The total of cesses in Bengal is one anna in the rupee, or six and a quarter per cent. of the rental, and this rate should be fixed as the maximum total of all cesses imposed on land, leviable only for works benefiting the land. If a moderate assessment of the land be essentially necessary for the well-being of a nation of cultivators, it is absolutely necessary to guard against indirectly raising that assessment to a material extent, or for purposes not directly calculated to benefit the land.

17. In the last place, I desire, my Lord, to say only one word about the Land Alienation Bill, now under the consideration of the Indian Government. I shall not anticipate the decision of the experienced administrators who are giving their attention to the matter, nor shall I venture to express an opinion how far some provisions of the nature may be needed in some localities as a temporary measure of relief. All that I wish to urge is that no permanent relief can be given to the cultivators of India by taking away from the marketable value of about the only property which they possess. In Bengal such proposals were under consideration in 1883 and again in 1896, but it was wisely decided that good rent laws and light rental were the soundest means to save the cultivators from the grasp of money-lenders, and within my experience, good rent laws and light rental have to a great extent freed the cultivators of Bengal from indebtedness within the last thirty years. The cultivators in Northern India, the Central Provinces, and the Deccan, are not less thrifty and frugal than

Bengal cultivators, and the same result which has been achieved in Bengal can be produced elsewhere through the same means, viz., light rental and good-rent laws, protecting the cultivators from undue and uncertain enhancements.

18. For the sake of convenience I desire briefly to summarise the proposals which I have made in the five letters, of which this is the last ; and as these proposals embody the views of my countrymen generally, I feel convinced they will receive Your Excellency's consideration.

✓ (a) Where the State receives land revenue through landlords, and the revenue is not permanently settled, we ask that the "Saharanpur Rules" may be universally applied, and the State-demand be limited to one-half the rental.

(b) Where the State receives land revenue direct from cultivators, we ask that the rate be limited to a maximum of one-fifth the gross produce of the soil.¹ In Madras the old rule demanding one-half the net produce as revenue is supplemented by a rule limiting the revenue to *one-third* the gross produce, and this has led to over-assessment in that Province. Having regard to the rates of rent and revenue in all Provinces of India, we ask that the old rule of demanding one-half the net produce be supplemented by a rule limiting the revenue to *one-fifth* the gross produce, wherever revenue is paid to the State direct by cultivators.

¹ 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 the produce, as in Northern India.

(c) Where the State receives land revenue direct from cultivators, we ask that the rule laid down by Lord Ripon, of making an increase of prices the sole ground of enhancement at the time of re-settlements, be universally applied.

(d) Where the land revenue is not permanently settled, we ask that Settlements be made not oftener than once in thirty years.

(e) We pray that no cesses be imposed on the rental of the land except for purposes directly benefiting the land; and that the total of such cesses assessed on the rental may not exceed six and a quarter per cent. (one anna in the rupee) in any province of India.

(f) We pray that where the Government provides water for irrigation, the cultivator may be left—as he has been during the last forty years—the option of paying for the water if he choose to use it, and that no compulsory water-rate be imposed.

(g) And lastly, we pray that in the case of any difference between cultivators and Settlement Officers in the matter of assessment, an appeal be allowed to an independent tribunal, not concerned with the fixing and levying of rents and rates.

12th May 1900.

FAMINE INSURANCE GRANT, RAILWAYS, AND IRRIGATION

THE occurrence of the Madras famine of 1877 induced Lord Lytton's Government to create new resources for Famine Relief and Insurance. New taxes were imposed; the annual famine grant was fixed at Rs.1,500,000; and a pledge was given to the people of India that the proceeds of the taxes would not be expended for any purpose other than that for which they were imposed. "The simple object was in fact to provide so far as possible an annual surplus of one and a half crores for famine relief or famine insurance expenditure. To the extent to which in any year the amount was not spent on relief, it was to be spent solely on reduction of debt, or rather upon avoidance of debt which is the same thing. Such avoidance was to be effected by spending the money on productive public works, the cost of which would otherwise have been met by loans."¹

The pledge was broken soon after it was given. In the budget of 1878-79 the grant was made; but in the budget of 1879-80 it was suspended. There was a strong protest from the public in India; and the Secretary of State in his despatch of 23rd December 1880 took exception to Sir John Strachey's argument that, whether the public accounts showed surplus, equilibrium or deficit, the new taxes must prevent

¹ Report of the Famine Commission of 1898, p. 324.

debt by the amount they yielded, and therefore fulfilled the conditions under which they were imposed. The merging of the proceeds of taxes, imposed under a distinct pledge, in the general revenues of India, was felt to be a violation of the pledge; and it was decided in 1881 that the full grant of one and a half crores (Rx.1,500,000) should always be entered in the budget under the head of Famine Relief and Insurance, with sub-heads for (1) Relief, (2) Protective Works, and (3) Reduction of Debt.

It will thus appear that "the original policy of devoting the whole of the grant, less actual cost of famine relief, to reduction or avoidance of debt had been changed by the acceptance of the view that a large part of the grant might be better applied to what are called Famine Protective, as distinct from Productive Public Works."¹ But even this new and modified purpose of the famine grant was not strictly adhered to. In fifteen years down to 1895-96 the famine grant, at a crore and a half annually, was 22½ crores (Rx.22,500,000) while the expenditure for the purposes set forth above was only Rx.17,644,185, thus:

| | |
|---|------------|
| 1. Spent on actual famine relief | Rx.320,664 |
| 2. On protective irrigation works | 1,813,841 |
| 3. On protective railways | 6,550,931 |
| 4. Interest upon Indian Midland and Bengal Nagpore Railways | 3,631,450 |
| 5. Reduction and avoidance of debt | 5,327,299 |
| | 17,644,185 |

¹ Report of the Famine Commission of 1898, p. 325.

It is obvious that the money spent under the fourth heading, *i.e.* in paying interest on Indian railways, cannot come under the purpose of the Famine Grant as originally defined. Excluding that sum, the total money spent in fifteen years fell short of the grant by over eight millions of tens of rupees. The history of the Famine Relief and Insurance Grant is an illustration of the truth that the interests of the people are but imperfectly safeguarded under the present system of administration.

With the best of intentions, British administrators in India have repeatedly drifted into errors or forgotten their pledges, because the people themselves have been carefully debarred from any real share in the administration. So true is the maxim laid down by John Stuart Mill that "it is an inherent condition of human affairs that no intention, however sincere, of protecting the interests of others, can make it safe or salutary to tie up their own hands."

The large sums spent in famine relief in 1897 and in 1900 will probably bring up the total of famine expenditure to the total of the grant; but it is necessary to lay down specific rules for the future expenditure of the grant. In the first place, the construction of protective railways should now be abandoned, because the Famine Commissioners, appointed in 1898, have stated in their Report that most of the necessary *protective* railways have now been constructed, and that there is a possibility of others being constructed as *productive* works.¹ In the second place, the interest

¹ Report of the Famine Commission of 1898, p. 230.

upon the Midland and Bengal Nagpur Railways should not be charged to the famine grant, and the sanction given by Lord Randolph Churchill, Secretary of State for India, to this irregular proceeding in 1885 should now be revoked.¹ The whole of the famine grant of Rs.1,500,000 should thus be set free, and should be devoted entirely (1) upon actual famine relief; (2) upon protective irrigation works; and (3) on the reduction of debt. When there is no famine, a million tens of rupees should be spent annually on protective irrigation works, and the remaining half a million should be used as a sinking fund to reduce the enormous public debt of India.

The total length of railways in India up to the end of 1898-99 was 26,059½ miles, of which 22,491 miles were open for traffic. The net loss to the State, *i.e.* to

¹ Lord Randolph Churchill's sanction runs as follows:—"Great objection has been taken, both by former Secretaries of State and by the Select Committee of the House of Commons last year, to the proposal to appropriate as interest any portion of the Famine Insurance Grant, the declared object of which was to keep down debt. I recognise, however, that the circumstances of the present time are of a special character, and could not have been contemplated either by my predecessors or by the Parliamentary Committee. . . . I therefore authorise you to charge against the Famine Insurance Grant the amount payable during the next five years, an interest on capital raised by companies for the purpose of constructing any of the lines which are mentioned by your Government as being, in your opinion, needed for the protection of the country against famine, but which you are not at present able to construct through State agency." Subsequently, after the lines had been opened, it was agreed, in 1890, that the charge against the Famine Insurance Grant should be, not the guaranteed interest, but the net loss on the railways, including that interest. It is needless to add that the people of India, to whom a pledge had been given when the taxes were imposed, were not consulted when these various orders were passed about the application of their proceeds.

the people of India, from these railways, after deducting all their earnings and returns, was Rx.57,734,761 up to the end of 1898-99. It is apparent from these figures that railways have been overdone in India—overdone in consideration of the resources of the country. Nearly all the lines needed for famine protective purposes have been completed, and it is reasonable, therefore, to hope that no future lines shall be undertaken by the State either as protective works or as productive works, and that the profits of no future lines shall be guaranteed out of the public revenues. If there is a reasonable chance of profits from new lines in any part of India, private capital and private enterprise will undertake them. If there is no reasonable chance of profits from fresh lines, to construct them out of Indian revenues, or to guarantee profits out of the proceeds of taxes, is to sacrifice the interests of the people of India to the interests of speculators and capitalists.¹

What India wants now is an extensive system of irrigation, and we have already suggested that a crore of rupees, out of the crore and a half of the famine grant, may be annually spent on protective irrigation works. "It appears to us," write the members of the Famine Commission of 1898, "that most of the necessary protective railways have now been constructed, that there is a possibility of others being constructed on their merits as productive works or as feeders to the trunk lines of railway without assistance from the famine grant, and that under existing circumstances

¹ See evidence of Mr S. Jacob before the Royal Commission on Indian expenditure, Appendix U.

greater protection will be afforded by the extension of irrigation works." ¹

In 1869, Colonel Strachey, then Inspector-General of Irrigation Works in India, submitted a report after an inquiry ordered by the Secretary of State for India. He stated in the report that in Madras 3,000,000 acres, being about one-fourth of the whole cultivated area, were irrigated; that in Bombay there were few irrigation works deserving special service, except in Sindh; that in the Punjab, 800,000 acres were under irrigation; and that in the North-Western Provinces a similar area was irrigated.

Irrigation works are now classed into three classes :

I.—Productive Works.

II.—Protective Works.

III.—Minor Works.

Productive Irrigation Works.—The capital outlay on productive irrigation works up to the end of 1879-80 was Rs.20,298,000. The capital outlay up to the end of 1896-97 (including one purely navigation work) was Rs.31,252,948. The capital expenditure during seventeen years was, therefore, only eleven million tens of rupees, but, deducting from this a sum paid by the Government to the Madras Irrigation Company, the actual capital outlay during the seventeen years has been only Rs.540,000 per annum. The area irrigated in 1878-79 was 5,171,497 acres. The area irrigated in 1896-97 was 9,448,692 acres. The net return on the capital outlay in the year 1896-97 was 6.35 per cent., showing that, financially, the productive irrigation works have been a success.

¹ Report, p. 330.

Protective Irrigation Works.—The capital outlay on protective irrigation works up to the end of 1896-97 was Rx.2,099,253, out of which Rx.1,698,424 has been charged against the Famine Insurance Grant. The total area irrigated by these works in 1896-97 was 200,733 acres, not including 123,087 acres irrigated by the Swat River Canal. Interest is not charged against protective irrigation works, as the cost of construction is met from revenues.

Minor Irrigation Works.—The irrigation effected by what are called minor works is of the very greatest importance. Many of them are old irrigation works constructed by Hindu and Mahomedan rulers, or more recently by district boards or public-spirited individuals, and have been taken over by the State. Some of the old works are of great size, irrigating several hundred thousand acres; others are small works, which are numerous in Madras; and about one-half the total irrigated area in that province is irrigated from such works.

Not only are these minor works exceedingly beneficial to the country, but their financial returns too are also very satisfactory, because the British Government did not spend any capital on the construction of most of them. The total expenditure incurred on these minor works during the seventeen years ending 1896-97 was over eight crores. The revenue attributable to works of this class exceeded the expenditure by over six crores. The total area irrigated by minor works in 1896-97 was 7,442,990.

Taking all the three classes of works together, the

total area irrigated in India in 1896-97 is shown below :—

| | Acres. |
|----------------------------|------------|
| By productive works . . . | 9,448,692 |
| By protective works . . . | 323,820 |
| By minor works . . . | 7,442,990 |
| | <hr/> |
| Total area irrigated . . . | 17,215,502 |

The figures given above, which have been taken from the Report of the Famine Commission of 1898, show the area of land now under irrigation and the satisfactory financial results of the irrigation works hitherto undertaken. But the figures do not represent the entire financial value of these works. They show the direct proceeds of water-rates collected, either separately, or with the land revenue as in Madras, but they do not indicate the extent to which the land revenue itself is made stable by irrigation works ensuring the prosperity of agriculture. The Famine Commissioners very rightly urge, "that the value of these works should not be judged too strictly by the financial results, and that due credit should be given to the works, even if it cannot be reduced to a quantitative form, not only for the stability of the revenue assessed on the lands dependent on them, which may be small, but also for their great value in such a country, in all seasons of drought, to the people of the neighbourhood, as well as to those whose crops are actually secured."¹

Far above financial considerations should be reckoned the duty of the State to protect agriculture and to save

¹ Report, p. 346. See also Jacob's Evidence, Appendix U.

the lives of the people in a country so dependent on water as India. The painful experience through which we are passing in the present year must convince the Government of India of the necessity of storing water in every part of the country for the saving of crops in years of drought, for the saving of cattle, and for the saving of human lives. The canal system may not be practicable on high table-lands and in hilly country, but embankments and *bunds* constructed across slopes would convert large dry areas into perennial lakes capable of irrigating thousands of acres in the surrounding country. This was very clearly explained by Mr Samuel Smith, M.P., in his speech in a recent debate in the House of Commons, and this was also forcibly urged by the Hon. Rai Bahadur B. K. Bose in his recent speech in the Viceroy's Council.

"What I am unable to make out," said Mr Bose, "is why the question of having storage tanks has never attracted attention. It cannot be said there is nothing in the country to suggest the utility of such works. We have many such tanks, made mainly in pre-British days, in what is known as the lake region of the Central Provinces. Here an irrigation tank is an irregular sheet of water, its banks formed by hills, and its dyke shaped out by spurs from them thrown athwart the hollow. The largest of them has a circumference of seventeen miles. By two short *bunds* the waters of scores of hills have been impounded into a lovely lake, which spreads its fertilising streams over large areas of surrounding cultivation. Where the crude, untrained village headman succeeded, British scientific skill is bound to attain

greater success. In a question like this I speak with great diffidence, but I believe that the tracts of high lands and valleys which abound in the Central Provinces would, if looked into, furnish suitable sites for several such tanks. Two or three of them have been made of late years to supply drinking water to municipal towns, but their importance for irrigation does not appear to have received consideration.”¹

Besides such artificial lakes, it is possible to multiply wells for irrigation purposes throughout the country. “Whatever field there may be,” says the Famine Commission of 1898, “for many years to come for the construction of protective irrigation works of the ordinary kind, *i.e.* canals or storage works, there are probably more tracts liable to periodical drought in which the desired protection may be afforded with greater certainty or at less financial risk by the construction of wells, by means of State advances which would be only partially recoverable, the irrecoverable portion of the advance being a final charge against the Famine Insurance Grant. . . . It is open to consideration whether when wells have to be sunk through rock with uncertain results, it might not be worth while for the State to share part of the cost in view of the protection afforded, if water is eventually found. It is also open to consideration whether the State might not bear the cost of scientific aid in the shape of boring operations to ascertain whether or not a supply of water will be forthcoming if the well is sunk. We have been

¹ Speech in the Viceroy's Legislative Council, 28th March 1900. See Appendix F.

informed that in the North-Western Provinces operations of this nature have been conducted in a more or less systematised method, and that the result has not been unsuccessful." ¹

It is abundantly manifest from these observations of representative men like the Honourable Mr Bose, who know the country, and of the Famine Commissioners who have thoroughly inquired into facts, that there is ample scope for constructing storage lakes and wells where irrigation by canals is impossible. If the same activity which has marked the extension of railways in India within the last thirty or forty years had been manifested in irrigation works in the Central Provinces, Gujrat and the Deccan, the present famine would have been less extensive in its area, and less disastrous in the loss of cattle and the loss of human lives. Another mistake which has been made in the past is to look only to the direct financial results of the irrigation works constructed, as shown in the proceeds of water rates and increased land revenue. It is a mistake, because these rates do not represent the saving which is effected by arresting famines, by securing crops, and making land revenue stable in years of drought. And it is also a mistake, because a too close attention to the direct proceeds of the irrigation works diverts attention from the duty of the State, both as a Ruling Power and as the Superior Landlord in India, from the duty of saving the lives and promoting the agriculture of the people of India, irrespective of financial considerations. The pronouncement of the

¹ Report, p. 354.

Famine Commissioners is clear and emphatic on this point also: "As the State in India," they say, "is generally in the position of superior landlord, there are special reasons why the Government should undertake without expectation of direct return works peculiarly protective of agriculture, such as irrigation works."¹

The most recent instance in which this mandate has been violated is the imposition of a compulsory water rate within all wet areas by an Act passed by the Madras Government in the present year. For the last forty years and more, water rates have been optional; the cultivator who chooses to use canal water pays for it, and the cultivator who does not use it does not pay.

This method has answered well enough in practice; the mass of cultivators voluntarily use canal water for the protection of their crops, and the financial returns from irrigation works have been satisfactory, as has been shown before. But local governments have, in their anxiety to secure financial profits, needlessly endeavoured from time to time to make that compulsory which is voluntarily paid without objection,—to make that an irritating tax on the people which the people have regarded and paid as a fair return for benefits obtained. As long ago as 1869, the Government of India submitted the "Northern India Canal and Drainage Bill" to the Secretary of State for India, and proposed to make the irrigation rate compulsory. The late Duke of Argyll, then the Secretary of State for India, declined to accord his sanction to the

¹ Report, p. 330.

measure and recorded his reasons in his letter of the 11th January 1870, the main portion of which is quoted below.¹

¹ To His Excellency the Right Honourable the Governor General of India in Council.

MY LORD,

INDIAN OFFICE, 11th January 1870.

PARA 1. I have had under consideration in Council, the "Northern Indian Canal and Drainage Bill, 1869," copy of which was enclosed with your Excellency's Legislative Despatch, No 22, of 18th October last. You have already been informed by telegram that great objections are entertained by me to Section 56 of the Bill, which declares that "if at any time, not less than five years after the commencement of irrigation from any canal, the average net revenue in the three next preceding years realised by the Government from the use of the water thereof, and including all sources of income dependent on such canal, and deducting all charges for maintenance and management and working, properly debitable to the revenue account of the same, shall not amount to a sum equal to seven per cent. on the capital expended on the said canal, the local government may charge on the lands irrigable by the water of such canal, but not paying any water rate therefor, such a yearly rate or rates as shall, when added to the net yearly estimated income, reckoned as aforesaid, produce a total amount as nearly as may be, equal to seven per cent. on the capital aforesaid."

2. I will now explain in what my objections to this section consist.

3. The object of the provision in question is to enable Government to secure itself against pecuniary loss in the event of a canal proving a financial failure. Such failure might ensue from three causes. A canal might not be able to supply for irrigational purposes the expected quantity of water, or, the expected quantity being available, cultivators might decline to avail themselves to the expected extent, or excessive costliness of construction might, in order to render a canal remunerative, necessitate the imposition of higher rates than cultivators could afford or would voluntarily pay. In the first case, under the proposed enactment, the loss consequent on Government having engaged in an unsuccessful speculation, would fall, not upon itself, but upon the cultivators, whom it had disappointed. In the second, cultivators would be forced to pay for water for which they had no use, or, at any rate, were not disposed to use, possibly, no doubt, from imperfect appreciation of the value of irrigation, but quite possibly also from a perfectly intelligible desire to have part of their land under dry crops, instead of all under wet. With regard to the third, none can require less than your Government to be reminded

Another proposal made in 1879 in connection with the Bombay Irrigation Act, that all lands commanded by the water of canals should be taxed, was similarly rejected by the then Secretary of State for India. And now, in a year of distress and famine in India, the Government of Madras has thought it fit to pass an Act which, in the opinion of the late Duke of Argyll, would either throw on the cultivators the loss consequent on unsuccessful speculations undertaken by the

how prone to become excessive guaranteed expenditure always is; and under the provisions of the Bill all expenditure on Government canals would be guaranteed.

4. To this alone there would be no objection if the guarantee were given voluntarily. But here the guarantee is to be extorted compulsorily. The inhabitants of a district are not to be asked beforehand whether they desire irrigation or not. The Government alone is to judge whether irrigation is desirable. It alone is to decide arbitrarily whether an irrigation work shall be constructed; but the landholders, and not the Government, are to be responsible in the event of the latter's committing an error of judgment. There is little analogy between a plan like this, and that under which county cesses are levied in England and Ireland, for those by whom these cesses are imposed, besides being themselves cesspayers, represent theoretically, if not really, the great body of cesspayers who are assumed consequently, to have given their assent by proxy. The outlay to which they are subjected has been undertaken by them voluntarily, and in the event of its proving unproductive, they have no pretext for considering themselves aggrieved.

5. These considerations would, in my opinion, go far towards neutralising any recommendations which the proposed enactment might otherwise possess, but I am greatly in doubt whether it is really calculated to serve any useful end. To force irrigation on the people would be not unlikely to make that unpopular which could otherwise scarcely fail to be regarded as a blessing, and which, as all experience shows, Indian agriculturists, if left to themselves, are sure duly to appreciate, sooner or later, and seldom later than the first season of drought that occurs after irrigation has been placed within their reach.

(Signed) ARGYLL

Government,¹ or would force them to pay for water for which they have no use, or would lead to excessive expenditure under the vicious system of guaranteed profits.

No reason exists for making the water rate compulsory in Madras; for productive irrigation works are paying⁴ at the rate of 6·35 per cent. on the capital sunk in all India, and at the higher rate of 7·14 in the

¹ Instances have occurred in the past in which the Government has thrown on the cultivators the loss sustained by unsuccessful speculation. The following extracts from Sir George Campbell's "Memoirs of my Indian Career" relate to one such incident which took place in Bengal:

"Sir Arthur had succeeded in forming a large private company in England to establish a great system of irrigation in Orissa; and much progress had been made with the works when there came this famine, which seemed to justify the project. Still, looking to the rarity of rain failure, and the facilities for importing grain, if measures were taken in time, we greatly doubted if such extensive works would ever pay. We suggested a liberal treatment of the company—the offer of assistance in the way of loans, etc.—but we strongly advised the Government not to purchase the works, as had been suggested. A little time after, however, that happened which usually happens when British capitalists have put their money in losing concerns in India, people in London bullied and abused the Government to get the concern taken over, and eventually they were successful. The Government paid out the Company in full, with an additional bonus, and have since expended a great deal more, making upwards of three millions sterling. From that day to this, the concern has hardly ever paid its working expenses, much less a farthing of interest on the capital."—Vol. ii. p. 161.

"The success of the local cess (Road Cess) induced the Government of India, a few years later, to urge upon the Government of Bengal the imposition of a further provincial cess (Public Works Cess). . . It seemed to me that the Government of India sailed a little near the wind in respect of my pledges, in that the fund (Public Works Cess Fund) was, to a large extent, applied to recoup their own bad bargains, to which the Government of Bengal had in no degree assented. I had protested against the purchase of that most losing concern, the Orissa Irrigation Company."—Vol. ii. p. 213.

Province of Madras.¹ No object is gained by forcing on the people the benefits of a system of which they have availed themselves voluntarily as a blessing, and which they will detest as a curse when it is needlessly forced on them. No increase in the total revenue can be expected, for in Madras lands are already over-assessed, and responsible administrators will find it necessary, before long, to lighten the burden in that Province and not to add to it. And no endeavours to make the system of irrigation works really useful to the cultivators are likely to be made when the canal officers are sure of their returns in the shape of a compulsory tax over the entire area supposed to be benefited by those works. The blunder made in Madras is likely to spread in other parts of India; and instead of a voluntary rate which the people are willingly paying everywhere in India, they will find that irrigation means another and an odious tax on their limited savings.

The Act passed by the Government of Madras is another instance of an administrative blunder due to disregarding the opinions of the people; and it is another illustration of John Stuart Mill's maxim, quoted before, that "it is an inherent condition of human affairs that no intention, however sincere, of protecting the interests of others, can make it safe or salutary to tie up their own hands."

¹ Report of the Famine Commission of 1898.

FALLACIES CONCERNING THE LAND TAX OF INDIA

“THE Government in India exercises over a great portion of the soil the same rights of property as those which an English landlord exercises over his own estate. The Government in India takes the place of individual landlords, and the cultivators of the soil rent their land from the Government instead of from private landlords. . . . Hence a land tax is no harder upon the cultivator; nor does this impost cause any loss to the rest of the community.”

Thus wrote the late Mr Fawcett in his “Manual of Political Economy”; and as a popular account of the Ryotwari system of Madras and Bombay, the description is intelligible. Public writers and speakers have, however, often chosen to construe this description in a way which is somewhat curious; and they have argued that the land revenue of India—which Mr Fawcett himself calls a *land tax*—is not a tax at all! It is one of the most favourite fallacies concerning the land revenue of India.

If there is one thing which has come out clearly in the controversies on this subject by responsible officials,¹ it is that the land revenue of India is not rent. This was declared by the Court of Directors of the East India Company as distinctly as the English language

¹ See Appendices M to R.

could express it. The Court of Directors wrote in their despatch of the 17th December 1856 that the "right of the Government is not a *rent* which consists of all the surplus produce after paying the cost of cultivation and the profits of agricultural stocks, but a *land revenue only*." The same thing was repeated by Sir Charles Wood, Secretary of State for India, in his famous despatch of 1864, and he desired to take only a share, generally a half share, of the rent, as the land tax. The question was discussed by Sir Louis Mallet, Sir Bartle Frere, and others in 1875, and Lord Salisbury, then Secretary of State for India, came once more to the conclusion that the land revenue of India was not rent, and was not meant to be rent. Mr Sullivan, a member of the Famine Commission of 1878, has shown that the Government is not the landlord in India, and has to purchase land and pay for it when required for public purposes. And Mr A. Rogers, one of the ablest revenue authorities that the Indian Civil Service has produced, remarks that land revenue in Bombay is a tax on rent.

It would be honest and candid, therefore, to recognise that the land revenue of India is a tax, and a very heavy tax, on the people. But financiers and public men still find it convenient to underestimate the incidence of taxes in India by calling the land revenue a "revenue not derived from taxation." And they quote Mr Fawcett to prove that to be not a tax which Mr Fawcett himself called "a land tax." An error dies hard, especially when it serves the purposes of partisan controversy!

So far as the poor agriculturists of India are concerned, the dispute is merely a quibble, and often a heartless quibble. Four-fifths of the population of India depend directly or indirectly on the produce of the soil, and if an unduly large share of the produce is taken by the State, so as to leave the cultivators impoverished, it is small comfort to them to learn that some able and ingenious financiers call it a rent and not a tax. The ten thousand cultivators of Madras, who are annually driven from their homes and lands for being unable to pay the State-demand, will derive little satisfaction from the thought that very distinguished and very honourable gentlemen give that demand one name rather than another. The millions of cultivators who are driven to the money-lender within two months after they have reaped their harvest, in order to meet the State-demand, will find little consolation if the curious information be placed before them that learned political economists in Europe give a very special name to that very severe demand. And the six millions of starving men and women and children, who have been unable to save anything after paying the State-demand in past years, and who are crowding to relief centres in this year of drought and failure of crops, will fail to appreciate the kindness of able and eloquent debaters who are ready to prove that the demand was no tax at all. The nation in India depends on the produce of the soil; it is a cruel grievance when the Government demands thirty per cent. of that produce or more, as is done in some parts of Madras and Bombay; and it is a redress of this grievance which the poor and resourceless people

are asking for. To them our arguments would appear a hateful quibble, a heartless mockery of their misfortunes. Let us not give them a stone when they are asking for bread. Let us find out if too much of the produce of the soil is demanded from them in any province, and let us, as responsible and reasonable administrators, moderate this demand by whatever name we may choose to call it.

A second fallacy, which is often committed in estimating the incidence of land revenue in India, is to estimate the supposed gross produce of an entire province. As an instance, we quote the following figures from the Report of the Famine Commission of 1878, vol. ii. p. 112 :—

| Province. | Population. | Cultivated Area. | | Value of Gross Produce | Land Revenue. | Percentage of Land Re- venue upon Value of Produce. |
|-------------------|-------------|------------------|-----------|---------------------------|------------------|---|
| | | Food Crop. | Non-food. | | | |
| | | Acres. | Acres. | £ | £ | |
| Punjab | 17,600,000 | 18,500,000 | 2,500,000 | 34,150,000 | 1,910,000 | 5·6 |
| N. W. P. and Oudh | 41,000,000 | 31,450,000 | 5,200,000 | 71,750,000 | 5,565,000 | 7·8 |
| Bengal | 60,000,000 | 48,000,000 | 6,000,000 | 103,500,000 | 4,050,000 | 3·9 |
| Central Provinces | 8,200,000 | 12,000,000 | 2,500,000 | 21,250,000 | 600,000 | 3·8 |
| Berar | 2,250,000 | 3,700,000 | 2,800,000 | 11,500,000 | 525,000 | 4·6 |
| Bombay | 16,000,000 | 21,500,000 | 5,500,000 | 39,000,000 | 2,970,000 | 7·6 |
| Madras | 31,000,000 | 26,000,000 | 2,500,000 | 50,000,000 | 3,160,000 | 6·3 |

The value of the gross produce is calculated at £5 per ton for food and £3 per acre for non-food crops. The fallacy in this calculation lies in the fact that it assumes an annual produce for India which India never produces in any single year. All the cultivated area does not bear crops every year. No approximately correct average can be struck, because it is not

known, and it has never been reckoned how much of the "cultivated area" in a province like Bengal, for instance, is actually under cultivation and bears crops in any single year or in a series of years. No approximately correct value of food-crops and of non-food crops can be estimated, because it is not known how much of the area under cultivation bears any produce in any year or in a series of years. The entire calculation is based on an assumption which has no basis on actual facts. The percentages shown in the last column show the proportion of revenue to a produce which India might be supposed to bear, but which she does not bear in any single year. The percentages are absolutely valueless for all statistical purposes.

The real percentages which the land revenue bears to the gross produce is shown with a greater approximation to correctness in Appendix A, from the evidence of officers who have tried to arrive at the truth from such facts as were available to them. Their evidence shows that the land revenue in Bengal is between five and six per cent. of the gross produce; in Northern India it is between eight and ten per cent.; in Madras it is between twelve and thirty-one per cent.; in Bombay it is probably higher.

It is a remarkable instance of the tendency to minimise the incidence of taxation in India that the figures placed by responsible administrators before the Famine Commission of 1878 (given in Appendix A) as to the *actual* proportion of the land revenue to produce, varying from five to thirty-one per cent., are never quoted in speeches and debates. And the figures showing the

proportion of the land revenue to the *possible* produce of India, ranging between three and eight per cent., are seriously relied upon by responsible statesmen!

For the practical administrative purpose of fixing the land revenue evenly and moderately in those tracts and in those individual cases where it presses hard on the population, the supposed average for all India is of little value. When the people of Madras complain that the State-demand of twelve to thirty-one per cent. of the gross produce impoverishes the cultivators, it is no answer to say that the average for all India is less than eight per cent. When the Malguzars of the Central Provinces represent that an enhancement of the revenue, exceeding a hundred per cent. in some districts, has been made by the last Settlement, and is felt as oppressive and severe, it is no satisfaction to them to learn that in Northern India the enhancement by the recent Settlements is not over thirty per cent. It is not in this manner that practical statesmen deal with the grievances of particular localities in the United Kingdom; and when the case of the West-Ireland cottier or the Highland crofter is under consideration, we are not told that farmers in Devon or Lincolnshire pay a reasonable rent. Humane administrators will rather seek to consider the case of each locality and of each individual Malguzar and ryot, instead of flaunting the figures, supposed to represent the average for all India, before our eyes.

A third fallacy which is often made in dealing with the question of land revenue in British India is to compare it with the figures which we possess of the assessments made by the Mahomedan emperors of India.

It is forgotten that the old figures only represent an ideal demand which was never collected in full ; that it was the policy in previous ages to fix the demand at a high figure and to collect as much of it as was possible from year to year ; and that to compare modern figures with these old figures is to compare collections *actually made* by British administrators with collections which *were never made* by Mahomedan administrators.

One collector, Mr Dumbleton, pointed out in the early years of this century that British administrators were trying to continue the severe rates of the Government of the Nawab of Oudh, "without the same elasticity in realising."¹ And Sir John Strachey, in quoting some supposed figures representing Aurangzeb's land revenue, makes the significant remark, "whether these figures represent the demand or the collections is not stated, but no doubt the former is intended."²

Lastly it is forgotten that the whole of the Moghal revenues derived from the land was spent in the country, fructifying agriculture and the industries, and flowing back to the people in one shape or another. Spent on the army it maintained and fed the people ; spent in the construction of great edifices or in articles of luxury it encouraged arts and industries ; spent in the construction of roads and irrigation canals it directly benefited agriculture. It is obvious that the people of a country can bear the incidence of heavy taxation

¹ Baden Powell's "Land Systems of British India," vol. ii. p. 14.

² Sir John Strachey's "India" (1894), p. 105. Further on Sir John Strachey remarks, "Little confidence can, in my opinion, be placed in the particular figures which purport to represent the amount of the Moghal revenues."—*Ibid.*, p. 107, note.

better if the proceeds of the tax flow back to the people themselves, than if a large portion of it is sent out of the country, adding to the capital and helping the trade and industries of a distant land. We are not here entering into the vexed question of the annual drain from India; we are speaking here only of the pressure of the land tax on the people of India; and it must be obvious to every candid inquirer that the same tax would fall lighter on a people which benefited by the tax, and whose trades and industries and agriculture were directly or indirectly fructified by the proceeds of the tax. It is a fact, however we may explain and defend it, that a very large proportion of the net revenues of India is now sent out of India; and it is therefore incumbent on the present rulers of the country to so moderate the land tax that it may fall lightly on the nation which depends on the land as virtually the sole means of their subsistence.

We conclude this chapter by quoting from the late Sir George Wingate, who saw in its true light the economical results of sending out of India so large a portion of the proceeds of the taxes paid by the Indian people. "Taxes spent in the country from which they are raised are totally different in their effect from taxes raised in one country and spent in another. In the former case the taxes collected from the population . . . are again returned to the industrious classes. . . . But the case is wholly different when the taxes are not spent in the country from which they are raised. . . . They constitute . . . an absolute loss and extinction of the whole amount withdrawn from the taxed country:

. . . Might as well be thrown into the sea. . . Such is the nature of the tribute we have so long exacted from India. . . From this explanation some faint conception may be formed of the cruel, crushing effect of the tribute upon India." ¹

The conclusions to which we arrive therefore are these :

That the land revenue in India is a tax on rent, and should be limited everywhere to a maximum of fifty per cent. of the customary rents, as it is in Northern India. (See Appendices A. and M. to R.).

