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**LAND REVENUE
ADMINISTRATION
IN THE
CENTRAL PROVINCES
OF INDIA.**

**COMPILED BY THE
TENANTS' AND LANDLORDS' ASSOCIATION
OF JABALPUR.**

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PROCEEDINGS
OF THE CENTRAL PROVINCES AND BERAR
PROVINCIAL CONFERENCE,
HELD AT NAGPUR ON APRIL 23, 1905.

Resolution X. "Resolved that the thanks of this Conference be conveyed to the Tenants' and Landlords' Association of Jabalpur for their most valuable Compilation on the Settlement Question in the Central Provinces, embodying views and suggestions, which have the entire sympathy of this Conference."

"That the Conference would be glad if the Association would print the work, and circulate it for the information of the Government and the Public."

INTRODUCTION.

A new Land Revenue Policy at every new Settlement is more dangerous than the Settlement itself. It upsets the old village customs, dislocates the established relations between the Government and the land-holding classes, and, by engendering a feeling of general insecurity, it unsettles men's minds, paralyses all incentives to improvement, and arrests the progress of the country.

Mr. R. C. Dutt has thus done a national service by drawing the attention of the Government and the public to this all important subject; and His Excellency, Lord Curzon, Viceroy and Governor General, has earned the gratitude of the people by formulating certain broad general principles, which are to be the guiding rules of all future settlements. But, however generous the motives of the Government may be, there is always the danger of these rules being worked in a manner incompatible with the spirit in which they are conceived. And it is in their practical application that over-assessment creeps in. It is to make clear how the Government policy has hitherto been worked out in detail in these Provinces that this

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volume has been prepared. It attempts to show in how many ways an assessment can be made unduly severe, while the rent-rate, and the percentage of gross produce taken as revenue, may wear the appearance of moderation.

It would serve no useful purpose to compare the rent-rate in these provinces with the rent-rate prevailing in other parts. For what is a fair rent depends on a variety of local circumstances. No rent, however low as compared with rents elsewhere, can claim to be fair, which does not leave to the tenant a share of the produce sufficient to keep up the stock from which he furnishes the seed, pays for the labour, and buys and maintains the plough-cattle and instruments of husbandry, leaving also a fair margin for his own livelihood. This is the smallest share which has to be left to the tenant, if he is to get a living from the land. The rent must come out of what remains, and can never exceed the value of this residue without pauperising the tenant. This residue, available for rent, is not a constant quantity, but varies with the quality of the land. In rich lands the produce is so great as to leave a larger surplus from which to meet the rent charge. The contrary happens when the land is poor. In the latter case the rent, though ostensibly light, may

in fact press more heavily on the tenant. Thus what is needed is a carefully conducted enquiry, in which the people concerned must be permitted to take part, directed to ascertain:— (1) the average quantity of land held by tenants in various assessment groups, (2) its gross average produce taking bad with good years, (3) cost of replenishing the stock, (4) profits which the tenant must be able to keep to himself for the support of his family, and (5) the balance left after meeting these charges. It is this balance alone which can determine the real character of the rent-charge and its pressure on the tenant. Such an enquiry is yet to take place. Till then, it is a meaningless cry to say that the incidence of rent, as fixed at the new Settlement, is low.

As regards the Malguzar,—proprietor,—the rate which the assessment may bear to the gross produce does not directly affect his profits. His assessable asset consists of rents paid by tenants. The revenue is paid out of these rent realizations. The landlord has no doubt his home farm, but he is at least entitled to get a cultivator's profit from it. It is not fair to make him pay his revenue out of his home farm. Thus, in order to determine whether an assessment presses unduly on the Malguzar, we must see how

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much of the rental asset, including a fair rental value of the home farm, is absorbed by the various Government demands, and what is left to him after meeting these charges. It is this balance, which is the real index to the character of the assessment. If an assessment is pitched so high as seriously to reduce this balance, the effect on the economic condition of the Malguzar is disastrous, and it is no consolation to him to be told that the proportion which the new demands bear to the gross produce is low. And when to a heavy demand from the Government is added the effect of short collections from tenants, year after year, under the stress of continued bad seasons, it does not take long to reduce a prosperous proprietor to a state bordering on insolvency.

Again, when an agricultural population, as in the Central Provinces, has to depend on crops, which, like rice, need an abundant rainfall at particular junctures, or like wheat, a seasonable and well-distributed fall, each succeeding season becomes a period of uncertainty and anxiety. A failure of rain brings on famine, a deficiency brings on a scarcity. And thus, while the collections of the proprietors change from year to year according to the condition of the harvests, the Government demands have to be paid on due dates in fixed sums

of money, and any irregularity in payment is followed by severe coercive measures, including arrest and imprisonment.

It has been said in the Government Resolution of 16th February 1902, published along with the Reports from Local Governments as a separate volume, and called "The Indian Land Revenue Policy," that the aim of the existing policy is to exclude underlings from all connection either with the work of assessment or with the preliminary investigations leading up to it. But the work of Settlement is such that it cannot be wholly done by officers of high standing. So much has to be done in the way of measurement and classification that the heads of the department can never exercise complete control over the Patwaris and Inspectors, whose papers form the ground-work upon which the estimates are based. Moreover, the constant transfers of officers, dictated solely by considerations of administrative convenience, make it difficult for them to acquire that intimate knowledge of the country and the people, which alone can make them independent of their subordinates. And lastly, the standpoint from which the work is viewed differs in the case of different officers; and holding different views regarding the natural conditions, the rent-paying capacities, the

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average gross outturn, and the fluctuations in the prices of agricultural produce, they show different results in the working of the same general rule.

The above considerations show how very essential it is that a wise moderation should be exercised in fixing the revenue demand. There is no more responsible work the Indian Administrators have to perform than this work of assessment. On its equitable adjustment depends the happiness or misery of millions of His Majesty's Indian subjects. In it are involved the fates and fortunes of the rich and the poor, the Reis and the Ryot.

