

NOTES
ON THE
ASSESSMENT AND COLLECTION
OF THE
LAND REVENUE IN INDIA.

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PREFACE.

LONDON, *May*, 1889.

A COMMISSION was appointed in 1861 to inquire into the causes of the famine which had recently afflicted the north-western provinces of India. In an exhaustive report upon the evidence collected, and the conclusions to which it led, the Commission recommended the permanent settlement of the land tax as the measure best calculated to mitigate the effects of drought and scarcity in a country where agriculture is the staple industry of the people. Comparing the famine of 1860 with one which had occurred in the same provinces in 1837, when the number of deaths from starvation and the general suffering of the people had been much greater, the President of the Commission stated in his report :—

“Foremost among the means whereby society in Northern India has been strengthened as thus to resist, with less suffering, far heavier pressure from drought and famine in 1860 than in 1837, I place the creation, as it may almost literally be called, of a vast mass of readily-convertible and easily-transferable agricultural property. I have before described the condition of agricultural property antecedent to the existing settlements, and it will probably be admitted, without serious qualification, that a state of things more likely to weaken the society living under it could scarcely be conceived. To great and unequal pressure of public burdens and arbitrary interferences have succeeded assessments rarely heavy, titles recorded and easily understood, long leases, and the enjoyments of all the profits during the currency of such leases. The natural results of such a change in so vital a part of the social economy have grown more and more apparent. Land has obtained an increasing marketable value. Its value as a security has, doubtless, been largely made use of in mitigating the pressure of famine. Such, then, having been the general results of the protracted fixity of the public demand, the security of titles, the general moderation of assessments, the recognition and general record of rights—the inference seems irresistible that, to intensify and per-

petuate these results, we must proceed still further in the same healthy and fruitful direction. The good which has been done by partial action on sound principles is both a justification and an encouragement to further advances; and entertaining the most earnest conviction that the State interests and popular interests will be alike strengthened in an increasing ratio by the step, the first and, as I believe most important measure I have respectfully to submit for consideration is the expediency of fixing for ever the public demand on the land, and thus converting the existing settlement into a settlement for perpetuity."

This recommendation was strongly supported by the highest authorities on the subject, including Sir George Edmonstone (then Lieut.-Governor of the North-western provinces), his successors the Hon. Edmund Drummond and Sir Wm. Muir, and Mr. Money of the Board of Revenue; and Lord Canning, in giving it his entire adhesion, suggested as further measures towards the same end the sale of waste lands free of land tax, and the permission to redeem the existing land revenue by the payment of an adequate sum of money.

The Resolution of the Governor-General stated:—

"His Excellency in Council sees no reason to doubt that, as far as either measure might take effect, it would be in every way beneficial. As to waste lands, there could be no question. . . . His Excellency in Council has still less doubts as to the beneficial results of permitting a redemption of the land-revenue. He believes that increased security of fixed property and comparative freedom from the interference of fiscal officers of the Government, will tend to create a class which, although composed of various races and creeds, will be peculiarly bound to the British rule; while, under proper regulations, the measure will conduce materially to the improvement of the general revenue of the Empire."

The Secretary of State, in replying to the above suggestion, in a despatch dated July, 1862, said—

"After the most careful review of all these considerations, 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 the districts in which the conditions required 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 insure to the highest degree the welfare and contentment of all classes of Her Majesty's subjects in the country."

The above-mentioned despatch authorised a permanent settlement to be granted to every estate where four-fifths of the cultivatable area had been brought under cultivation and assessed according to the existing settlement. These conditions were upon subsequent investigation found to have already been fulfilled in a number of estates, and the owners of other properties set themselves at once, on the promulgation of the despatch, to the task of complying with its requisitions. Meanwhile Lord Canning had retired and died, and a change of Ministry having taken place at home, the new Secretary of State for India was persuaded by certain Indian officials (who assured him that a permanent settlement would entail a great sacrifice of prospective land revenue) to stop the execution of the despatch of his predecessor. Loud protests ensued against this breach of public faith, and against the abrogation, upon merely speculative grounds, of an important measure, which had been sanctioned after mature deliberation and been pronounced as highly beneficial to all classes of H.M. subjects in India.