That the land revenue should be limited to a maximum of ten per cent. of the average produce, as it is in Northern India, and as is consistent with the laws of Eastern nations. (See Appendices S. and T.)

That the land revenue where not permanently fixed should not be revised oftener than once in thirty years ; and no enhancement should be permitted except on the ground of actual increase in the assets of landlords, or in the prices of crops grown by cultivators, as was proposed by Lord Ripon.

That the growing evil of remitting a large portion of Indian revenues out of India should be checked by an honest endeavour to reduce the public debt, the "home charges" and the military expenditure.

¹ "A Few Words on our Financial Relations with India," London, 1859.

APPENDIX A

PROPORTION OF LAND REVENUE AND OF RENT TO THE VALUE OF THE GROSS PRODUCE

*Major Wace on the proportion of Land Revenue to
Produce in the Punjab*

“COMMENCING in 1849 with a standard of one-third of the produce, a period of low prices, combined with other considerations affecting the welfare of a newly-conquered and previously much-oppressed country, compelled us to reduce that standard successively to a fourth, and a sixth; and after having done this from the year 1860, a period of high prices has set in under which undoubtedly our assessments absorb very much less than the standard share of the produce on which they were framed.”

Note.—“The Financial Commissioner desires to observe that though the Lahore and Amritsar Divisions and one or two other districts were assessed between 1860 and 1872 on a standard of one-sixth produce, the standard now observed (*e.g.* in the late assessments of the Mooltan, Derajat and Delhi divisions and Jhelum districts) is one-half assets, *i.e.* one-half the customary rents, which as a matter of fact are usually produce rents.”—*Report of the Famine Commission of 1878, Appendix*, vol. iii. p. 365.

“If all the influences which I have above described be duly weighed, especially the effect of increased

cultivation and of rising prices towards lightening the incidence of leases fixed for twenty or thirty years, we shall find reason to admit that the assessment in most years probably now absorbs only one-tenth of the whole produce of the land which pays it (the term produce being understood in its fullest sense).—*Ibid.*, p. 365.

Sir Antony Macdonnell on the proportion of Land Revenue to Produce in the N.W. Provinces

“I should say that the fair average share of the gross production taken by the landlords in rent would be about twenty per cent., and I think, as a rule, the Government takes less than half of that. I should say the Government assessment of land revenue in the North-West Provinces is represented by about eight per cent. of the gross produce.”—*Evidence taken by the Indian Currency Committee* (1898), part i. pp. 211 and 212.

Mr Toynebee on the proportion of Land Revenue to Rent in Bengal

| Division. | Government Revenue. | Gross Rental. |
|-------------------|---------------------|-----------------|
| | Rupees. | Rupees. |
| Burdwan, . . . | 79, 74, 891 | 1, 85, 40, 026 |
| Presidency, . . . | 51, 16, 523 | 1, 42, 35, 364 |
| Rajthahye, . . . | 48, 65, 840 | 1, 59, 30, 574 |
| Dacca, | 39, 71, 399 | 1, 91, 25, 288 |
| Chittagong, . . . | 12, 43, 749 | 59, 58, 881 |
| Patna, | 80, 26, 164 | 3, 73, 48, 552 |
| Bhagulpore, . . . | 31, 60, 941 | 1, 15, 05, 324 |
| Orissa, | 17, 36, 845 | 40, 19, 130 |
| Chota Nagpur, . . | 3, 01, 102 | 37, 15, 796 |
| Total, | 3, 63, 97, 454 | 13, 03, 78, 935 |

—*Report of the Famine Commission of 1878, Appendix, vol. iii. p. 387.*

[The proportion of Land Revenue to Rent from these figures is approximately twenty-eight per cent.].

Mr H. L. Dampier on the proportion of rent to the produce in Bengal.

“In the discussions which took place with regard to determining the proportion in which the profits should be divided between landlord and tenant, the British Indian Association, representing the large landholders, were very anxious that some rule should be presented, and proposed to accept twenty-five per cent. of the average gross value of the produce as the landlord's share. This would probably be considered as, generally speaking, a very favourable arrangement for the ryot by those who hold that the ryot is entitled to retain nothing more than the wages of his labour and the legitimate profits of his stock; and as a fact, where rent is paid in kind, the landlord takes half, and even nine-sixteenths, of the crop; nevertheless the discussions brought out that twenty-five per cent. on the gross value of the produce would be a larger share than the landlords are now receiving in some parts of the country, and would press hardly on the ryots.”—*Report of the Famine Commission of 1878, Appendix II., p. 72.*

Proportion of Rent to Produce in Bengal. Figures compiled from Hunter's "Statistical Account of Bengal"

| District. | | Produce per Acre. | | | Rent per Acre. | | | Proportion of Rent to Produce. |
|-------------|------|-------------------|----|----|----------------|----|----|--------------------------------|
| | | £ | s. | d. | £ | s. | d. | |
| 24 PERGANAS | {(a) | 5 | 2 | 0 | 0 | 18 | 0 | } 18·7 per cent |
| | {(b) | 2 | 2 | 0 | 0 | 9 | 0 | |
| NADIYA | {(a) | 3 | 3 | 0 | 0 | 7 | 6 | } 13·8 " |
| | {(b) | 0 | 13 | 6 | 0 | 3 | 0 | |
| JESSOR | (a) | 3 | 13 | 6 | 0 | 9 | 0 | 12·3 " |
| MIDNAPUR | (a) | 3 | 15 | 0 | 0 | 9 | 0 | 12·0 " |
| HUGLI | {(a) | 3 | 12 | 0 | 1 | 1 | 0 | } 29·4 " |
| | {(b) | 1 | 10 | 0 | 0 | 9 | 0 | |
| HOWRAH | {(a) | 3 | 8 | 0 | 0 | 18 | 0 | } 25·0 " |
| | {(b) | 2 | 0 | 0 | 0 | 9 | 0 | |
| BANKURA | {(a) | 2 | 17 | 0 | 0 | 14 | 3 | } 25·5 " |
| | {(b) | 1 | 14 | 6 | 0 | 9 | 0 | |
| BIRBHUM | {(a) | 4 | 3 | 0 | 0 | 18 | 0 | } 22·7 " |
| | {(b) | 1 | 16 | 0 | 0 | 9 | 0 | |
| DACCA | (a) | 4 | 13 | 0 | 0 | 10 | 6 | 11·2 " |
| BACKERGANJ | (b) | 1 | 16 | 0 | 0 | 5 | 8 | 15·7 " |
| FARIDPUR | (b) | 1 | 10 | 0 | 0 | 3 | 9 | 12·5 " |
| MYMENSING | {(a) | 5 | 2 | 0 | 0 | 18 | 0 | } 17·3 " |
| | {(b) | 2 | 14 | 0 | 0 | 9 | 0 | |
| NOAKHALI | (a) | 3 | 5 | 0 | 0 | 9 | 0 | 13·8 " |
| TIPPERH | {(a) | 3 | 12 | 0 | 0 | 18 | 0 | } 24·5 " |
| | {(b) | 1 | 13 | 3 | 0 | 9 | 0 | |
| DINAJPUR | (b) | 1 | 16 | 0 | 0 | 9 | 0 | 25·0 " |
| RAJSHAHI | (b) | 1 | 13 | 0 | 0 | 9 | 0 | 27·2 " |
| PABNA | (a) | 3 | 15 | 0 | 0 | 9 | 0 | 12·0 " |
| GAYA | {(a) | 3 | 12 | 0 | 0 | 18 | 0 | } 21·1 " |
| | {(b) | 2 | 10 | 5 | 0 | 9 | 0 | |
| MANBHUM | (b) | 1 | 12 | 0 | 0 | 9 | 0 | 28·1 " |
| BALASOR | {(a) | 1 | 0 | 0 | 0 | 6 | 0 | } 28·1 " |
| | {(b) | 0 | 12 | 0 | 0 | 3 | 0 | |

[The proportion of rent to the produce from these figures is an average of twenty per cent. And if twenty-eight per cent of the rent is taken as Govern-

ment revenue, the proportion of revenue to the value of gross produce is $\frac{28}{100} \times \frac{20}{100} = 5.6$ per cent.]

Proportion of Rent to Produce in Bengal. Resolution of the Bengal Government, dated Calcutta the 6th August 1883

Para. 8. “. . . The proportion of the gross produce which should be taken by Zemindars or Government as rent or revenue has been the subject of discussion and minute inquiry in connection with the Tenancy Bill. In the earlier stages of that discussion it was considered that one-fourth of the gross produce was an equitable maximum by which to limit the landlord's demands. It never was 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. This one-fourth limit, however, was only provisionally accepted by this Government. It was always recognised that the point was one which required careful investigation; and accordingly it was made the subject of special instructions to the officers who were appointed last year to test the feasibility of constructing Tables of Rates in various portions of Bengal and Behar. 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 the Government of India.” . . . (Signed) A.

P. Macdonnell, Secretary.—*Selections from the Correspondence, Despatches, etc., of Khurda Settlement, vol. iii. p. 225.*

Madras Board of Revenue on the proportion of Land Revenue to Produce in Madras

| Districts Settled. | Percentage of Assessments to the Value of the Gross Produce at Commutation Rates. | |
|------------------------------|---|----------------|
| | Dry Lands. | Wet Lands. |
| Cuddapah | 20, 13, 12 | 22 |
| Kistna | 15, 18 | 21 |
| Nellore | 18 | 23 |
| Cuddapah, 3 Taluks | 15, 14 | 16, 17 |
| Kurnool | 16, 13, 17 | 16, 17, 18, 19 |
| Chinglepat | 15 | 20 |
| South Arcot | 15 | 31 |
| Trichinopoly | 13 | 28 |
| Tinnevelly | ... | 25 |
| Salem | 12, 13 | 17, 21 |

Report of the Famine Commission of 1878, Appendix III., p. 394.

Colonel Anderson on the proportion of Land Revenue to Produce in Bombay

“ My impression is that we are safe in saying that in fair land in the general run of seasons, with ordinary cultivations and average prices, the assessment absorbs less than one-eighth of the gross produce,¹ and in poor

¹ The rate is much higher now. For the proportion in the settled districts of Madras is between twelve and thirty-one per cent.; in Bombay the assessment per acre of cultivated land is higher than in Madras; and the proportion of produce taken as revenue must there-

land under the same conditions a very much smaller proportion.”—*Report of the Famine Commission of 1878 Appendix*, vol. iii. p. 393.

Proportion of Land Revenue to Produce in Bombay.
Extracts from Mr Vaughan Nash's Letter to the
Manchester Guardian of the 2nd May 1900

“I wanted to know how the cultivators were faring in the villages round Nandurbar, and the following notes of a talk I had with a group of farmers by the well at the village of Nagbode will show that the battle with famine is a hard affair even for the men of substance :—

“Mathan, a man of thirty, owned five bullocks last year. Three died from want of water, one was killed by the Bheels, and one was left. The survivor was trying to get on its feet at the moment we began our conversation, and Mathan went to help it up—by the tail. Mathan farms sixty acres, but had no produce this year. The land is mortgaged, and he is living now as a labourer. With no water and no bullocks, he can do nothing on his own land. Last year, after paying 116 rupees for land revenue (on eighty-four acres), 100 rupees to a money-lender, and some barley to two servants, he had 70 rupees left for himself, his son, and

fore be higher. Recent calculations made by myself, and by other observers who have made inquiries on the spot, show that the proportion of produce taken as revenue in Bombay is generally between twenty and thirty-three per cent. of the gross produce of fields. The figures given by one such observer, Mr Vaughan Nash, who made inquiries in the present year (1900), will be found in the extract from his letter to the *Manchester Guardian*, quoted above.

two daughters; his wife is dead. He has been called upon to pay his revenue this year, but has not done so.

“Murar the Patel, a young man, farms sixty acres, but there has been no produce this year. The farm is mortgaged to the extent of about 3000 rupees. He estimates his last year's produce at 375 rupees, of which he paid 104 rupees to Government. He had to buy four bullocks for 100 rupees, and pay 40 rupees for servants, and was therefore unable to pay anything to the money-lender. The other expenses of cultivation amounted to nearly 60 rupees. He kept the rest for himself, his wife, uncle, and two children. He has been served with notice of assessment. He had six bullocks, and has lost four.

“Laxmann has eighty-four acres; his crops have failed; he has lost four out of eight bullocks; three are in a condition to work, and one is at the point of death. He is indebted on his personal security for 700 rupees. He had nothing left for paying the money-lender last year after payment of the Government assessment—105 rupees—expenses of cultivation, etc.

“Náthu farms thirty-nine acres. His crops failed, and five bullocks out of six have died. After paying the Government 60 rupees last year there remained only 40 or 50, and he had to go out to labour to keep his wife and five children. His farm is mortgaged for 700 rupees.

“Three of these sons, with two others, Annaji and Zuga, had taken the bit of garden round the well, lent to them rent free by an absentee cultivator, and were

doing their best with it, but they did not see how they could hold on for more than another month. They have no grain at home, and some of the cooking pots have been sold.

“A bullock cart came by, and some farmers from Sarvala, a village eight miles off, seeing us talking, pulled up to ascertain what it was all about. Would they be willing to say how things were going with them? I asked through the interpreter. They made no objection.

“Gutal farmed 225 acres, and had no crops. He had 100 beasts last year, bullocks, buffaloes, and two horses, and has lost seventy. Last year's crops were worth from 1000 to 1200 rupees. He paid 500 rupees to the Government and 500 for labour, and borrowed money for maintenance.

“Dulladha owns 135 acres, and has lost fifteen cattle out of his stock of twenty-two. After paying assessment—350 rupees—last year, and the expenses of the farm, he was able to pay his way with his family working on the farm. His ancestral debt is 5000 rupees, and up to last year he has paid interest on it in money or in kind.

“The third Sarvala man was in good circumstances, and his companions discreetly moved away after explaining that his maternal uncle had left him great riches, and such was my own embarrassment that I forgot to take down his name. The prosperous nephew owns 300 acres, but this year there was no produce, and out of 120 beasts, 20 remained, the others having died for want of fodder.

“The three had been served with notices of assessment. I did not see the actual notice, but the following is a literal translation of the Mahratti from a copy of which I have since obtained :—

NOTICE.

A. B., Inhabitant of

Village

Taluka

District

You are informed that the land marginally noted and the assessment marginally noted are in the revenue records. The assessment for instalment of year, being Rs. , was due on , and you have not paid it yet. This notice is therefore given to you that if the instalment of Rs. , and the notice fee, , total , is not paid within ten days from the date of this notice stricter measures will be taken according to the law, and the whole assessment for the current year will be recovered at once, and you will be liable to pay as fee on account of the non-payment of instalment.

Date_____

Cold comfort this for people who are brought as low as the peasants of France before the Revolution, who have ruin and hunger as their daily portion, while plague and cholera stand over them ready to strike. To them appears the Government of the British Empire

in the likeness of the broker's man. The Government may explain that what it wants is to get the money from those who can afford to pay, and especially from the 'bunya'; to which I would reply that recovery from the 'bunya' will in nine cases out of ten only increase the burdens of the cultivator, that it is difficult to discriminate between those who are able to pay and those who are not, and that even if the selection could be managed with a certain rough justice, the sight of Government beginning to distrain—I hear of 'examples' being made as I travel about the country—will break what little is left unbroken in the hearts of the people, and lead them to suppose that their own homes and lands are going to follow."

GENERAL SUMMARY

Land Revenue

| | | | | | |
|------------|---|----------|----------------------------|---|---|
| Bengal | . | 5 to 6 | per cent. of gross produce | | |
| North-West | . | 8 | " | " | " |
| Punjab | . | 10 | " | " | " |
| Madras | . | 12 to 31 | " | " | " |
| Bombay | . | 20 to 33 | " | " | " |

APPENDIX B

INCIDENCE OF LAND REVENUE PER ACRE OF FULLY ASSESSED CULTIVATED LAND

| | | | | | | |
|---------------|---|------------|---------------------|---|---|-----------|
| Bengal | . | . | . | . | . | Not given |
| North-Western | { | Zemindari, | Temporarily settled | . | . | 2 0 8 |
| Provinces | | Do., | permanently settled | . | . | 1 12 4 |

| | | RS. A. P. |
|------------------|--|-----------|
| Oudh | { Temporarily settled | 1 15 7 |
| | { Permanently settled | 1 1 9 |
| | [Administration Report, 1897-78. Appendices, pp. 18 to 21.] | |
| Punjab | | 1 2 0 |
| | [Administration Report, 1898-99.] | |
| Bombay | | 3 13 5 |
| | [Administration Report, 1898-99. Statistical Returns, p. 75.] | |
| Madras | | 2 4 10 |
| | [Administration Report, 1898-99. Statistical Returns, p. xxiv.] | |

APPENDIX C

ENHANCEMENT OF RENT AND REVENUE UNDER THE NEW
SETTLEMENT IN THE CENTRAL PROVINCES

Statement showing percentage of enhancement of rent
of tenants as imposed at the new Settlement:—

| DISTRICT. | Percentage of enhancement in various groups. |
|-----------------------|---|
| Saugor | 10, 8, 9 |
| Damoh | 14, 10 |
| Jubbulpore | 11, 4, 3, 9 (reduced by five per cent. in one group) |
| Mandla | (Figure not available) |
| Seoni | 12, 8, 10 |
| Narsingpur | 4, 6 |
| Hoshungabad | 4, 5, 9, 8 |
| Nimar | 23 |
| Betul | 14.7, 17, 18, 14 |
| Chhindwara | 17, 9, 12 |

| DISTRICT. | Percentage of enhancement in various groups. |
|-------------------|--|
| Wardha | 20, 7 |
| Nagpur | 13, 17, 15, 14 |
| Bhandara | 14, 15, 13 |
| Balaghat | 16 |
| Raipur | 12 |
| Bilaspur | 13, 4, 7 |
| Sambalpur | (Figure not available) |

*The Hon. B. K. Bose's speech in the Viceroy's Council,
28th March 1900, Annexure B.*

Statement showing enhancement of land revenue demand under the new Settlement :—

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

*The Hon. B. K. Bose's speech in the Viceroy's Council,
28th March 1900, Annexure A.*

APPENDIX D

EXTRACT FROM THE SPEECH OF THE HON. P. M. METHA,
C.I.E., AT THE DEBATE ON THE BUDGET IN THE
LEGISLATIVE COUNCIL OF THE VICEROY OF INDIA
ON THE 28TH MARCH 1900

MY LORD,—I hope my honourable friend the Financial Member will pardon me for saying that this is really too bad of him. He just gives us a foretaste of better things and then he bids us farewell—a long farewell. Hitherto the financial statements placed before this Council have been comparative accounts of realisations of income, and of growth or saving in expenditure for two previous years, and approximate estimates based upon them for the Budget year. But there was no attempt to go into the heart of things, to discuss the sources of income and heads of expenditure with special regard to the needs, conditions, and circumstances of the country and its varied populations, or to construct a budget, to use the words of a famous Finance Minister, moulded by art on principles of science. The only thing that enlivened the dull monotony of figures in these statements were deep curses at the vagaries of exchange when there was a deficit, and sighs of relief on the elasticity of Indian revenues when there was a surplus. The deeper causes of financial phenomena, or the far reaching indirect effects of financial operations, were left severely to themselves. My Lord, I venture to say that dogmatism on the stability of Indian finance can never

be safely indulged till the complexity of the problem is thoroughly investigated and gauged. The several interesting discussions which irradiate my honourable friend's Financial Statement of this year indicate what might have been fairly expected of him if we had succeeded in impounding him for the full term of his office. As it is, he has only succeeded in giving us a taste of the sufferings of Tantalus. When listening to the terse paragraphs, clothed in apt language and sounding almost like judicial summing-up, in which he expounded the currency problem and the 16d. rate of exchange, it was impossible not to wish that he had gone on to furnish us with his views as to whether the measures for securing a stable exchange had cost the country anything and what, whether the deficits owing to exchange were not turned into overflowing surpluses by the difference having come indirectly from the pockets of the people, whether it was not the indirect impoverishment, caused by the stoppage of the mints, which perhaps intensified the inability of the people to stand the strain of the present famine. These are problems which are not only interesting in themselves, but they demand solution before it is possible to come to any useful or positive opinion about the real character and solidity of the existing state and condition of Indian revenues. But the question which I should have liked to have seen dealt with, above all others, is the question whether the financial condition of the country can be regarded as safe if, as is sometimes alleged, land in large provinces is unable to bear the burden that is imposed upon it. Is it true that the effects of famine are hastened and

intensified by the decline of staying power in the raiyat owing to over-assessment? Of course nobody denies what is sometimes so passionately urged, that the immediate cause of famines is failure or scarcity of rainfall. But surely it is possible to conceive that a failure of crops one year does not necessarily involve starvation if there was some balance in hand of past years to tide over the calamity, just as a mercantile firm does not necessarily become insolvent because there have been heavy losses in one year. It is therefore a question of the most vital importance to ascertain whether it is true that there is this want of staying power, and if there is, if it is in any way due to faults in the existing systems of assessing or collecting revenue, if it is due to excess of assessment or rigidity of collection. On more than one occasion I have ventured to draw the attention of the Council to this important topic. That the raiyat is deeply in debt scarcely anyone denies. With regard to the Bombay Presidency, Sir Theodore Hope admitted in this Council that "to our revenue system must in candour be ascribed some share in the indebtedness of the raiyat." The Deccan Agriculturists' Relief Act Commission emphasised this opinion by reporting "that there could be no question that the rigidity of the revenue assessment system is one of the main causes which leads the raiyats of the Deccan into fresh debt." In answering my contention on this point on the first occasion, Sir James Westland replied that the only opinion I could cite was the opinion of a very distinguished official who retired eighteen years ago. When, on the next occasion, I pointed out that the

still weightier and more matured opinion of the Commission was not eighteen years old, Sir James said "that as the revenue officers had admittedly powers of remission and suspension, it must be assumed that if they did not exercise them, there was no need to do so." The answer to this is simple. These powers existed in Sir Theodore Hope's time and when the Commission made its inquiries.

And, in spite of that, both these authorities, mostly official, arrived at the conclusion that rigidity of the revenue system was undoubtedly one of the causes of the raiyat's indebtedness. With regard to the question of over-assessment, it must be remembered that it is not simply a question of absolute excess of assessment, but also whether the assessment leaves a sufficient margin for saving. As was pointed out by Mr Cotton, "if a bare margin for subsistence alone remains, the result is that indebtedness extends year by year, and famines recur with ever-increasing severity." In one of Sir Louis Mallet's minutes on Indian land revenue, he lays stress upon "the marked absence of any adequate accumulation of capital upon the soil, and (as a consequence) of any sufficient appropriation of such capital to purposes of agricultural improvement, deficiency of stocks, of manures, often of seeds and implements," as tending directly to a progressive pauperisation of the raiyat. That these opinions cannot be altogether scornfully rejected is painfully brought home to every student of the question by a perusal of the Selections, issued from time to time by Government, of papers relating to the periodic surveys and settlements of talukas. It

is evident that re-settlement is carried out in a most empirical fashion, without being regulated by well-ascertained and definite principles. A writer well acquainted with the matter has described the procedure of revision operations as follows. The Settlement Officer surveys the lands and generally discovers some under-measurements. A fallow piece of land here, or a rocky stretch there, or a marsh at another place, reclaimed at some cost and labour—all such attract his attention, and the measurements are thus increased. Then he proceeds to register his reasons for enhancements. There is a railway newly built in the neighbourhood, there is an increase in the number of tiled houses and of cattle, there is a new bazaar begun to be regularly held, there is a school and children, and so on, and so on, till everything is included which by hook or crook can show that prosperity has increased. It is said that even sending delegates to the Indian National Congress has been used as an argument for a revision of the Settlement. Then comes the mention of any canals or tanks built by Government, and of the fact, if it exists, of water being found at a certain level by some raiyats who had been fools enough to dig wells. There is hardly an attempt to inquire whether the farmers themselves have shared in this outward prosperity. Then there is a speculation and perfunctory inquiry as to the general yield, and the end of it is a recommendation for generally raising the assessment rate from fifty to two hundred per cent. at one sweep. It will be thus seen that, however conscientiously pursued, these operations are in their very nature empirical, uncertain,

and indefinite. In making these remarks I do not mean to advocate a permanent settlement like that in Bengal. But it is well worth considering whether the scheme recommended by the Government of India in the time of Lord Ripon, under which assessments would be revised only in the case of a general rise of prices or of improvements made by the State at its own cost, does not deal with the question in a more reasonable and scientific manner. Under such a scheme the "unearned increment" would be saved to the State, but it would be automatically measured by the rise in prices, which would include all the sources of its growth. My Lord, I am not putting forward these views as incapable of being controverted; on the contrary, I think that they are sometimes pressed with intemperate exaggeration, and I also know that opposite views are stoutly and forcibly maintained. But, my Lord, the issues involved in a settlement of this vexed question are momentous; they involve the pressing problem of the perpetual indebtedness of the vast agricultural population of the country; they anxiously concern the grave fact admitted by the last Famine Commission that the condition of the immense majority of the agricultural labourers, who, it must be remembered, are not merely labourers, but who alternately labour for others as well as work fields on temporary leases, has seriously deteriorated; they may have a close connection with the increasing severity of recurring famines if assessments do not leave a sufficient margin for rainless days. It may be that the views of the pessimists may be erroneous, but I believe, my Lord, they are honestly and sincerely held,

and there is a sufficiently large consensus of opinion in their support to prevent them from being scouted as utterly visionary or unfounded. Under these circumstances, I respectfully venture to submit, for the serious consideration of your Lordship, if it would not be an act of provident and sagacious statesmanship to take measures for a full and exhaustive investigation of these questions, by means of a Commission empowered to deal with them in all their varied aspects. I make this suggestion, my Lord, in a spirit of earnest and sincere loyalty, not less earnest and sincere, perhaps, than that of those who talk more of it.

APPENDIX E

EXTRACT FROM THE SPEECH OF THE HON. ANAND CHARLES, C.I.E., AT THE DEBATE ON THE BUDGET IN THE LEGISLATIVE COUNCIL OF THE VICEROY OF INDIA ON THE 28TH MARCH 1900

MY LORD,—No man ~~with~~ with a soul, not altogether dead to all finer sensibilities, will hesitate to give Your Excellency's Government the very highest praise for cheerfully and unreservedly taking upon its shoulders the entire burden of the famine expenditure in the present crisis. There are, indeed, in the budget before us, some clear indications—I should say for the first time perhaps—of how the fund, originally designed solely as an insurance against famine and asserted year after year as applied to that object, was not always

administered in *strict* adherence to principles initially declared. But, in the face of the hearty consecration, as it were, of the entire available resources of the State, by Your Excellency's Government, to safe-guard life in the present juncture and in the face of the no less colossal effort made by your predecessor's Government to seize the Indian Hydra by the throat and strangle it the year before last, even the worst caviller will have no heart and no wish to quarrel with the past doings. There is further little use in crying over spilt milk. A word or two may not, however, be out of place in regard to the future treatment of famine grants. In this view I for one will summon up courage to inquire whether, in order to minimise such heroic resolves and such wholesale appropriation as in the present trial, Your Excellency's Government will not, once and for all, debar future possibilities of deflection, by constituting them into what in law is termed trust property, clothed with all the rights to be kept apart, to be invested, to be made to multiply, to be immune from all loss and to have all damage made good from funds, for the relief of which they have been drawn upon. A suggestion, somewhat of this kind, made when the fund was first created, was met with an outburst of temper and it was roundly denounced as amounting to a calumny; but the circumstance did not prevent the happening of precisely what had been feared. The process of laying unappropriated balances of famine grants under contribution for other than famine works on the argument of avoidance of debt, is open to four salient objections. First, the sums so taken out do not revert *with interest*

or profits. Secondly, the loss entailed by miscalculations or by other causes is made a charge on the fund. Thirdly, it virtually reduces the famine grant to the residue, *i.e.* by so much as is drawn away from it. Lastly, by affording facilities to borrow without having to pay interest or profits, the usual unconscious increase in the readiness to borrow would follow—often by discounting fears which the absence of such facilities would inevitably accentuate. The best of men and the most calculating of men have not been proof against the insensible growth of this insidious tendency to belittle after consequences in such circumstances; and it is best to reckon with this datum of widespread human nature.

Another point which is connected with famine and which famine brings into disagreeable prominence is that something must be radically wrong when the failure of rain means failure of irrigation even in extensive tracts set down as tank-fed, tracts which are therefore not solely dependent—*mana-vari* as we call them in our Presidency—on the fall of rain. Now that it is declared in the budget that the programme of purely protective railway works has been practically exhausted, one big drain on the famine grant may be said to be at an end and the prospects of irrigation may be taken vastly to brighten; for there has all along been a contrast, as it was bound to be, between the way the claims of the railway and the claims of irrigation were respectively met. I say “as it was bound to be,” because the cause of railway is virtually the cause of enterprise, of commerce of manufacture, of

railway rolling stock and of ambitious engineering; and the representatives of each and all of these necessarily unite their lusty voices and focus their cultured and energetic intelligence on it—a species of advantage which the unlettered and inert peasantry can never hope to command.

The cause of the raiyat population must, of course, be the cause of the whole staff of Executive Government, embracing all grades from the topmost to the lowest round in the ladder; and it augurs well for that population that, even in this year of sore and straitened circumstances, no less than a crore of rupees is granted for their special benefit, although large slices of it are ear-marked for specific irrigation works and—although only a small fraction is available this year for the creation, extension and the repairs of the vast number of tanks and reservoirs, which play no insignificant part in aggravating or diminishing the ill-consequences of absent rains. Let me take my own Presidency for an example. There a large part, if not the major part, is dependent on tanks, reservoirs and similar contrivances to catch and collect water: and yet it is a mere toss-up whether they should be empty and bring on famine for want of rains, as in the year before last, or whether they are filled, partially at least, as this year, and render scarcity scarce. Such instances cannot but prove that something more than the excavation of canals on a grand scale remains to be done and redone continuously and at frequent cost. An indispensable condition precedent for realising the actual needs in this direction is the establishment of a system, under

which every year statements, accessible to the raiyats concerned, shall be prepared for each tank or reservoir, irrespective of its size and irrespective of the obscurity of the village to which it belongs, showing (1) its traditional or recorded capacity to hold water; (2) the actual quantity it did hold; (3) if the actuals falls short of the traditional or recorded quantities, the *reasons* for the same and the suggestions for their *remedy*; and (4) whether it is in good repair and whether any improvement or extension is advantageously possible. Along with these statements, reports must also be called for as to the several places where facilities exist for a series of wells by way of a complement of irrigational contrivances, in order that, whenever the clouds play us false, we may penetrate beneath the soil and evoke the services of the water-supply available there. There is indeed the system known as *Varakam* under which individual raiyats, who choose to do so, might obtain from Government monetary help for sinking a well here and a well there. But instances of such solitary or isolated action can never suffice, and it is beset further with difficulties which either greatly discourage or effectually frustrate it. The thing is fully worthy of systematic or organised effort on the part of Government. To admit of the creation of a system of wells, in the requisite adequacy and in full efficiency, the statements and reports I have alluded to ought to be embodied in our Yellow Book in full detail and must form the basis of the estimates in respect of irrigation by the Government of India, which is the authority, and the sole authority, to provide

funds for their execution. Unless I am greatly mistaken, materials in this amplitude and minuteness happen not to be within the reach of those who are the ultimate dispensers of the funds which must be forthcoming. It is time, high time, that the rapid recurrence of famine, which we are bitterly experiencing, should direct and concentrate the entire forces of the Executive Government on how best to render irrigation as complete as there is room for rendering it so. If there is force in the remark that the raiyats should take the precaution to lay by a store of money or grain against the possible dearth of the ensuing year, there is no less force in holding that every year the purveyors of water for purposes of agriculture should be equally providential in the matter of supply, expected of them.

As bearing on the same subject of famine, the question of a permanent settlement of the land assessment is of vital importance. It was mooted so long ago as within the first few years of this country passing under the direct rule of the Queen Empress; and there was a perfect accord to the effect that a fixed rent, fixed in perpetuity, should alone be claimable by the Government. Amid much difference of opinion on a number of other points of no less weight, this one was, I thought, conceded on all hands—the only reason why the thing was not accomplished at once was that some years should elapse before the full rent-value of all tracts was ascertained, so as to form the safe basis of action. A period of over five and thirty years has since elapsed; but the subject has

again passed into the arena of controversy. It is neither wise nor expedient that an expression of opinion in the shape of a final verdict should be sought in the present disputatious stage of it.

But one thing must be stated unequivocally, viz., that, so far as the classification of the soil and the Government share of the produce are concerned, a settlement should be finally and at once made and that all future revisions should solely depend on a manifest, steady and tangible rise in prices over a reasonable number of years so as to produce the conviction that the old order has substantially given place to the new. In my humble judgment, nothing short of this, as the minimum of lasting concession, would restore to the raiyat the benefits he once enjoyed of leaving fallow for some years land impoverished by continual cultivation and of procuring at (to him) a heavy cost, grazing and fodder for cattle, and fuel, timber and other materials which he had been getting in former times without paying for them. So long as he is dependent on land alone, as he seems destined to be for a long time to come, and so long as he must look to land alone for all his comforts and conveniences—not to say, for living up to the standard almost forced upon him as a consequence of influences unknown to him in days gone by—*this is the least* to be assured and ensured to him and his children. I do not, of course, say that this one thing will bring on the millennium, but I venture to say this, that there is little chance of happier, or at least unfamished days coming to him, unless and until this reform is wrought.

APPENDIX F

EXTRACTS FROM THE SPEECH OF THE HON. B. K. BOSE,
C.I.E., AT THE DEBATE ON THE BUDGET IN THE
LEGISLATIVE COUNCIL OF THE VICEROY OF INDIA
ON THE 28TH MARCH 1900

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

enhanced demand had almost become an impossibility, a change in the shape of an abatement has already been introduced. Liberal remissions have also been given. But something more than such makeshifts as temporary remissions or reductions is, I submit, now needed in the best interests of the country. In making this appeal, I only echo what has been suggested in some of the revenue reports for 1897-98. The Commissioner of Jubbulpore writes: "But the revenue management of certain tracts will require careful handling. In the Khurai Tehsil and in the open country of the Domah district, very liberal general remissions will be required this year, and a re-settlement will be necessary as soon as there are signs of an upward turn. The abatements granted last year have proved inadequate." Regarding Hoshungabad, a district once thought to be one of the richest in the province, the Deputy-Commissioner writes that the tenants owe heavy arrears and large sums on account of takavi in addition to their ordinary debts, that a considerable area of land has become overgrown with "Kans," grass which it is difficult and expensive to extirpate, and that the Malguzars have not been able to realise fifty per cent. of the current rental demand. His conclusions are tersely summarised in the words, "the district is bankrupt and requires at least two good crops to become solvent." The Deputy-Commissioner of Balaghat remarks that a large percentage of tenants and Malguzars are heavily in debt, and that it is greatly to be regretted that a few years could not have been given to the district, before the imposition of the new Settlement, to give time to the

people to recover themselves and to prevent the transfer of malguzari rights to the money-lending classes. The Deputy-Commissioner of Bilaspore points out that it would require at least two or three good harvests (perhaps more) before normal conditions would be restored. The C.P. Famine Report concludes with these weighty words, "But the ground lost during the last four years will not all be recovered in a season or two. It is a popular saying among cultivators that three good years are necessary to make up for one bad one. The saying may be tinged by the over-despondent tone which the farmer in all parts of the world uses in speaking of the prospects of his agriculture. But it is not unlikely that three years may pass before the province throws off the last signs of the greatest famine of the century." All this was said in 1898. Since then the country has been smitten with the full force of an even greater famine, and unless a liberal revenue policy, the benefits of which will permeate all classes, be adopted, it is difficult to see how the people will be able to recover themselves. The new Tenancy Act arms the revenue officer with power to make the tenants share in the benefits of any concession that may be made in favour of the proprietors.