It was the policy of the Government in the middle of the 19th century to foster the growth of a class of substantial and responsible landholders, who would be the leaders of the people and loyal supporters of the Crown. It is essential for the prosperity of a nation, not only that the great body of the people should devote themselves to labour, but also that a class of capitalists should provide funds which enable labour to become reproductive. For it is only under the fertilising influence of capital that labour can become productive. This is as true of agriculture as of any other industry. The Government, when it rejects the intervention of landlords, and deals directly with the cultivators, intercepts the profits of the soil, which would

otherwise be distributed through the various grades of the community between the cultivator and the State. These profits then all pass into the coffers of the Government, and the people are only permitted to share among themselves the subsistence margin that is left. This truth was fully recognised, and everything was done in the last century to establish and foster a middle class among the landholders. But a change has apparently come over the policy of Government in this respect, and every successive measure in recent years has had the effect of curtailing the powers, privileges and prestige of the Malguzars among their tenantry. Such a policy is not in keeping with the traditions of the country, and is not calculated to benefit in the long run, either the people or the Government. A landlord surrounded by a prosperous and contented tenantry, secure of their rights in their holdings as he is in his estate, was the old ideal. It ought to be the ideal of Modern Administration.

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CHAPTER I.

THE OLD VILLAGE SYSTEM.

To have a correct idea of the effect of the Settlements, both past and present, on the rights and obligations of the people and on their economic condition, it is necessary that something should be said about the state of agricultural society under the Native Rule, and the change, which the displacement of that rule by the British Government brought about. Speaking generally, the Central Provinces may be said to be composed of the kingdom of the Bhonsla Rajas of Nagpur, and what were formerly known as the Saugor and Nerbudda Territories. Throughout the whole of this tract of country the communal system of society was in full force. What was true of other parts of India was equally true of this,—every village was like a little republic, self-contained and self-governed.

The ordinary tenure of the country under Native Rule was, as far as can be made out, always Malguzari. In a report by Captain Fernan, dated the 7th October, 1854, on the Saugor and Nerbudda Territories, quoted at page 15 of the old Settlement

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Code issued under the authority of Sir R. Temple, will be found the following :—

“We found the (village) system one of Malguzari, that is to say, the estates were held in absolute right from the Paramount Power by a single owner. The Malguzar could not sell the land in liquidation of debt, but he enjoyed otherwise heritable and transferable right. At his death he was succeeded by his son or next heir. The Patel (*i.e.* Malguzar) was the head of a little republic.”

Sir Charles Elliot in his Hoshungabad Settlement Report states with reference to the Malguzari tenure in force during the Mahratta rule :—

“I have not been able to obtain any accurate information as to the nature of the Malguzari or Patelic tenures in the times of Gond dominion. No records or traditions of that period remain, and although some *Maafee Sunnuds* of Gond Rajas exist, no family of Malguzars can trace their origin back to so distant a time. I believe, however, that the state of things then existing was, that the country was divided into Talookas held by Jagheerdars, who sub-leased the villages at their own pleasure to the cultivating classes of the population.”

In Chapters III to V of Captain Forsyth's Settlement Report of Nimar, there is a valuable and interesting history of the revenue system, with the Patel as its corner-stone, from the earliest times down to the period when the country came under the British rule. And the writer maintains that :—

“The institution of a Patel or headman in each village is of earliest date.”

As regards the Nagpur Province, Sir Richard Jenkins, for long time Resident at the Court of the Nagpur Raja, is the leading contemporary authority. The system, as described by him, does not differ, in any essential particulars, from the system in vogue in the Saugor and Nerbudda Territories. Under the Bhonslas, every Village Community had its recognised head. He was called the Patel. His position was one of great responsibility. He was the agent of the Government for apportioning and collecting the village assessment. He also possessed and exercised, in an undefined way, judicial authority, both civil and criminal. His office was not, strictly speaking, hereditary; but he was very often succeeded by his son, or, in the absence of a son, by some capable member of his family. This no doubt took place more by sufferance than by virtue of what would now-a-days pass muster as a legally enforceable right.

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But the Patelship could not be taken away from a family which had enjoyed it for generations without doing violence to the feeling of the community; and except, where a Patel had made himself unpopular or proved incompetent for his responsible office, he was seldom removed. Of course in days of civil wars and commotions, rights were wantonly destroyed, but we are concerned only with the ordinary times of peace. The Patel's remuneration in most districts was a fourth of the whole collection. He had besides his home-farm, called *Wahitmalik*, which he enjoyed either free of assessment or subject to a very light assessment. He generally had also the collection of certain admitted public dues or taxes, a share of which he was allowed to keep for himself. He also enjoyed certain private cesses, regarding which a tacit understanding existed between him and his ryots and other villagers.

The Patel paid his revenue to the Kamaisdar, as the Pergunna Revenue Officer was called in those days. If a Patel of good character happened to be badly off and unable to pay the revenue, the Kamaisdar, not unfrequently, became security for him, and a Sowkar or money-lender paid the amount due on the faith of his security. Otherwise the Patel made over the rents of his village,

or those of as many of his ryots as sufficed to cover the amount of the defaulted revenue. If a village was large, the Sowkar sent an agent to keep copies of the accounts. Generally, however, the Sowkars were satisfied with the account of the Pandya or village accountant, which were compared and investigated in the presence of the ryots at the close of the agricultural year.

When danger threatened the village, the Patel was expected to place himself at the head of his little community. The villagers then looked to him for help and protection, and he did his duty in pulling them through the crisis. Thus, there was mutual confidence and mutual reliance on one another, which bound them together in a common bond of sympathy and fellow-feeling. The Patel thus became the village representative and the village guide in all matters between the villagers and the rulers, and also the outside world. He was not less useful in executing the orders of Government than in protecting the rights and getting redressed the wrongs of the people.

As regards the position and status of the cultivators, they held their lands on yearly leases granted them by the Patel. Every portion of cultivated land, but no other, was liable to Government assessment. The Government demand was

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on the village taken as a whole, and not upon particular fields. It was the Patel's duty to apportion the assessment, field by field. And, generally, before the commencement of the agricultural year, he settled the proportionate part of the whole assessment which each individual ryot was ultimately to contribute. The *bids* or betel-leaf, which was considered as the pledge of mutual good faith, was then distributed by the Patel to the ryots. The year's engagement being thus completed, the agricultural operations commenced.