It soon became apparent, however, that the despotic power vested in an Indian Secretary of State rendered it hopeless to contend with his fiat. The new Indian Minister, however, was unable to formulate any tenable ground for repealing his predecessor's order; so he left the despatch in abeyance until the authorities in India should provide arguments for strengthening the hands of the Home Government in the matter. This task was one of considerable difficulty, seeing that Lord Canning's suggestion had been supported by the highest revenue authorities in India, and rested upon grounds

which could not be controverted. Great pressure had consequently to be exercised, in order to obtain from some of those authorities the expression of views contrary to the convictions they had previously uttered. This endeavour naturally met with strong resistance, but compliance was ultimately yielded in some high quarters, and a despatch was forthwith framed in Downing Street, in 1865, not actually repealing the despatch of 1862, but burdening its purport with new conditions which virtually rendered it of no effect.

One of the new conditions stipulated that, when an estate had complied with the requirements of the despatch of 1862, a permanent settlement should be granted to it *only* if, in the *opinion* of the authorities, our irrigation works were not likely, within twenty years, to be so extended as to benefit that estate to the extent of twenty per cent. No freer course, no greater encouragement could have been afforded to arbitrary decisions; and the contrivance, accordingly, succeeded. Voluminous correspondence followed for several years, and the despatch of 1862 remained a dead letter.

This tortuous proceeding, however, inflicted far greater injury on the country than even a prompt and peremptory cancellation of the despatch of 1862 could have produced; for the people were kept in long years of suspense regarding the actual burdens to which their lands were to be subjected, and the application of capital to agriculture was thus most effectually hindered. Settlement operations, moreover, with all their demoralizing influences, were indefinitely prolonged, resulting in a state of things which will be found briefly, but most graphically, described in a passage of Sir Auckland Colvin's *Memorandum* of 1872, transcribed at page 16 of this paper.

The greatest evil of all was the loss of confidence in the good faith of the British Government, which resulted from the disavowal of the pledge given in the despatch of 1862. The Hon. Edmund Drummond, Lieutenant-Governor, referring to the subject, and

alluding to a calculation that £200,000 might eventually be added to the land revenue if a permanent settlement were withheld, said, in writing to the Secretary of State in 1866 :—

“Even if this calculation were adopted, I cannot think that for such a sum as this we should, at the last moment, hesitate to fulfil the expectations we have raised and withdraw the promised boon of a permanent settlement ; nor does it appear to be befitting a great Government to seem to grudge a sacrifice which is as nothing when compared with that which must result from the future rise of prices and enhanced value of land generally, which has been freely accepted. . . . To sum up briefly the conclusions to which I have been led after full and anxious consideration of this difficult subject, I am of opinion that, as a measure of large and enlightened policy, the permanent settlement of these provinces should be carried generally unhampered by further conditions.”

These sad episodes in the history of the land administration of India have a direct bearing on the present state of things in that country, seeing that the settlements to which they relate (as well as the assessments in other provinces) will soon have completed their period and come under revision. The Indian National Congress has already called public attention to the subject, and the notes in the following pages have been compiled with the view of placing in a concise form, before those who may feel interested in the matter, the main facts and arguments connected with the important question at issue.

J. D.

APPENDIX

THE following tables have been compiled on the *Statistical Abstract for British India* for the years ending in 1887; and the figures for 1888 were obtained from the *Supplement to the Gazette of India* of 16th March, 1889, and the *Gazette of India extraordinary* of 27th March, 1889. As the net revenue affords a clearer view of the financial result, it has been stated whenever the necessary information could be had. The *Statistical Abstract*, however, does not contain the collection charges incurred for the years 1870 to 1878, hence the gross receipts only are mentioned in table A.

TABLE A.

LAND REVENUE RECEIPTS OF INDIA.

			£	
In 1870	21,088,019	} Average £ 20,811,276
„ 1871	..	..	20,622,823
„ 1872	..	..	20,520,337
„ 1873	..	..	21,348,669
„ 1874	..	..	21,037,912
„ 1875	..	..	21,296,793
„ 1876	..	..	21,503,742
„ 1877	..	..	19,857,152
„ 1878	..	..	20,026,036
			£ 187,301,483	

TABLE B.

LAND REVENUE OF INDIA.