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

Proceedings with a view to a second new Settlement are also in progress in Bilaspur and Raipur. These districts, especially the former, were very hard hit during the last famine. They are no less so this time. They were both newly assessed only about ten years ago. The enhancement in Bilaspur was 102 per cent. in some groups and 105 per cent. in others. Including two cesses introduced in the interval between the two settlements, the enhancement under the head of cesses was, if I mistake not, nine per cent. in addition to the consequential enhancement on account of enhancement of land revenue. There was besides a full valuation on "Sir" land as compared with the half assessment of the old Settlement. This process represented an increase in the assessable assets of about Rs.66,000. The percentage of assets taken as land revenue at the new settlement was also higher. At the old Settlement, the total assets, including full valuation of "Sir," was Rs.526,391 (Para 302 of the report). The Government demand being Rs.250,934, the proportion it bore to the total assets was thus about forty-eight per cent. As prospective profits from progress of cultivation and miscellaneous sources, for which there were large openings at the time, were not taxed, the burden of the Government demand became lighter year after year, until in the year preceding the new settlement, it was only forty per cent. of the Ryot's rents, leaving the remaining sixty per cent. and the whole of the "Sir" and miscellaneous profits to be enjoyed by the Malguzars. At the new Settlement, the total assets were fixed at Rs.877,950,

and the land revenue at Rs.474,648. Thus the proportion which the latter bear to the former is fifty-four per cent., or six per cent. more than at the old Settlement. The large reduction in the profits hitherto enjoyed, which these operations involved, must have been keenly felt. At the new Settlement the rise in prices from the opening of the B.N. Railway was presumably taken into account, the tenants' rents being raised by Rs.70,000. Since then, the district, instead of prospering has distinctly deteriorated. It is difficult, therefore, to conceive on what ground a second new Settlement can, under existing conditions, be justified so soon after the first. A new Settlement, however carefully conducted, must unsettle men's minds, make them suspicious of the intentions of Government, and subject them to the harassments inseparable from the visits of official underlings. I am afraid, even with a good season next year, in place of stimulus of hope, there will be discouragement of uncertainty, and this feeling will paralyse all exertions to recover from the effects of the famine.

Under these circumstances I venture to hope that there will be a readjustment of both revenue and rent charges of land on a basis more in consonance with existing facts. In order that the agriculturists may reap the benefit of such a policy, if generously adopted, the next step needed is to relieve them of their present burden of debt. In some tracts they were so swamped with debt that no measure which did not bring about a settlement of their existing liabilities could save them from a position of virtual serfdom to their creditors. Mr Commissioner Fuller, with the approval of the then

Chief Commissioner, the Hon. Mr Ibbetson, elaborated a scheme which has been most successfully worked in some of the worst tracts. The scheme involved a settlement of debts through Panchayats working under control of Government officers. As would appear from the Government Resolution of November last, the creditors were found so reasonable that in one tract they gave up debts amounting to about ten lakhs.

In addition to these measures, if irrigational facilities be increased, the position of the landholders will be much assured. Your Excellency was pleased to say last year, "the subject of irrigation is one that appeals very closely to my concern. We are all familiar with the aphorism about the service of the statesman who can make two blades of grass to grow where only one grew before; and in India we need not be reminded of the direct and almost immediate benefit to the agrarian class that results from an increase in the area of cultivation." One noteworthy fact that has struck me in connection with irrigation expenditure, is, that the Central Provinces do not appear to have participated in its benefit. Up to the end of 1896-97, the sum spent under the two main heads of productive and protective works was nearly thirty-three crores and a half, but as far as I can make out, the Central Provinces are conspicuous by their absence in the accounts relating to this expenditure.

| | |
|----------------------|-----------------|
| Productive | Rs.31,25,29,480 |
| Protective | 2,09,92,530 |
| | <hr/> |
| Total | 33,35,22,010 |

It may be that rivers which can serve as source of supply for canals are wanting, but what I am unable to make out is, why the question of having storage tanks has never attracted attention. It cannot be said there is nothing in the country to suggest the utility of such works. We have many such tanks, made mainly in pre-British days, in what is known as the lake regions in the Central Provinces. Here an irrigation tank is an irregular sheet of water, its bank formed by hills, and its dyke shaped out of spurs from them, thrown athwart the hollow. The largest of them has a circumference of seventeen miles. By two short bunds the waters of scores of hills have been impounded into a lovely lake which spreads its fertilising streams over large areas of surrounding cultivation. Where the crude, untrained village headmen succeeded, British scientific skill is bound to attain greater success. In a question like this I speak with great diffidence, but I believe that the tract of highlands and valleys, which abound in the Central Provinces would, if looked into, furnish suitable sites for several such tanks. Two or three of them have been made of late years to supply drinking water to municipal towns, but the importance for irrigation does not appear to have received consideration. Probably the omission may be due to the fact that as enjoying the benefit of both the Bombay and Bengal monsoon current, agriculture in the Central Provinces was until within recent years considered immune. But now that this belief has been dispelled, I would respectfully draw attention to the importance of tank irrigation. As pointed out by the Famine Commission of 1898, the

true value of these works should not be measured by their financial success, but account must also be taken of the protection they give in years of drought, while in seasons of average rainfall they give certainty to agriculture, increase the crop outturns, and enable more valuable crops to be grown. These works would, I submit, be a legitimate charge on the Famine Insurance Grant. Under the scheme now in force, when the exigencies of famine relief permit it, half the grant is to be applied to the reduction or avoidance of debt, and the other half, or three quarter of a crore, to protective works. Against the latter the charge to make up the guaranteed interest upon I.M. and B.N. Railways is about 30 lakhs, leaving a balance of 45 lakhs for works, and I submit the Central Provinces have a legitimate claim on this money. In the Budget for 1900-1901 the irrigation grant has been fixed at a full 26 crores, and I may be permitted to hope that the Central Provinces will not be forgotten when the distribution of the grant takes place. In connection with this subject it is gratifying to find that more attention is being paid to irrigation works as a measure of famine relief. These works show better results for the money spent than roads which are taken in hand merely to create employment for the people, but which the country does not need, or which for want of repairs disappear in a few years after their construction.

APPENDIX G

EXTRACT FROM THE SPEECH OF THE HON. THE MAHARAJA
OF DARBHANGA AT THE DEBATE ON THE BUDGET IN
THE LEGISLATIVE COUNCIL OF THE VICEROY OF
INDIA ON THE 28TH MARCH 1900

MY LORD,—In accordance with the practice which usage has sanctioned in this Council, I desire to take advantage of the opportunity afforded by the presentation of the Budget Statement to place before your Excellency's Government certain observations in matters of domestic and internal policy which may, I trust, meet with favourable consideration at your hands.

It may be that I shall be compelled to trespass for some little time upon your Excellency's time, but I venture, by way of extenuation, to plead the importance of the subjects I am about to discuss, and I am still further encouraged to proceed by the sympathy and support which your Excellency has invariably accorded to all questions concerning the development of the resources of the country.

In the first place, I would ask permission, my Lord, to say a few words with regard to the question of Land Settlement, and I would direct my remarks more particularly to the Central Provinces and Assam. It has been a pleasure to me to listen to the interesting speech of my hon. friend, Mr Bose, and if I may say so, he has dealt with his subject in a masterly and

exhaustive fashion. I fear that it cannot be denied that there is a strong feeling in certain quarters to the effect that the present policy stands in serious need of révision. The cry is not for the extension to the other parts of India of a Permanent Settlement similar to that which prevails in Bengal. It is felt, even by those who are the strongest advocates of the Zemindari system, that this is a question which has been once for all decided by the Secretary of State for India. No useful purpose can be served by a futile attempt to reopen it, but, on the other hand, it is submitted that concessions may be reasonably and fairly made by Government without in any way abandoning the position they have seen fit to take up. It is universally admitted, I venture to think, that the only paying fiscal policy is that which imposes the most moderate rate consistent with the conservation of the finances of the State. I do not dwell upon this or upon other points which occur to me, for they have all been most ably elaborated by my hon. friend who represents the Central Provinces. But I should like to recapitulate, as briefly as possible, in the form of heads, the suggestions which I would lay before Government in this connection.

First, the period of Settlement should, except in cases when waste land villages have been newly reclaimed, or when lands have been only recently opened up and brought into communication with centres of trade, be definitely fixed at a period of not less than thirty years.

Secondly, the revenue should in no case be enhanced

by more than fifty per cent. over and above the existing demand at any revision of Settlement.

Thirdly, the land revenue should in no case be more than half the total assets of the village.

Fourthly, the Government should not draw from the landholders more than sixty per cent. of the village income, including cesses and rates of all kinds.

All these, my Lord, are points with regard to which strong feeling has been expressed with reference to the Central Provinces. In Cachar, also, I have reason to believe that very strong feeling has been manifested with regard to the resettlement recently sanctioned, and I find that the grounds of opposition are almost identical with those advanced by the inhabitants of the Central Provinces, allowance being of course made for the differences caused by local circumstances and conditions of tenure. Nor is this feeling of what I am afraid I must call dissatisfaction confined in Cachar to the general land-holding and agricultural population. My information is that the Indian Tea Association, representing the most essential section of the community, have also grave objection to take to the excessive nature of the uniform assessment of eleven annas per bigha which has been sanctioned on tea lands, as compared with the new rates on rice lands, which range from four to eleven annas per bigha. On the general question I will do no more than call attention to the criticisms of Mr R. C. Dutt, whose knowledge of the country is on a par with his experience of revenue and settlement work; and it is hardly likely that his observations can be all exaggerated and beside the mark. There must be a

mean, and I submit that mean can be arrived at without injury to the interests of the Government and without hardship to those whose lands are assessed. I would venture to suggest that the best method of settling the difference of opinion and of placing matters upon a satisfactory footing is the appointment of a Commission. It might be presided over by the Chief Commissioners of the provinces concerned, or in their default by the local Directors of Land Records and Agriculture; and it might be composed of two European and two native members. The grievances, such as they are, may be inquired into, and a large amount of important information would probably be collected which the Government would find of value in making resettlement in the future. At all events, I submit that no harm can be done by the appointment of such a Commission, and I am confident that, on the contrary, a considerable amount of good will result.

APPENDIX H

EXTRACT FROM THE SPEECH OF THE HON. SIR HARNAM SINGH AT THE DEBATE ON THE BUDGET IN THE LEGISLATIVE COUNCIL OF THE VICEROY OF INDIA ON THE 28TH MARCH 1900

MY LORD,—The Finance Member proposes to show future unappropriated balances from the famine grant under the heading of Reduction or Avoidance of Debt. I do not clearly understand in what respect this would

be an improvement upon the former heading of Reduction of Debt. The heading proposed will, to my mind, be as puzzling as the former one. We are told that in a normal year in which ordinary revenue and expenditure balanced, the Government of India instead of raising a loan of three crores for public works would be able to reduce the three crores by the unappropriated balance, say, a crore of the famine grant. Could not the same result be obtained by investing the unappropriated balance in a separate fund which may be called the Famine Fund, and appropriating a certain definite portion, say, one crore, in aid of public works if they are of a protective, *i.e.* famine, character? It seems to me that in the Budget Estimate for the coming year, a rather sanguine view has been taken of our sources of revenue. These sources do not appear to me to be so elastic as they are taken to be. I would call the attention of Your Excellency to the rate of increase of revenue during the last three years. The first year was a year of drought; in the second year the pressure of famine had considerably diminished, but the Province had not recovered its normal condition, the third year was a year of plenty, the arrears of revenue were to a great extent realised, and the Province showed a large increase of revenue. I find from the last Punjab Administration Report that the increase during that year was due partly to a rise in the income from fluctuating land revenue occasioned by favourable seasons and good canal working, and partly to large receipts on account of nazarana and sales of land on the Chenab Canal. In the second year, there was an

increase of about eighteen lacs, and in the third year, as compared with the previous year, there was an increase of about twelve lacs. If the large receipts on account of nazarana and sales of land in the third year be taken away from these twelve lacs, the increase shown would be considerably diminished. I am inclined to think, my Lord, that the realisations of the third year were abnormal, and that the Budget Estimate ought not to have been based on the collections of this year. In 1897 there was only an increase of eighteen lacs as compared with the previous year, and this increase might be taken as a standard; but then it must be considered that the produce of the land would be greatly diminished after a second famine within a period of three years. The mortality of the agricultural cattle will be considerable; those which were spared at the first famine will not be spared at the second, and an adequate supply of fresh cattle will be difficult to be obtained in the coming year, large tracts of land will be lying waste, and revenue realisations are sure to be affected. What I have said with regard to the Punjab applies, *mutatis mutandis* to other Provinces affected with famine. My Lord, what has been observed by the Hon. Mr Bose in regard to the Revenue Settlement in his Province deserves careful consideration by the Government of India. I am bound to admit that in my Province the Government has been very liberal, and no one can reasonably complain of heavy assessment. I am sure that in this the Hon. Mr Ibbetson will bear me out. I would, however, point out, in the interest of both landlord and tenants, that it is desir-

able that the Revenue Settlement should be of at least thirty years' duration. I am strongly of opinion that when a district is properly surveyed, rights recorded, and lands classified, it should not be disturbed again with the view of increasing the revenue demand at the expiry of the settlement period unless sufficient reasons, such as extension of cultivation and appreciable rise in prices of food-grain, are shown.

APPENDIX I

PROPOSAL OF A PERMANENT SETTLEMENT IN NORTHERN INDIA

THE enquiry made by Colonel Baird Smith into the causes of the famine of 1860 led to a proposal to extend the Permanent Settlement of the land revenue into all parts of India. The history of the controversy on this proposal, which went on for twenty-two years, is one of the most remarkable episodes in the history of British administration in India. The brief narrative and the extracts given below are from Parliamentary Returns 431, 431—I., 164, and 174.

Colonel Baird Smith's proposals were circulated by Lord Canning's Government to the Governments of the different Provinces in 1861 for opinion. The Madras Government replied in its No. 241, dated 8th February 1862. In this remarkable letter, which is given in full in Appendix K, the Madras Government explained that the Ryotwari Settlement of Madras was meant to be

a Permanent Settlement, "the leading characteristic of ryotwari tenure is the permanency of the assessment."

The Bombay Government replied in its No. 1627, dated 23rd April 1862, embodying a minute recorded by the Governor of Bombay, and minutes by Messrs Reeves and Frere. The Minute of the Governor of Bombay is given in Appendix L. While disapproving of a Permanent Settlement for Bombay, the Governor looked forward to increase in land revenue mainly from "increased prices" of the produce of the land.

The Government of the Central Provinces declared itself in favour of a Permanent Settlement in its letter No. 532, dated 22nd July 1862, given in full in Appendix J.

In Northern India the Lieutenant of Bengal was in favour of extending the Permanent Settlement; the Lieutenant-Governor of the Punjab was against it; and the Lieutenant-Governor of the N.W. Provinces was in its favour with due caution and reservations. The following paragraphs from the Minute recorded by the Lieutenant-Governor of the N.W. Provinces contain his general views on the subject:

"7. I do not, in the least, doubt that the gradual and cautious concessions of a guarantee of permanency to the settlement of the land revenue in the North-Western Provinces, generally, will be productive of all the advantages which Colonel Baird Smith and Mr Muir, in even greater detail, have depicted. Judging by the effect of settlements for long periods, it may be safely anticipated that the limitation of the Government demand in perpetuity will, in much larger degree, lead

to the investment of capital in the land. The wealth of the agricultural classes will be increased. The prosperity of the country and the strength of the community will be augmented. Land will command a much higher price. The prospective loss which the Government will incur by relinquishing its share of the profits, arising from extended cultivation and improved productiveness, will be partly, if not wholly, compensated by the indirect returns which would be derived from the increased wealth and prosperity of the country at large.

“ 8. Nor should the minor advantages of freeing the people from the vexation and exaction which are inseparable from a periodical settlement of the land revenue; of saving the large expenditure which each revision of settlement entails upon the Government; and of removing the temptation which the approach of each such revision holds out to land proprietors of temporarily deteriorating their property, be disregarded. These are all burthens which bear, with more or less severity, on the Government and on the people, and if they can be got rid of without lasting detriment to the revenues of the State, few will be found to offer any opposition.

“ 9. It must also be admitted, I think, that the settlement of the Government demand in perpetuity will be politically wise. It is true that in Behar, and also in some of the districts of the Benares Province (notably Ghazepore), which are permanently settled, the rebellion of 1857-58 was not less general, or less determined, than in other parts of these pro-

vinces which are under temporary settlement. But these manifestations of feeling must be regarded as having been the result of exciting causes, having but a transient influence, and can hardly detract from the force of the conviction that the absolute limitation of demand upon their land will be received by an agricultural people with the highest satisfaction, and will produce, if anything can, feelings of attachment to the Government, and of confidence in its desire to promote the best interests of the country.

"10. But it certainly appears to me that the introduction of a Permanent Settlement must be subject to certain conditions, exceptions, and reservations, and that some years must pass away before the measure can be consummated. Precipitancy in a matter of this vast importance is to be deprecated, as pregnant with injury both to the Government and the people."

On the 5th July 1862 Sir John (afterwards Lord) Lawrence recorded his opinion entirely in favour of a Permanent Settlement for India. The following extract will show the spirit in which Sir John Lawrence wrote :

"15. 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 limitation of the Government demand. Such a measure will still further encourage the investment of money in the land, and will give still greater security to the land revenue itself, which, in years of great calamity, occurring every now and then, has suffered largely, though the loss has been more or

less of a temporary character. It is also very desirable that facilities should exist for the gradual growth of a middle class in India, connected with the land, without dispossessing the present yeomen and peasant proprietors. There are many men of much intelligence, spirit, and social influence among those classes, who are yet so poor that they find it difficult to maintain a decent appearance. It is no remedy for this state of things to confer great and exclusive benefits on a few individuals, especially when these very benefits are conferred at the expense of the rest of the community. What is really wanted is, to give the intelligent, the thrifty, and the enterprising among them, the opportunity of improving their own condition by the exercise of such qualities, and this can be best done by limiting the public demand on the land. When such men acquire property, and are in a thriving state, they are almost certain to be well affected to the Government, and will use their influence, which will generally be considerable, in its favour. Feelings of race and religion have great influence on the people of India; but love for their lands has still greater. Thousands, probably millions, of the people of northern India, the most warlike of its races, are descended from ancestors who gave up their religion to preserve their land. It is on the contentment of the agriculturists, who form the real physical power in the country, that the security of British rule, to a large extent, depends. If they are prosperous, the military force may be small, but not otherwise."

On the 9th July 1862 Sir Charles Wood, then

Secretary of State for India, wrote the memorable letter in which he entirely approved of the proposal of a Permanent Settlement of the land revenues of India. It is a long letter of seventy-seven paragraphs, and we extract only a few of the most important :

“ 47. Her Majesty’s Government entertain no doubt of the political advantages which would attend a Permanent Settlement. The security, and it may almost be said, the absolute creation of property in the soil which will flow from limitation in perpetuity of the demands of the State on the owners of land, cannot fail to stimulate or confirm their sentiments of attachment and loyalty to the Government by whom so great a boon has been conceded, and on whose existence its permanency will depend.

“ 48. It is also most desirable that facilities should be given for the gradual growth of a middle class connected with the land, without dispossessing the peasant proprietors and occupiers. It is believed that among the latter may be found many men of great intelligence, public spirit, and social influence, although individually in comparative poverty. To give to the intelligent, the thrifty, and the enterprising the means of improving their condition, by opening to them the opportunity of exercising these qualities, can be best accomplished by limiting the public demand on their lands. When such men acquire property, and find themselves in a thriving condition, they are certain to be well affected towards the Government under which they live. It is on the contentment of the agricultural classes, who form the great bulk of the population, that the security of the

Government mainly depends. If they are prosperous any casual outbreak on the part of other classes or bodies of men is much less likely to become an element of danger, and the military force, and its consequent expense, may be regulated accordingly.

“ 53. That this general improvement will be accelerated by a Permanent Settlement Her Majesty’s Government cannot entertain any doubt. A ready and popular mode of investment for the increasing wealth of the country will be provided by the creation of property in land, and all classes will benefit by the measure. On the agricultural population the effect will be, as pointed out by Colonel Baird Smith in the able paper already referred to, the elevation of the social condition of the people, and their consequent ability, not only to meet successfully the pressure occasioned by seasons of distress, but in ordinary times, to bear increased taxation in other forms without difficulty; the feeling of ownership, or, in other words, the absolute certainty of the full enjoyment of the reward for all the labour and capital which they may invest in the land, will be sure to call out all their energies for its improvement. Her Majesty’s Government confidently expect that a people in a state of contentment and progressive improvement will be able without difficulty to contribute to the revenue in other ways to such an extent as more than to compensate for the disadvantage of foregoing some prospective increase of that from land.

“ 58. After the most careful review of all these con-

siderations, Her Majesty's Government are of opinion that the advantages which may reasonably be expected to accrue not only to those immediately connected with the land, but to the community generally, are sufficiently great to justify them in incurring the risk of some prospective loss of land revenue in order to attain them, and that a settlement in perpetuity in all districts in which the conditions absolutely required as preliminary to such a measure are, or may hereafter be, fulfilled, is 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.

" 59. They consider that the direct mode of making a permanent settlement is preferable to the indirect one of obtaining a similar result by conceding to the landholders the right to redeem their assessment. They do not believe that the power to redeem the land revenue is necessary to induce the landholders to incur expenditure in the improvement of their property. What is really required, in order to call into effective action their enterprise and capital, is not an exemption from all payments to the Government on account of their estates, but the fixing those payments in perpetuity, at a moderate and certain amount. In Bengal, where a Permanent Settlement was made with the Zemindars seventy years ago, the general progress of the country in wealth and prosperity, notwithstanding the depressed condition of the peasantry, caused by errors and omissions in the mode of making the settlement, has been

most remarkable. Such errors in the existing state of our knowledge regarding the rights and interests of the subordinate occupants of the soil would not be permitted to recur.

“63. Her Majesty’s Government have, therefore, determined to limit the power of redeeming the land revenue to such cases as are referred to above in paragraph 26 ; but they have resolved to sanction a Permanent Settlement of the land revenue throughout India. It will, however, still remain to be determined how far any particular district is in a condition to warrant the practical application of the measure at the present time.”

On the 8th June 1864 the Viceroy in Council submitted, in reference to the above despatch of the Secretary of State, an account of the steps taken in furtherance of the object in view. A Minute recorded by the Viceroy himself (Sir J. Lawrence) was forwarded with this letter. The Minute ends thus :

“43. Such, in general terms, is the manner in which I should wish to see the Permanent Settlement carried out in those portions of the Bengal Presidency which are not yet permanently settled, such as the North-West Provinces, the Punjab, Oudh, and other places ; and I believe that by these means we shall best be able to apply the principles, so justly insisted on by Her Majesty’s Government, to the actual circumstances and condition of this country. The 5th March 1864.”

On the 24th March 1865 the Secretary of State for

India, Sir Charles Wood, replied to the Viceroy, and laid down the rules for the introduction of the Permanent Settlement. He divided all districts into

(1) Districts in which agriculture was backward.

(2) Districts in which the estates were fairly cultivated and resources fully developed.

(3) Districts which contained estates fairly cultivated, and also estates with resources imperfectly developed.

He decided that the Permanent Settlement should be introduced at once into the second class of districts and refused in the first class of districts. In regard to the third class of districts, he stated that Her Majesty's Government "are prepared to authorise an immediate settlement on perpetuity, after revision, for all estates in which the actual cultivation amounts to eighty per cent. of the cultivable or malgoozaree area." Estates not so fully cultivated "should be treated in the ordinary manner, and settled for a term not exceeding thirty years."

On the 3rd August 1865 the Viceroy in Council forwarded copy of correspondence with the Government of the N.W. Provinces on the question of Permanent Settlement in relation to canal irrigation.

On the 17th March 1866 the Secretary of State for India, Earl De Grey and Ripon recorded his reply, approving of the instructions given by the Indian Government to the Lieutenant-Governor for the Permanent Settlement of the N.W. Provinces, and suggesting the following rule with regard to canal irrigation :

"A rule might be laid down that no Permanent

Settlement should be concluded for any estate, the assets of which would, when canal irrigation shall have been carried to the full extent at present contemplated, exceed, in the opinion of the Officers of the Settlement and Irrigation Departments, the existing assets in a proportion exceeding twenty per cent."

On the 20th November 1866 the Viceroy in Council pointed out certain objections to the rule suggested by the Secretary of State for India.

On the 23rd March 1867 the Secretary of State for India, Sir Strafford Northcote, reaffirmed the decision of Her Majesty's Government to introduce a Permanent Settlement. Her Majesty's Government, he wrote, were prepared to sacrifice the prospect of an increase in land revenue "in consideration of the great importance of connecting the interests of the proprietors of the land with the stability of the British Government." And he laid down two rules to restrict Permanent Settlement in undeveloped tracts and estates :

"First. No estate shall be permanently settled in which the actual cultivation amounts to less than eighty per cent. of the cultivable or malgozaree area ; and

"Secondly. No Permanent Settlement shall be concluded for any estate to which canal irrigation is, in the opinion of the Governor General in Council, likely to be extended within the next twenty years, and the existing assets of which would thereby be increased in the proportion of twenty per cent."

Inquiries went on with a view to ascertain what districts or parts of districts in Northern India could be permanently settled under the conditions laid down by

Sir Strafford Northcote. In 1869 some cases were reported in which it was shown that a Permanent Settlement, even under the conditions laid down, would cause prospective loss to Government. This was not a new argument; for Sir Strafford Northcote had foreseen such loss and had declared it to be the final and deliberate decision of Her Majesty's Government that "this sacrifice they were prepared to make in consideration of the great importance of connecting the interests of the proprietors of the land with the stability of the British Government." But every passing year seems to have weakened the desire to make the sacrifice, and the objection which had been foreseen and disregarded in 1867 seemed to have greater weight in 1869. A third condition was accordingly recommended in addition to the two laid down in 1867, and this third condition practically amounted to this, that the Permanent Settlement should be deferred as long as the land continued to improve in value.

A fourth difficulty was then presented by the depreciation of the rupee. This too had been foreseen by Sir Charles Wood; but the difficulty appeared more formidable to the authorities in the Seventies than it had appeared in the Sixties. And, for a time, the idea of a Permanent Settlement was dropped.

At last came the final and fatal decision. The Secretary of State for India, in his despatch No. 24, dated 28th March 1883, gave the *coup de grace* to the recommendation made by Lord Canning twenty-one years before. The despatch said: "I concur with your Excellency's Government that the policy

laid down in 1862 should now be formally abandoned."

It will appear from the preceding narrative that the final rejection of the proposal of a Permanent Settlement of the Land Revenue of India was due, not to any new difficulties discovered in course of the inquiries made, but to a change in the spirit of the Government policy. The proposal was first dictated by a desire to improve the material condition of the people, "to encourage," in the words of Lord Lawrence, "the investment of money in the land," to promote "the gradual growth of a middle class in India," to lead to the accumulation of some capital and some resources in the country which would help the people in years of difficulties, droughts and distress. These benevolent objects were lost sight of by a newer generation of administrators, who lived less among the people under the altered circumstances of later days, knew less of their wants and wishes, and necessarily sympathised less with their aspirations, than Englishmen of the generation of Canning and Lawrence; and the proposal calculated to promote the material wellbeing of the people was abandoned in the interests of the Government Revenue. In the years succeeding the Sikh wars and the wars of the Indian Mutiny, Her Majesty's Government desired to sacrifice a prospective rise in the Land Revenue, "in consideration," as Sir Strafford Northcote put it, "of the great importance of connecting the interests of the proprietors of the land with the stability of the British Government." The years of peace which followed, and the loyal

devotion of the people of India to Her Majesty's Government, unfortunately weakened this desire, and in 1883, after a period of uninterrupted peace of twenty-five years, it was no longer considered worth while making the sacrifice. Never has the loyalty of a nation been worse rewarded than in India within the last forty-two years. Proposals favourable to their material welfare have been abandoned; pledges have remained unredeemed; taxes and the public debt and military expenditure have been raised; the cultivators are more subject to famines than before; and the people of India are as far from getting any real share of control over the administration of their own concerns as they were when Her Majesty assumed the direct administration of India in 1858.

To conclude our story: While the proposal of a Permanent Settlement was abandoned, the Marquis of Ripon, then Viceroy of India, made some fresh proposals to prevent the cultivators of Southern India from the harassment of frequent enhancements at recurring Settlement operations. In his despatch of the 17th October 1882, Lord Ripon laid down the principle that in districts which had once been surveyed and assessed by the Settlement Department, assessments should undergo no further revision except on the sole ground of a rise in prices. The principle was a counsel of moderation; it was a compromise between a scheme of Permanent Settlements (Zemindari or Ryotwari) and the harassing practice of frequent enhancements on vague and uncertain grounds. It left the door open for an increase of the Land

Revenue on the equitable ground of a rise in prices; and it gave the cultivators some security of assessments, some protection against harassing operations and unjust enhancements.

Unfortunately even this moderate and equitable proposal was rejected by the Secretary of State for India in his despatch of the 8th January 1885. . And thus it happens that the cultivators of Madras and Bombay, who pay the Land Revenue direct to the State, are to this day unprotected by any equitable rule against excessive enhancements and harassing settlement operations. India is a great agricultural country; but agriculture cannot flourish without some adequate protection to agriculturists; permanent improvements cannot be made without some adequate security against uncertain enhancements at recurring settlements.

APPENDIX J

PROPOSAL OF A PERMANENT SETTLEMENT IN THE CENTRAL PROVINCES

[The reply* of Mr Temple (afterwards Sir Richard Temple), Chief Commissioner of the Central Provinces, to Lord Canning's proposal of a Permanent Settlement in those provinces is conveyed in the following letter. *Parliamentary Return*, 164 (1863), pp. 175-6.]

From Captain H. Mackenzie, Secretary to the Chief Commissioner, Central Provinces, to E. C. Bayley,

Esq., Secretary to the Government of India (No. 532), dated Head-Quarters, Nagpore, 22nd July 1862.

Your No. 2038 of the 7th October 1861, and subsequent letter, No. 1474 of the 20th March 1862, requiring the opinion of the Officiating Chief Commissioner on the question of a permanent settlement of the land revenue, discussed in paragraphs 62 to 82 of Colonel Baird Smith's Famine Report, and as to the value of a legislative sanction for settlements for terms of years where existing settlements are not of a character to be made permanent, have, up to the present time, remained unanswered. The subject was very important, and the changes in the administration of these provinces rendered it impossible to accord that attention to it which it merited. The Officiating Chief Commissioner having, however, now fully considered it, in reference to its bearing on the peculiar condition of the districts comprised in the Central Provinces, is prepared to submit his opinion, and has accordingly desired me to report as follows:

2. In the first place it may, the Officiating Chief Commissioner remarks, be superfluous to state that here, as elsewhere, a permanent settlement would affect only the land tax itself. It would fix the assessment for ever, and it should be more accurately termed the permanent and perpetual limitation of the direct State demand on the land. It would in no wise affect the fundamental right and property of the people in the land. *That* right and property will be fixed absolutely

and immutably, whether the land tax be limited to a certain sum for ever, or not. The value and interest of such right and property will indeed be greater or less, according as the State demand is fixed for a short or a long term, or for ever. But under *any* circumstances, the nature and essence of the right and property itself will remain the same.

3. Here then, as elsewhere, in the above sense, the *principle* of a Permanent Settlement is applicable. It would have an effect altogether, beyond immediate calculation, in stimulating the industry, enterprise, and self-reliance of the agriculturists, the application of capital, the accumulation of wealth. Where the assessments were fair it would be accepted as a great boon by the people. On the one hand, the State, no doubt, will subject itself to prospective loss by surrendering all future right to increase its land revenue. But on the other hand, such loss would be more than compensated by the gradual, if not rapid, increase of all the other branches of the revenue. These branches entirely depend on the growth of wealth in the mass of the people. A Permanent Settlement will contribute more than any measure that could be devised to augment that wealth. It follows that a Permanent Settlement will cause all other heads of revenue, except land tax, to increase. Now in these provinces more than one-third of the total income is derived from taxes other than the land tax—the other taxes are increasing, the land tax alone remains stationary. In a fiscal point of view, then, there can be no fear for the success of a measure which would, while restricting the land tax,

cause all other taxes to rise. Again, it is quite true that the value of money will continue falling, and that prices of produce will rise more and more throughout these provinces. Thus the agriculturists will, in a short time, receive much more for their produce than they ever did before. On the other, the price of labour will rise, and that will greatly enhance the State expenditure. All the salaries and establishments of the lower grades, at least, will be gradually raised, and the cost of public works will be greatly enhanced. There might appear to be some risk then, if Government, while anticipating increased expenditure, were to limit the land tax, the main source of revenue. But it will, in reality, be quite safe to trust to increase of other taxes. It was declared, quite irrespectively of the Permanent Settlement, in the joint report of Colonel Elliot and Mr Temple, that "*it is rather from the miscellaneous taxes than from the land tax that increase of resources is to be expected.*"

4. A permanent settlement, then, so far as it can be introduced, will be, firstly, good for the people, and secondly, good equally for the State. The questions remaining are: To what extent could it be applied? And *When could it be introduced?* Now it is to be ever remembered that in these provinces the railways, the roads, and the navigation will certainly work great changes, while similar results are not here to be expected from irrigation. But this prospect exists here, in common with the rest of India, neither more nor less. If, then, the prospect of material improvement does not bar the concession of a permanent settlement elsewhere,

neither should it have that effect here. So far then as railways, roads, and navigation are concerned, the Central Provinces seem as much entitled to the advantage of a permanent settlement as other provinces of India. But further, it is to be borne in mind that the amount of culturable waste in these provinces is enormous; and though this condition may exist more or less everywhere, it is peculiarly prevalent here; not only are vast tracts of culturable waste vaguely claimed by parties with doubtful title, but within the legitimate boundaries of many, even perhaps the majority of estates and villages throughout these provinces, there is a large proportion of culturable waste. Now although the inducement held out by a permanent settlement to reclaim the waste is one of the cardinal benefits of that measure, still it is but fair to the State that this privilege should be kept within moderate bounds. It would be right to allow to every estate permanently settled a just margin of waste as a field for extending cultivation. But it would not be right to allow a permanent settlement to an estate which might include a large or indefinite area of waste, at present quite beyond the means of the owner to reclaim, but capable in the future of being rendered valuable by a variety of contingencies.