No written laws existed to protect the ryots from the Patel's oppression. But custom and the general opinion of the community, did what the legislation of these days often attempts, but fails to accomplish. This is amply borne out by official testimony. Sir Richard Jenkins, in his report on the territories of the Nagpur Raja, fully endorses the opinion of Captain Cameron who says:—"He has always found the Patels ready to do their ryots justice, and their proceedings are seldom vexatious, unless with a view of getting rid of a bad or intriguing character out of the village." Sir Richard Temple, the first Chief Commissioner of the Central Provinces, thus wrote on the subject in a letter to the Supreme Government, dated 18th July 1864:—"He

is not prepared to affirm that tenant-right was, prior to the British rule, altogether unknown to these Provinces. There was no declared law or unvarying custom. But still, a certain sort of occupancy right would be usually conceded. It was probably the case here, as in most other parts of India, that so long as a tenant paid his rent, the sense of the community was generally against his ejection, and the position of some tenants became thus so strong as virtually to involve a right of continued occupancy."

The accounts of the ryot generally were settled before the first of Chait (April). The Patel, when necessary, gave *successive* advances to those of his ryots, who were in bad circumstances, or who had been particularly unfortunate during the past year. The *successive* consisted of cash for the purchase of cattle or implements of husbandry, or these were furnished at a stated value; and seed-grain and grain for the subsistence of the ryots and their families, called respectively *Bij* and *Pudga*, were also advanced by the Patel or his banker. The Patel, to whom the ryots were thus indebted, was allowed to place the property of the defaulters under restraint, but not to sell it without the sanction of the Perganna Revenue Officer. If a ryot left his village in debt to his Patel, he was

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obliged to return or settle all just demands before he was allowed to become a cultivator elsewhere. The spectacle, however, of a rich and powerful Patel taking advantage of the social inferiority, ignorance, or necessity of his ryot, for the purpose of driving a hard bargain, was an occurrence then very rare, if not entirely unknown. The Patel never sold up his ryot, unless forced to do so by the circumstances of the case.

There were two other important factors in the Village Community, the Sowkar and the Panchayet. The Sowkars, who lent money to the Patels and their ryots, were, in many cases, Marwaris. At the present day, the miseries of the people are generally laid at the door of the Marwaris, who form the bulk of the money-lenders. They have come to be looked upon as worms eating into the vitals of the society; and they are perhaps the best abused people in the community. But here is what Sir Richard Jenkins says of them:—"The Marwaris are the principal shroffs or bankers in the city. They are extremely intelligent, quick in the despatch of business, and correct and fair in their dealings. In their general conduct and demeanour they are respectable, and they bear, perhaps, the highest character of any class in the community for integrity and fair dealings."

Justice was administered in an equally simple fashion. There were no separate Officers of State for the administration of civil justice among the villagers. All disputes between the Patel and his ryots, and among the villagers generally, were settled by themselves with the aid of that time-honoured institution, the Village Panchayet. In each village there was an arbitrator, who was called the "Mahajan," chosen by the Patel and the ryots jointly. His office, though strictly speaking not hereditary, yet, in accordance with the usual practice of the country, descended from father to son. The Mahajan decided all disputes between the Patel and the ryot, or amongst the ryots themselves. Special Panchayets were also chosen, their aid being generally invoked in all important cases. The Panch were assembled by the Patel. They had no fixed place of meeting; but the platform of the village-god was generally selected as attaching the sanction of religion to all that might be transacted there. The most respectable men in the village were chosen members of the Panchayet, irrespective of caste or profession. The Patel generally named the members, but if any one of them was challenged by the parties, he was removed; sometimes the parties chose their own Panch, and an umpire (Sar Panch) was chosen with mutual consent. The agreement of

the parties to abide by the award was usually verbal, but in cases of importance, or where the parties were known to be litigious, it was reduced to writing. Their proceedings were rarely recorded. With them fraud was next to impossible. Nothing is easier than for an unscrupulous litigant to palm off upon a Judge, under the present system of administering justice, a false claim supported by false evidence. But before the Village Panch, with their local and personal knowledge of the past history of each litigant and witness, it was by no means an easy affair to sustain a false claim by perjured and tainted testimony. Moreover, a man might swear falsely at a strange place and before a strange Judge, removed from the control of the public opinion of his fellow-villagers, but he would think twice before he would so commit himself in the presence of the headman of his village, and in the hearing of all his neighbours, whose good opinion he was bound to respect. How great is the blunder of the new administrators who have, slowly but surely, destroyed this most efficacious, cheap and ancient system of Village administration and Village self-government.

Under the system described above,— a system which suited their genius and traditions,—the

people, during the reign of the Bhonsla kings were in a state of peace with one another and were content with their condition. So long as the Government demand was moderate and equitable, and there was no interference with the working of the village system, which had, in a manner, spontaneously grown out of the wants and requirements of the people, they prospered. The contrary happened when, owing to misrule and oppressive assessments, they were not allowed to act in consonance with their time-honoured customs and institutions. Sir Richard Jenkin's Report affords abundant evidence of this fact. From the first commencement of the Mahratta rule down to the year 1792, the country was uniformly prosperous. Misrule followed for a time, but things returned to their old course during the Regency, from 1818 to 1827; and there was no break when, on the late Raja attaining his majority, the kingdom was made over to him.

The late Raja died on the 11th of December, 1853, and his territory then passed into the hands of the British Government, under the operation of the doctrine of "lapse" as enunciated by Lord Dalhousie. At that time, the old Native system, under which the people had been living for so many centuries, had lost none of its vitality.