	£	£	
In 1879 ..	22,323,868		
Charges	<u>2,960,391</u>		
		Net 19,363,477	
In 1880 ..	21,861,150		
Charges	<u>2,937,316</u>		
		Net 18,923,834	
In 1881 ..	21,112,995		
Charges	<u>2,983,817</u>		
		Net 18,129,178	
In 1882 ..	21,948,022		
Charges	<u>3,003,904</u>		
		Net 18,944,118	
In 1883 ..	21,876,047		
Charges	<u>3,042,596</u>		
		Net 18,833,451	
In 1884 ..	22,361,899		
Charges	<u>3,329,206</u>		
		Net 19,032,693	
In 1885 ..	21,832,211		
Charges	<u>3,363,387</u>		
		Net 18,468,824	
In 1886 ..	22,592,371		
Charges	<u>3,414,292</u>		
		Net 19,178,079	
In 1887 ..	23,055,724		
Charges	<u>3,464,252</u>		
		Net 19,591,472	
In 1888 ..	23,189,292		
Charges	<u>3,486,685</u>		
		Net 19,702,607	
		<u>£190,167,733</u>	
		Average £19,016,773	

TABLE C.

LAND REVENUE OF BOMBAY.

			£		
1879.—Receipts	..	..	3,689,165		
Charges	..	..	660,811		
				Net	3,028,354
1880.—Receipts	..	..	3,900,729		
Charges	..	..	651,630		
				Net	3,249,099
1881.—Receipts	..	..	3,744,845		
Charges	..	..	646,991		
				Net	3,097,854
1882.—Receipts	..	..	3,845,746		
Charges	..	..	665,370		
				Net	3,180,476
1883.—Receipts	..	..	3,694,768		
Charges	..	..	652,029		
				Net	3,042,739
1884.—Receipts	..	..	3,959,182		
Charges	..	..	675,232		
				Net	3,283,954
1885.—Receipts	..	..	3,855,586		
Charges	..	..	674,405		
				Net	3,181,181
1886.—Receipts	..	..	4,201,075		
Charges	..	..	687,480		
				Net	3,513,595
1887.—Receipts	..	..	4,202,269		
Charges	..	..	673,375		
				Net	3,528,894
1888.—Receipts	..	..	4,274,100		
Charges	..	..	658,600		
				Net	3,615,500
					£ 32,721,646

TABLE D.

LAND REVENUE OF THE N.W. PROVINCES AND OUDH.

			£	£
1879.—Receipts	..	..	5,942,197	
Charges	..	..	673,565	
			<hr/>	Net 5,268,632
1880.—Receipts	..	..	5,698,870	
Charges	..	..	647,340	
			<hr/>	Net 5,051,530
1881.—Receipts	..	..	5,593,703	
Charges	..	..	658,194	
			<hr/>	Net 4,935,509
1882.—Receipts	..	..	5,751,104	
Charges	..	..	647,120	
			<hr/>	Net 5,103,984
1883.—Receipts	..	..	5,656,543	
Charges	..	..	667,208	
			<hr/>	Net 4,989,335
1884.—Receipts	..	..	5,680,105	
Charges	..	..	800,677	
			<hr/>	Net 4,879,428
1885.—Receipts	..	..	5,727,624	
Charges	..	..	811,591	
			<hr/>	Net 4,916,033
1886.—Receipts	..	..	5,684,484	
Charges	..	..	815,158	
			<hr/>	Net 4,869,326
1887.—Receipts	..	..	5,762,997	
Charges	..	..	795,068	
			<hr/>	Net 4,967,929
1888.—Receipts	..	..	5,699,900	
Charges	..	..	785,200	
			<hr/>	Net 4,914,700
				<hr/>
				£ 49,896,406

TABLE E
LAND REVENUE OF MADRAS

		£		
1879.—Receipts	.. ..	4,965,548		
Charges	.. ..	684,101		
		—————	Net	4,281,447
1880.—Receipts	.. ..	4,465,629		
Charges	.. ..	705,344		
		—————	Net	3,760,285
1881.—Receipts	.. ..	4,121,286		
Charges	.. ..	712,795		
		—————	Net	3,408,491
1882.—Receipts	.. ..	4,354,421		
Charges	.. ..	723,764		
		—————	Net	3,630,657
1883.—Receipts	.. ..	4,506,459		
Charges	.. ..	740,245		
		—————	Net	3,766,214
1884.—Receipts	.. ..	4,515,342		
Charges	.. ..	772,727		
		—————	Net	3,742,615
1885.—Receipts	.. ..	4,186,376		
Charges	.. ..	790,622		
		—————	Net	3,395,734
1886.—Receipts	.. ..	4,521,222		
Charges	.. ..	767,707		
		—————	Net	3,753,515
1887.—Receipts	.. ..	4,458,902		
Charges	.. ..	776,316		
		—————	Net	3,682,586
1888.—Receipts	.. ..	4,528,000		
Charges	.. ..	786,300		
		—————	Net	3,741,700
				£ 37,163,244