5. Thus in these provinces there are many estates and villages, many entire tracts, and some entire districts, where a permanent settlement could not at present be properly introduced. Such districts are Raepore, Belaspore, Sumbulpore, Sironcha, Bhundara, Mundla, Seonee, Chindwara, Baitool. All these dis-

districts are in a transition state; and influence will, it is hoped, be sooner or later brought to bear, which shall change the entire face of them.

6. On the other hand, there are some districts in each of which a permanent settlement might be introduced into *parts*, but not the *whole*, with as much benefit and as much reason as into other parts of India. And into these the introduction of the measure has been recommended. These districts are Nagpore, Chandah, Natchengaon (Kowta), Jubbulpore, Saugor Dumoh, Nursingpore, Hoshungabad. All these districts (excepting Saugor and Dumoh) have large portions of their area continuously and highly cultivated, and subject to the same kind of development as the rest of India. The Saugor and Dumoh districts are more rugged, and do not possess long strips of cultivation like those just named; but in other respects their position is the same. As regards past assessments, some have been too high and others too low; but this circumstance is not peculiar to these districts, and is but too common everywhere. On the other hand, for the Jubbulpore, Saugor, Dumoh, Nursingpore, and Hoshungabad districts, there are the fiscal data year by year during thirty-five years of British rule. For the Nagpore, Natchengaon, and Chandah, besides the British assessment, there are the data of the assessments made during the Regency exercised by Sir R. Jenkins and his officers.

7. Such being Mr Temple's views on this question, I am further to state that he sees no reason why they should not be applied in the course of the settlement

now in progress. The state and circumstances of the operations connected with that settlement were reported at some length in my No. 11¹ of 30th ultimo; it is, therefore, unnecessary to enter into great detail on this point. The Officiating Chief Commissioner would merely submit that, should his Excellency the Viceroy in Council be pleased to approve, *firstly*, the general principles of the question as above laid down; and *secondly*, the application of them at once to such of the districts in the Central Provinces as are advanced enough to receive them, then he would solicit that sanction be accorded to the following specific measures:—

8. (i) That, when in the course of the present settlement it shall appear to the authorities engaged in making the settlement that an estate is, in the sense explained above, fitted for a permanent settlement, in such estate the assessment be made in perpetuity.

9. (ii) That one of the chief conditions of fitness for this boon be, that at least three-fourths of the culturable area is under cultivation.

10. (iii) That it be competent for Settlement Officers to hold out a promise, in certain cases, that on estates attaining that advanced state in which three-fourths of the land is under cultivation, a revised assessment be made and declared permanent.

11. Thus, if a permanent assessment be really desired by the people, then this system would induce every landholder to increase his cultivation, so as to secure the boon, and thus the greatest possible stimulus might be imparted to agricultural industry.

¹ To Government Foreign Department.

APPENDIX K

PROPOSALS OF A PERMANENT SETTLEMENT IN MADRAS

[The Madras Government's reply to Lord Canning's proposal was conveyed in the following letter. *Parliamentary Return*, 164 (1863), pp. 112 to 115.]

From J. D. Sim, Esq., Secretary to the Government of Fort St George, to W. Grey, Esq., Secretary to the Government of India, No. 241, dated the 8th February 1862.

I am directed by the Honourable the Governor in Council to acknowledge the receipt of your letter, No. 2035, dated 7th October 1861, requesting his opinion "upon the advantages of a Permanent Settlement as applicable to the various districts of the Madras Presidency," and "as to the value of a legislative sanction for terms of years in districts in which his Excellency in Council may not consider the existing settlements of a character to be made permanent."

2. I am to premise that by a Permanent Settlement this Government understand the Governor General in Council to intend no more than fixing the land-tax in perpetuity, in other words to bar the Government in all time to come from increasing the assessment on all land brought under that settlement.

3. The words Permanent Settlement are, however, very generally applied to zemindari settlements under

Regulation XXV. of 1802 of the Madras, and Regulation I. of 1793 of the Bengal Code. To any extension of this mode of tenure in this Presidency the Government are wholly opposed, for, among other reasons, the weighty objection, that it alienates from the State all waste land. It is to this source that this Government look for a gradual increase in its land revenue, and it is essential that this source of future revenue should not be lost to the State.

4. This being understood, I am to explain briefly the present state of the land tenure in this Presidency under the prevailing ryotwari system, to which alone the proposals contained in your letter are applicable.

5. This mode of administration was introduced in 1792 by Colonel Read; and was subsequently worked out by Sir Thomas Munro. In 1812, the Home Government ordered it to be generally introduced, and it has since formed the prevalent tenure of this Presidency, the revenue derived from zemindaries being in round numbers half a million sterling, while that drawn from ryotwari estates is three and a half millions.

6. There can be no question that one fundamental principle of the ryotwari system is that the Government demand on the land is fixed for ever.

7. When first settling the Salem district in 1796, Colonel Read issued a proclamation to the ryots, in which the following rule appears:

“The putkut nellum (or holding) being measured and valued, the assessment of every individual field in it, when at the full rate, is *fixed for ever*, that is to say, the Government is *never* to require more or receive

less, nor you to pay less or more than the present rate, unless when those fields actually 'dry' shall hereafter be converted into wet at the expense of Government, when the rates will be proportionably raised, according to the consequent increase of the produce, and in like manner *fixed for ever*. But if you carry on such works at your own expense, plant topes, &c., you may depend on receiving the advantages accruing from these and from every other improvement of your lands, while you continue to pay the established rates; those constituting, except in the case above mentioned, the annual demand upon them on the part of the circar *for ever*. Upon these principles you may rent out lands, which you may raise in value by tillage and manure, at rates greatly exceeding the circar rates, if there be a demand for them, while you will continue to pay the fixed rates to the circar *for ever*."

8. Similarly, in 1802, Sir Thomas Munro, when issuing instructions to the Collectors of the Ceded Districts, expressed himself as follows: "When a country has been surveyed, the individual (ryotwari) supersedes both the village and district settlement. The rent of every field being fixed, each cultivator takes or rejects what he pleases, and the rents of all the fields occupied in the course of the year in any one village form what is called the settlement of that village." Again, in 1806, when explaining the manner in which a ryotwari settlement was conducted, he says: "When a district has been surveyed, and the rent of every field permanently fixed, the kulwar (individual) settlement becomes extremely simple; for all that is

required is to ascertain what fields are occupied by each ryot, and to enter them, with the fixed rents attached to them, in his potta: their aggregate constitutes his rent for the year. *He cannot be called upon for more:* but he may obtain an abatement in case of poverty or extraordinary losses. He has the advantage of knowing in the beginning of the season, when he ploughs his land, the exact amount of what he is to pay; he knows the fixed rents of the different fields which he cultivates, and that the demand upon him cannot exceed their total amount; *he knows the utmost limit of his rent, not only for the present, but for every succeeding year; for it cannot be raised* unless he takes additional land; and he is thereby the better enabled to provide for the regular discharge of his kists, and against the losses of bad by the profits of good seasons." In 1818 the Board of Revenue issued detailed instructions for the general introduction of ryotwar as ordered by the Home Government. One of the distinguishing characteristics of the system, they said, was, "that the assessment was a permanent maximum rent fixed on each field."

9. At a later period the permanency of the ryotwari settlement has, on several occasions, been acknowledged in unmistakable terms.

10. In the Madras Administration Report of 1855-56, ryotwari is thus explained: "Under the ryotwari system every registered holder of land is recognised as its proprietor, and pays direct to Government. He is at liberty to sub-let his property, or to transfer it by gift, sale, or mortgage. He cannot be ejected by Government so long as he pays the *fixed* assessment,

and has the option annually of increasing or diminishing his holding, or of entirely abandoning it. In unfavourable seasons remissions of assessment are granted for entire or partial loss of produce. The assessment is fixed in money, and does not vary from year to year, except in those cases where water is drawn from a Government source of irrigation to convert dry land into wet, or one into two crop land, where an extra rent is paid to Government for the water so appropriated; nor is any addition made to the assessment for improvements effected at a ryot's own expense. The ryot, under this system, is virtually a proprietor on a simple and perfect title, and has all the benefits of a perpetual lease without its responsibilities, inasmuch as he can at any time throw up his lands, but cannot be ejected so long as he pays his dues: he receives assistance in difficult seasons, and is not responsible for the payment of his neighbours." A similar description of ryotwari was given to the House of Commons by the Home Government in 1857.¹

11. The Revenue Board in 1857, in a report to Government on the new survey and settlement, wrote as follows: "It may not here be out of place to notice that a general opinion prevails in England that the Bombay Settlement for thirty years secures a far greater permanency of tenure to the landholder than the present ryotwari tenure of Madras. This is altogether an error, for a Madras ryot is able to retain his land in *per-*

¹ Return showing under what Tenures, and subject to what Land-tax, Lands are held under the several Presidencies of India (Mr William Ewart); ordered, by the House of Commons, to be printed, 22nd June 1857.

petuity, without any increase of assessment, as long as he continues to fulfil his engagements."

12. In the same year the Government, in a review of the Hon. Mr Rickett's report, expressed themselves thus strongly: "The proprietary right of a ryot is perfect, and as long as he pays *the fixed assessment on his land* he can be ousted by no one; there is no principle of ryotwari management more fixed or better known than this, and the Government deny that any right can be more strong."

13. It is thus abundantly clear that the distinguishing feature of ryotwari is the limitation in perpetuity of the demand of the State on the land. The ryots have thus all the advantages of the zemindari tenure, while the State has a valuable reserve of waste land, whence, as cultivation extends, its resources will be augmented so as to meet the increasing demands on its finances which the progress of the country will entail: and in practice this leading principle of ryotwari has never been infringed. The assessments have, as in South Arcot, Bellary, Cuddapah, etc., been reduced, but in no instance have they ever been raised: nor in the recent pressure for money has so obvious a source as increasing the land-tax been even suggested as being open to the Government.

14. Had matters been left in this position, the Government would now have had merely to report that the ryotwari proprietors of this Presidency already possessed the advantages which the Governor-General in Council appears willing to concede, although these were not secured to them under legislative sanction.

15. But in 1855, when the survey and settlement now in progress were introduced, an important modification was made in the tenure of land.

16. The object of these operations was to revise the assessments, which were generally too high. In order to give the ryot in all cases a valuable proprietary interest in the soil, and to induce extended cultivation, thirty per cent. of the gross produce, carefully computed in the manner prescribed, was to be "taken as the *maximum of the Government demand*," and it was thought that twenty-five per cent. would be the average. The Government were of opinion that the assessment should be fixed in grain for a term of fifty years, and that the commuted value of the latter should be periodically adjusted every seven or ten years, according to its average money value in those periods. The Home Government objected to this arrangement, and gave the preference to an assessment in money, unalterable for thirty years. The subject was further discussed by the Government, who ultimately decided that the assessment should be revised after fifty years, if then deemed expedient. This decision, however, has not as yet been authoritatively intimated to the people.

17. It will thus be seen that, while the leading characteristic of ryotwari tenure is the permanency of the assessment, the revised assessments now being introduced are subject to revision after fifty years.

18. The alternatives proposed in your letter under reply have received the careful consideration of Government, and I am to state briefly the conclusions at which they have arrived.

19. His Excellency the Governor is favourable to the imposition of a permanent grain rent, but would reserve to Government the power of periodically determining the money value of that rent, if at any future time a material alteration in the value of money should render such a measure expedient.

20. The Honourable Members of Council, on the other hand, support the old ryotwari principle of a permanent money assessment—that is to say, an assessment based on a certain portion of the crop, and converted into a money payment at a fair commutation rate fixed once and for ever.

21. I am to request attention to the minutes which accompany this letter, and contain the views of the President and Members of the Council.

22. The Government are not in favour of settlements under legislative sanction for terms of years. Such settlements would hamper the Government without materially improving the position of the ryot; and it would be better, both for the State and the people, either that the settlements should be in perpetuity, or that the Government should have the power at any time of acting as the exigencies of the State may require. The Government would not alter the assessment except under the pressure of necessity, and that necessity might occur in the course of the series of years fixed by law for the unalterable duration of the Settlement.

APPENDIX L

PROPOSAL OF A PERMANENT SETTLEMENT IN BOMBAY

[The Bombay Government's reply to the proposal made by Lord Canning is conveyed in the following Minute of the Governor of Bombay.—*Parliamentary Returns*, 164 (1863) pp. 141, 142.]

Minute by His Excellency the Governor of Bombay ;
dated 3rd March 1862.

It is a maxim of the natives of this country, that the perfection of financial administration may be measured by the extent to which an equitable land tax is made to contribute to the support of the State, and that the excellency of a Government may be estimated by the absence of a direct and indirect taxation.

2. I have never doubted the truth of this opinion, seeing that the native feels that, in return for the payment which he makes to the State, he acquires the right to occupy or possess his land; and that in that right he receives an equivalent which to his mind deprives his payment of the essential characteristics of a tax.

3. This financial system is one of the most ancient institutions of this country, and is founded on the right of the State to a share in the produce of the land; a right which is proved not only by the universality of the practice, but by the fact that exemption from the obligation to pay is regarded as a much cherished

privilege, which has either been forcibly acquired in olden times, or has been directly conferred by the State upon the possessor as a reward.

4. It is frequently the case that the title of the holders or occupants of the land to enjoy the usufruct of the soil has become more or less complete, and their rights of occupancy more or less permanent, according to usage and a variety of circumstances. But exemption from payment of a share of the produce is nowhere the rule, but the exception; and I consider it would be generally impolitic, by fixing permanently at their present money value the demands of the State on the land, to transgress a principle of finance so sound and correct as the one I have adverted to, because it is the tendency of prices and wages to increase; consequently the expenses of administration must increase. If, therefore, the income of Government from the land be stationary, or nearly so, which, by fixing the assessment permanently, must be the case, recourse must be had to increased taxation, both direct and indirect.

5. It will be perceived that in these observations I advert only to the fixity of settlement in respect to the money demand, and I desire it to be understood that I do not advocate any variation in the just and moderate proportion of the gross produce on which the present assessments are based. But, as the prices of produce are yearly increasing, I see no infringement of the original conditions of the settlement, nor will it be so felt by the ryot, if, on the expiration of this experimental settlement, the Government land tax should be re-adjusted according to those increased prices, and to

other circumstances; provided that no revision is made within such long period of time, or otherwise than on considerations of the most sound character, and upon well-established facts.

6. This a thirty years' Settlement, such as has been introduced into a considerable portion of this Presidency, and is in progress throughout the rest of it, fulfils. The moderation with which the assessment has been fixed, has given the right of occupancy a high marketable value; and, under the settlement in some districts, the prosperity of the people has increased in a marked degree. But I do not concur with the late Colonel Baird Smith, that to intensify these results, which are similar to those described by him as having taken place under the settlement of the North-West Provinces, we should here have recourse to a permanent settlement of the land tax; and it appears to me that more is due to those other elements of our settlements which he enumerates, viz. "security of titles, moderation of assessment," and, above all, "the recognition and careful record of rights," than to the mere "protracted fixity of the public demand."

7. For in this Presidency it had long been sought to perfect a ryotwari system by acknowledging no others than the Government and the poor peasant, and imposing on the latter all the burdens that he could stagger under in support of the former. That system naturally proved detrimental to the lands and all their inhabitants, excepting here and there the usurer. The result was that which must infallibly ensue under any Government which itself lives from hand to mouth,

keeps no surplus money for advances, and maintains no stores for use, when in hard times seed corn is needed. Constant remissions, and still further decline of villages, became the ordinary characteristics of provinces which had already undergone the harassing and depopulating effects of more than two centuries of wars and plunder. The authorities at length resolved on retrieving a position for agriculture. It would have been better, in my opinion, to have recognised some dormant tenures, and to have resuscitated others. But habit and the example set by predecessors, whose wars, recklessness, and oppression had, generally speaking, exterminated the more respectable classes of landholders, served to keep out of view this best element of the success which depends on the possession of capital or of good credit. So they did the next best thing with a people who are not generally Mahomedan spendthrifts, but industrious Hindus. After a survey, they imposed a very moderate assessment. This is now in operation, and is to endure for a period of thirty years. It is obvious that this being the first attempt on this side of India, within the limits of British dominions, to apply to cultivation a method of extending and improving it, and to population an encouragement to immigrate and increase, it would be an utter disregard of the rights of the Government in land tax if the present Settlement were to be viewed as the limit of our demand. All that is here wanted, short of the reconstruction of such classes as zemindars and meerasdars, with their worth and influence, is to allow such a duration of settlement (and thirty years is not amiss for the purpose) as will

combine the objects of increasing at future periods the moderate and just demands of the Government, while reconciling the ryot, for his own sake, to devote his industry and the utmost of his small means to the improvement of his long holding.

8. It is, in my opinion, another good reason for not settling our land tax permanently, that there can be no doubt in any unprejudiced mind that the lands are not yet held, generally speaking, as they might without difficulty be declared to be held, on a title still more highly esteemed and cherished. However well satisfied the ryot may be with the security of his right of his occupancy under the Revenue Survey Settlement, the term *meeras* conveys to his mind a sense of ownership, which no assurance that so long as he pays the Government revenue he will not be disturbed in the possession of his fields can give him. This was recently illustrated to me in a forcible manner by an intelligent Patell, who, in answer to a question put to him, with the view of eliciting the estimation in which he relatively held his "*meeras*" and "*ghatkoolee* land," replied: "The *meeras* is mine; the *ghatkoolee* is yours." And, again, as was emphatically said in my hearing, on another occasion, by a Native District Deputy Collector, and at the same time by an experienced *mamlutdar*, "they hold affectionately to '*meeras*' (*meeras ko bohut dil lugta*)."

9. With reference also to the possibility of having hereafter permanently to impose new taxes, I object to the proposal for abandoning the right of Government to the improved value which increased prices should give to the right of the State to a share of the produce of

the fertile soil worked at small cost in money and labour—a right which has been reserved to it from ancient times, and which has, until recently, enabled it practically to exempt the people of this country from the burdens of taxation which press so heavily on the communities of Europe.

10. I shall lament to see a departure from this wise system, nor do I see the necessity of the proposed measure, for the agricultural classes are, on all hands, admitted to be improving, and to be becoming gradually possessed of some capital; and those works of irrigation, which must mainly be the mainstay to protect them in seasons of drought, can only be undertaken on an organised system, which no present Permanent Settlement would ensure being ever executed, but which it is the duty of the Government to undertake whenever it has available resources.

11. No legislative enactments have been found necessary in this Presidency to give effect to the thirty years' settlements now in operation, and none appears to be necessary.

APPENDIX M

SIR LOUIS MALLET'S MINUTE ON INDIAN LAND REVENUE

There are some points in these papers which I cannot leave without comment.

It will, no doubt, be desirable, before deciding on the

course to be taken with regard to the present reference, to await the opinion of the Government of India, but incidental questions are raised in the correspondence, which are full of significance.

I refer to the apparent absence of any kind of common understanding or agreement between the local authorities (and I wish I could believe that it was confined to the local authorities) as to the relation of the Government to the occupiers of the soil.

Mr Robinson, in his Minute of 9th September 1873, refers to the controversies at the beginning of the century as to the nature and intention of the "ryotwari" settlements, and evidently inclines to the opinion that they were meant to be *limited* and *permanent*.¹

He speaks of the reaction which has since set in, and of the disposition in Madras to increase steadily the "ratio of demand upon the land."

He very wisely deprecates the disturbance in the market value of the whole landed property of a vast peasant proprietary by the operations of the Settlement Department, which, with more propriety, might be called the Unsettlement Department.

He concludes by expressing a fear that the course now being taken may be "seriously reducing the actual value of all landed property in the country, and shaking its credit in an investment."

Mr Sim accepts, if he does not approve, the principle deliberately asserted by the Home Government, viz, the re-assessment of the land every thirty years, on the basis of a moiety of its net produce, commuted into

¹ Even the exact meaning of these terms is full of doubt.

money, at an average of the prices ruling during a certain number of antecedent years; but he has apparently altogether forgotten the grounds upon which this principle was formulated, in an elaborate despatch from the Court of Directors, of the 17th December 1856, viz., that the "right of the Government is not a *rent* which consists of all the surplus produce, after paying the cost of cultivation, and *the profits* of agricultural stocks, but a *land revenue only*, which ought, if possible, to be so lightly assessed as to leave a surplus or *rent* to the occupier, whether he, in fact, let the land to others or retain it in his own hands," for, he goes on to speak of the Government as virtually the "*great landlord*," and the advantages of a "sound settlement of the demands upon the land, of which they are, *in fact proprietors*."

The Governor points out in a pithy sentence, "that, under explicit instructions from home, a costly machinery is maintained on the basis of half *net profits*" (I hope he means *produce*), "but, that practically, the rate of assessment is decided on much simpler considerations, the main one being that the cultivator should pay no more than he paid before," with, if any at all, a small additional percentage.

So much for the local authorities, and I think what I have said is enough to show the confusion of thought, looseness of expression, and uncertainty in action, which prevails in Madras in a matter which lies at the very root of all agricultural prosperity.

It would require far more research than I can undertake for the present purpose to view the inconsistencies

of the authorities at home, but I will refer to a few instances.

Lord Cornwallis's Permanent Settlement proceeded on the principle that the State was the proprietor of the soil. In that capacity it renounced its rights to a progressive share in the rental of the land. But it was the *rent* which was renounced, it was not *revenue*, and yet to this day we are told that the land of Bengal is to be exempted from all share in the taxation necessary for the purposes of government to all future time.

Mr James Mill, in his evidence before a Select Committee in 1831, speaks of the *rent* of land in India having always been considered the *property* of Government.

In a return to the House of Commons in 1857, on Indian Land Tenures, signed by Mr John S. Mill, I find the following general statement :—

“Land throughout India is generally *private property*, subject to the payment of revenue, the mode and system of assessment differing materially in various parts.”

On the occasion to which I have already referred, viz.; the correspondence with Madras in 1856, the Court of Directors emphatically repudiated the doctrine of State proprietorship, and affirmed the principle that the assessment was *revenue* and not *rent*; the revenue being levied upon *rent*, as the most convenient and customary way of raising the necessary taxation, which in a self-contained country, possessed of vast undeveloped agricultural resources, is perhaps the soundest, simplest, and justest of all fiscal systems.

Sir C. Wood in 1864 reaffirmed this principle, but went beyond the Court by fixing the rate of assessment at fifty per cent. of the net produce, fully recognising, however, that this was merely a general rule, and that in practice the greatest possible latitude must be given.

The principle thus established appears to rest, then, upon a solid scientific ground; but launched, as it necessarily was, in language and under circumstances which really almost reduced it to an abstract proposition (for the application of the principle was entirely left to the judgment of the Settlement Officers, and the tasks given them altogether beyond the power of any human beings to discharge, except in the roughest manner), one cannot wonder that the whole administration has drifted into the chaos in which these papers show it now to be.

One is tempted to ask if rent—economic rent, pure and simple—is alone to be taxed, why, instead of the costly, cumbrous, capricious, and when all is said, most ineffectual settlement system, we cannot leave the assessments to take care of themselves, and take whatever percentage on the rental of the land we want, wherever we find it. I can only suppose that the answer would be, that in truth the fifty per cent. of the net produce has been a mere paper instruction, a fiction which has had very little to do with the actual facts of the administration, and that in practice the rates levied have often absorbed the whole rental, and not unfrequently, I suspect, encroached on profits also.

But to return to my narrative of inconsistencies on the part of the Home Government.

I have referred to the instructions of 1854 and 1864, as regards Madras. In the year 1861, proposals were made by the Government of India for the redemption of the land revenue. These were not entertained, but I mention them as showing that here again that Government at all events proceeded on the theory of *rent* and not *revenue*, and in the policy put forward, although still in abeyance, by the Home Government so late as 1865,¹ the general principle of which appears to be that a Permanent Settlement, after revision, might be made on estates in which the actual cultivation amounts to eighty per cent. of the cultivable area. This is a return to the order of ideas which prevailed in Lord Cornwallis's day.

I do not wish, on this occasion, to discuss the question of principles which lies at the root of this controversy, because I am well aware that it is one which everyone connected with the Government of India regards with extreme aversion, and also because it is quite unnecessary for me to state my absolute disbelief in the success of any experiment of Government on a large scale, founded on communistic principles. That even worse results than those which are apparent, have not followed the partial assumption of the function of proprietor by the State in India is, I suspect, owing to the constant compromises which have been made, and the alternating influence of the counter current of opinion and policy in favour of private rights.

But in anticipation of the comments which will, I know, be made by those Members of Council who take

¹ See Revenue Dispatch, No. 11, of 24th March 1865.

the trouble to read these remarks, I would invite their attention to a few practical considerations.

If general principles, as I am constantly told, are inapplicable to India, on what method are we to proceed in government? If the deductive method be discarded altogether, surely we have a right to ask for some careful and active process of induction. Yet, if there is any one thing which is wanting in any investigation of Indian problems, it is an approach to trustworthy and generally accepted facts. There is hardly a subject upon which the best authorities do not absolutely disagree as to the fundamental facts. I could mention the most startling instances, but they must be present to the minds of all of us. Now I am compelled to say that, since I have been connected with the India Office, I have found just as strong a repugnance to the adoption of any adequate measures for the collection of a comprehensive and well digested set of facts as to the recognition of general principles. The only occasion upon which I had the misfortune of encountering the vehement opposition of some Members of Council, for whose opinions and experience I have the most unfeigned respect, was in my advocacy of Dr Forbes Watson's proposals for an Industrial Survey.

Again, if general principles are to be set aside, why are they so perpetually invoked in public documents, reports, and manifestoes? It may suit the shifting purposes of the hour to play fast and loose with principles, but is it safe, in dealing with a "quick-witted and logical" people, to rely upon their inattention and forgetfulness?

If it is argued that it is of no practical use to arrive at, and act upon, a definite principle in this matter of land revenue, and that, so long as we obtain our money, it is idle to dispute as to the terms employed in raising it, I answer that this indifference to accurate thought and expression has been, and is, a source of the greatest possible difficulty. I will take, as an instance, the Permanent Settlement in Bengal. Is it not notorious that the absence of any careful distinction between rent and revenue has led to the claim, still held by many of our highest authorities to be incontestable, to an immunity from all new taxation on the part of landholders? The solution of this difficulty is becoming every year a question of greater political importance, and may become a source of much political danger.

The close connection between the system of land tenure prevailing in a country, and the condition of its population, will, I imagine, be generally admitted. In India, where agriculture is the principal, and indeed the only, industry on a scale large enough to make it a national characteristic, it seems to me that the conditions on which the land is held must be an object of primary and paramount importance.

Whatever opinions may be held as to the principles of land tenure, certain facts, are, I think, apparent.

On the one hand, we see a system which sweeps into the coffers of the State fifty per cent. or more of the net produce of the soil, thus diverting a fund which, in countries where private property is absolute, would, to a great extent, find its way back again into channels of agricultural improvement.

But the amount of produce thus diverted is not only large—it is also uncertain. The percentage itself is uncertain, varying with the views of successive Governments, and the amount actually assessed, even within the prescribed limits, is uncertain, varying with the accidents of seasons, with the character of the cultivators, and with the judgment and knowledge of the Settlement service.

Whether the Government or the assessor leans to the side of indulgence or to that of severity, all the consequences of uncertainty are equally involved. What those consequences are likely to be it is needless to enumerate. It is enough to say that security and permanence are the essential conditions of productive energy.

This system, moreover, is one in which proprietary rights are so confounded, or so confusedly divided, that they are separated from their corresponding duties, and such is the dislocation of the forces engaged in this artificial mechanism, that these rights as often serve to maintain and perpetuate inefficiency as to rouse and stimulate industry and the spirit of improvement.

Such are a few of the salient features of the system. What, on the other hand, do we find as the characteristics of the industry and of the people to which that system has been applied?

A marked absence of any adequate accumulation of capital upon the soil, and (as a consequence) of any sufficient appropriation of such capital to purposes of agricultural improvement, deficiency of stocks, of manures, of roads, of tanks, often of seeds and of implements.

In the people, prevalent habits among the higher

classes of prodigality and indolence, and among the lower, a character of helpless dependence on Government, extreme poverty, and, generally, very low conditions of existence. Nowhere do we see a spirit of enterprise, of initiation, or of progress.

I do not think that this is an overstatement of the impression conveyed to the mind of an outside observer like myself by a study of the accounts which reach us from different parts of India; and when it is remembered that the state of things, which I have very briefly described, is precisely that which the science and experience of modern societies would have predicted as the inevitable result of the economic conditions which have prevailed, I think it must be allowed that, if there be no relation of cause and effect between them, it is at least a strange coincidence that they should be found side by side.

I have confined my remarks to the economical and social aspects of this question, but I am not sure that, from a political point of view, it is not even more important.

By a perpetual interference with the operation of laws which our own rule in India has set in motion, and which, I venture to think, are essential to success—by a constant habit of palliating symptoms, instead of grappling with disease—may we not be leaving to those who come after a task so aggravated by our neglect or timidity, that what is difficult for us may be impossible for them?

L. M.

3rd February 1875.

APPENDIX N

FURTHER MINUTE BY SIR LOUIS MALLET ON INDIAN
LAND REVENUE

I am afraid that I only find in the Minutes of Members of Council on my paper of 3rd February last a confirmation of the grounds upon which I ventured to express my uneasiness at the confusion of principles which prevails in the administration of the land revenue system of India.

Sir Henry Montgomery urges that "volumes have been written on the subject during the past century, and I doubt whether the advocate of either side has been persuaded by the arguments of his opponent." I would ask, why have volumes been written on the subject if it is one of no practical significance, and written, not by speculative philosophers, but by men engaged in the matter-of-fact work of administration? I fear that, until some rational and consistent principle be adopted by the Government of India, many more volumes will continue to be written upon it, and that, if our efforts to promote education in India are attended with any success as time goes on, it may take a form which may make it impossible to regard it with indifference.

Sir E. Perry asserts that "Government in India has always assumed the right to take what it chooses" from the land, and describes the limits within which this right has been exerted during 3000 years! This

is a long time to go back for a land system, but, confining ourselves to the Mogul Empire, it seems to me a very unsafe defence of our present policy.

Sir E. Perry would, I think, readily admit that the doctrine of Government to which he refers, although very appropriate and sufficient at the Court of the Great Mogul, might be made to form an inconvenient text for House of Commons orators and newspaper correspondents appealing to the British householder. And even now, is it not nearer the truth to say that the Government of India takes, not what it chooses, but what it dares ?

This brings me to some of the remarks of Sir G. Campbell and Sir H. Maine, which equally appear to me to ignore that the source from which the Government of India derives its power has changed and is changing daily, and that, if India is to be maintained, and rendered a permanent portion of the British Empire, this must be accomplished in some other way than by placing our future reliance on the empirical arts of despotism.

Sir G. Campbell says that the question is one of words. I cannot agree in this opinion. I am afraid, as Sir H. Maine has detected, that Indian Governments find their account in this obscurity, and know well enough that, by holding this question in suspense, they keep two strings to their bow, and escape the horns of a grave dilemma.

Sir G. Campbell's statement of the case appears to me to beg the question at issue. He says, "We now take, as nearly as we can, *half the rent* of lands not

permanently settled, and whether we call that rent revenue or rent, the fact is the same." Certainly, but the whole point of the discussion is whether, if we called our demand revenue instead of rent, we should be able to continue to take that half, or whether, if we called it rent, we ought not to take the whole, and whether the system which has grown up gradually is not so full of inequality, and injustice, and uncertainty, as to be a source of future danger and disaffection. Instead of consoling ourselves with the thought that the land under the Mogul Empire was more heavily burdened than now, is it not a more profitable question to ask, what will be the verdict on our land system when the agencies of western civilisation, which we are bringing to bear on India, have borne their fruit on modern native opinion, and is it not better to prepare in time for changes which can hardly be avoided if the unity of the Empire is to be secured?

One effect of the present attitude of indifference assumed by the Government on this question, of itself no slight evil, is that while, unless I am much mistaken, the land revenue has now become such a vital Imperial resource that the provincial redistribution of it which would be inevitable in any scheme of federation would be an almost insuperable obstacle to such an experiment, the facilities which it affords indispose those engaged in the work of governing to look at all in the direction of the financial reforms, which are, as it seems to me, the necessary condition of a policy of centralisation and unification. For, if this policy be

pursued, the day must come, and ought not to be distant, when, even with a people so helpless and so silent, there must be some recognition of the duty of redistributing the fiscal burdens of the people in the several provinces with a greater regard to equality. When that day arrives the question of revenue and rent will not be a "*speculation oisive*."

I have said that the present system is unequal. It is unequal both between province and province, between district and district, and between man and man.

I append a statement of the contributions per head of population and per square mile to the land revenue of India, by Bengal, Bombay, Madras, the North-West Provinces, and the Punjab respectively, which speaks for itself.

The recent papers from Madras reveal various forms of inequality in the different districts of the Presidency, and a very dangerous pressure in some.

I need only refer to the recent correspondence on the subject of the late resolution of the Government of Bombay, to show the confusion and mischief at work in that important province.

The accounts which I have received of certain recent Bombay settlements strongly confirm everything which I have said as to the practical importance of clearly distinguishing between rent and revenue. Assessments have been raised seventy or eighty per cent. in one stroke, in conformity with certain artificial and arbitrary rules often at variance with actual facts, and raised distinctly under the influence of the rent theory,

which has been warmly advocated of late years by Mr Knight and others.

I am also informed that, in many cases, lands have been assessed which barely pay the cost of cultivation, and yield no rent at all. This is not a question of words to the cultivator.

It seems to me that enough weight is not given to the changed aspect of this question owing to the assumption of the sovereignty of India by the Crown, and the recognition of its natives as British subjects. It is always said that it is idle to apply English ideas to India, but if any of those ideas are of a kind which an important class in India sees its clear interest in adopting, is it safe to assume that they will never do so?

So long as the exactions from the land by the State were levied by the Company as the inheritor of despotic Governments, and frugally dispensed in the several functions of administration, or even sent in form of tribute to England, I can understand the Indian people accepting their fate without dangerous impatience, as a customary incident in their condition. But when the sums so taken are largely spent, as they now are, for the avowed purpose of benefiting the Indian Empire and people at large, on public works, education, health, famine, and all the objects which under the influence of modern ideas fall within the province of State expenditure, and attempts are made more and more to resist and remove taxes, such as income tax and customs, which fall on other than the landholding classes, while to meet the increasing burdens of the State additional

charges are laid on the land, may they not awaken to the fact that they are being made the subject of an experiment, which, I venture to think in spite of Sir H. Maine's criticism, can only be appropriately described, wherever it is found, as "communistic."