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Though grey with the dust of ages, the accumulated weight of many centuries had failed to crush out its life-giving power. It was as potent as ever to conduce to the happiness of the people, and it were much to be wished that the old village Government system had been left untouched by the new Government. The Government of the day was fully alive to this fact. The Governor-General, in course of his instructions to the Resident, dated the 7th March 1854, laid down that the guiding principle which should pervade the new Administration was "to establish plain, simple, and efficient regulations on the basis of the ancient usages and laws of the country." This looked well on paper. But nowhere throughout India has the British Government adhered, for any great length of time, to this most salutary principle.

The past history of British Administration in India would rather lead one to conclude that the maintenance of Native institutions is against the spirit of British rule. Certain it is, the indigenous institutions of the land have never long survived its introduction in any part of India. No sooner did the new Government settle down, then the Governor-General-in-Council thought that "the rules in force in the Punjab on the subject of administration of civil justice might be

introduced with great advantage" into the newly acquired provinces. They were, accordingly, introduced. The Nagpur Commission was then formed to administer the new laws. A Code of Procedure, framed by the Judicial Commissioner of the Punjab, was also introduced for the guidance of the officers. All this took place within four years from the change of Government. In 1859 it was ordered that the Civil Procedure Code, Act VIII of 1859, should be partially introduced as an authoritative guide, the object to be kept in view being "the eventual adoption of the Code as law." In the same year, a number of rules and principles, sanctioned originally for the Punjab, and regulating limitation of suits, registration of deeds, the law of evidence, cost of litigation, and other kindred matters, were introduced.

The reason assigned for the change of policy was that "it was convenient, and on many grounds advisable that, so far as practicable, the system of administration pursued in the Provinces under the Government of India should be the same." This was a distinct departure from the declaration with which the new Government had begun, namely, that the people were to be secured in the enjoyment of their own customs and institutions. In attempting to give effect to this principle of

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uniformity, the declaration of 1854 was soon lost sight of, and scant respect was shown to the "ancient usages and laws of the country." In less than six years from the change of Government, the country underwent a complete transformation. The introduction of the new laws and regulations on the basis of those in force in the older provinces of the Empire, went on at a vigorous pace; and by the time the several districts, now forming the Central Provinces, were consolidated under one central and independent jurisdiction in November 1861, a costly, elaborate and intricate system of law and administration had been introduced.

Village communities, with the Patel and his powers and privileges, his duties and obligations, as the key-stone of the system, could not long retain their vitality under the new *regime*. The old bonds, which had held the villagers together, could not long bear up against the pressure of the exotic systems introduced. The Patel soon came to be practically deposed from his position as the head of the community. He was shorn of his powers and relieved of his duties. Under the new fiscal system, he was merely a farmer of Government revenue, liable to be summarily ejected on the expiry of the period for which the village might have been settled with him; and generally, such period was very short.

Along with this breaking up of the old system, the ties of village organization were destroyed.

We shall now show, by quoting from official documents, how disastrous was the result of this supplanting of the ancient and time-honoured system of the people by the fiscal system of the British Government. The Saugor and Nerbudda Territories had become part of the British Empire some years previous to the lapse of the Nagpur Province, and how they had fared under the new system of Administration would appear from the following extract from a very able note, on the Saugor and Nerbudda Territories, by Mr. R. M. Bird :—

“The spirit of the administration of the Saugor Provinces is and has been opposed to those well-ascertained elementary principles, without a due observance of which civil and social prosperity is impossible. Perfect freedom and security in the use and employment of property, strict administration of equal law, and, as far as the Government is concerned, securing to every one the fruits of his own industry, are indispensable requisites. The system of the Saugor Province can only be mentioned in contrast with these principles. The demand of Jumma (revenue), higher than can be realized but during a succession of favourable years, leaves every man dependent, not on his own

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skill and industry to create the largest possible surplus for his own use after meeting the demand of Government, but on the bounty of Government, doled out at the discretion of the District officers, to leave him something out of its demand on which he may subsist. This system, combined with that of short leases and no security for renewal, is of itself sufficient to account for the impoverished and exhausted state of the lands, which are ruined by over-cropping and want of culture. ”

A change of policy in dealing with the people in their relations to land was determined upon. It was discovered that, to quote the words from a Minute by the Lieutenant-Governor of the N.-W. Provinces, of which the Saugor and Nerbudda Territories then formed a part, “to induce the people to spend their own capital and put forth their own strength in the cultivation of the land, it is necessary that they feel assured of reaping the full benefit of their enterprise, not only during the full period of the Settlement but beyond that, and so long as they or their posterity may have any connection with the land. In other words, it is necessary to give a good title, so that each person might know the exact extent of his proprietary interest in the land or its produce, the mode in which he can transmit it to his heirs, and the

terms on which he will be allowed to hold after the expiration of the settlement. ”

The Minute continues :—

“ Now these conditions, which are essential to the success of the system introduced into the Saugor and Nerbudda Territories, have been altogether neglected. Such a state of things is fatal to the prosperity of the country, and imperatively requires remedy. The remedy in order to be effectual must be conformable with the feelings of the people, and consistent with the principles of justice which prevail among them. ”

It was accordingly determined to “ confer ” proprietary right on such persons as might, after judicial enquiry by the Settlement Department, appear to have the best right to it, “ either from their having long held possession, or from their having since the cession brought the estates in their possession into cultivation, and regularly paid the Government demand on them. ” (Proclamation regarding the New Settlement).

As regards the Nagpur Province, the following instructions were issued. “ In regard to the admission or creation of a proprietary right in Malguzars, I am desired to state that the Governor-General-in-Council is strictly in favour of the measure, so far as it can be carried out without

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prejudice to the right of others. But His Excellency-in-Council is in favour of giving the proprietors thus created as large and absolute a control over the property vested in them as is consistent with local usage and feeling. When such usage and feeling are not opposed to the measure, it can only tend to the prosperity of the province, to confer on every landholder, as nearly as possible, a fee simple in his estate, subject only to the payment of revenue of the Government." (Government letter No. 2279 dated the 28th January 1860.)

We now approach a most important epoch in the fiscal history of the Central Provinces. It is unquestionable that the recognition of proprietary right was a measure which proceeded from the highest motives of benevolence towards the people. At the same time, to say that by such recognition, new rights, unknown in the days of the Native rule, and altogether different in kind from what then existed, were created, is not historically accurate. If by proprietary right is meant security of title, as creating a confidence in the mind of its holder that he will be left undisturbed in the enjoyment of the fruits of his capital and labour, then we say, that such a right did exist in the normal days of the old Native rule. The old Settlement reports amply bear this out. It was

only when a Patel broke down that the Patelship was transferred from his declining family to a more vigorous one. The outgoing Patel however "was, after dispossession, generally allowed some rent-free lands to cultivate, or in some other way a subsistence was provided for his family." He also made over to "his successor his right in the village of whatever kind they were, whether in tanks that had been built by his money or exertions, or in houses or in trees that he or his forefathers had planted; his interest in these were duly and solemnly made over to his successor, sometimes for cash, sometimes on condition of paying up the Government balance." (Bhandara Report, para. 59.)

Speculation is however not necessary. The question, what rights were created at the Settlement, came to be considered both by the Local Government and the Judicial Commissioner, the highest Court in the Province, soon after the Settlement operations came to a close. In his letter No. 5261, dated 28th November 1863, the Chief Commissioner thus wrote to the Judicial Commissioner:—

"The Settlement Officer traced with certainty or confidence the proprietary right in the land in question, and declared it by the prescribed formula ('I confer') to be traceable to and recognizable

as a fixed right, claim or interest vesting in C—, Therefore, although the recognition of the thing thus traced was declared, from motives of expediency, in order to avoid any future contest or litigation, by the formula 'I confer,' there was in such declaration no creation of a right new and not pre-existent. The formula by which, under par. 13, section 11, of the Settlement Code, the fixed rights, claims or interest, traced by the Settlement Officer are recognised, cannot be held to imply a denial of their existence or pre-existence, but only a bar against future contest or litigation with respect to the possession of those rights."

The Judicial Commissioner too sitting as the highest Court of Appeal decided on the 8th December 1863, that although proprietary rights in land were not acknowledged under that name by the British Government before the Settlement, they in point of fact existed. It was the declared object of Government to recognise existing rights and not to create new rights. The effect of the acknowledgment of proprietary rights at the Settlement was to render rights of ownership more complete, but not to create them for the first time. And after many years of dispute and doubt, this view has at last been authoritatively declared to be correct by their Lordships of the Privy Council.

CHAPTER II.

THE SETTLEMENT OF THE 'SIXTIES.

When Sir Richard Temple introduced in the newly constituted province what is locally known as the "Proprietary Settlement," the country was yet in an undeveloped state. There were large areas of culturable virgin land, which constituted a most fruitful source of future profit to the Malguzars. There was further the great possibility of profit in the expected rise in prices, resulting from the opening out of the country by roads and railways. With a full knowledge of these facts, with the deliberate intention of letting the people enjoy undisturbed the entire benefit of all future improvement in the condition of the country, Sir Richard Temple, acting under the generous influences of Lord Canning's administration, induced the Government to grant the boon of a long-term Settlement, coupled with a recognition of Proprietary Right in the estates in favour of the Malguzars. In a Settlement Code which he issued with the sanction of the Governor-General, (Vide par. 135 of his Administration Report for 1862-63), he laid down two important principles, which were to regulate the assessment of the Government demand.

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These were (a) that the Government revenue should be about one-half of the assets, and (b) that the assets which were to be the basis of the assessment should be "well-ascertained" "real" assets.

The first principle is embodied in what is known as the Saharanpur Rule. It runs thus :—

"The assets of an estate can seldom be minutely ascertained, but more certain information as to the average net assets can be obtained now than was formerly the case. This may lead to over assessment, for there is little doubt that two-thirds or sixty-six per cent. is a larger proportion of the *real average assets* than can ordinarily be paid by proprietors, or communities, during a long course of years. For this reason the Government has determined so far to modify the rule laid down in paragraph 52 of the Directions to Settlement Officers as to limit the demand of the State to 50 per cent. of the *average net assets*. By this is not meant that the Jumma of each estate is to be fixed at one-half of the *net average assets*, but that in taking these assets with other data into consideration, the Collector will bear in mind that about one-half, and not two-thirds as heretofore, of the *well-ascertained net assets* should be the Government demand. The Collector should observe the cautions

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given in paragraph 47 to 51 of the Treatise quoted, and not waste time in minute and fruitless attempts to ascertain exactly the *average net assets* of the estate under settlement. ”

The italics are our own except as to the word 'real.' Now it has been contended (1st) that the rule was only in force in that part of the province, which constituted the old Saugor and Nerbudda Territories, and (2nd) that the expression "average net assets" meant *prospective* assets as opposed to *actual* assets.

Regarding the applicability of the rule, it is no doubt the case that originally it was introduced under the orders of the Lieutenant-Governor of the N.-W. P., in the Saugor and Nerbudda Territories, which, before the formation of the C. P. Administration in November 1861, were administered as an adjunct of the N.-W. Provinces. When, however, these Territories, along with the kingdom which had lapsed on the death of the Bhonsla Raja of Nagpur, were consolidated under one central jurisdiction under a Chief Commissioner, Sir Richard Temple, the first Chief Commissioner, issued a Code, which was to regulate the work of Settlement throughout the newly-constituted province. The only rule of percentage which finds a place in this Code is the half-assets Saharanpur Rule. Its

unqualified inclusion in the Code made it necessarily applicable to all the districts in the province, and not merely to the eight districts formerly known as the Saugor and Nerbudda Territories. Whatever authority it possessed, it possessed in an equal degree throughout the province. It is difficult therefore to see how the case of the Saugor and Nerbudda Territories can be differentiated from that of the old Nagpur Province of the Bhonsla dynasty.