It is, I think, impossible to deny that there is some danger in this direction, and it cannot, I believe, be safely met by temporising, and by leaving to the enemy so formidable a weapon as the theory of State landlordism. Nearly all modern Anglo-Indians, so far as I have seen or heard—the whole generation of English public men and economists trained by Mill and Manchester for the sake of a free trade tariff—would in any country warmly support in principle the largest possible appropriation of the rent of the land. What degree of support their policy would now obtain, or may hereafter obtain in India, I cannot pretend to say, but Indian opinion does not always go for much, and much is in the power of an all-embracing and powerful bureaucracy, with the press in its hands, and with a Government at its back, which may be any day at its wit's end for money, and which can hardly undertake an object on which it has set its heart, without a cess on the land.

From this point of view, the policy of further taxing the land might easily become a political danger, and the narrow margin on which, under the rent theory, the State has a right, if it be not a duty, to encroach, lends itself too easily to such an extension.

In an economical point of view, I regard such a policy as especially mischievous.

The function of rent is to restrain the undue pressure of population on the soil. The presence of rent is the result of the demand for land pressing on the supply. To take the rent and divide it among the whole population, which is done when it is substituted for taxes, is to counteract and neutralise the operation of the law of supply and demand, by stimulating the demand anew without increasing the supply, and tends directly to a progressive pauperisation of the community.

For these reasons, without disturbing past settlements, which we cannot afford to do, and cannot now do without gratuitous fiscal sacrifices, I shall rejoice to see a limit placed on future assessments, with a view to which the renunciation of the theory of State landlordism would be the most effectual step. In speculating on its future resources, I should like to see the Government steadily putting rent out of view, as only liable to taxation in common with other forms of property.

L. M.

12th April 1875.

APPENDIX O

MINUTE BY LORD SALISBURY ON INDIAN LAND
REVENUE

This discussion has arisen upon a proposal, by the Governor of Madras, which is not concurred in by his Council, that the expenditure of the Settlement Department should be so materially diminished that its operation would be virtually suspended. Among the reasons he advances for this proposal is that, partly in consequence of an original understanding, and partly in pursuance of orders from home, the Local Government are practically debarred from increasing the assessment, and that consequently the outlay brings no return. The Council do not accept Lord Hobart's reason or the conclusion, and the papers are sent home in the form which Madras papers now frequently assume—a resolution of the Government passed over the head of the Governor. Sir Louis Mallet writes an important Minute upon these papers, to draw attention to “the absence of any kind of common understanding or agreement between the local authorities as to the relation of the Government to the occupiers of the soil,” and further on, to “review the inconsistencies of the authorities at home upon the same subject.” These inconsistencies are established by citations, and upon these he bases the contention that a definite principle must be arrived at and acted upon in the matter of land revenue, and that a careful dis-

inction must be made between rent and revenue. Though he does not say it in so many words, the drift of his argument is to press not only for an explicit official declaration that our land dues are revenue, not rent, but for a practical application of the doctrine, by levying a uniform percentage on "the economic rent." As there is not, in most parts of India, any separation between profits and rent, both being enjoyed by the same person, this tax would resolve itself into a uniform percentage on the produce. Several members of Council have written instructive Minutes upon Sir Louis Mallet's paper, but they mostly shrink from the general discussion to which he has invited them. Sir Henry Montgomery considers the discussion useless. Sir Erskine Perry looks upon it as a *speculation oisive*. Sir George Campbell considers it a question of words.

In this latter view Sir Henry Maine concurs, but does not on that ground regard the debate as idle; for, in his experience, questions of words have had a large influence on Indian policy.

I cannot see how the question can be described as one of words. The practical difference between the word rent and revenue is very palpable to the cultivator. Under the rent theory his payments are a portion of his gross produce, limited by the condition of his first paying his wages and profits; under the tax theory they are unlimited either way, save by the power or mercy of the Government. It speaks loudly for the character of British rule that the advocates of the ryot call for the application of the tax theory.

Under the Mogul they would have welcomed the rent theory as heartily as they would the tax theory now.

Nor can I regard it as a *question oisive*. The fiscal relations of the Government to the cultivator is a question which I should rather accuse of obtrusiveness than of indolence. We may, it is true, discuss it under different forms. We may use the terms of political economy, or we may use the less accurate but more flexible language of unscientific men. Sir Bartle Frere has shown how difficult it is to classify under two sharply defined headings a series of facts differing only by small degrees. One mode of describing them may be more convenient and more complete than another. But the essential point is that the language used should be understood by those to whom it is addressed. Now it is our function to address Indian officials, and—speaking of the generation now coming into office—their vocabulary is derived with more or less fidelity from the writings of political economists. They have been required to study the science closely before they could undertake our service, and their minds were fresh from a close application to it when, for the first time, they came into contact with Indian life, and were trusted with a share of Indian Government. To the modern Indian statesman the refined distinctions of the economical school are a solid living reality, from which he can as little separate his thoughts as from his mother tongue. To us it may seem indifferent whether we call a payment revenue or rent, so we get the money; but it is not indifferent by what name we call it in his hearing. If we say that it is rent, he will hold

the Government in strictness entitled to all that remains after wages and profits have been paid, and he will do what he can to hasten the advent of the day when the State shall no longer be kept by any weak compromises from the enjoyment of its undoubted rights. If we persuade him that it is revenue, he will note the vast disproportion of its incidence compared to that of other taxes, and his efforts will tend to remedy the inequality, and to lay upon other classes and interests a more equitable share of the fiscal burden.

I prefer the latter tendency to the former. 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 in luxury. The injury is exaggerated in the case of India, where so much of the revenue is exported without a direct equivalent. As India must be bled, the lancet should be directed to the parts where the blood is congested, or at least sufficient, not to those which are already feeble from the want of it.

I agree, therefore, with Sir Louis Mallet in desiring that our present nondescript land dues should tend to the form of revenue rather than that of rent. But the question for present decision is whether, supposing we have all agreed in that wish, we should take any decisive step in furtherance of it. Sir Louis does not state precisely what measure or series of measures he would take. I presume it would be a fresh and more

elaborate declaration of principle, followed by an instruction to limit all land payments to fifty per cent. on the gross produce,¹ ascertained, presumably, by an average of past years. There are, to my mind, two fatal objections to this course; the first is, that we cannot afford it; the second is, that we have not the power to secure its being followed out.

As to the first, I need not enlarge on the state of Indian finance. Our expenses grow annually, and almost the only part of our revenue which can be trusted to grow is that which comes from land. For many years to come we could not part with this increase without endangering our surplus. Nor can we look for any early succour from the effects of the remission itself. As far as we can judge by the experience of the past, relief from taxation applies no appreciable stimulus to the Indian producer. The recuperative force which plays so large a part in the calculations of Western financiers seems to be wholly wanting in the East. At the end of a long span of years our lost land revenue might begin "to fructify in the pockets of the people"; but what is the Exchequer to do in the meantime?

The other and more serious difficulty is, that we have not the power to give permanent force to a new policy. Can we enact that our successors shall do exactly that which we are not doing—forebear from altering their predecessors' work. Sir Louis Mallet notes a long series of inconsistencies in the course of the Indian Government. Have we any grounds for thinking they will

¹ Or rather fifty per cent. on the rent.—R. C. D.

cease? They are not merely subjects of reproach; they are a warning of the fashion after which our Indian Government is made. By the law of its existence it must be a government of incessant change. It is the despotism of a line of kings whose reigns are limited by climatic causes to five years. Whatever power exists in England is divided between a council of which the elements are necessarily fluctuating, and a political officer whose average existence amounts to about thirty months. It would be absurd to expect from this arrangement a persistent and systematic policy, if the policy is to depend on the will of the Government. We might indeed commence a new policy with some confidence, if the state of opinion in the service and among Anglo-Indians here was such as to give assurance that it would be sustained; but of that security there is no appearance. Any sharp change of measures would not be a natural development. It would be "*octroyé*" by the present Government, and would be at the mercy of any succeeding Government to set aside; and another link would be added to the chain of inconsistencies that would present themselves to future criticism.

We must be content to contribute our mite towards a gradual change. We can favour, as we have opportunity, leniency and regularity of assessment; we can discourage attempts to take advantage of inflated prices; we can avoid and disavow language belonging to the rent theory. In this, I think, we shall meet with sufficient support from existing Indian opinion to hope that our acts and language may be accepted as pre-

cedents by our successors. Sir George Campbell appears to dread this gentle mode of progression, which he denounces under the name of drifting. I cannot accept the metaphor in its entirety, for I believe that there is still left some, though not a very important, influence for the helm. But with this reservation, I see no terror in the prospect of "drifting." On the contrary, I believe that all the enduring institutions which human societies have attained have been reached, not of the set design and forethought of some group of statesmen, but by that unbidden and unconscious convergence of many thoughts and wills in successive generations to which, as it obeys no single guiding hand, we may give the name of "drifting." It is assuredly only in this way that a permanent solution of these difficult questions will be given to the vast communities of India. The vacillation of purpose, the chaos of opinion we are now deploring, only indicate that the requisite convergence has not yet been attained.

Certainly the English land tenure, which is in the minds of most Englishmen who argue about that of India, is a very remarkable achievement of the process of drifting. It assuredly has not been created by a definite policy. No one man or Council thought it out, put it on paper, and proclaimed it. It has been the work of many successive persons, who acted without conscious co-operation or continuity, and mostly thought they were doing something very different from that which they actually did. It has grown partly out of an unmarked change in usages, partly

out of measures adopted from time to time to meet temporary exigencies. Yet, whatever its merits or defects, it undoubtedly has these two qualities, that it is pretty firmly rooted, and it is consistent with a high degree of material prosperity. We have no right, therefore, to speak disrespectfully of drifting. It is as likely to conduct India to a safe issue as England.

In the draft to Madras, therefore, though it ought to be framed with the utmost consideration for Lord Hobart, I would abstain from any detailed discussion of general principles, nor would I give any corroboration to his premature declaration in favour of a fixed land-payment. At the same time, I think we may fairly discourage any scientific refinements in the work of assessment, which are a natural exercise of the intellect in highly cultivated officers, but which worry the ryot, distribute the burden of the State with needless inequality, and impose a costly machinery on the State.

SALISBURY.

26th April 1875.

Lord Hobart died the day after this paper was written. I circulate the various minutes because the subject is one that will probably recur; but for the present I should recommend a draft noting that half the Madras Council has been changed, and saying that we should be disinclined to enter upon the discussion of any proposed changes until the new Government should have had an opportunity of examining them.

S.

29th April 1875.

APPENDIX P

MR JAMES CAIRD, C.B., MEMBER OF THE FAMINE COMMISSION OF 1878, ON THE CONDITION OF INDIA

[*Extract.*]

3 ST JAMES'S SQUARE, 31st October 1879.

MY LORD,—In a letter of Lord Salisbury to the Home Secretary, in reference to my appointment as a member of the Famine Commission, he said that (apart from my special duties as a member of that Commission) advantage to the Indian cultivator might be anticipated from my inquiries, and from the advice which I should be in a position to tender to the Government. It is, therefore, my duty to place before your Lordship the views which I have formed in regard to the condition of the vast population of these countries for which we have made ourselves responsible.

The available good land in India is nearly all occupied. There are extensive areas of good waste land, covered with jungle, in various parts of the country, which might be reclaimed and rendered suitable for cultivation, but for that object capital must be employed, and the people have little to spare. The produce of the country on an average of years is barely sufficient to maintain the present population and make a saving for occasional famine. The greatest export of rice and corn in one year is not more than ten days' consumption of its inhabitants.

Scarcity, deepening into famine, is thus becoming of more frequent occurrence. The people may be assumed to increase at the moderate rate of one per cent. per year. The check caused by the late famine, through five million of extra deaths, spread as it was over two years and a half, would thus be equal only to the normal increase over all India for that time. In ten years, at the present rate of growth, there will be twenty million more people to feed; in twenty years upwards of forty millions. This must be met by an increase of produce, arising from better management of the cultivated area, and enlargement of its extent, by migration to unpeopled districts, and by emigration to other countries. We are dealing with a country already full of people, whose habits and religion promote increase without restraint, and whose law directs the sub-division of land among all the male children. As rulers, we are thus brought face to face with a growing difficulty. There are more people every year to feed from land which, in many parts of India, is undergoing gradual deterioration. Of this there can be no stronger proof than that the land revenue in some quarters is diminishing. It is unsafe to break up more of the uncultivated poor land. The diminution of pasture thereby already caused is showing its effect in a lessening proportion of working cattle for an increasing area of cultivation.

The pressure on the means of subsistence is rendered more severe by the moral disorganisation produced by laws, affecting property and debt, not adapted to the condition of the people. In most parts of India, as

shown by the late proceedings in the Legislative Council on the Deccan Ryots Relief Bill, and as is plain to any careful observer in the country, the people are not only dissatisfied with our legal system, but, while the creditor is not much enriched, the debtor is being impoverished by it. Those British officials who see this, feel themselves powerless to influence a central authority far removed from them, subject to no control of public opinion, and overburdened with details with which it is incapable of dealing.

We have introduced a system the first object of which, for a Foreign Government, is necessarily the subjection of the people. This is rendered possible by the religious difference between the Hindus and Mahomedans which prevents their union against us, and they are in such proportions that the larger number of the first prevents the more warlike character of the second assuming predominance. We are accepted as the arbiters of justice to both, and the protectors of the weak against the strong. A handful of Englishmen could not hold these multitudes on any other principle. The strength we wield is a powerful army, now by the aid of railway and telegraph capable of rapid concentration on any threatened point. And we govern through British officers stationed in every district of the country, who, under the supervision of the respective Governments, administer the law, command the police, and superintend the collection of the revenue. Native officers are employed under them, both in the Judicial and Revenue Departments, in large numbers, to whom the drudgery of government

is committed. The whole number of such officers, not reckoning the native army or police, is not more than one in ten thousand of the people. The English officers are not one in two hundred thousand, strangers in language, religion and colour, with feelings and ideas quite different from theirs, and enforcing a system of law, the justice of which they are slow to comprehend, while its costliness and delay are manifest.

By our centralising system we have drifted away from the patriarchal method of rule common in the East, where the populations are agricultural and dense, under which the management of the people is left to their natural leaders, the headmen of the villages, hereditary or elected by the people, who are recognised by the community, and who administer justice and preserve order, and are responsible for the public revenue. We have superseded this by discrediting the headmen, and in Madras and Bombay by an attempt to bring millions of small landholders into direct contact with the Government, through native officials of a low type (for the higher class of officers rarely have time to see them), and with a theory that our European officers, so few in number, will be able personally to supervise this arrangement, which is physically impossible. The headmen, no longer recognised or treated as leaders, and seldom communicated with, except through the lower class of native officials (who are said to be apt to take advantage of their position to extort bribes), become distrustful of us, and are distrusted by us. I rarely met a civilian in India who did not speak of the headmen with distrust. The

British merchants who carry on their great business in India make no similar complaint of the native merchants, whom they find upright and honest. Our officers do not know the natives as they used to do when our Government was less centralised, and they are every year becoming more strange to the people by the increase of indoor judicial duties and the frequent changes from one locality to another. . . .

APPENDIX Q

MR H. E. SULLIVAN, MEMBER OF THE FAMINE COMMISSION
OF 1878, ON INDIAN LAND REVENUE

[*Extract.*]

1. In a speech delivered before the Legislative Council of India, in February 1860, the late Mr Wilson, when in his capacity of Finance Minister he introduced a bill for the levy of a licence duty and a tax on incomes, made the statement that the opium revenue of India could "in no sense be called a tax," and that the land revenue could "only be regarded as rent." As these views have been adopted in the Report, I propose briefly to record my reasons for considering that they are unsound.

2. In propounding the above theory Mr Wilson desired to show that the natives of India being but lightly taxed, were able to submit to a further contribution to the necessities of the State, and as it has been

suggested, at paragraph 180 of the first part of our Report, that additional cesses should be imposed on the agricultural classes of Bombay and Madras to meet the cost of protecting those provinces from the effects of drought, I presume that in adopting his ideas on the subject my colleagues have the same object in view. I wish I could see my way to arriving at the same conclusions, but as it is a fact that in most parts of India, and especially in the above-named provinces, the agricultural classes already contribute largely to the public revenues, a proposal to increase their burdens cannot be hastily accepted, and the mere assertion that the deductions which are now made from their profits are not of the nature of taxation will not put them in a position to bear additional imposts which, if no such deductions were made, might not press heavily on them. They know that year by year they have to pay a certain amount to the official tax-gatherer, and it is a matter of indifference to them by what name their contribution is known to economists. The distinction aimed at in the Report is far too subtle for the mind of the Indian taxpayer to appreciate, even if it had an accurate basis to rest on; and this, notwithstanding that the high authority of Mr Wilson can be cited in its favour, I am inclined to doubt.

3. I am at a loss to understand how the revenue derived by the Government of India from the opium monopoly can be said to be "in no proper sense raised by taxation." (See chap. i., section vii., of part ii., pages 89-93.) There is no question as to opium being a valuable product of the soil, which in spite of a very

heavy duty is in great and increasing demand; and it is equally certain that were the present restrictions on its manufacture and sale removed a considerable portion of the nine millions which now form a principal asset of the public revenue would go into the pockets of the agricultural and mercantile classes. By intercepting these profits it seems perfectly clear to me that a heavy tax is imposed by the State on this branch of agricultural and commercial industry, a tax far exceeding in amount the share of produce and profits which by prescription the ruling power in India is entitled to claim. When the matter was discussed at a meeting of the Commission it was alleged that the profits of the monopoly were derived from the foreign consumers, and to a large extent this is doubtless correct; but I contend that if the monopoly were abolished the growers could command their own terms with the merchants, and as the growth and manufacture of the commodity is confined to a comparatively limited tract of country, there would be keen competition amongst the latter to secure it in view of the enhanced profits to be obtained from the trade being thrown open. To maintain the proposition that the opium revenue is not in any way raised by taxation of the people of India it must be shown that the price paid by Government to the growers is as much as they would receive if there were no State monopoly, and that the merchants' profits suffer no diminution thereby; and until this is satisfactorily demonstrated the elimination of this item must, in my opinion, vitiate any calculation of the incident of taxation.

4. Still more earnestly do I protest against the process of reasoning by which it is sought to uphold the theory put forward by Mr Wilson that the land revenue of India is of the nature of rent, and is not raised by taxation. Rent is a payment made by the occupier of a property to the owner for the use of the same, and to establish the above position it must be shown that the ownership of the soil in India vests in the State. Mr Wilson did not venture on such a statement, possibly because a few weeks before he made his speech a bill had been introduced into the Legislative Council to amend an existing Act for the acquisition by Government of land for public purposes ; but it is directly asserted in the Report. It is there stated that "the land revenue is therefore with more propriety regarded as a rent paid by a tenant, often a highly favoured tenant, to the paramount owner than as a tax paid by the owner to the State." This idea of the Government of India being a vast landed proprietor, and the occupiers of the soil its tenants, was repeatedly brought forward in the course of our discussions, and, although opposed by me to the best of my ability, has found expression here and elsewhere in the Report. I, therefore, now place on record my reasons for dissenting from a doctrine for which I believe there is no historical foundation, which the action of Government itself goes to disprove, and which, if accepted, might lead to most mischievous results.

5. In support of the theory of the proprietary right of the State in the soil it is stated in paragraph 2, page 90, that by "immemorial and unquestioned pre-

scription the Government is entitled to receive from the occupier of the land *whatever portion it requires* of the surplus profit left after defraying the expenses of cultivation." If for the sentence which I have italicised the words "a certain fixed portion" be substituted, the claim of the State would be correctly represented. That foreign conquerors did by force take such portion as they required may be conceded, but it is inaccurate to say that they were entitled to do so. The claim of the State is distinctly limited by Menu, the oldest authority on the subject. He says, "The revenue consists of a share of grain, and of all other agricultural produce. . . . On grain, one-twelfth, one-eighth, one-sixth, according to the soil and the labour necessary to cultivate it. This also may be raised in cases of emergency, even as far as one-fourth." Now here there is not a word which can be twisted to show that the State has any right of ownership in the soil; all that it is entitled to is a certain fixed share of the produce; and on this ancient right, and on this only, our system of land revenue settlement is based, as were those which we found in existence when the country came under our rule. Coming down from Menu to our own times, let us see if the British Government has ever asserted a general right of ownership in the land. When railways were first commenced in India one of the concessions made by the State was the provision, free of charge to the companies, of the requisite land. If, as represented in the Report, the Government was "the paramount owner," and the agricultural community merely its tenants, all that it had to do was

to exercise its rights of ownership, give its tenants notice to quit, and hand over the land to the railway companies. But so unconscious was it of having such rights, that legislation was had recourse to, and in 1850, 1857, 1860 and 1870, Acts were passed to enable the Government to acquire land for public purposes, and an elaborate code of procedure was framed to regulate the mode of acquisition and the price to be paid by Government to the owners. And if further evidence be thought necessary to support my view as to the relative positions of the Government and the people of India in regard to the land, I turn to that chapter of our Report which treats of tenures, and ask attention to paragraph 3, page 111, where the position of the ryot in the Madras Presidency is described. His proprietary right in the soil is there fully recognised, and it is explained that he is absolutely free to let, mortgage, sell, devise or otherwise alienate his holding; and to this may be added that he also has full liberty to fell timber and to open mines and quarries thereon, nor is there any restriction as to his mode of farming or the description of crops he may raise. I defy anyone to show that the rights of the Indian landholder, under whatever name he may be known in various parts of the country, are here overstated, and I submit that the exercise of all or any of them is inconsistent with the position of a tenant of the State, which is that assigned to him in the Report. If the foregoing be correct, what vestige of ownership in the soil remains to the Government? That it is practically *nil* is shown by the

fact above referred to, that legislation was necessary to enable the State to acquire by purchase the rights of the people in the land. If then the State be not the owner, the people cannot be its tenants, nor can the share of the produce of the land which they contribute towards the public necessity be designated rent. It is, therefore, a tax, and as such must be taken into account in calculating the incidence of taxation.

APPENDIX R

MR A. ROGERS, LATE OF THE INDIAN CIVIL SERVICE
AND MEMBER OF THE BOMBAY COUNCIL, 1872 TO
1877, ON SETTLEMENTS IN MADRAS AND BOMBAY

[The following letter with enclosure is published by the kind permission of the writer.]

The Under Secretary of State for India.

3rd February 1893.

SIR,—I have the honour to forward, in continuation of my letter of the 12th ultimo bringing to notice the state of matters in the Madras Presidency with regard to the coercive processes that appear to be necessary in the collection of the land revenue, a Memo.

showing in detail the method of settlement in that Presidency and comparing it with the Bombay system.

If I were not convinced from long experience of settlements in Bombay that the Madras system lay at the root of the evils I have endeavoured to expose, I think the following figures, taken from the Land Revenue Settlement Report for 1887-88 (page 25) and those for the two subsequent years, the latest procurable, would be sufficient to prove my point.

In the eleven years from 1879-80 to 1889-90 there were sold by auction for the collection of land revenue the occupancy rights of 1,963,364 acres of land held by 840,713 defaulters, in addition to personal property of the value of Rs.29,65,081. Of the 1,963,364 acres, 1,174,143 had to be bought in on the part of Government for want of bidders, that is to say, very nearly sixty per cent. of the land supposed to be fairly and equitably assessed could not find purchasers, and only the balance of 779,142 acres was sold. It is true that the area of land sold for arrears has steadily diminished down to the amount shown in my previous letter, but looking to the very imperfect system of assessment now commented upon, it would seem that this must be due to the gradual elimination of all land that cannot find men to cultivate it in consequence of the unfairness of its assessment. The evils of the Mahratta farming system has been pointed out in my "History of the Bombay Land Revenue," but I doubt if that system at its worst could have shown such a spectacle as that of nearly 850,000 ryots in the course of eleven years sold out of about 1,900,000 acres of land.

EXTRACTS FROM THE MADRAS MANUAL OF ADMINISTRATION, 1885.

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In Madras the field surveys take the form of a complete cadastral, combined with a topographical, survey. The next step consists in the inspection of villages and the classification of villages and soils. Inspection extends to the whole tract of country immediately under Settlement, and the Settlement Officer visits as large a proportion as possible of the villages contained in it, so as to make himself acquainted with the general features of the tract and the condition of each village. In Madras the extent of the tract settled sometimes comprises a whole subdivision of a district, with an area of 1000 square miles.

In the classification of soils in Southern India, natural soils alone are looked to in the first instance, and manure is considered subsequently.

The only classification of villages for settlement possible under a proper system is one of arrangement in classes with reference to climate and proximity to markets for disposal of produce. If their existing condition is looked to, and those that are apparently prosperous are rated higher than others, and *vice versa*, the system acts as a deterrent to industry and the expenditure of capital on agricultural improvements, and an incentive to sloth and slovenly cultivation. This was one of the objections taken in Bombay to a similar departure from right principle in the N.W. Provinces' settlements. The two points noted above must, of course, be considered by the settling officer, as well as the greater or smaller value of fields according to nearness to or distance from village site and water, in fixing the rates of individual villages; but all other points connected with value according to natural fertility should be provided for in the classification of soils.

The theory as to the natural soils alone being looked to in the first instance, and manure being subsequently considered, is apparently at variance with the practice, for in the description of the fourth "order" of soils given below, viz. the "alluvial and permanently improved," it is stated that that "order" provides for rich islands of extraordinary fertility, and for garden and other soils per-

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manently improved. Now there is no such thing as a soil permanently improved by manure, for the effect of the highest artificial manure, such as no native of India uses, must be but temporary, and, were there such soils in existence, to tax them more heavily would be to lay a direct impost on private enterprise. It is another matter to rate a field close to a village site higher than one at a distance on account of the facility for procuring manure possessed by the occupant of the former, and has nothing to do with the proper classification according to natural fertility.

By the time that the stage of assessment is entered upon, the Settlement Officer has before him a number of general statistics collected during the survey, inspection and classification of each village, and especially a scale showing the relative value of fields. The revenue rate per acre is thence determined. The Madras method of doing this is as follows :

From time immemorial the "field" has been the unit of landed estate and the public demand on the ryot is the sum of the assessments on his several fields, the assessment on the field being the money value of the Government share of its produce. To

Here the Bombay system joins direct issue with that of Madras, and maintains that it is not only unnecessary to a proper assessment to know or estimate the actual grain produce of a field, but that the attempt to arrive at any reliable estimate of the average produce per acre in any considerable tract of country is illusory and misleading. This was substantially the system originally adopted in Bombay by Mr Pringle (as described at pages 101 to 107, vol. ii, of the lately published "History of the Bombay Land Revenue"), which was proved to be so faulty that the Bombay Government finally came to the conclusion that the whole must be set aside, and, being satisfied that it could not even be made the basis of any revision, directed that the whole operation should be commenced *de novo*. What system was substituted for this in Bombay will be described hereafter, but attention may here be profitably

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assess a field it is necessary to know either on the one hand the quantity of its produce without reference to its area, or on the other hand its area and the quantity of produce of a given part of it or of an equal portion of other fields of similar quality and condition. A Settlement based on the former of these methods would be interminable, and necessity compels the adoption of the latter. The determination of areas being the province of the Survey Department, that of produce alone is that of the Settlement Department.

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called to the inherent improbability of the practicability of any such scheme as that still in force in Madras, notwithstanding its known failure in Bombay.

The most superficial observer passing over a few acres of standing crops in any part of the world cannot fail to see the great differences there are in those crops even in adjoining fields, notwithstanding the apparently identical geological and climatic circumstances. Anyone walking over the same ground when bare of crops could see at a glance sufficient to account for such differences in the marks of rivulets of water caused by the natural flow of the drainage, and variety in colour of soil, which would be accentuated if he examined its texture on the surface, or digging a little deeper found a substratum, more or less near to that surface, of stone, or impervious clay, or sand, or other unfertile substance.

If in a space of a few acres there are such differences to be seen, those to be found in thousands of square miles of country, in which geological and climatic circumstances would vary immensely, must be altogether beyond calculation. Notwithstanding this, the Madras system of assessment is to this day based on the supposed average produce of soils, complicated after deduction of from one-fourth to one-sixth, to allow for vicissitudes of seasons, by conversion of that produce into money at an average of prices of the principal varieties of grain for a period of twenty years, and by deduction from the

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money value thus arrived at of the average expense of cultivation per acre, such as the cost of agricultural cattle and of their keep, seed, hire of labour, permanent and temporary, implements, manure, and transplanting. Some of these, such as the cost of cattle and farm tools, have even to be subdivided and spread over more than one year.

The mere enumeration of the elaborate processes of calculation, gone through on experiments of crops to the number of 2000 or 3000 in a district, is sufficient to convince anyone not under the influence of the magic of figures of the impracticable nature of the system of thus assessing the proper rents of individual fields, which are taken at half the residue, called the net produce, after the deductions noted above.

Each series is divided into classes, the exceptional into two, the others into three each; the class of a soil is determined by the quantity of "clay" it contains, meaning by "clay" that impalpable matter which is formed by the combination of minute particles of the primitive earths with organic matter in a state of decay. The three soil classes are "clay," "loam," and "sand." Clay soils of each series are those containing more than sixty-six per cent. of clay; loamy soils

In order to decide to what category for assessment each field belongs, classifiers, checked by head classifiers and supervisors, examine it, and record it as of one of three or five "sorts," of one of two or three "classes," of one of five series or "orders" of land. The five orders are (1) the "regar" or black cotton, (2) the "red ferruginous," (3) the "arinaceous," (4) "the alluvial and permanently improved," and (5) the "calcareous." On the other side of the page are the methods of classification adopted. The classes are said to be few, and based on tangible differences. The former can hardly be said to be the case, when there may be three or five sorts multiplied by two or three classes multi-

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are those with one-third to two-thirds clay, and the rest sand; sandy soils those with more than two-thirds sand. In selecting samples the soil is turned up to a depth of 6 or 8 inches, and the proportions of sand and clay, where doubtful, are tested by dissolution in water. The classes again are subdivided into "sorts," the "sorts" being determined on the same consideration as the "class." From the first Government has deprecated any attempt at making an accurately scientific classification of soils. . . . The classes adopted are few, and based on tangible differences of soil; for the most part eye, finger, and thumb are the classifier's only guides, and the nearest approach to a scientific method that is allowed him is when in cases of doubt he tests for clay by simple methods which give its bulk or weight, but do not indicate its chemical composition.

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plied by five orders to be taken into consideration, and it is recorded in the same paper (see p. 109, paragraph 112 of vol. i. of the "Madras Manual of Administration," 1885) that as many as thirty-five different money rates are sometimes struck for a single revenue district, ranging from 4 annas to Rs. 20 per acre. Again, if liberty to decide to what "sort" a field may belong, a palpably dangerous liberty, is allowed to a lowly paid classifier, by testing for "clay" with water, why should he not equally be allowed to test by fire, a quasi-chemical method by which the quantity of organic matter in a sample of earth would be more accurately ascertained than by that of dissolution in water? (This is, of course, a *reductio ad absurdum* of the system.) What, again, becomes of the element of depth, most important in determining the fertility of a soil, especially in a rocky country where in one part of a field rock may be close to the surface, and in other parts the earth may be several feet deep? Should not also a sloping surface, which causes the rain to wash away the fertilising properties of the so-called "clay," be taken into consideration in fixing "class" and "sort"? Is such a serious deterioration in soil as that caused by impregnation with salt from salt springs, or occasional overflow of the tide, not looked to?

This leads to a consideration of the method adopted in Bombay to arrive at the relative values of fields by the classification of their soils. According

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to the principles originally laid down in 1840, and acted upon up to the present time, the most naturally fertile soil in a district is ascertained from local inquiries, and that being taken as the best, or 16 annas in the rupee, faults taking from their productive qualities, such as want of depth, a mixture of sand or stones, a sloping surface, want of cohesion amongst the constituent particles of the soil, the mixture of soil impervious to water, liability to be swept over by running water, excess of moisture from surface springs, and impregnation with salt, are given proportionately to the degree of such deteriorating influences, so as to reduce the classification by one or more classes. Of these there are nine, found to be a sufficient number for all practical purposes, to lower the classification to 14 or 12 or more annas down as low as 2 annas.

All faults found to exist in any field are shown on the face of its sketch-map drawn in the classer's book by conventional signs. On the sketch-map must also be shown the segments into which the field is divided by him to ascertain depth of soil and deduction on account of unarable portions (such as on account of rock or of a road crossing it) and for other classification purposes, so that the supervising officer, in most cases an European assistant superintendent, can at any time test for himself the accuracy of the reasons given for the classer's relative value in annas assigned to the field. In Madras apparently the classifier only records

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against a field "3rd Class 2nd sort Regar" or some similar entry, a vague method which renders any trickery of which he may have been guilty very difficult of detection by his supervising officer. That this may well be the case is apparent from the remark at page 107 of the Manual, that when it is known that the ryot's field is of such a sort geologically and agriculturally (what the latter term signifies it is difficult to understand), and that for his neighbourhood the assumed amount of net produce of that sort is so much, he knows how much he has to pay to Government; for Government ask in every case half of the value of the net produce. A method such as this must open a wide door for fraud, for if the ryot knows beforehand what he will have to pay for a certain description of land, he and the classer will not be long in coming to terms as to the nature of the entries to be made with regard to his field, and the slight existing chance of detection will be run. In Bombay no man can tell beforehand what the rent of certain land will be, for the maximum rate is not fixed until all classification has been completed, and even after this none but the settling officer can tell whether it will be lowered or raised on account of greater or less distance from village site or water, or on account of the maximum of the whole village being raised or lowered for climatic and market considerations. There is, of course, a risk of collusion under both systems, but this explanation demon-

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strates how infinitely smaller it is under that of Bombay.

It will be seen from what has been stated above that the separate assessment of fields is graduated down from a maximum rate from the highest to the lowest qualities of soil according to a regular classification in annas or classes determined by faults causing fertility to diminish in consequence of qualities existing or wanting which are perceptible to the eye, a matter that can be tested by a subsequent examination. The idea that the amount of clay (as technically defined above) can be ascertained by dissolving earth in a test-tube—such is the method reported to be adopted—is chemically inaccurate, for there are many chemical ingredients, both fertilising and deteriorating, that are soluble in water, and that would accordingly elude detection by this test, to let alone the absurdity of expecting classers to estimate with any accuracy the amount of any residuum that might be left in a test-tube in the case of the hundreds of fields in any village.

A revenue system based on field assessment seems to demand naturally and necessarily the separate classification of each individual field, and this is the sanctioned method of the department; it is at the same time laid down that "though the details of classification extend to each field, the wider com-

How far this system of arranging land in blocks is permitted to effect the assessment of individual fields is not apparent from the description quoted from the Manual. The concluding remarks are, however, sufficient of themselves to condemn the system if it has been and is allowed in any way to influence that assessment, for it follows of necessity that the assessment is unfair, and this may account for the unwillingness shown

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parative view of the operations should never be lost sight of, as it is most desirable that the land should be viewed in a comprehensive way by the classifier. . . .” As a method of work the Government have disapproved of the plan, but encourage blocking as a sequel to field classification, and as, in fact, an office arrangement made for the purpose of check and revision. Under this system it is evident that the average run of soils must determine the classification of a block, and that isolated fields and tracts of better or worse quality than the average of the block must gain or lose by inclusion within it.