Next comes the question what was meant by the expression "average net assets." The rule was a modification of direction No. 52 of Mr. Thomson's "Directions for Revenue Officers" in the N.-W. P. issued in 1849. This direction was to the effect that the Government should not demand more than two-thirds *of what might be expected to be the net produce to the proprietor during the period of settlement.* The revised rule or direction laid stress on the fact that more certain information as to the average net assets could be obtained now (in 1855) than was formerly the case. It next pointed out that this might lead to over-assessment, for there was little doubt that two-thirds was a larger proportion of the *real* (the word was in italics in the rule) average assets than could be paid during a long course of years. For this reason, the rule

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proceeded to say that the Government had determined to limit the demand to "one-half of the average net assets," Now the phrase "average net assets," especially when used in connection with the expressive word "real," could not mean conjectural future assets, which might never be realized, but must mean assets which the proprietor would be in a position actually to realize.

"Real" assets cannot mean estimated future assets; it must mean assets actual and tangible. This construction is further borne out by the significant fact that the words "during the period of Settlement" after the words "net produce" in the old rule were omitted in the new rule. As if to leave no room for misunderstanding, we find Sir Richard Temple's Settlement Code quoting as a guide and direction the following from a letter originally issued for the Saugor and Nerbudda Territories. "The true object to be arrived at, wherever practicable, is undoubtedly, in the view of the Lieutenant Governor, that the assessment should be fixed with reference to a well-ascertained rental, and not that the rents should be left to be subsequently calculated so as to furnish the means of meeting an assessment which had been conjecturally fixed by the Settlement Officer. It must be the business of the Settlement Officer to approach,

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as nearly as he can, for the ground-work of his proceeding, to the real rental value of every estate." How these directions were understood by those engaged in the work of Settlement would appear from the following extract from the Settlement report for Bilaspore by Mr. Chisholm, one of the most experienced officers of the old Settlement:—

“After all the fairest system of assessment both for the Government and the people is an assessment based strictly on ascertained assets. Much of the discontent and dissatisfaction on occasions of resettlement arises from the assessment being based, not on ascertained assets, but on the rental value of the estates calculated on assumed rent rates. These assumed rent rates are the outcome of elaborate enquiries into the value of different soils, and they are supposed to represent with fair accuracy the rental value of individual estates. But when applied to estates, the rents realized in which are on an altogether different valuation of soils, they cease to represent facts as to rent, on which alone an assessment should be based, and represent only a theory of rental value, prepared from the best available data.”

It seems, unquestionable that the assessment was neither based on actual assets, nor was it regulated in strict accordance with the half-assets

rule, throughout the Province. Wherever there was any likelihood of the Government revenue suffering, the rule was violated, and the assessment fixed in defiance of it. The Settlement Department evolved certain soil rates, and proceeded to deduce from these rates an ideal rental, which the tenants were expected to pay, and the Malguzars to realize. The assessment was not based on the actual rents paid by tenants, but on these theoretical rents obtained by the use of the soil values. The Settlement Officer possessed no legal authority to fix the rents of tenants. None the less the fact remains that, it was by his intervention that the rents were raised to the figures adopted by him for his assessment purposes. The process is thus described by Mr. Fuller, Commissioner of Jabalpur, in par. 3 of his letter embodied in the Indian Land Revenue Policy :—

“At the time the revised revenue assessment was announced, an officer, usually a native Deputy Collector, was deputed to endeavour to bring landlords and tenants to agree to, and distribute, such enhancements of rents as would be in accord with the new revenue assessment, and the extent of the enhancement actually accepted depended less on the Settlement Officer's forecast than on the strength of the landlords, the custom of the

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country, and the trouble taken over the business by the officer in charge of the adjustment."

The Chief Commissioner thus sums up the views of his officers in par. 4 of his Minute:—
"The Settlement Officer did not fix rents at that Settlement, the matter being arranged after the announcement of the revenue by agreement between the landlords and the tenants *with the assistance of a subordinate revenue officer.*"

The italics are our own. These and other official statements given in the "Land Revenue Policy" show that the landlords and tenants were "assisted by a subordinate Government Officer" in fixing the rents; that "a Native Deputy Collector was deputed to endeavour to bring landlords and tenants to agree;" that they agreed "under the stimulus of a revised revenue demand;" that "rents rose largely" in some places under this process; that the revenue was enhanced first, and then the landlords and tenants were led to accept the enhanced rents forming the basis of the new assessment "with the assistance of a subordinate Revenue Officer." When all this is admitted, we fail to understand how the position taken up by the Government that the Settlement Department had no hand in raising rents, can be maintained. Can any one honestly hold this view on the facts stated above?

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The following table, taken from the Chief Commissioner's letter No. 1862 dated 11th April 1901 and its annexures, shows to what extent the half-assets rule was violated :—

District	Percentage of assets taken as revenue
Seoni, Hoshungabad } and Narsingpur }	Under 50.
Jubbulpur	50
Saugor	51
Damoh	54
Mandla	56
Nimar	64
Nagpur	78
Wardha	79
Chhindwara	66
Betul	64
Ehandara	60
Chanda	60
Bilaspur	57
Raipur	53
Sambalpur	75

It would thus appear that a salutary principle of assessment, introduced with the avowed object of checking over-assessment, was set at naught in the actual work of Settlement, first by officers of Government assisting in the somewhat undignified task of raising rents all over the country, and secondly, by fixing the demand at a higher percentage than fifty in 12 out of 16 districts,

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in which the Malguzari Settlement was introduced.

The high percentages taken in Nagpur and Wardha have been sought to be justified on the ground that the legacy of heavy assessments left by the Bhonsla Rulers tied the hands of the Government, and forced it to maintain a higher percentage in these districts than would otherwise have been done. It seems very doubtful, however, whether the Maharatta assessment was really so oppressive as has been stated, and as might at first sight appear on a mere consideration of the proportion which their revenue bore to the rental assets. It would appear from Sir Richard Jenkin's report that under the Mahratta system :—

(1st) Only cultivated land and no other was liable to assessment. This freed the current fallows from assessment, and also left the miscellaneous profits to be wholly enjoyed by the Patel and the villagers. Under the British system current fallows are fully rated, and every item of miscellaneous profit is duly assessed.

(2nd) The Patel enjoyed his *Sir* or home-farm revenue free. It was lightly assessed at the old, and has been very fully assessed at the new Settlement. Considering that the home-farm generally

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consists of the best lands in a village, this was a most important concession under the Mahratta system.