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by people to bid for lands put up to auction by the collectors of late years, as proved by the annual revenue reports.

In fixing rates of assessment, objection is raised in Madras to former collections being looked to. This objection can only apply to an attempt to assess individual fields according to what may have been levied from them in the past, and in that case is right, inasmuch as if records were in any case in existence showing grain rents levied from fields under the old division of produce system, they would be untrustworthy for various reasons, and especially because the old recorded areas would be merely estimated and not actually measured. But for the purpose of determining the general level of assessment likely to lead to a successful settlement, no more reliable data than returns of former levies of revenue (and area as far as procurable) could be made use of. No more certain *criteria* exist of the general success or failure of previous revenue systems than such returns, which prove by increase or decrease of cultivated area, and consequent advance or falling off of land revenue, the suitability or otherwise of the general level of assessment to the condition of the people and the circumstances of the times. Taken into consideration with prospects of rising or falling prices of agricultural produce, with the opening up of new, and deterioration of old, markets, improvement in the means of communication, and other circumstances

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tending to show the general condition of the agricultural population, such returns of previous assessments, taken over a sufficiently large area and for a series of years, are an infallible guide to what the level of assessment should be in future. They have invariably been so taken in the Bombay Revenue Survey Settlements, of which the success is undoubted. Compared with the complicated Madras process, already described, of endeavouring to ascertain the gross and net produce of land, the system, to a man of ordinary judgment, is simplicity itself, and may be confidently recommended for adoption in that Presidency, where the very slow advance in land revenue, notwithstanding a generally dense agricultural population, is a clear proof of the unsuitableness of the present method of assessment. It must be remembered that inequality of assessment, to which the system has been shown to be particularly liable, is almost as fertile a cause of the non-success of a settlement as an excessive rate of assessment. The fact of large areas of land, nearly 40,000 acres in the years 1887-8 to 1889-90, not being taken up by private purchasers when offered for sale by the revenue authorities goes far towards proving that the former is one of the faults of the existing assessments.

In addition to all this, it must be evident that the Madras assessments amounting to the full rent and not being a tax on that rent, as those of Bombay professedly are, the land will not acquire that marketable value

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which it is proved in many ways the settled lands in Bombay have acquired.

There can thus be no doubt that the whole system of assessment in the Madras Presidency requires a complete investigation. Such an investigation, considering that there are believed to be about 3,000,000¹ acres of arable land still available, which might under a better system be brought into cultivation and add largely to the land revenue, would be undertaken with a fair prospect of results satisfactory both to the State and its subjects.

A. ROGERS.

APPENDIX S

LAND REVENUE UNDER HINDU RULE

The soil was the principal source of revenue in all civilised countries in ancient times, and though the forms of administration were rude, and officials entrusted with power were often oppressive and arbitrary, the demand of the State from the produce of the soil was generally moderate. Manufactures and commerce and service under the State gave employment to a small proportion of the people; nations in civilised countries depended on the soil; and civilised Governments grasped the idea that the nations could not

¹ Since ascertained to be over 6,000,000 acres.

| | |
|---------------------------------|-----------------------|
| Bengal | Rs.39,052,210 |
| N.W. Provinces & Oudh | 60,169,440 |
| Punjab | 23,966,990 |
| | <hr/> |
| Total, | <u>Rs.123,188,640</u> |

Statistical Abstract relating to British India, 1888-89 to 1897-98, p. 98.

APPENDIX U

ROYAL COMMISSION ON INDIAN EXPENDITURE. EXTRACTS FROM EVIDENCE

Lord Northbrook on Wars outside India

14,108. Have you paid any attention to the arrangement made for the payment of troops lent by India for service out of that country?—Yes, I have had occasion to give considerable attention to this matter.

14,109. Do you think that fair treatment has been given to India in the apportionment of those charges?—I think that India has been hardly treated.

14,110. Could you go through the various cases and give us your reasons?—The cases will be found in Sir Henry Waterfield's Memorandum in the Appendix, page 364. I think I might take them in the order in which he gives them there.

14,111-2. I suppose you are going to take them from paragraph 16, are you?—Paragraph 19.

14,113-4. Quite so; I see, 19?—Well, I will not

go back to anything before the Abyssinian expedition. I think that in the case of the Abyssinian War it was not right to charge India with the ordinary expenditure of the expedition.

14,119. Do you remember the ground upon which the Government decided at the time that India had an interest in Abyssinia?—No; I should like to see that. I never heard of it. I believe a protest was made at the time.

14,120. I am speaking from memory now. Was it not put forward that the Government of India was concerned in this question, because Abyssinia, being within the purview of India, you may say the prestige of the English name must not be endangered by allowing any English official subjects to be taken prisoners?—The idea may have been put forward. I do not think any impartial person would have paid the slightest attention to it.

14,121. (*Mr Courtney.*) I think I remember a French critic arguing at the time that the war was for the purpose of discovering a sanatorium for English troops?—That would be a better reason than the reason adduced as regards prestige, in my opinion. Then I come to the next case, the Perak expedition. It was a very small one; but in this Perak case I cannot conceive any one doubting that India has been hardly treated. Here was an expedition beyond the frontier of India, and for which, in order that any portion of the Indian revenue should be applied, it is by statute necessary that there should be an address to the Crown from both Houses of Parliament. I

happened to be Governor-General at the time, and I protested against this charge being put upon India, Not only was no notice taken of the protest made by the Government of India, but not even were the statutory addresses from both Houses moved, so that the law was broken, and the charge so made upon India has never been repaid. It has remained charged upon India from that time to this, contrary to the law, and contrary to the protest of the Government of India. That is the case of Perak ; that is the second one I have got to deal with, and I think this case is perfectly clear. I do not think that any answer can be given to it. In regard to the expedition sent to Malta, the whole of the expenses, both ordinary and extraordinary, were very properly paid by the Government of England.

14,124. Have you mentioned the Egyptian operation of 1882 ?—I am coming to that now ; that is the next case, the Egyptian campaign of 1882. This was a case with which I individually had a good deal to do. Therefore I should not like to give any very strong opinion against the arrangement that was made. There was no doubt that as regards keeping the Suez Canal open India had a substantial interest. It had an interest. The question was what interest ; how much the interest was. In the first instance it was intended that India should pay the whole cost of the expedition that was sent. That was when it was supposed that some very small force would have been sufficient. That was the reason why the Government at that time thought India should pay the whole. The English Government were put to very

considerable cost, and we thought that India would be put to a small cost, and we thought she might very fairly pay the small cost of the troops sent to Suez. However, the operations became very extended, and it ended in the expedition from India becoming a large expedition. The whole cost was, I think, £1,700,000, and the ultimate arrangement made between the two Governments, the Government of India and the Government of England, was that India paid £1,200,000 and England paid £500,000. That was the arrangement that was made, and it was accepted by the Government of India, but it certainly was accepted unwillingly. The Government of India thought it had been very hardly treated in the matter, and I think that, looking at it now, I must say that it would have been perhaps better if we had charged India half, that India should have paid £850,000, and England should have paid £850,000. I do not want to press that, because I myself was in the Government at the time; therefore I cannot say that I considered it at the time to be an unfair arrangement.

14,127. [Soudan War.] Would you consider that, if the original plan had been carried out, India was sufficiently interested in the expedition to justify her being called upon to contribute?—If you ask me my opinion, I should say, "No, certainly not." I do not think there was a substantial interest of India in any expedition to the Soudan, but my argument rests upon this, that when by a statute the revenues of the Government of India are not to be used excepting after addresses from both Houses of Parliament, it is essential that the

terms of that statute should be strictly adhered to, and, in my opinion, the continued employment of the Indian troops at Suakim as a garrison was not covered by the address. It alone could authorise the expenditure of the money; that is my point. As regards the force sent to Suakim last year, I say that certainly India should not have been charged.

14,165. (*Chairman.*) Now you have gone through and brought before us the grounds for the differences of opinion between the two Governments?—I should like to be allowed to sum it up before you go to the next question.

14,166. Yes, if you please?—To sum up what I have put before the Commission with respect to these cases of troops lent to India, I think certainly that, if the ordinary charges of that Abyssinian war were £600,000, that is a sum of money which India has a fair and equitable ground to claim. The whole of the Perak ordinary charges ought certainly, I think, to be paid. I will take the Suakim charges to be about £200,000, I do not know exactly what they were, but whatever the charges for Suakim were, I think the whole of the garrison charges at Suakim ought to be refunded to India. My opinion is that, on equitable grounds, £350,000 ought to be given to India in respect of the Egyptian Expedition of 1882, so that the charges should be divided between the two Governments, and I think that those sums ought, either directly, or in some other equitable manner, to be allowed to India now. I do not see any reason why it should be considered that because India has been inequitably treated,

and in some cases, in my opinion, illegally treated during many years, that that treatment should not be redressed by some action at the present time. That concludes all that I have to say upon that matter.

Lord Ripon on Frontier Wars

16,237. (*Chairman.*) Since 1885 the number of frontier expeditions has increased. Lord Lansdowne has explained to us that there has been of late years a change of policy in dealing with frontier tribes—a system of employment, I understood him to say, has replaced the system of punitive fines, and he hoped that from that policy would result a smaller number of frontier expeditions in the future. Are you aware of this change of policy, and would you think it likely to have this result?—I was not aware of it in detail, and I do not feel that I have sufficiently studied the question to be able to give an answer to it. Under the system which prevailed in my time, as I have already told you, we had hardly any frontier expeditions at all. And that again, I venture to think, is a question of policy. I do not think that the Government with which I was connected in India liked frontier expeditions; and I am bound to say that the military authorities of that Government disliked them as much as the civilians.

16,238. It seemed to me, from Lord Lansdowne's description, that the policy was one of greater interference than heretofore, both in forcing the tribes to keep the peace and in endeavouring to make it their interest to keep the peace; do you think that by this,

or by any other means, it would be possible to avoid such a disturbing influence on sound finance as these numerous expeditions?—I do not like a policy of constant interference. My impression would be that it would rather lead to expeditions than the reverse; but I am speaking very much in the dark, because I really do not know what the new arrangements may be.

16,239. Of course, we are looking at it simply from the financial side, the disturbing effect on the Budget of these sums of £200,000 or £300,000 that come constantly on the Budget?—Quite so.

16,240. And the point that struck us particularly in the return of Indian expenditure was, that in the period extending over several years from the date of about 1887 or 1888 forward to 1895 or 1896, the items of frontier expenditure were not only present every year, but were present in comparative numbers 3, 2, 3 and 4 in each year, whereas the previous years had been singularly free from them. That, of course, struck us as showing that, at all events, some change had taken place to cause this. Sir Henry Brackenbury and, I think, Lord Lansdowne, looked upon the present policy of interference, if I may so call it, as more likely to keep the peace than the former one. On the other hand, there is this to be said, that the actual figures did not present any such result?—I should be inclined to judge by the actual figures, and I should not think, from what you tell me, that that policy had proved itself successful; but I speak subject to correction upon that point.

16,241. They expressed themselves as being hopeful

for the future?—I hope it may be, I am sure. You know there are always persons who are urging frontier expeditions, and it is sometimes by no means easy for the Government to resist that pressure; but if the Government were determined to resist frontier expeditions, unless they were absolutely necessary, I think you would find that the number of them would very greatly decrease.

Lord Lansdowne on the Indian Army

15,996. (*Mr Courtney.*) Have you considered, Lord Lansdowne, from the point of view of India itself, whether, supposing she were isolated from the United Kingdom, it would be necessary to maintain a force such as is borrowed from the United Kingdom and in the same degree of efficiency?—I should say certainly not. The Indian Army is organised with a view to the possibility of its employment upon operations which have nothing to do either with the internal policy of the country or with the mere repression of tribal disorders upon the frontier.

15,997. Then would it be a fair suggestion that the difference in the cost of training that force so borrowed, between what would be necessary for Indian purposes and the standard which is kept up for Imperial and home purposes, should be borne by the home exchequer?—It is very difficult to express these things precisely in terms of money; but your question seems to me to point to the principle which I was endeavouring in my answers to the Chairman to enforce.

15,998. That we for home purposes, for Imperial purposes, are keeping the army at a higher standard of efficiency than India, taken by itself, would require, and that we should make that consideration an element in arriving at the settlement of charge between the two countries?—Certainly, an element.

15,999. That cannot be put into figures, but still it is an important element in the spirit in which we should approach this settlement?—That is my view.

*Lord Wolseley on the Treatment of India and
the Colonies*

13,270. And, therefore, the very fact of these reserves being here is a source of great economy to India?—Certainly it is; and the best proof of the necessity of the reserve in India was the war of 1857. Supposing there had been no England to draw upon, and no English army to draw upon in 1857, what should we have done, where should we have been?

13,271. (*Mr Buchanan.*) That applies, of course, to the whole Empire, does it not? And the difference of the position of India to any other part of the Empire in such an emergency is that, whereas, in the case of a military eventuality in South Africa, we make our whole military reserves available, and we pay the bulk of the charges, we do the same to India, and we make India pay the whole?—India pays nothing for our reserves at all.

13,272. But when they are sent out, we make India pay the whole?—Yes.

13,273. When we send out a military force in the case of an emergency in the colonies, we pay the bulk of the expense ourselves?—Yes.

*Lord Roberts on India as Training Ground for
the British Army*

15,664. Do you attach importance to the argument that India affords the best training ground for the British Army during peace as a ground for reducing the home charges of British regiments in India?—I think that everyone who has served in India of late years must admit that it affords by far the best training ground for troops, and this fact should not be lost sight of when the apportionment of charges between England and India has to be considered. I doubt if any country is so peculiarly well adapted for training troops as India is. At all large centres ground can be found where artillery can conveniently carry on practice with the present far-reaching guns. In the immediate neighbourhood of nearly every station, in some places at the very door of the barracks, ranges exist where soldiers can practice with their rifles at any leisure moment. Vast tracts of ground are available for manœuvres on an extended scale, and owing to the amount of transport obliged to be always kept up, these manœuvres can be carried on as nearly as possible on service conditions. Then the general state of readiness for taking the field at a moment's notice, which is the normal condition of troops in India, renders that country an admirable school of instruction for the Queen's troops serving in India,

and does not in any way cause them to imbibe false notions of what active service in Europe is like. The lives of British soldiers in India are too valuable to be risked to no purpose, and it would be the height of folly to require them to perform such offices as cooking when native labour is cheap. The men are taught to cook, and can look after themselves and their officers when occasion requires, and the fact that life in India is more luxurious than in more temperate climates, does not in any way detract from military efficiency, or make troops less fitted for war in other parts of the world. I think it has been proved that British soldiers from India who have taken part in campaigns in Egypt and South Africa were quite as well able to look after themselves as were their comrades who came direct from England; and as regards efficiency, they were, to say the least of them, not inferior. There is another advantage, too, which India possesses, and that is, that officers, especially young officers, are oftener placed in positions of responsibility than they are in the United Kingdom. This is especially the case as regards Royal Engineers, but it holds good also with all the branches, and only those who know from experience how heavily responsibility weighs upon men when they suddenly find themselves in positions of difficulty can appreciate the value of this kind of training. The fact is, that from a training point of view, India is a very great strength to the army of the United Kingdom.

15,665. Would you agree that England and India are partners, and that India may be expected to pay the charge for her own defence?—Yes, most certainly.

15,666. (*Mr Courtney.*) Do you deduce any practical conclusion from the answer which you made just now? —I think it should be taken into consideration in the apportionment. . What I said was this: "This fact ought not to be lost sight of when the apportionment of charges between England and India have to be considered."

*Sir Henry Brackenbury on the Indian
Army Expenditure*

14,782. It is not the amount that either the War Office or anybody else is proposing to charge India? —I perfectly understand that; but, as I understand it, the basis of these charges generally is that India should repay to England what it can be proved that England would not pay but for the military requirements of India, subject to what, I think, is called some sort of debate. Well, my personal opinion is that it is altogether wrong that there should be any such theory as that at all; and if I might be allowed to give my reasons for that opinion. In the first place, I would say that the army in India is largely in excess of the requirements for the preservation of internal order in India. The strength of the army in India is calculated to allow of a powerful field army being placed on or beyond the Indian frontier, in addition to the obligatory garrisons required for keeping order in India. The necessity for maintaining in India that powerful field army, in addition to the obligatory garrisons, is caused by the approach of a great Military Power into a pos-

ition which enables her to threaten directly Afghanistan, to which we are under treaty obligations, and indirectly to threaten the security of India. The foreign policy of India is directed entirely from England by Her Majesty's Government, and it is part of British foreign policy generally. The object of British foreign policy generally, I believe, is to secure British rule over the British Empire. If it were desired to maintain British rule in India only for India's sake, then I think it would be fair to make India pay to the uttermost farthing everything that could be shown was due to Britain's rule over India; but I cannot but feel that Britain's interest in keeping India under British rule is enormous. India affords employment to thousands of Britons; India employs millions of British capital; and Indian commerce is of immense value to Great Britain. Therefore it seems to me that India being held by Great Britain, not only for India's sake, but also for Great Britain's sake, Great Britain should pay a share of the expenditure for this purpose; and in estimating what that share should be I think that England should behave generously, because, in the first place, England is a rich country, and India is poor country. It is not altogether a fair basis of comparison of their comparative richness and poorness, but it is one that is worth bringing to notice, and that is the income tax of India, as compared with the income tax of this country. In India you have an income tax of two and a half per cent, about 6d. in the pound. I cannot lay my hand exactly on what that income tax produces, but I believe that the 6d. in the pound produces less than £1,000,000

sterling; in England every 1d. produces considerably over £2,000,000 sterling. Moreover, Indian taxation is chiefly derived from land revenue and salt duties, and those fall ultimately on the poorest classes. Another reason why I think England should be generous to India is that India has no representation. I believe that it is an absolute necessity that she should have no representation under her present conditions; but it seems to me that where a nation is practically arbitrarily governed, the governing power should behave generously to the nation it so governs.

14,805. (*Mr Courtney.*) That force includes the 75,000 British soldiers?—That includes the 75,000 we have now. In the days of the Mutiny I do not remember what the proportions were, but they were something like six to one of native troops to British troops. The artillery was in the hands of the natives, the arsenals were in the hands of the natives. Now the proportion throughout the whole of India is two and a half to one of native troops to British troops. The natives have not got a gun, a single artillery gun, in their hands, with the exception of a few little mountain batteries; and the whole of the arsenals are in the hands of the British troops. To my mind you have got a condition of safety now in India which makes it utterly improbable that India should require soldiers from England to maintain internal order in India. The occasion when India would require soldiers from England is on the occasion of her northern frontier being threatened by a great power; and that is the occasion when England would not be able to send them; and

therefore it is that I say it is not right to say that England contributes by keeping a reserve for India.

14,886. You seemed to think that the rule of India by England was much more in her own interests than in the interests of the Indian people?—No, I again most distinctly disclaim having said that. There is no one who holds more strongly than I do the immense advantage to India of British rule. I hold it as an article of my faith, but I hold, and I used the expression, that it is an enormous advantage to England to have India.

14,887. You gave, as one of the reasons, the occupation that it gave to English people?—Yes.

14,888. To what extent do you think it gives occupation to English people? What is the English population in India?—The British population in India? I cannot say offhand what it is.

14,889. Including the army?—I cannot say what it is.

14,890. Two hundred thousand?—It may be 200,000.

14,891. Including the 73,000 military forces?—Yes, I do not know really what it is.

14,892. The military forces comprise, of course, the local forces, which include a large number of Europeans. I suppose the European population may roughly be taken at about 80,000 or 90,000 military and 100,000 civilians?—I do not really know what the population is.

14,893-4. That is not a very large number to be personally benefited?—Well, that is a matter of opinion.

I should say it was a very large number to be employed.

14,895. (*Chairman.*) Perhaps it would be hardly worth while for the British taxpayer to pay £1,000,000 to keep those 200,000 persons in employment, would it?—That was only one of many things. I was stating the advantages to England, and I said India employs a large number of Englishmen. Look at all the hundreds and thousands of people that we know whose sons have gone out to India and got employment there; and the great commerce which we have with India; and with regard to that what I would point out is that if India, for instance, were to fall into the hands of Russia, we know perfectly well that our commerce there would become practically extinct, because, if she did not actually prohibit the importation of British goods, Russia would put on such differential duties on them that she would make it practically impossible for them to be imported, as she does in Central Asia and elsewhere.

14,896. Unless there is any other point that you would wish to call attention to, these are all the questions we have to ask?—I have nothing else. But I should like to express my opinion that if this Royal Commission could see its way to recommending the abolition of all these accounts for military and naval services, for the Secretary of State's salary and the expenses of the India Office, for diplomatic and consular charges in Persia, China, and elsewhere, and to substitute for them a fixed contribution from India, as her return for the advantages she derives from Her Majesty's

Government and Her Majesty's Navy, treating India more generously than she is at present treated in these accounts, the acceptance of such a recommendation would remove many constant causes of irritation, and would do much to convince all classes in India of the desire of this country, which rules India, to treat India justly and generously.

Sir Edwin Collen on the Apportion of Military Expenditure between Great Britain and India

6167. (*Mr Buchanan.*) Has not the principle of this charge been laid down by the Government of India Act of 1858 in which it says that:—"Except for preventing or repelling actual invasion of Her Majesty's Indian possessions, or under other sudden and urgent necessity, the Revenues of India shall not, without the consent of both Houses of Parliament, be applicable to defray the expenses of any military operation carried on beyond the external frontiers of such possessions by H.M. forces charged upon such Revenues?"—That principle has been laid down; but then I suppose the House of Commons ratified the charge.

6170. Would you say this parliamentary control however, has not been as effectual as the Government of India would like?—Yes.

6171-2. I mean, looking at the list of expeditions, we find that the Abyssinian expedition, the Perak expedition, and the two Egyptian expeditions have all been charged upon the Government of India. Still, looking at it from the point of view of the Government

of India Act; would you agree with me in saying that, in accordance with what appears to be the intention of that Act, India should not have been charged with the ordinary expenses, much less with the extraordinary expenses, of any of these expeditions?—That is my personal opinion; but I can hardly express the view of the Government of India on those points.

6197. Then I think at the close of your memorandum you say: "The general principles should be determined which should regulate the division between the British and Indian Treasuries of the charges on account of the European troops in India, with special reference to the fact that the military forces of the United Kingdom are organised to meet the requirements of the whole Empire, that India has no voice in deciding on the nature of such organisation, and that she, as a poor country, is made to enter into a general partnership with England, one of the wealthiest countries in the world. The contribution to be paid by India should be decided with special reference to the relative positions and wealth of India and England, to the fact that India supplies a great training ground for the British portion of the Indian army. Further, it is considered that a contribution should be made by the Imperial Exchequer towards the cost of the fortifications which have been erected on the frontier, or to defend the ports of India against attack by great European Powers, and that England should bear a share of the cost of Aden which is practically an Imperial fortress." I read those paragraphs in order to ask you whether you would wish to amplify them in any sense?

—No, I think that that represents in brief what I wish to say.

6619. . . . Further in the memorandum inclosed in the Government of India letter of the 25th March 1890, the following passages occur; "India is incurring great expenditure in the increase of the army, and in armaments and defences for the maintenance of British supremacy in the East. It is surely not unreasonable to consider that England should bear a share of this burden, the principle should be that of true reciproca-tion, and India should not be charged on account of expenditure which must necessarily be incurred by England for the maintenance of her army and the Empire at large." . . . "That India should be con-sidered as affording a training ground for the officers and men of the British army, that the relative financial capacities of the two countries should be considered, and the whole matter adjusted on broad and statesman-like views of public policy." Well, I apply all these, in the words of the Government of India, to the general question of all the relations between Britain and India in regard to charges in both countries for their common interests. It was suggested by Mr Ryder that the Government here, or the British Exchequer, was re-quested and prayed to show mercy and pity to a poor partner, and that it is only in that way that we are asking from Great Britain not to charge this and not to charge that. Well now, I maintain, as Mr Fawcett did very distinctly state—he said (Hansard, vol. 250, p. 454) distinctly he wished to explain (this was on account of the Afghan war that he said this), that so far as India

was concerned, this was not to be regarded as a matter of generosity, but of justice and legality; and he again repeated the words, "the matter must be decided on grounds of strict justice and legality." And then Mr Gladstone (p. 932) completely adopted all that Mr Fawcett had urged, both with regard to the principle upon which the expenses of the Afghan army should have been apportioned between the two countries, viz. that of a very substantial contribution from Britain; but not on the ground of generosity or pity, but on the ground of simple justice and legality; and that is what I ask should be done. Do you not think so?—I think certainly that the principles of justice and legality should be followed.

Lord Cromer on a Court of Arbitration

13,642. That is what we should like to hear?—My view of the question of the home charges is this: I believe there is a very general wish in this country, in Parliament, and amongst Ministers of whatsoever party, to deal not only justly, but even generously, with India; but I think it would be an extremely good thing if you could arrange in some way a Court of Arbitration to deal with these matters. It is not only that the settlement should be just, it is of the highest importance that everybody in India should think it is just, not only the natives, but the European public, who have also to be considered, and the Government of India themselves. Under the present system, although I am

not alluding to any special point, or saying that the distribution has been unjust, there is no means of making the people in India think it is just. It is supposed to be arranged between the various departments and the India Office, and the general impression, rightly or wrongly, is that the English view is advocated with greater strength, and more successfully, than the Indian view. Whether that be right or wrong, the mere fact that such an opinion exists is an evil, and therefore I should be very glad indeed if something could be done to have some court of arbitration to settle these matters. That is all the more desirable, because a great many of these matters must be rather the subject of equitable compromise than anything else. Take the case of Aden, to which somebody alluded in the course of these discussions: it is perfectly impossible for anybody to make any precise calculation as to what contribution India should pay for Aden. India is very much interested in Aden, and so are Ceylon, Hong Kong, and the Straits Settlements, and English commerce generally. It is a matter of judgment how much India should pay; and it would satisfy Indian opinion, and do a great deal of good in that way, if there were some court of arbitration instituted to settle these matters.

13,650. (*Mr Buchanan.*) Would you give power to either party to refer any question on which there was apportionment of charge to the board of arbitration?— I think I should. I should make them the court of appeal; in fact, I almost think they ought to be constituted by Act of Parliament with the necessary powers laid down specifically.

13,651. Something like the Judicial Committee of the Privy Council?—Very much of that nature, yes.

13,652. And when a question arose between Home Departments and the Indian Government as to the apportionment of any charge, would you give the power to either party to refer it to the board of arbitration, or would it necessarily go there?—No; I think I would give either of them the power of-referring; of course, restricting myself to financial questions—nothing else but pure finance.

13,653. And in regard to these charges which have permanently to be apportioned between England and India, the military charges, and the capitation grant, would you say that they, at intervals of five or ten years, should be referred to this board of arbitration?—I think so. My inclination certainly would be to give the utmost possible guarantee to the Indian taxpayers and the Indian public, that all these questions are decided by some body of men who are quite independent, and who are not in any way biassed against them. I repeat that I am not saying that in the past the decisions have been unjust, but what I want is to satisfy the Indian public that that is not the case, which I think is of great importance.

*Sir Auckland Colvin on the Viceroy's Council as
representing Spending Departments*

3216. May I ask you one or two questions which Sir Ralph Knox wished to ask you, and which I shall be glad to put to you even in an imperfect way. They referred to the constitution of the Council of the Vice-

roy. Am I not right in thinking that the number of the Council, the Executive Council, I think you call it, is eight?—Not so many as that.

3217. Seven?—There are the Viceroy, the Commander-in-Chief, the Military Member, the Home Member, the Public Works Member, the Finance Member, and the Legal Member—seven.* It varies, it is not necessarily the same; the Public Works Member is not always there.

3218. Out of that number we may say that all represent spending departments, except the Viceroy himself and the Financial Member?—I should not make that exception there; I should make no exception there. The Viceroy is in charge of the Foreign Department, which has a very large political area beyond the Indus, which causes very considerable expenditure.

3219. Unless the Viceroy throws his weight on the side of economy, the Financial Member stands quite alone?—Yes.

*Sir David Barbour on the weakness of Financial
Check in India*

2224. I think I am right in saying that in many respects the Financial Member stands alone as against the whole of the other Members of Council, in respect that he is the one to furnish the funds, and the others want to spend funds?—That is the case, of course; that is necessarily the case. The different departments want money, and he has to keep some check upon them, if he can.

2225. So that, though he may be stronger in his department individually as against any particular department, he is not strong enough to resist the whole of the Council?—He cannot resist the majority.

2226. And the general feeling is that he has got to provide the funds for the necessary requirements of the others, so that he finds himself rather in antagonism with the general feeling of the Council?—Of course he must have continual controversies going on as regards particular items of expenditure; that is inevitable.

2227. And therefore, supposing the Viceroy is inclined to some military operation and the Military Member of the Council is not actively opposed to the Commander-in-Chief, there would be at once a very large majority against the Financial Member?—Oh, yes, of course.

2301. And in the whole arrangement of the Budget and of expenditure the Indians themselves have no voice whatever?—Of course, they have no direct and immediate voice; but there is no doubt that the Government of India does pay a certain attention to public opinion in India; every Government does.

2302. But they have no direct voice in the matter?—No direct voice as far as I can see.

2303. By the Act of 1861 (19), without the permission of the Governor-General no member can introduce any measure (which virtually amounts to exclusion) about matters affecting the public debt or public revenues or for imposing any charge on such revenues, or the discipline and maintainence of any part of Her Majesty's military or naval forces. This

means that, as far as the spending of our money is concerned, the Legislative Council is simply as if it did not exist at all?—I do not think the Legislative Council as it is now constituted has no influence, but it has not much direct influence upon expenditure.

2304. The Legislative Council is, of course, the primary source and the authority for expenditure. It is in the Legislative Council that the Budget of India is settled?—No, it is not passed in the Legislative Council.

2305. It is first passed by the Executive Council, and then it is legalized?—No, it is never legalized at all. It is merely read and discussed.

2344. Therefore the ultimate force is the personality of the Viceroy?—Yes, but there are two forces. The tendency is ordinarily for pressure to be put on the Financial Department to incur expenditure. It is practically pressure. The other departments are always pressing to spend more money; their demands are persistent and continuous. It is uncertain whether the Viceroy will support the Financial Member of the Council or not. If he does not give him support, the Financial Department is weak; if he does give that support, the Financial Department is strong.

*Mr S. Jacob on the increase of the Public Debt
and the Home charges*

7244. (*Chairman.*) Perhaps we may now take the debt as a whole. I see that the total debt of the Indian Government in 1875 consisted in India of

Rx.69,850,000, and in England of £48,600,000, making a total, accepting for the moment the valuation of the rupee at one-tenth of a pound, of £118,450,000?—Yes, those are the correct figures in round numbers.

7245. In 1895 the debt in India was Rx. 104,373,000, and in England it was £116,005,000 Putting them together on the same basis they amount to £220,378,000?—That is so.

7246. Therefore the increase is in round figures Rx.102,000,000?—Yes.

5431. Then perhaps you will turn to Table X. Table X. shows an increase of net expenditure in England from Rx.12,501,000 in 1875-6 to Rx. 15,681,000 in 1895-6, and that is exclusive of the charge involved in exchange?—(Mr Jacob.) Yes, that is the total charge in England; that is not the charge for the army only.

5432. Yes; I am taking the total first of all: Sir Henry has separated the army charge in Table X., and I shall next call attention to the columns in the Table X. which refer to the army?—Yes.

5433. That increase on the whole therefore is a little over Rx.3,000,000?—Yes.

Mr S. Jacob on Irrigation Works and the absence of a Sinking Fund in India

8757. Can you tell us what is the total capital outlay on irrigation works for the period we have usually taken, namely, 1874-75, 1875-76 and 1892-93, or

1893-94, whichever year is convenient?—The total capital expenditure has increased from Rx.12,897,901 at the beginning of 1875-76 to Rx.30,343,404 at the end of 1894-95. The total capital expenditure incurred up to the end of 1896-97 is estimated at Rx.31,921,000; that includes estimates for 1895-96 and 1896-97.

8758. (*Mr Jackson.*) For what period is that?—That is the total capital expenditure up to date.

8759. £31,000,000?—Rx.31,921,000.

8760. The amount of Rx.12,897,000 which you gave us, then, was the amount expended up to the period of 1875-76?—That was the total expenditure incurred at the beginning of 1875-76.

8761. (*Chairman.*) How long before that year, 1875-6, had there been capital outlay upon irrigation?—I do not remember when first capital expenditure was incurred, but it was certainly before 1859.

8762. Am I not right in thinking that Colonel Cotton's work was considerably anterior to the Mutiny?—It must have been.

8763. And, therefore, irrigation works have been carried on over a long period, though they were not charged to capital in the early days in this form? or would the 12,897,000 include such capital expenditure as was made by Colonel Cotton?—It would include any expenditure by Government on those works which are classed as major works, at whatever period it had been incurred. When the present system was introduced, the account was carried back to include all past capital expenditure.

8764. And may we take it that that Rx.12,897,000, which we will call 13,000,000, really includes all anterior expenditure on major works?—Yes, all the expenditure which had been incurred by Government. At that time there were companies in the field.

8765. Which have since been bought up?—Yes, at least there was a company, I should say.

8766. Can you tell us how much of these sums of 12,897,000 and of 30,343,404 are represented by loans borrowed either in England or in India?—Of the Rx.30,343,404, about Rx.22,000,000 have been incurred from loan funds.

8767. And 8,000,000 would represent about the amount advanced out of revenue?—Yes; that includes the old expenditure which was incurred entirely from revenue. The expenditure which was first brought to account when the present system was introduced was Rx.5,293,000; when we first began to keep separate capital accounts, Rx.5,293,000, which had been incurred out of revenue previous to 1867-68, was brought to account against the capital.

8768. Up to that time there had been no borrowing for the purpose?—No.

8769. Then, in reality, the amount advanced of late years out of revenue has been comparatively small?—Yes.

8770. Not above three millions?—That is all.

8771. And all the rest has been borrowed?—Yes.

8772. (*Mr Jackson.*) Is there any sinking fund, or any provision for repaying the borrowed money?—No, there is no sinking fund.

8773. (*Chairman.*) As we have understood from your evidence on the subject of the debt, the settled policy of India, inasmuch as it is a constantly borrowing power, is not to set any sinking fund against the debt?—Yes. There have been proposals at various times to have sinking funds for certain portions of the debt, but they have invariably been disallowed, upon that principle, that, as long as we are borrowing, we should merely borrow a larger amount with one hand, in order to create a sinking fund to pay off other debt with the other.