(3rd) The Patel received from the ryots several customary dues in addition to his rent. These have either been abolished or have merged in the rent, thus operating to swell the assets upon which the revenue is fixed. It would thus appear that while the high Mahratta percentage was maintained by the British Administration, the special advantages which the Malguzars enjoyed under the Mahratta rule were withdrawn.

CHAPTER III.

HISTORY REPEATS ITSELF.

There can be no indefinite increase in the Land Revenue. There is a limit to the paying capacity of the people, which, when exceeded, brings on a collapse. We have an instance of this in the past history of the territories composing the Central Provinces, and in view of what has transpired in our own days, it may be of interest to recount that history. The early history of the Province is summarised by Mr. Carey, Settlement Commissioner, in his note given in the "Indian Land Revenue Policy."

"The Saugor Nerbudda Territory, ceded by Apaji Bhonsla in 1818, had been harassed by constant war, and ground down by exceedingly heavy taxation. A system of short leases ruled, and villages were given to the highest bidders. The Patels had to content themselves with one tenth of the whole profits, and the majority had to make way for a race of speculating farmers, who agreed to any conditions the revenue authorities might make, in the hope of securing a footing in the village for better times to come. At the outset,

short term Settlements were made under British Rule, and an abortive attempt was made to maintain and even improve upon the revenue handed down to us by Bhonsla Government."

Referring to the Settlements in the Hoshungabad and Seoni districts, Sir Charles Elliot, Settlement Officer, writes:—"Major Macpherson, however, had chastised Hoshungabad with whips, and Seoni he scourged with scorpions." Sir Charles Grant, Settlement Officer, Narsingpur, writes in his report:—"In Narsingpur the first British assessments were founded on the later Mahratta assessments, which had been unduly strained at a time of war, and when our officers attempted a rigid system of collection on so unsound a basis, and the temporary relief afforded by the consumption of the Nurbudda field force was withdrawn, the whole unsubstantial fabric broke down, and the impolicy of the assessment was shown by the entire desertion of numerous villages." In Saugor, the first demands of the British Government pressed so heavily on the people that, Col. Maclean, the Settlement Officer, writes:—"All enterprise has been crushed.....The wide-spread misery and distress throughout this division of the district must be seen to be appreciated.....The impression conveyed to me on inspecting these tracts was that

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the Parganahs were dead, so vast was the desolation, and so scarce the sight of life."

The policy is characterised as one of those tremendous mistakes, the effect of which many years of subsequent moderation and justice were hardly able to wipe away. After about ten or fifteen years, during which two-thirds of the official correspondence related solely to revenue reductions, the necessity of substantial abatements was fully recognized. Then came a 20 years' Settlement, concluded in 1836-37. But even this Settlement was not moderate. In par. 23 of the Saugor Settlement Report, Sir John Morris, then Settlement Commissioner, makes the following remarks :—

"It is not necessary for me to follow the Settlement Officer through all his figures ; but I must observe that, notwithstanding that the last 20 years' Settlement was more moderate than any of those preceding it, still it broke down in 1845." After referring to the reductions made, the report continues :—"Large as this reduction was, still it did not prove sufficient, while the manner in which it was given, being doled out in driblets instead of being freely granted with a liberal hand, destroyed more than half the benefits which would otherwise have occurred from it."

There was some excuse for these impossible Settlements made in the early years of British rule, when the condition of the country, and the various factors which determine the nature of the soil, were little known. But with the experience of the best part of a century to act as a guide, the people had a right to expect that the mistakes of the past should not be repeated in the present. But there is much in the history of our own times which puts one in mind of the history of the past. As will be shown in the next chapter, when the time approached for the expiry of the terms of the old Settlement, of the 'Sixties, the very first thing that the Chief Commissioner, Sir Alexander Mackenzie, did was to propose to the Supreme Government that "the half-assets rule might be authoritatively declared inapplicable to the Central Provinces at the present Settlement, and the Local Government might be left to make a reasonable and moderate Settlement all round, 25 to 30 per cent of the assets being considered a fair allowance for Malguzari profits, risks, and costs of collection." Or in other words he asked for sanction for a Settlement on a 70 to 75 per cent rule. (Vide his letter No. 501, dated 18th May 1887). The cesses were, of course, to be on the top of this assessment. Sir Alexander further made it clear in this letter that the object to be kept in view in making the new assessments

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should be to secure a substantial increase of revenue. He frankly admitted, in contradiction to the usual outcry against Malguzars of their harsh treatment of their tenants, that except in certain isolated tracts, the Malguzars as a body had been very sparing in the exercise of their right of enhancement. But he pointed out that the Government should not suffer for the moderation of the Malguzars, and that rents should be enhanced so as to give the Settlement Officer a free hand in enhancing the Government dues. This letter, with the correspondence which followed, was issued as a circular for the guidance of the Settlement Department; and in the first district, Bilaspur, which came under its operation, the percentage of enhancement under the head of revenue and cesses combined reached the figure 111. The corresponding figure for Raipur was 71. In Hoshungabad it was 99, Seoni 95, Jubbulpore 78, Nimar 73, Damoh 70, and Saugor 61.

A succession of bad harvests culminating in famine synchronised with these severe assessments. Fully conceding that the primary cause of the terrible distress and destitution, which happened within recent years, was the grievous failure of crops, the question still remains, whether the withdrawal, all of a sudden, and without giving the

people time to readjust their affairs to the new economic position, of a large share of the profits hitherto enjoyed by them, did not make them less resourceful, and did not accentuate the miseries and aggravate the disastrous effects of the famine. The question is best answered in the following pregnant words, written in 1861, of Colonel Baird Smith, who was appointed by Lord Canning to make a special enquiry into the famine of 1860.