*Mr S. Jacob on the loss to the Government incurred by
Railway Construction*

8123. Perhaps, in conclusion to the questions which I shall have to ask you on the subject, you would give us a *resumé* of the mileage, the capital outlay, the gross earnings, the working expenses, and the net earnings in the years 1876 and 1894, beginning with the open mileage?—In 1876 the open mileage was 6862; and in 1894 it was 18,841; in 1876 the capital outlay to date was Rx.112,000,000, and in 1894 it was Rx.246,880,000; in 1876 the gross earnings were Rx.8,794,000, and in 1894 Rx.25,510,000; in 1876 the working expenses were Rx.4,229,000, and in 1894 they were Rx.13,530,000. In 1876 the net earnings were Rx.4,565,000, and in 1894 they were Rx.11,980,000.

8124. That is a summary of the condition of railroads in 1894 in India?—Yes.

8125. The Rx.246,880,000 practically covers all

capital expenditure?—Except that Rs. 8,000,000, which I mentioned before.

8126. Which, at all events, it is open to argument that it ought to be included?—Yes.

8142. (*Mr Buchanan.*) With reference to the last point, whilst you can show that on railways there has been a return in rupees of about four and three-quarter per cent. on the amount of rupees spent on railway construction, has the construction of railways by the Government of India been a source of profit to the Exchequer as a whole?—No, it has been a loss upon the whole.

8143. It has been upon the whole a loss?—Yes, I mean leaving out all indirect advantages, and looking merely at the actual direct result upon the finances.

8144. Financially it has been a loss?—Yes.

8145. Mainly due to the fall in exchange?—Yes, and the high rates of sterling guaranteed interest.

8153. Then you are really embarking further in the policy of railway extension?—Yes, and we are constructing some large railways, which only gradually come into working.

8154. And has the Government satisfied itself that there is a fair prospect that these will not throw an increased financial burden upon the exchequer?—In the case of every individual railway, except in the case of those which are constructed as military or protective lines, the Government does ascertain, before construction is commenced, that there is a reasonable prospect of the railway producing a net return of at least four per cent. upon the capital expenditure.

*Sir Henry Waterfield on Local Cesses imposed
on Land*

605. Are the Provincial Governments allowed to impose any local duties for their own local use, and have they done so?—Such of the Provincial Governments as have legislative councils have, with the consent of the Government of India, imposed provincial or local rates since the alteration of the system made in 1877.

606. How would you describe those provincial rates?—They are rates or cesses on the land, collected generally with the land revenue, and applied either exclusively to local purposes, or under certain rules to the general purposes of the province. A proportion not exceeding ten per cent. may be taken for public works in the province generally, but not necessarily for the district in which it is collected. The bulk of it is entirely for local purposes.

607. Are they at all analogous to what they call in France *centimes additionels*?—I do not know the French system.

608. Under that system, as I understand it, there is a certain rate of tax, and then for local purposes there is levied in addition, we will say, to every five francs, five centimes, which they call *centimes additionels*. Would it resemble that, or would it be an entirely fresh tax upon the land?—In the first inception of these local rates it was very much of the nature that you have described. There was a three per cent. levied for general purposes, and then one per cent. more for local public works, but I do not think now that it is levied

in the same fixed manner; it varies according to the province, and according to the Act that is in force in the province.

609. But it is a percentage on the land tax?—It is a percentage on the land.

610. On the land tax?—I see your point.

611. (*Mr Courtney.*) Does it run throughout the whole province, or is it attached to districts or municipalities?—I think the local rate is the same for each district throughout the province. I think there is no variation in that, but it is levied on the land. (*Mr Jacob.*) In some cases it is an actual percentage on the land revenue, and in some provinces before legislation was undertaken it was levied under the settlement arrangements; as a part of the settlement arrangement the land revenue was fixed, and then a percentage upon that of so many annas in the rupee, as we put it generally in India, was fixed for education, roads and schools.

612. Education and schools?—(*Sir Henry Waterfield.*) Yes, and hospitals.

Mr D. E. Wacha on the Growth of Expenditure

17,743. Looking at the evidence you have given us on the increase of expenditure generally, may I ask you whether you have arrived at any conclusions on the strength of the facts so stated, which you would like to place before us?—From the foregoing examination of the progress of expenditure it will be evident to the Commission:—

- (1) That the financial embarrassments which prevailed during the decade owe their origin principally to the enormous growth of military expenditure, which has led to the imposition of additional taxation, which now amounts, including the customs duties on cotton goods, to nearly 6 crores.
- (2) That the growth in civil expenditure is also very considerable. But so far as this is concerned there is not much cause of complaint save in one respect, namely, that the costly foreign agency absorbs a large portion of the revenue which could be considerably saved if there was more extensive employment of Indians in the higher grades of the administration. It may be observed that adequate civil expenditure of a productive character is much to be desired. I mean such as gives the taxpayers a fair *quid pro quo*, such as education for the masses, more efficient administration of justice, greater village and town sanitation, and all other works of public utility which contribute to the expansion of provincial resources and prosperity of the people.
- (3) That the burden of exchange might easily have been borne, without resort to fresh and enhanced taxation, had the military expenditure been on the basis of 1884-5.
- (4) That a similar growth, if allowed to go unchecked in future, is liable to plunge the Government into fresh embarrassments, leading to further

taxation, which is neither desirable in the interests of good and stable government, nor in the interests of the people, among whom there prevails sullen discontent, inasmuch as their capacity to bear further burdens has been greatly crippled. The Secretary of State writes imperative despatches for strict economy, and for exercising utmost care in public expenditure, for the danger of increasing the burdens of taxation has to be borne in mind. (*Vide* Despatch 12th April, 1888, vol. ii., Appendix, p. 141; Despatch of 3rd November, 1892, vol. ii., Appendix, p. 154.)

These warnings seem to fall on deaf ears, and Secretaries of State do not enforce what they enjoin, and the despatches only remain pious intentions. At any rate the Commission must have noticed how in spite of them expenditure has grown apace. Since 1892 taxation to the extent of about 3 crores has been added, while the military activity beyond the frontiers was even greater in consequence of the acquisition of Gilgit, which ultimately led to the occupation of Chitral at a cost of $1\frac{1}{2}$ crore and with a permanent annual charge of 25 lakhs! The State Secretary himself is a silent or originating party to this kind of expenditure, so that it may be truly observed that the despatches are practically of no effect, and that both the Secretary of State and the Government of India must be held equally responsible for that expenditure.

It is a well-known fact that India has no true surplus

to speak of. It lives at the best from hand to mouth, and is oftener than not in a condition of embarrassment from which it relieves itself only by windfalls or borrowing or by enhanced taxation which every time that it is imposed diminishes the capacity of the taxpayer, whose income does not exceed Rs.27 per annum.

From 1849-50 to 1394-5 there has been a net deficit of 37.62 million Rx. In other words, during the forty-six years, Indian finances have exhibited an annual deficit of Rx.800 000 on an average. The most essential fact seems to have been invariably lost sight of, that India is made a poor country by the "bleeding" it has been subjected to, and can, therefore, have but a poor revenue. That a system of administration, however well-meaning, which takes no cognisance of this essential fact but goes on adopting a western system of Government, a system of an alien Government in which the people have no voice and which is besides known to be costly, must in the long run end in financial disaster, however long it may be coming in. I go further and say it is a system unnatural and foredoomed to failure. Under the circumstances Indians cannot but view with the gravest apprehension any further increase of expenditure.

Mr G. K. Gokhale on the exclusion of the people of India from high appointments in India

18,331. I think you were going to offer some observations on the services?—Yes, In every department

of Indian expenditure the question of agency is one of paramount importance. According to a Parliamentary return of May, 1892, we have in India in the higher branches of the civil and military departments a total of 2388 officers drawing Rs.10,000 a year and upwards, of whom only 60 are natives of India, and even these, with the exception of such as are judges, stop at a comparatively low level. And they are thus divided :—

| | Natives. | Eurasians. | Europeans | In Thousands of Rupees. | | |
|----------------------------------|----------|------------|-----------|----------------------------|------------------------------|------------------------------|
| | | | | Total Salaries of Natives. | Total Salaries of Eurasians. | Total Salaries of Europeans. |
| Civil Department. | 55 | 10 | 1,211 | 947 | 151 | 25,274 |
| Military | 1 | 1 | 854 | 12 | 11 | 13,268 |
| Public Works . . | 3 | 4 | 239 | 33 | 45 | 3,415 |
| Incorporated Local Funds | 1 | — | 9 | 10 | — | 113 |
| Total . . . | 60 | 15 | 2,313 | 1,002 | 207 | 42,070 |

In addition to these the railway companies employ 105 officers, drawing Rs.10,000 a year and more. They are all Europeans, and their total salaries come to 16 lakhs 28 thousand rupees. If we come down to officers drawing between Rs.5000 and Rs.10,000 a year, we find that we have 421 natives in the civil department, as against 1207 Europeans and 96 Eurasians. In the military department there are 25 natives, as against 1699 Europeans and 22 Eurasians. In the public works department there are 85 natives as against

549 Europeans and 39 Eurasians. And in the Incorporated Local Funds there are 4 natives as against 22 Europeans and 3 Eurasians. The total salaries of officers of this class are thus divided: Civil Department, natives, Rs.2,905,000; Eurasians, 650,000; and Europeans, 8,830,000. In the Military Department, natives, 164,000; Eurasians, 139,000; and Europeans, 13,698,000. In the Public Works Department, natives, 537,000; Eurasians, 278,000; and Europeans, 3,962,000. And in the Incorporated Local Funds, natives, 25,000; Eurasians, 17,000; and Europeans, 146,000. In addition to these there are, under the railway companies, 258 officers of this class, of whom only 2 are natives, 8 being Eurasians and 248 Europeans. Their salaries are thus divided: natives, 12,000; Eurasians, 50,000; and Europeans, 17,10,000. In England £125,360 is paid as salaries by the Indian Government, and £54,522 by railway companies, all to Europeans. The financial loss entailed by this practical monopoly by Europeans of the higher branches of the services in India is not represented by salaries only. There are besides heavy pension and furlough charges, more than three and a half millions sterling being paid to Europeans in England for the purpose in 1890. The excessive costliness of the foreign agency is not, however, its only evil. There is a moral evil which, if anything, is even greater. A kind of dwarfing or stunting of the Indian race is going on under the present system. We must live all the days of our life in an atmosphere of inferiority, and the tallest of us must bend in order that the exigencies of the existing system may be satisfied.

Mr G. Subramania Iyer on admitting Indians to some share in the control over Financial Administration

18,767. Perhaps you would run through them, would you?—Yes. Before proceeding to express my views on the subject of the system of provincial finance, which is an important wheel in our financial machinery, I shall point out my remedies thus far. 1. There can be no doubt that one way of strengthening the financial position of India would be as Sir Auckland Colvin says: "In some way without undue interference with the authority of the Government of India, to establish a control emanating from what theoretically is at present the last Court of Appeal, Parliament. A committee of the Members of Parliament, such as Sir William Wedderburn has suggested, to scrutinise the financial statement every year and to submit a report to the House of Commons before the financial statement is brought up for discussion, would in some measure secure this end. The Committee would of course pay due attention to the opinions of the non-official Members expressed in the Legislative Council of the Viceroy." It came out fully in the evidence before the Commission that the present system, by which disputes regarding the apportionment of certain charges between the two Governments are kept up for years and finally decided to the satisfaction of neither party, should be put an end to. It has been suggested that the principles which should be the general basis of apportionment should be laid down in a Treasury Minute, and that the application of these principles to instances where the two Governments might

not agree, should be left to an arbitrator, or a body of arbitrators, chosen by both the Governments. This suggestion commended itself to the Marquiss of Ripon and the Marquiss of Lansdowne. It would be a better system, I think, to rest the power of final decision in the Judicial Committee of the Privy Council. The Privy Council is a tribunal well known in India and would command from the people greater confidence than any arbitrators chosen from time to time. I have already pointed out the importance of the Members of the Secretary of State's Council being men in touch with the actual financial conditions of the day in India. To secure this end, the present system of appointing them for ten years, and keeping them on for a further period if the Secretary of State chooses, should be abolished. Their term of office should extend only to five years like the Members of the Government of India and the Provincial Governors, and they should not be eligible for re-appointment. Among the Members of the Council there should always be several Indians possessing necessary qualifications and not necessarily official. They should be appointed on the recommendation of the elected Members of the Legislative Councils. They would take care to put before the Secretary of State the Indian view, which he has no means of knowing under the existing system. Coming to the constitution of the Government of India in India, I have already pointed out the desirability of the Governor-General being divested of control over any particular department, so that he may have more time than he has at present to attend to internal affairs of the country, which unfortunately do not receive the same

attention that they used to receive in years previous to 1885. The Members of the Governor-General's Legislative Council should be empowered to vote on the Budget, although any decision adverse to the Government of India may be overruled by the President. There should be given greater scope for interpellation, and, whenever any measure of legislation affecting finance is in contemplation, the views of public bodies should be obtained beforehand as far as possible.

The Hon. Surendra Nath Banerjca on Apportionment of Military Charges and wider Employment of Indians in Civil Offices

19,320. You are going to proceed to give us your opinion on the growth of expenditure?—Yes. The question of the wider employment of the people of India in the public service of their own country is more or less a financial problem. The expenditure has gone on increasing, especially in the military department; and Indian public opinion regards the growth of military expenditure as utterly beyond what the country can bear, and as seriously interfering with legitimate expenditure on the most necessary domestic improvements. The people of India who are capable of forming a judgment on the subject are at one with Sir H. Brackenbury in the opinion that the cost of the portion of the Indian Army in excess of what is necessary for maintaining the internal peace of the country should be met from the British Exchequer, and the expenses of the salaries of the European portion of the Army ought to be fairly apportioned

between England and India. Until this is done, the resources of India will not be found equal for the purposes of good and progressive government, and no improvement is possible in the condition of the masses. By the wider employment of the people of India in the public service economy would be introduced, and an impetus imparted to the intellectual and moral elevation of the people. Ten years ago, the Public Service Commission, presided over by the late Sir Charles Aitchison, at that time Lieutenant-Governor of the Punjab, and consisting of some of the most distinguished officials and non-official representatives of the day, reported upon the question of public employment in India. The gist of their recommendations may be summarised as follows: That indigenous agency should be more largely employed in the public service, that the recruitment of the official staff in England should be curtailed, and advantage taken of qualified agency obtainable in India. In other words, the provincial service recruited in India should be the backbone of the administrative agency, subject to European supervision and control. "Considerations of policy and economy alike require," observed the Commission in their Report, "that, so far as is consistent with the ends of good government, the recruitment of the official staff in England should be curtailed, and advantage taken of qualified agency obtainable in India." As a matter of fact, however, the higher appointments in almost all branches of the public service are held by Europeans, although more than ten years has elapsed since the Commission have submitted their Report.

APPENDIX V

RETURN to an Address of the Honourable
Ordered, by the House of Commons

RETURN of the Number of all Persons who received from the REVENUES of form of Salary, Pay, Fees, Emoluments or Pensions), of which the the Number of Persons and Total Amount received in each Class; and and whether Resident or not Resident in India.

I.—AMOUNTS

Annual Salaries of Officers on Active

| | R. 1,000 to less than R. 2,500. | | R. 2,500 to less than R. 5,000. | | R. 5,000 to less than R. 10,000. | | R. 10,000 to less than R. 20,000. | | R. 20,000 to less than R. 50,000. | |
|--|---------------------------------|-------------|---------------------------------|-------------|----------------------------------|-------------|-----------------------------------|-------------|-----------------------------------|-----------|
| | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. |
| CIVIL DEPARTMENT: Including Military Officers in Civil employ other than those in the Public Works Department: | | R. | | R. | | R. | | R. | | R. |
| Europeans | 935 | 16,41,967 | 775 | 29,59,545 | 1,207 | 88,30,580 | 713 | 97,53,392 | 300 | 73,45,184 |
| Eurasians | 1,088 | 17,81,778 | 392 | 13,38,168 | 98 | 6,60,053 | 8 | 1,04,826 | 2 | 46,500 |
| Natives | 6,208 | 99,30,766 | 1,573 | 66,43,034 | 421 | 29,05,967 | 45 | 5,82,509 | 4 | 93,100 |
| MILITARY DEPARTMENT (Army): Excluding Officers employed with the Civil or Public Works Department: | | | | | | | | | | |
| Europeans | 2,222 | 34,88,720 | 1,960 | 73,61,068 | 1,699 | 1,36,98,676 | 749 | 1,04,43,416 | 81 | 19,09,318 |
| Eurasians | 336 | 5,27,941 | 84 | 3,87,196 | 22 | 1,39,928 | 1 | 11,427 | ... | ... |
| Natives | 1,367 | 20,30,086 | 134 | 4,42,002 | 25 | 1,64,672 | 1 | 12,000 | ... | ... |
| PUBLIC WORKS DEPARTMENT: | | | | | | | | | | |
| European (Civil) | 871 | 15,12,126 | 461 | 16,32,667 | 518 | 27,56,668 | 164 | 20,38,415 | 8 | 98,868 |
| " (Military) | 79 | 1,44,633 | 48 | 1,41,366 | 33 | 2,06,089 | 43 | 6,11,524 | 19 | 4,42,202 |
| Eurasians | 988 | 12,99,869 | 213 | 6,75,325 | 39 | 2,78,637 | 4 | 46,500 | ... | ... |
| Natives | 1,176 | 17,25,221 | 188 | 5,95,461 | 85 | 5,37,800 | 3 | 33,600 | ... | ... |
| FROM INCORPORATED LOCAL FUNDS: | | | | | | | | | | |
| Europeans | 15 | 25,680 | 24 | 92,508 | 22 | 1,48,280 | 9 | 1,18,400 | ... | ... |
| Eurasians | 82 | 50,940 | 11 | 40,280 | ... | 17,760 | ... | ... | ... | ... |
| Natives | 279 | 4,14,511 | 39 | 1,35,294 | 4 | 25,400 | 1 | 10,800 | ... | ... |
| TOTAL { Europeans | 4,122 | 68,13,126 | 3,266 | 1,21,86,551 | 3,477 | 9,66,38,293 | 1,678 | 2,29,60,154 | 406 | 96,96,074 |
| Eurasians | 2,444 | 36,61,528 | 690 | 23,40,969 | 160 | 10,66,378 | 13 | 1,61,553 | 2 | 46,500 |
| Natives | 9,035 | 1,41,00,884 | 1,934 | 68,15,881 | 535 | 86,33,849 | 50 | 6,38,909 | 4 | 93,100 |
| TOTAL | 15,591 | 2,46,74,236 | 5,890 | 2,13,43,401 | 4,172 | 2,13,58,510 | 1,741 | 2,37,60,716 | 412 | 96,27,674 |

Note.—The term "Natives of India" include only persons of pure Asiatic blood, and not "Statutory Natives" in the sense that they are domiciled there, and that India is their home.

AST INDIA SALARIES

the House of Commons, dated 24th April 1892

Printed, 17th May 1892

India, during the Year 1889-90, ANNUAL ALLOWANCES (whether in the amount was not less than 1,000 Rupees for each Person; distinguishing showing whether they were EUROPEANS, EURASIANS, or NATIVES of India,

AID IN INDIA.

service in India on the 31st March 1900.

| R.30,000 to less than R.40,000. | | R 40,000 to less than R 50,000. | | R.50,000 to less than R.60,000. | | R.60,000 to less than R.80,000. | | R 80,000 to less than R.1,00,000. | | R 1,00,000 and upwards. | | TOTAL. | |
|---------------------------------|-----------|---------------------------------|-----------|---------------------------------|----------|---------------------------------|-----------|-----------------------------------|---------|-------------------------|----------|--------|--------------|
| No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. |
| | R. | | R. | | R. | | R. | | R. | | R. | | R. |
| 25 | 40,89,975 | 46 | 20,34,004 | 7 | 3,70,000 | 13 | 8,81,760 | 1 | 86,000 | 6 | 8,16,800 | 4,128 | 3,87,09,216 |
| .. | ... | ... | ... | ... | ... | ... | ... | .. | ... | ... | ... | 1,576 | 39,21,123 |
| .. | ... | 6 | 2,70,000 | ... | ... | ... | ... | ... | ... | ... | ... | 8,252 | 1,94,27,376 |
| 9 | 2,83,198 | 12 | 4,01,556 | ... | ... | 2 | 1,32,000 | ... | ... | 1 | 1,00,000 | 6,735 | 3,78,18,448 |
| .. | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 443 | 9,66,492 |
| .. | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 1,527 | 26,48,760 |
| 2 | 60,000 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 3,020 | 90,98,144 |
| 3 | 1,64,944 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 225 | 17,10,757 |
| .. | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 1,244 | 22,99,431 |
| .. | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 1,452 | 28,92,082 |
| .. | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 70 | 3,77,866 |
| .. | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 46 | 1,08,980 |
| .. | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 323 | 5,86,096 |
| 141 | 45,98,117 | 58 | 24,35,556 | 7 | 3,70,000 | 15 | 10,13,760 | 1 | 86,000 | 7 | 9,16,800 | 13,178 | 8,77,14,431 |
| .. | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 3,309 | 72,96,026 |
| .. | ... | 6 | 2,70,000 | ... | ... | ... | ... | ... | ... | ... | ... | 11,554 | 2,55,54,313 |
| 141 | 45,98,117 | 64 | 27,05,556 | 7 | 3,70,000 | 15 | 10,13,760 | 1 | 86,000 | 7 | 9,16,800 | 28,041 | 12,05,64,770 |

India"; but most of the Eurasians, and some of the Europeans, included in the Return are Natives of India in

Absentee Allowances of Officers on Leave, including Privileges

| | R 1,000 to less than R. 2,500. | | R 2,500 to less than R. 5,000 | | R 5,000 to less than R 10,000. | | |
|--|--------------------------------|----------|-------------------------------|----------|--------------------------------|----------|-----------|
| | No. | Amount. | No. | Amount. | No. | Amount. | |
| CIVIL DEPARTMENT: | | R. | | R. | | R. | |
| Including Military Officers in Civil Employ other than those in the Public Works Department: | | | | | | | |
| Europeans | 261 | 80,768 | 248 | 1,27,868 | 481 | 4,12,287 | |
| Eurasians | 308 | 77,858 | 106 | 87,184 | 25 | 24,774 | |
| Natives | 1,597 | 4,86,330 | 405 | 2,01,756 | 177 | 1,01,916 | |
| MILITARY DEPARTMENT (ARMY): | | | | | | | |
| Excluding Officers employed with Civil or Public Works Department: | | | | | | | |
| Europeans | 595 | 4,05,862 | 622 | 6,63,487 | 442 | 6,92,718 | |
| Eurasians | 55 | 19,495 | 10 | 7,629 | 2 | 3,063 | |
| Natives | 569 | 2,45,308 | 31 | 29,300 | 1 | 946 | |
| PUBLIC WORKS DEPARTMENT: | | | | | | | |
| Europeans (Civil) | 458 | 98,278 | 143 | 98,467 | 144 | 1,64,104 | |
| " (Military) | 21 | 12,128 | 8 | 7,587 | 14 | 13,412 | |
| Eurasians | 367 | 66,733 | 41 | 20,141 | 16 | 26,800 | |
| Natives | 328 | 85,748 | 40 | 40,794 | 20 | 20,012 | |
| FROM INCORPORATED LOCAL FUNDS: | | | | | | | |
| Europeans | 4 | 3,218 | 1 | 440 | 3 | 4,200 | |
| Eurasians | 3 | 922 | ... | ... | ... | ... | |
| Natives | 44 | 12,104 | 5 | 1,882 | 1 | 3,200 | |
| | | | | | | | |
| | Europeans | 1,334 | 8,00,239 | 1,022 | 7,97,649 | 1,034 | 12,67,951 |
| | Eurasians | 733 | 1,64,808 | 157 | 94,954 | 43 | 54,022 |
| | Natives | 2,538 | 7,79,490 | 481 | 2,73,532 | 149 | 1,28,186 |
| TOTAL | | | | | | | |
| | TOTAL | 4,608 | 15,44,537 | 1,860 | 11,66,135 | 1,226 | 14,65,241 |

Leave, who drew Leave Allowances in *India* during the Year 1889-90.

| R. 10,000 to less than R. 20,000. | | R. 20,000 to less than R. 30,000. | | R. 30,000 to less than R. 40,000. | | R. 40,000 to less than R. 50,000. | | R. 50,000 and upwards. | | TOTAL. | |
|-----------------------------------|-----------|-----------------------------------|----------|-----------------------------------|----------|-----------------------------------|----------|------------------------|---------|--------|-----------|
| No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. |
| | R. | | R. | | R. | | R. | | R. | | R. |
| 309 | 4,92,859 | 118 | 3,32,029 | 49 | 1,98,637 | 19 | 81,080 | 2 | 30,349 | 1,432 | 17,56,772 |
| 2 | 4,287 | 2 | 3,979 | ... | ... | ... | ... | ... | ... | 448 | 1,77,334 |
| 15 | 24,525 | 4 | 12,350 | ... | ... | 1 | 2,750 | ... | ... | 2,149 | 7,79,627 |
| 295 | 5,41,017 | 21 | 1,03,341 | 1 | 7,795 | 5 | 34,780 | ... | ... | 1,981 | 23,49,000 |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 67 | 30,187 |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 601 | 2,75,554 |
| 42 | 80,772 | 2 | 5,724 | ... | ... | ... | ... | ... | ... | 784 | 4,47,340 |
| 11 | 26,415 | 2 | 7,343 | 2 | 4,012 | ... | ... | ... | ... | 58 | 70,892 |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 424 | 1,13,177 |
| 2 | 2,898 | ... | ... | ... | ... | ... | ... | ... | ... | 390 | 1,49,453 |
| 3 | 4,322 | ... | ... | ... | ... | ... | ... | ... | ... | 11 | 12,310 |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 3 | 922 |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 50 | 14,109 |
| 660 | 11,45,385 | 138 | 4,48,437 | 25 | 2,10,444 | 24 | 1,15,860 | 2 | 30,349 | 4,266 | 46,26,314 |
| 2 | 4,287 | 2 | 3,979 | ... | ... | ... | ... | ... | ... | 937 | 3,22,120 |
| 17 | 27,423 | 4 | 12,350 | ... | ... | 1 | 2,750 | ... | ... | 3,190 | 12,13,743 |
| 679 | 11,77,095 | 144 | 4,64,766 | 25 | 2,10,444 | 25 | 1,18,610 | 2 | 30,349 | 8,393 | 61,77,177 |

| | R.1,000 to less than R.3,000. | | R.2,000 to less than R.3,000. | | R.3,000 to less than R.4,000. | | R.4,000 to less than R.5,000. | | R.5,000 to less than R.6,000. | | R.6,000 to less than R.7,000 | |
|---|-------------------------------|-----------|-------------------------------|-----------|-------------------------------|----------|-------------------------------|----------|-------------------------------|----------|------------------------------|----------|
| | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. |
| | R. | | R. | | R. | | R. | | R. | | R. | |
| VII. DEPT. : | | | | | | | | | | | | |
| Europeans } Eurasians } | 261 | 2,28,200 | 112 | 2,44,571 | 51 | 1,63,405 | 38 | 1,42,127 | 24 | 1,15,415 | 8 | 43,62 |
| Natives | 628 | 7,72,971 | 149 | 3,30,586 | 82 | 2,48,521 | 44 | 1,81,247 | 20 | 95,470 | 4 | 24,00 |
| MILITARY DEPT. : | | | | | | | | | | | | |
| (a) Pensd. under Civil Regulns. : | | | | | | | | | | | | |
| Europeans } Eurasians } | 84 | 47,485 | 8 | 15,507 | 5 | 17,100 | 3 | 8,000 | ... | ... | ... | ... |
| Natives | 49 | 60,938 | 14 | 32,608 | ... | ... | ... | ... | ... | ... | ... | 0- |
| (b) Pensd. under Army and Marine Regulns. : | | | | | | | | | | | | |
| Europeans } Eurasians } | 196 | 2,51,418 | 91 | 3,11,976 | 11 | 38,144 | 4 | 17,436 | 6 | 28,956 | 1 | 6,636 |
| Natives | 324 | 4,58,014 | 17 | 36,273 | 1 | 3,530 | ... | ... | ... | ... | ... | ... |
| BLINDWORKS DEPT. : | | | | | | | | | | | | |
| Europeans } Eurasians } | 50 | 63,470 | 38 | 66,286 | 5 | 15,043 | 8 | 29,116 | 8 | 38,804 | 1 | 8,000 |
| Natives | 95 | 1,27,081 | 23 | 50,788 | 2 | 5,335 | ... | ... | ... | ... | ... | ... |
| STATISTICAL : | | | | | | | | | | | | |
| Europeans } Eurasians } | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Natives | 445 | 5,84,700 | 129 | 2,91,542 | 72 | 2,36,489 | 26 | 1,17,605 | 10 | 54,857 | 41 | 2,20,715 |
| PASSIONATE ALLOWANCES : | | | | | | | | | | | | |
| Europeans } Eurasians } | 8 | 8,220 | 1 | 2,400 | ... | ... | ... | ... | ... | ... | ... | ... |
| Natives | 13 | 12,896 | 4 | 5,162 | 3 | 7,886 | ... | ... | ... | ... | ... | ... |
| NOT INCORPORATED LOCAL FUNDS : | | | | | | | | | | | | |
| Europeans } Eurasians } | 1 | 945 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Natives | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| GENERAL : | | | | | | | | | | | | |
| Europeans } Eurasians } | 550 | 5,99,736 | 250 | 6,61,089 | 72 | 2,33,692 | 52 | 1,96,679 | 38 | 1,33,175 | 10 | 56,266 |
| Natives | 1,552 | 20,16,600 | 336 | 7,46,959 | 160 | 5,01,741 | 70 | 2,96,952 | 30 | 1,50,227 | 45 | 2,44,715 |
| TOTAL | 2,102 | 26,16,336 | 686 | 14,07,998 | 232 | 7,35,433 | 122 | 4,95,531 | 68 | 3,33,502 | 55 | 3,00,975 |

Note.—The percentage of Europeans drawing pensions
* Amount drawn by members of the Indian Civil Service, who pay for

East India Salaries

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n India.

| R 7,000 to less than R 8,000. | | R 8,000 to less than R 9,000 | | R 9,000 to less than R 10,000 | | R 10,000 to less than R 11,000. | | R 11,000 to less than R 12,000. | | R 12,000 and upwards. | | TOTAL. | |
|-------------------------------|----------|------------------------------|---------|-------------------------------|----------|---------------------------------|----------|---------------------------------|---------|-----------------------|-----------|--------|-----------|
| No | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. |
| | R. | | R. | | R. | | R. | | R. | | R. | | R. |
| ... | ... | 1 | *8,875 | ... | ... | 1 | *10,650 | ... | ... | 2 | *16,363 | 498 | 9,73,230 |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 1 | 4,364 | 926 | 16,57,159 |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 49 | 88,392 |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 63 | 93,546 |
| 4 | 22,957 | 1 | 1,183 | 2 | 11,891 | 4 | 31,427 | 2 | 22,785 | 16 | 2,72,170 | 338 | 10,16,976 |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 342 | 4,97,817 |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 110 | 2,38,719 |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 120 | 1,88,204 |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| 17 | 1,18,984 | 8 | 66,322 | 28 | 2,04,902 | 21 | 1,96,841 | ... | ... | 45 | 14,31,217 | 837 | 35,24,154 |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 9 | 10,620 |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 20 | 25,944 |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 1 | 945 |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| 4 | 22,957 | 2 | 10,058 | 2 | 11,891 | 5 | 42,077 | 2 | 22,785 | 18 | 2,88,533 | 1,006 | 28,28,889 |
| 17 | 1,18,984 | 8 | 66,322 | 28 | 2,04,902 | 21 | 1,96,841 | ... | ... | 46 | 14,35,581 | 2,308 | 59,31,824 |
| 21 | 1,41,941 | 10 | 76,380 | 25 | 2,16,798 | 26 | 2,33,918 | 2 | 22,785 | 64 | 17,24,114 | 3,313 | 83,10,706 |

In India is comparatively insignificant portion of their pensions by deduction from their salaries

| | £100 and under £250. | | £250 and under £500. | | £500 and under £1000. | | £1,000 and under £2,000. | | £2,000 and under £3,000. | | £5,000 and upwards. | | TOTAL. | |
|--|----------------------|---------|----------------------|----------|-----------------------|----------|--------------------------|-----------|--------------------------|---------|---------------------|---------|--------|-----------|
| | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. |
| SALARIES: | | £ | | £ | | £ | | £ | | £ | | £ | | £ |
| European | 181 | 27,316 | 84 | 27,919 | 60 | 40,825 | 19 | 22,300 | 1 | 2,000 | 1 | 5,000 | 346 | 125,360 |
| Eurasian | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Native | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| FURLOUGH PAY AND ABSENTEE ALLOWANCES: | | | | | | | | | | | | | | |
| European | 675 | 112,518 | 528 | 184,086 | 259 | 188,383 | 41 | 46,698 | .. | ... | ... | ... | 1,538 | 532,668 |
| Eurasian | 1 | 100 | ... | ... | ... | *988 | ... | ... | ... | ... | ... | ... | 1 | 100 |
| Native | 11 | 1,546 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 11 | 1,546 |
| RETIRED PAY AND PENSIONS: | | | | | | | | | | | | | | |
| European | 864 | 137,196 | 981 | †858,567 | 985 | †686,314 | 616 | †698,707 | 3 | 6,650 | ... | ... | †3,449 | 1,897,385 |
| Eurasian | ... | *561 | ... | *1,000 | ... | *2,800 | ... | *15,600 | ... | ... | ... | ... | ... | ... |
| Native | 1 | 220 | ... | ... | ... | ... | ... | ... | ... | ... | 1 | 6,910 | 2 | 7,130 |
| PENSIONS TOWARDS WHICH OFFICERS HAVE CONTRIBUTED: | | | | | | | | | | | | | | |
| European | 2,217 | 312,588 | 1,284 | 401,575 | 100 | 78,748 | 352 | 352,900 | 4 | 8,728 | ... | ... | 3,957 | 1,154,534 |
| Eurasian | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Native | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| GRATUITIES: | | | | | | | | | | | | | | |
| European | 2 | 278 | 1 | 453 | ... | ... | ... | ... | ... | ... | ... | ... | 3 | 731 |
| Eurasian | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Native | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| TOTAL (European | 3,939 | 590,442 | 2,878 | 973,600 | 1,434 | 998,053 | 1,028 | 1,126,205 | 8 | 17,378 | 1 | 5,000 | 9,288 | 3,710,678 |
| (Eurasian | 1 | 100 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 1 | 100 |
| (Native | 12 | 1,766 | ... | ... | ... | ... | ... | ... | ... | ... | 1 | 6,910 | 13 | 8,676 |
| TOTAL | 3,952 | 592,308 | 2,878 | 973,600 | 1,434 | 998,053 | 1,028 | 1,126,205 | 8 | 17,378 | 2 | 11,910 | 9,302 | 3,719,454 |

* Salaries drawn in 25 cases, in addition to the officers' pay or pension, and not included in the total of the column headed "Salaries."

† Including 241 medical annuities, to which the officers contributed.

‡ Including 40 Europeans drawing £12,449, who were resident in India.

III.—AMOUNTS PAID BY INDIAN RAILWAY COMPANIES.

(a) Resident in India.

| | R 1,000 and under R 2,500. | | R 2,500 and under R 5,000. | | R 5,000 and under R 10,000. | | R 10,000 and under R 20,000. | | R 20,000 and under R 30,000. | | R 30,000 and under R 40,000. | | R 40,000 and under R 50,000. | | TOTAL. | |
|------------------|----------------------------|-----------|----------------------------|-----------|-----------------------------|-----------|------------------------------|-----------|------------------------------|----------|------------------------------|----------|------------------------------|---------|--------|-------------|
| | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. |
| SALARIES: | | R. | | R. | | R. | | R. | | R. | | Rs. | | R. | | R. |
| European | 1,441 | 24,78,477 | 654 | 22,49,985 | 248 | 17,10,610 | 87 | 11,52,194 | 12 | 2,72,574 | 6 | 2,04,000 | ... | ... | 2,448 | 80,62,840 |
| Eurasian | 1,158 | 18,06,778 | 101 | 3,19,775 | 8 | 50,139 | ... | ... | ... | ... | ... | ... | ... | ... | 1,267 | 21,76,692 |
| Native | 863 | 12,54,885 | 30 | 1,00,174 | 2 | 12,300 | ... | ... | ... | ... | ... | ... | ... | ... | 895 | 13,67,359 |
| Total | 3,462 | 55,35,140 | 785 | 26,69,934 | 258 | 17,73,049 | 87 | 11,52,194 | 12 | 2,72,574 | 6 | 2,04,000 | ... | ... | 4,610 | 1,16,06,891 |

(b) Not Resident in India.

| | £100 and under £250. | | £250 and under £500. | | £500 and under £1,000. | | £1,000 and under £2,000. | | TOTAL. | |
|------------------|----------------------|---------|----------------------|---------|------------------------|---------|--------------------------|---------|--------|---------|
| | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. | No. | Amount. |
| SALARIES: | | £ | | £ | | £ | | £ | | £ |
| European | 94 | 14,724 | 51 | 16,280 | 31 | 19,058 | 4 | 4,510 | 180 | 54,522 |
| Eurasian | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Native | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Total | 94 | 14,724 | 51 | 16,280 | 31 | 19,058 | 4 | 4,510 | 180 | 54,522 |

APPENDIX W

COST OF FOREIGN WARS CHARGED TO INDIA

| Expedition. | Ordinary Charges. | | Extraordinary Charges. | |
|----------------------------|-------------------|------------------|------------------------|------------------|
| | Paid by India. | Paid by England. | Paid by India. | Paid by England. |
| First Afghan War, 1838-42 | all | none | all | none |
| First China War, 1839-40 | all | none | none | all |
| Persian War, 1856 | all | none | half | half |
| Abysinnian War, 1867-68 | all | none | none | all |
| Perak Expedition, 1875 | all | none | none | all |
| Second Afghan War, 1878-80 | all | none | all except £5,000,000 | £5,000,000 |
| Egyption War, 1882 | all | none | all except £500,000 | £500,000 |
| Soudan War, 1885-86 | all | none | none | all |

Vide Report of Royal Commission on Indian Expenditure, vol. ii. p. 805.

APPENDIX X

LETTER ON LAND ASSESSMENTS IN INDIA

To the Editor of the "Times"

SIR,—Even at a time when public attention is mainly confined to the incidents of the Transvaal war, Englishmen have not lost sight of the grave disaster

which has overtaken their suffering fellow-subjects in India. Over three millions of my countrymen are on relief works, and English administrators, from the highest to the lowest, are straining every nerve to save human lives in the midst of a calamity almost unexampled in its intensity even in India.

Permit me, as an old and faithful and retired servant of the Indian Government, to speak a few words at this juncture. For the present system of relief operations I have nothing but praise; from all accounts that I have received and am receiving from the tracts most seriously affected, I am convinced that all that is humanly possible is being done to save life. I wish, therefore, to confine my remarks to the subject of preventing such famines in the future, and making the cultivators of India more resourceful, more prosperous, more able to tide over bad years which must come from time to time.

In Bengal the cultivators are, generally speaking, prosperous and resourceful. It is within my experience that when the entire crops of a year were destroyed in certain tracts by a cyclone and storm-wave (in 1876) the people helped themselves out of their savings of previous years, and I scarcely opened any relief works except for a small number of orphans and old men and women. The old Hindu rule that one-sixth the gross produce of the soil is due as rent is virtually observed in Bengal; in no district of Bengal is the average of rent higher, and in many districts it is considerably lower. This permits the cultivators to save, and, except in Orissa, which is not permanently settled, there has been

no serious and disastrous famine in Bengal within this century.

In Northern India the mistakes made in land settlements in previous years have to a great extent been rectified. The old practice of the Government settling the rent payable by every village and every cultivator has been abandoned, and landlords are permitted, under certain restrictions, to make their own arrangements with cultivators. The old rule of demanding two-thirds of the landlords' rental as Government revenue has also been abandoned since 1855; the Government has considerably limited its demand to one-half the rental. You will see from Sir Anthony MacDonnell's replies to questions 5727 to 5740 of the Currency Committee, which lately sat in London, that under the present arrangements the cultivators generally pay one-fifth of the gross produce of the soil as rent to landlords, and one-half of what the landlord receives is claimed by the Government as its revenue. This arrangement is satisfactory, and I would only fix this one-fifth of the produce as the *maximum* limit of rent, in order to permanently prevent undue enhancement, which must necessarily impoverish the cultivators.

It is in Southern India and in the Central Provinces of India that land settlements are harsh and unsatisfactory, and necessarily render the cultivators resourceless and helpless in years of bad harvests. In Madras the Government is virtually the landlord in most parts of the province, and demands as revenue one-half of the net produce of the soil, which, it is explained in Government orders, should not exceed one-third the

gross produce. The "net produce" is ascertained by deducting from the "gross produce" the cost of cultivation; the calculations are made by subordinate and low-paid Government officials who are not always fair to cultivators; and distinguished and honourable Madras gentlemen have placed facts before me, showing that in some cases the Government assessment approximates to one-half the gross produce of the soil. I shall be able to lay these facts before the authorities and the public on my return to Europe; but what I wish to urge now is that either one-third or one-half the gross produce is a high and ruinous limit of land revenue, and necessarily reduced the cultivators to a state of perpetual poverty and indebtedness. Such a limit of land revenue is unexampled in Bengal and Northern India; it disables cultivators from saving in good years; it renders them subject to inevitable famines and deaths by the million in bad years. The Madras famine of 1877 swept away five millions of the population.

The worst case, however, is that of the Central Provinces of India. There the Government fixes the rents payable by cultivators to landlords, and also fixes its own share of revenue out of the landlords' receipts. The principle on which the rents are fixed is the same as in Madras, theoretically one-half of the net produce of the soil was fixed as rent; practically the assessments have been even harsher than in Madras. I have carefully ascertained facts from the best authorities; it was only yesterday that a distinguished gentleman, now a member of Lord Curzon's Legislative Council, was kind enough to place documents and facts in my hands; and

this morning I have received a letter from another well-informed gentleman, who writes thus from the Central Provinces :

“ The rent payable by every class of tenants in these provinces has been enhanced by the Settlement Officers at the recent Settlement. The rent so fixed is generally high, and can only be recovered, even in good years, with difficulty. Since the year of the recent Settlement (1894) a good portion of the land which was cultivated before has become fallow. The Government revenue is still in arrears, notwithstanding the hard measures adopted last year for its recovery.”

While the rents payable by cultivators to landlords have thus been fixed unduly high, the revenue demanded by the Government from landlords has also been fixed high. In Northern India, as Sir Antony MacDonnell informed the Currency Committee, the Government claims one-half, but does not really take more than forty per cent. of the landlords' assets. In many districts in the Central Provinces the Government demands and obtains sixty per cent., plus twelve and a half per cent., as rates, of the landlords' supposed assets. And as the landlord never gets the high rents which the Government has fixed, it comes to pass that the Government demand amounts sometimes to eighty, or even a hundred per cent. of the landlords' real income. I have instances before me in which landlords have offered to surrender their property because the Government revenue demanded from them was really more than all they collected from cultivators.

I lay these facts before you, sir, in the sincere desire

that this over-assessment may be rectified, and that the people of Southern India may be saved from poverty, famines, and deaths. The Government revenue itself will not be increased by such over-assessment; the proceeds of indirect taxes will decline with the poverty of the people; the land revenue will fall off as lands are thrown out of cultivation. It is no reflection on honest administrators if they sometimes make mistakes in administration; the mistakes made in Northern India have been rectified since 1855, and the time is come when the very principle of assessments in the centre and south of India should be rectified in order to give the population some real relief and some opportunity to save.

Adopt the old Hindu rule, a rule which answered well in India for thousands of years, a rule which is virtually observed in Bengal and Northern India to this day with the most happy results. Make one-sixth or even one-fifth the gross produce of the soil the *maximum* limit of rent payable by the cultivator under all forms of settlements and all methods of land administration, and the southern cultivator will learn to save, as the Bengal cultivator has learnt to save. Famines in India will be less frequent and less disastrous if the condition of the cultivators is improved by considerate assessments; there is no other permanent remedy for this terrible and recurring disaster.—Yours faithfully,

ROMESH DUTT.

24th Jan. 1900.

APPENDIX Y

LETTERS ON INDIAN EXPENDITURE

I

To the Editor of the "Manchester Guardian"

SIR,—I have read your remarks on the Report of the Royal Commission on Indian Expenditure with the greatest interest. India has waited for the report of this Commission for five years, and the people of India, who have enough trouble and misery of their own, expect that in the matter of foreign wars and foreign complications England will at least deal justly and even generously by the people of India. Judging from the substance of the report which has already appeared in print, the recommendations made by the majority of the Commissioners are full of the worst forebodings for India. Permit me to refer only to one or two heads.

Under the head of "Apportionate of Charges" it is recommended that India should contribute one-half of the military charges of Aden, one-half of the cost of the Persian Mission, £12,500 for the China establishments, £10,000 for the Zanzibar and Mauritius telegraph subsidy, and also the present Euphrates Tigris subsidy. The amount under each of these heads is comparatively small; but is it just on principle to saddle India with any portion of the cost of maintaining British power and influence in different parts of Asia and Africa. Does England saddle Cape Colony or Natal with the

cost of Ashanti or of any of the British establishments in West Africa?

Under the head of "Indian Troops out of India" we are told that a part of the cost of employing Indian troops out of India should be borne by India, if she has a distinct and special interest at stake. And then we are told that India has a "direct and substantial interest" in keeping open the Suez Canal and in the maintenance of order in Egypt; a "modified interest" in Zanzibar and the African islands in the Indian Ocean; a "direct and substantial interest" in Persia, the Persian Gulf, and the coast and islands of Arabia; a "direct and substantial interest" in Afghanistan and parts of Central Asia; a "direct and substantial interest" in Siam, and a "modified interest" in China and the Malay peninsula. Does this mean that the resources of India, which are scarcely enough for her civil and military administration, will continue to be drawn upon by England in her various complications in different parts of Asia and Africa? Does this mean that the richest country in the world will continue to tax the poorest and most miserable peasantry on earth, not only for their own warfare, but also for the maintenance of England's influence and empire in portions of two continents? The principle that India is responsible for keeping the path from England to India clear is a principle which would be considered outrageous if it was applied to any of the colonies. The Australian colonies are as much interested in the Suez Canal, the Arabian and Persian coasts, and in the Malay peninsula, as India. Has any Royal Commission or Colonial Sec-

retary suggested that the Australian colonies should be saddled with the cost of maintaining British influence in these places? Sir Henry Fowler said last night at Wolverhampton: "Why am I standing here to defend the (Transvaal) war? Because it is a war not for the obtaining of the franchise, not for the rights, sound and strong as they were, of the Outlanders, but because it is a war for nothing less than British supremacy in South Africa. That supremacy means our Indian Empire." If the recommendations of the majority of the Royal Commission were accepted and followed out to their logical conclusion, would not the Indian Empire be charged for this South African War, which is necessary, according to Sir Henry Fowler, for maintaining the Indian Empire? Would not the Indian Empire be charged for the maintenance of the British army and the British fleet, and of the British Power generally, because they are all necessary for maintaining the Indian Empire? Where will you draw the line when you once depart from the old and equitable and sound maxim that India shall pay for troops maintained for her protection in India—not for troops and establishments and wars outside India? The army now maintained in India is not for her protection only, but for England's Asiatic and African possessions. Considering the large portion of the Indian army now employed in South Africa, the question was raised, not long ago, by Sir Henry Campbell-Bannerman whether the whole of the army now stationed in India should be paid for from the Indian revenues. I do not find that this question has been dealt with in the report of the majority of the

Royal Commission. While the majority of the Commissioners are anxious to define India's interests on the Nile and the Tigris, in Zanzibar and the Malay peninsula, I do not find that they are anxious to define England's Imperial interest in the army now stationed in India. I write this in regret and in sorrow—a sorrow which will be universally felt by my countrymen when they read the substance of the report which has been published.

“God help the people of India,” said Mr Donald Smeaton, a member of Lord Curzon's Council to Reuter's Agent at Bombay the other day; “Great Britain and Ireland owe a debt to the Indian peasant, a debt of millions upon millions.” We know that India annually remits to England a sum estimated between twenty and thirty millions sterling for home charges, pensions, interest, and the like. We know that the people of India are virtually debarred from the higher posts in India, except a very small percentage, and that fifteen millions sterling are annually paid to European officials employed in India, and sending all their savings to Europe. We know that our ancient industries like weaving and spinning and dyeing have been killed by European competition, and that the land is so heavily taxed in many provinces that the peasant cannot save in good years for years of bad harvest. We know that an army is kept in India, and paid for by India, sufficient for England's Imperial requirements over the best parts of Asia and Africa. We know that our finances are adjusted by Executive Councils in India and in England, in which the people of India have no

seat, and that in the taxation of India we have no voice.

These are some of the burdens we bear in India, and these are some of the causes of the famines from which we periodically suffer. Will Englishmen add to them the burden of paying for British forts and armies, British establishments and wars in various parts of Africa and Asia—from the Suez Canal to Zanzibar, from the Tigris to the Malay Peninsula? Will the English conscience reconcile itself to thus proceeding in a year when eighty millions of people are affected by the worst famine that India has ever known, and five millions are actually attending relief centres? After the famine of 1770, and the desolating wars of Warren Hastings, the great minister Pitt brought in his India Bill in 1784 to give us a better Government. Is there no statesman in England at the present day who will give us a new India Bill, moderating land tax, reducing expenditure, opening up the higher services to the people of India, and giving them some control over their finances? Is there no Englishman of this generation who will stand up for justice to India?—I am, &c.,

ROMESH DUTT.

21st April 1900.

II

To the Editor of the "Manchester Guardian"

SIR,—Your correspondent "E. W. B." takes exception to certain statements which I made in my letter

published in your issue of the 24th April, and calls those statements "misleading." Permit me to point out that I have not in this or in any other letter made any statement which I am not prepared to prove. "Mr Dutt," your correspondent writes, "lays special stress on the fact of so much money going out of India in the shape of interest, loans, &c. Just so. But he does not say how much capital was spent on those undertakings." The Blue-book on Indian railways can surely supply this information to your correspondent. I produced that Blue-book before the Currency Committee in November 1898, when I was examined as a witness, and showed that the railway system has caused a net loss of over fifty millions to the Indian revenue—*i.e.*, to the Indian people; that it was still causing us an annual loss of about two millions; and that this loss was greatly owing, not to the construction of the main lines needed for famine protection purposes, but to local lines constructed for special interests, and often under pressure from capitalists in this country. It is this practice which I protest against. (No sane man objects to paying interest on capital spent; but every reasonable man objects to adding to India's indebtedness by the construction of fresh lines under guarantee of profits from the Indian revenues when the people of India do not ask for those fresh lines, do not want them, and cannot afford to have them. An endeavour should be made in times of peace to reduce India's public debt, and thus to reduce the money which goes out of India as interest. England's debt was reduced by over one hundred and sixty millions within forty years after the

Crimean war ; my complaint is that Indian financiers are not reducing but continually adding to our public debt.

"He refers," writes your correspondent, "to the millions paid to European officials, who send all their savings home. He says nothing of the pensions to the natives." On this point also your correspondent might have obtained information from a Parliamentary return issued in 1892. Out of 39,000 officials in India who receive upwards of 1000 rupees a year, 28,000 are Englishmen, and 11,000 are natives. The 28,000 Englishmen receive fifteen millions sterling annually, and the 11,000 natives receive three millions only. No sane man objects to the employment of high English officials in India. We need their services, and we appreciate their work. But with the progress of education in India we desire, and we demand, a larger share of the high appointments in our own country ; and my complaint is that we are debarred from our proper share at the present moment, not through our unfitness, but through exclusiveness and selfishness on the part of those who have so long virtually monopolised these high appointments.

"Mr Dutt demands," writes your correspondent, "a fuller representation of the people in the making of laws. Mr Dutt must know well that India is not as yet ripe for this." I have nowhere contended that India is yet ripe for a Parliament, but I do contend that under existing circumstances representative Indians should have a larger share than they now have in the making of laws and the control of finances. Lord Curzon and every provincial governor have spoken in

the highest terms of the ability, the patriotism, and the moderation and sense of responsibility with which Indian members of Councils have dealt with the most intricate Indian questions. And yet what share of power is given to these Indian members? Absolutely none. Every important bill is first drafted by officials, sanctioned by the Secretary of State for India, and then placed before the Council. Whatever the Indian members may say or do, the Government passes the bill if it desires to do so. The Sedition Bill was passed against our unanimous opposition; the Calcutta Municipal Bill was passed against our unanimous opposition; the Madras Irrigation Bill has lately been passed against our unanimous protest. And at the present moment, when eighty millions of the people of India are affected by a famine unprecedented in its extent and its intensity, Indian members in the Viceroy's Council have asked—and so far asked in vain—for the moderating of rents and for fixity of tenure as was recommended by Lord Ripon in 1882. The iron is entering deep into our hearts; we are feeling every day that we are not allowed the smallest influence or real share in the administration of our own country.

Your correspondent has a few kind words to say about me personally, and I am grateful to him for them. I am sure he does not wish to mislead your readers, as I am unconscious of any desire whatever on my own part to mislead. I am sure your correspondent will on reflection come to the conclusion that the time has now arrived for some real share of the work of administration being conceded to the people.

India cannot continue to be ruled as in the days of Wellesley and Dalhousie; the Indian Empire cannot prosper unless some trust, some confidence, some real share of work is reposed in the people. We do not ask for ready-made European institutions for India, but we ask for some gradual, slow, cautious progress, some real endeavour to enlist our co-operation and to accept our advice and help. The most moderate, the most thoughtful, the most loyal of Indian leaders, feel grieved that under the present Government there has been no single move in that direction; every important move has been reactionary and truly retrograde.—I am, &c.,

ROMESH DUTT.

2nd May 1900.

APPENDIX Z

PAPER ON THE CO-OPERATION OF THE PEOPLE IN THE WORK OF ADMINISTRATION

[*Abridged from an article which appeared in the
"Asiatic Quarterly Review," Oct. 1898.*]

A friendly critic, himself an Indian administrator of high distinction, has made some just and thoughtful remarks on my book on "England and India" in the January number of the *Asiatic Quarterly Review* from which I may be pardoned for making an extract:

"The key-note of the whole difficulty is sounded by Mr Dutt when he says in his preface that 'the direct administration of India by the Crown has, along with

many great and obvious advantages, this one disadvantage—that the administration is virtually responsible to none.’ The Government of India is a benevolent despotism ; the inhabitants of India, whether of Indian or European birth, whether they are officials or non-official, have absolutely no control over its actions. For it is obvious that the British residents—even the civil and military officers of the Crown, unless they are in the Governor-General’s Council—have no more voice in determining the policy of the Government than the native gentlemen, or even the native peasantry. The only power which can, and occasionally does, control the Government of India, is the British Parliament, a body which is subject to all the humours and inconstancies of the electorate of Great Britain.

“Is there any chance, however, of detailed reforms in Indian administration ever forming part of a party programme in Great Britain? and if there were such a chance, is it desirable that the Government of India should be guided in the details of its administration by the voice of the British public? Nothing would more tend to rivet the existing despotism upon the necks of the Indian people, while the despotism, if better intentioned, would certainly be far less intelligent than it is at present.

“No; what is wanted is that more control should be exercised in India, and by the Indian people, over their own affairs.”

Most people with experience in Indian administration will be inclined to agree with Mr Ward that the control

over the every-day details of Indian administration should come, not from the electorate of Great Britain, but from the Indian people. If we calmly inquire into the true causes of that feeling of unrest, and even of some degree of bitterness between different classes, which is now observable in India, we shall find that it is really due to a policy which unwisely and ungenerously excludes the people of India from all real control over the administration, and makes them irresponsible and hostile critics instead of loyal partakers in the work of government. And if we pass in brief review some of the recent measures of the Indian Government, we shall find how much the Government have lost, even within the last year or two, in not allowing that partial control to the people of India which the people alone are fit to exercise in the management of their own concerns.

There are not many Englishmen familiar with Indian questions who approve either of the policy which led to the recent Indian Frontier War, or of the decision of the Government to charge the whole cost of that war to the Indian revenues, while England has made a gift of nearly a million towards the expenses of the Egyptian Frontier War. Would it have been a loss or a real gain towards a sound decision on these points if the people of India had some voice, not in ultimately deciding the questions, but in influencing by their constitutionally expressed opinion the decision of the Imperial Government? What the opinion of the people of India would have been, has been well expressed by Mr Ward. "At the present moment the

whole country is hotly debating the question not only whether the frontier policy of the Indian Government is wrong or right, but how it came about, and which party is responsible. Yet one thing is perfectly certain; that if the people of India during the last ten years had had any—the slightest—control over the taxation of the country, or the application of its revenues, the Government would have been forced either to abandon its expensive schemes of frontier defence, or to have prosecuted them under the direct sanction of Parliament at the cost of the British Exchequer." And, we may add, the representatives of the Indian people would not have wired to the Secretary of State for India that India could do without help from England in this year of all years; and Englishmen would not have perpetrated the unspeakable injustice of charging to India the whole cost of the Indian Frontier War, while contributing to Egypt nearly a million towards the Egyptian Frontier War. A greater recognition of the popular sentiment and of popular control in the administration of India would have enabled the Indian Government to avoid a policy which has led to a needless war, or to demand from the Imperial Exchequer a contribution towards the war brought about in pursuance of an Imperial policy. Neither Lord Elgin nor Sir James Westland had a right to speak for India, nor have they spoken wisely.

But let us pass on to another question which is attracting more attention at the present moment. Lord Elgin and Sir James Westland have submitted to the Secretary of State for India their proposals

about the Indian Currency. The proposals are now under consideration by a Committee in this country, and we do not desire to anticipate their decision or express any opinion on their merits. But the point which we desire to urge is that the Government of India should not have made any proposals at all without consulting the people of India through their representative men and natural leaders. The point that we desire to urge is that the proposals of the Indian Government would have been sounder and wiser, and could have been urged with greater force, if they had been framed after consulting the people. The people have an interest in their currency far greater than either the Government of India, responsible for the adjustment of the Indian Budget, or the European merchants and traders having transactions in the East. All the investment which the poor people of India ever make is made, not in savings banks, but in the shape of silver jewellery for their women; and the millions of the labourers and the cultivators of India have a right to be heard, through their representatives, before a proposal is made calculated to depreciate the value of their savings made in years and generations past. The agriculturists of India are also deeply indebted to money lenders in all parts of India; and they have a right to be heard, through their representatives, before a proposal is made calculated to increase their indebtedness by artificially increasing the value of a rupee. Nothing brings into greater prominence the defect of the present method of Indian administration than the fact that a few

officials, however experienced and however able, should consider themselves justified in making sweeping proposals to alter the value of the Indian Currency, without consulting the nation, whose national wealth these proposals are calculated to depreciate, and whose general indebtedness they are calculated to enhance. It would seem, from the action taken by the Indian Government, as if India existed for the convenience of the Government of India and for the convenience of foreign traders. It would seem as if the convenience of the Indian nation was a "negligible quantity," and the opinion of representative Indians was superfluous. The most impartial tribunal in the world will decide cases wrongly and unjustly if it decides them after accepting evidence on one side only; and the best and most honest Government in the world necessarily becomes selfish, unsympathetic, and unjust to the people for whom it exists, and ends by sacrificing the interests of the people to the interests of influential classes, if it refuses to grant to the people themselves some share in the control of affairs.

Let us take up another question which is also attracting much attention at the present moment. The question of constructing more railways in India from the State funds, or under guarantee of profit granted by the state, is often discussed. The question is decided in every case by the Secretary of State for India on such information as is placed before him by the Government of India. Would it be an unwise departure from this policy to consult the representatives

of the people whose money is spent? The general opinion among the people of India is that, now that the great military lines have been constructed, now that the lines really required for famine protection have been laid down, the Government should not directly or indirectly make the people's money responsible for further lines. The impression is that India is not rich enough to construct those new lines which are being multiplied from year to year; that it is an unsound, hurtful, and disastrous policy to continuously add to the national debt of India in order to construct these new lines which the people do not want, and which the country's finances do not justify. The impression is that pressure is brought to bear upon the Government by influential classes of capitalists and manufacturers for opening such new lines for serving special interests, and that the Government, with every desire to be honest and impartial, sacrifices the interests of the people, because the people are not constitutionally allowed to express and enforce their views as against the views of the influential classes. The impression is (to use the words of the late Sir George Campbell, sometime Lieutenant-Governor of Bengal) that when British capitalists have put their money in losing concerns in India, people in London bully and abuse the Government of India to get the concerns taken over, and eventually they are successful. There may or may not be some truth in these impressions; but the demand that the Indian people's money should not be invested on new lines of railway in India, or on the road from Burma

to China, without consulting the people's wishes, is just and reasonable. To borrow money in England to an unlimited extent to further extend the railway system in India or outside India proper, is for the Indian Government a policy of extravagance and of injustice to the people.

It is necessary to further elucidate our remarks by a reference to the history of the Import Duties of India? It will be in the recollection of most Indian officials that the Government of India and Government at home have repeatedly made "graceful concessions," and have sacrificed Indian revenues, because the people of India have no constitutional power to back their Government and to resist unjust demands. But the end is not yet. On the 9th of this month (August 1898), the Secretary of State for India was asked in the House of Commons to admit British manufacture in India at a further reduction of one-fourth the duty on foreign goods, after the example of Canada. Lord George Hamilton declined to do so, but the assailants have only to persist to carry their point. Neither Conservatives nor Liberals are strong enough to resist for any length of years such demands backed by twenty or thirty or forty solid votes in the House. And unless the people of India are allowed the constitutional right to stand by their Government, and to defend their national revenues and their national interests, the humiliating sight will be witnessed again and again of the British Government in India knowingly and openly sacrificing the interests of the people of India under the mandate of British voters at home.

From the question of Railways and of Import duties let us turn to another question which is engaging the attention of Indian legislators at the present moment, viz., the condition of cultivators in Southern India. No question is more intimately connected with the material well-being of the people of India than that of land-administration; and the question will never be settled satisfactorily so long as representatives of the people are not allowed a constitutional method of expressing and enforcing their opinions in the matter of land settlements. An intelligent Indian landlord or publicist has often a more familiar grasp of the subject than European officials who have written reports on it all their lifetime; and the proceedings of the Godavari District Conference, of which we find reports in the Indian papers recently received, show how well the representative men of Madras are fitted to take a real share in shaping and controlling land administration in that province.

The historical review of the status of the Madras cultivator given by the President of the Conference is most instructive. Over forty years ago, in the Madras Administration Report of 1855-56, the Government declared that "under the *Ryotwari* system every registered holder of land is recognised as its proprietor, and pays direct to Government. He cannot be ejected by Government so long as he pays the *fixed assessment*." In 1857 the Madras Board of Revenue stated in their report to the Government that "a Madras ryot is able to retain his land *in perpetuity without any increase of assessment*, as long as he continues to fulfil his engage-

ment." And the Government in its review of Mr Rickett's report wrote: "The proprietary right of a ryot is perfect and as long as he pays the *fixed assessment on his land* he can be ousted by no one." The italics are ours; and we desire to invite attention to the fact that the assessment of the land held by the Madras ryot was considered fixed, and not liable to increase, forty years ago.

The subject received the attention of statesmen like Lord Lawrence, Lord Mayo, and Lord Northbrook, Viceroys who paid more attention to improving the material condition of the people of India than to seeking a "scientific frontier" among the hills and fastnesses of Afghanistan. It was at last given a final shape by Lord Ripon, who in 1882 sanctioned a modified form of permanent settlement. It was published in the settlement Manual and Standing Orders, as well as in Government Orders on the Agricultural Committee's Report, that in all districts adequately assessed, the assessment, *so far as it was based upon classification of soils and calculation of grain outturns, was permanent and unalterable*; and that revisions would be made in future settlements *only with reference to prices*.

Lastly, we come to the present policy of the Madras Government, by which, we are informed, the Government reserves to itself the right of revising assessments, *either with reference to rise or fall in prices, or in reference to other considerations requiring re-classification of soils or re-calculation of grain returns*.

The point to which we desire specially to call

attention is that these successive steps, taken from 1857 to 1882; and from 1882 to 1897, divesting the Madras cultivator of his former rights, and making him more poor, more indebted and more subject to recurring famines, have been adopted without consulting the people and without the knowledge of the people. The worst blunders which British administrators have committed in India are those which impoverish the cultivating population of India; and these blunders have been committed because the people have not been asked and have not been consulted in matters relating to their own interests and their own welfare. (Those who decide on these matters in the dark chambers of the India Office or of the Executive Councils of India, no doubt endeavour to act with moderation, with justice, and with knowledge and ability;) but it is no reflection on those high officials to state that one side of the question, the official aspect, comes more prominently to their consideration than the popular aspect; and that financial considerations demand their attention more urgently than considerations of the rights of the people. (And yet there are such things as vested rights even among the unrepresented people of India, and the worst blunders committed in India are due to the fact that there is no one to represent them, no one to speak for them, no one to urge them, and no one to defend them, in those close offices where they are considered.) No class of officials in the world are more careful, and able, and desirous to be just, than high Indian officials, from the members of the Provincial and Viceregal Executive Councils to

the members of the Indian Council; and yet it is a fact that the interests and rights of the people are not and cannot receive adequate and full and sufficient consideration under a system of administration under which the people are absolutely unrepresented in the offices which ultimately shape their destinies. So is the remark of John Stuart Mill that "it is an inherent condition of human affairs that no intention, however sincere, of protecting the interests of others can make it safe or salutary to tie up their own hands."

In the interests of good administration, therefore, it is absolutely necessary to provide some means,—not for transferring to Indian hands the ultimate decision of Indian questions,—but for securing some representation of Indian opinion in those Executive Councils in England and in India which decide on great Indian questions. And it would improve British administration in India if each Indian Province sent one member to the Viceroy's Executive Council, and one member to the Council of the Secretary of State for India. It is not an unreasonable aspiration of the people of India that five of the members of the Viceroy's Executive Council, and five of the members of the Council of the Secretary of State for India, should be sent up by the five great Provinces of India. And it is not an unreasonable hope that the Governor of each Province should himself be aided by an Executive Council, half the members of which should be elected from among the people.

Side by side with this reform in the Executive Councils, a corresponding reform of the Legislative

Councils is needed. Each large Province in India is divided into twenty or thirty or forty Districts, and it is not unreasonable for the people of India to hope that each District should be allowed to send one representative to the Provincial Legislative Council. The number of nominated or official members may also be increased, if necessary, and the new Councils thus constituted may meet three or four or five days in the week, to discuss questions relating to laws and administration, and to represent fully and adequately the wishes and sentiments and views of the people. Such really representative Councils would bring the Government of India in real touch with the people, and would popularise and strengthen and consolidate British rule in India.

The co-operation of representative Indian members would be of great value in dealing with administrative questions, which are growing more and more difficult with the clash of contending interests.) It would be a help to the Governors of the great Provinces of Bengal and the North-west, of Madras, Bombay, and the Punjab, at all times, and specially in times of disturbance and alarm, of distress and famines, to have by them some men chosen from among the people to advise and help in the administration of their own concerns. (It would help the Viceroy and the Secretary of State to understand better the feelings, wishes, and interests of the people, if they were in daily personal communication with representative men from the people in their Councils. It would create a bond of sympathy, which unfortunately does not exist now, between the

administration and the people whose concerns are administered. It would secure an adequate and sympathetic consideration of the interests of the people, as against the interests of particular classes, in all questions coming up before the Councils. It would strengthen the Councils in local knowledge and experience, and to some extent make them broad-based on the people's will. It would remove that worst defect of British rule in India,—a defect which is more pronounced now than it was seventy years ago, in the days of Munro and Elphinstone, Malcolm and Bentinck,—the utter want of touch between the people and their rulers.) And it would substitute an intelligent and rational method of dealing with the great, loyal, and civilised population of India for a method which regards human beings as live stock, good for milking and shearing, but incapable of understanding their own interests or promoting their own well-being.

A great deal is often said and written about changing the system of government in India. We are against all violent changes. The system of rule which has been slowly organised by experienced administrators during a period of over a century should not be lightly set aside. The reform suggested in this paper is a natural development of the present system of government, and does not seek to set it aside for a new system. The time has come, with the progress of education, for some reform in the lines indicated in the preceding pages; and some carefully considered measures in this direction will not only make Indian administration more efficient and more popular, but will strengthen British rule in

India. It will help British administrators with the experience and local knowledge of educated Indians; it will teach the Indians themselves to take a legitimate and patriotic pride in the Government in which they are permitted to take a share; and it will provide the best safeguards which local experience and wisdom can provide against those recurring famines which are desolating India under the British rule.

ROMESH DUTT.

August 1898.

ADDENDUM TO APPENDIX A.

Proportion of Land Revenue to Produce in Bombay.

“The incidence of taxation per acre in the Ryotwari villages of Ahmedabad, Kaira, and Broach, is Rs. 2—11—1, Rs. 5—0—7, and Rs. 5—1—6 respectively; and the incidence of taxation per head of population of the fully assessed area is Rs. 2—7—8, Rs. 3—12—6, and Rs. 8—1—2, respectively. This incidence is very heavy. The crop experiment reports also show that the incidence of taxation in these districts must be very heavy. In the report for 1897-98 we notice that out of nine experiments made in the Kaira district, one showed 72 per cent., and another 67 per cent., as the incidence of the assessment on the gross value of the produce. In Broach 31 experiments are reported in that year. One of these shows the incidence at 42 per cent., and in six it was over 30 per cent. In the report for 1896-97, we find nine experiments. One of them gives the incidence at 96 per cent., one at 73 per cent., one at 63 per cent., and one at 50 per cent.”

Mr. Gokuldas Parakh's Presidential Speech at the Provincial Conference, at Satara, May, 1900.

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