“No misapprehension can be greater than to suppose that the settlement of the Public Demand on the land is only lightly, or as some say, not at all, connected with the occurrence of famines. It lies in reality far nearer to the root on the matter, because of its intimate and vital relation to the every day life of the people and to their growth towards prosperity or towards degradation, than any such accessories as canals, or roads, or the like, important though these unquestionably are. It is no doubt quite true that not the best Settlement which mortal intellect could devise, would cover the skies with clouds, or moisten the earth with rain, when the course of nature had established a drought. But given the drought and its consequences, the capacity of the people to resist their destructive influence is in direct proportion, I would almost say, geometrical proportion, to the

perfection of the Settlement system under which they are living and growing. ”

The Revenue Demand had been fixed in the 'Nineties on the basis of a continuous average harvest such as no country, least of all India with its erratic monsoon, has ever known. And when the inevitable bad seasons came after good, how did the Government deal with the people affected by the new assessments? Let us see what the Government reports have to tell us. We shall take up Jubbulpore first.

Since 1887, this district had not known a full harvest. During this period there were two years of officially recognised famine and several years of scarcity. The new assessments came into force during this period of continued and growing agricultural depression, and this was apparently not taken into consideration, either in fixing the new assessments, or in bringing them into operation. The percentage of enhancements under revenue and cesses combined ranged from 44 to 86 in the various groups, and by the 1st of July 1894, the whole district had come under the operation of these enhanced assessments. In the first year after this Settlement (1894-95), the rents realized by Malguzars on account of the year's demand came to Rs. 6,50,000, or less than half. The sum paid to

Government on account of the year's revenue and cesses, excluding Patwari cess, was Rs. 6,30,000. Including this cess, it may be safely asserted that the Government dues absorbed the whole of the recoveries from tenants. The year is thus described by the Deputy Commissioner :—

“ The year under review, though hopeful at the earlier part, proved ultimately to be an exceptionally trying one to the agricultural classes. A good deal of capital sunk in seed grain has been entirely lost ; all Malguzars who lent seed to their tenants have lost heavily in this way, and have had with few exceptions either to borrow from money-lenders, or obtain *taccavi* from Government, in order to assist their tenants and keep their villages in cultivation. Malguzars have heavy arrears to collect, and cultivators in their turn suffered much, their debts have grown heavier, and many have been pinched for food. ”

We have nothing to add to this graphic account, and would only draw attention to the figures of the revenue realization in Jubbulpore in succeeding years. In 1896-97, the year of the officially recognised famine, the corresponding figures are Rs. 5,19,000 and Rs. 5,82,000 respectively, *i.e.*, the payments to Government exceeded the rent-realizations by Rs. 63,000. In 1897-98, the figures

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respectively are, Rs. 8,18,000 and Rs. 9,46,000, the excess payment to Government being Rs. 1,28,000. In 1898-99 there was a small profit of Rs. 17,000 after meeting the Government dues. This, however, was turned into a loss after payment of the Patwari cess. The figures relating to alienation of proprietary rights may perhaps help one to understand how with diminishing income, the Malguzars met the Government demand. In 1890-91, just before the new assessment began to come into force, the area alienated by private sale and mortgaged with possession was 26,000 acres. In 1894-95, it rose to 57,000 acres or more than double!

We shall take up Narsingpur next. The new assessments began to take effect from 1893-94. The revenue report for the year says, "there can be no doubt that owing to the comparative failure of the wheat harvest, considerable hardship was experienced by many persons in various parts of the country. The store of seed grain was very limited, and many of the Malguzars who ordinarily advance seed grain to their tenants had no grain to advance." The whole of the Government dues under the new Settlement were, however, realized. The Deputy Commissioner thus speaks of the next year, 1894-95, "The failure of the wheat crop in 1894, followed by a comparative failure of most of the crops in

succeeding autumn, and by a marked failure of all crops in the next spring, naturally impoverished the agricultural community, and put them in great straits.... Speaking generally, they (the cultivators) could not pay more than half their rents; even to pay half, tenants had to dispose of their gold and silver ornaments, and most tenants sold all their necessary plough bullocks." But though the proprietors could realize no more than half the rents, they themselves had to pay the new assessments in full ! 1895-96 was a somewhat better year, though, according to the Deputy Commissioner, not good enough to enable past losses to be made up. The Malguzars could only realize 53 per cent. of the rents, though, as usual, they themselves were made to pay the Government dues in full. It was only in the famine year, 1896-97, that we find the Government not recovering the whole revenue. About a third was recovered. Next year, 1897-98, when the tenants were so largely helped by the Charity Fund, the Government realized almost the whole of the current demand, Rs. 6,72,000, and Rs. 1,95,000 besides on account of previous years' arrears. The Malguzars themselves realized from their tenants only 46 per cent. of the current demand in addition to 39 per cent. of past arrears. During 1898-99, the exhaustion of resources had reached such a pitch that the Government could only realize a little more

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than half the demand, as against a realization of 35 per cent. of current rents by Malguzars from their tenants.

We next take up Hoshangabad. The new Settlement came into force throughout the district in 1896. Within two years of this, the cropped area had decreased by about two lakhs of acres. In 1897-98, the realizations from tenants fell short of the payments to Government by about Rs. 52,000. In 1898-99, the recoveries from tenants came to only 41 per cent. of the year's demand. Writing of the district in 1898, the Deputy Commissioner said, "the district is bankrupt and requires at least two good crops to become solvent." This view was repeated by him in the next year's report. The crops continued to be poor, and the failure of the rains in 1899-1900 created a more disastrous situation than any that had gone before. Nearly fifty thousand acres went out of cultivation, and yet, beyond temporary remissions, nothing was done to nurse the district back to its former prosperity. Abatement proceedings were initiated only in 1901.

Saugor is perhaps the most ill-fated district in the Province. Let us see how it fared at the hands of the Revenue Officers. The new assessment began to take effect from 1893-94, when the district had already entered on its cycle of lean

years. In this year the percentage of outturn on the full average outturn of all crops was only 31. The realization from tenants barely reached one-tenth of the recorded rents, but the realization by Government was 32 per cent. of the demand. In 1894-95, the outturn was 39 per cent; the revenue report does not show what was realized from tenants, but Government recovered 94 per cent. of its current demand. Coming to the next year, 1895-96, we find a shrinkage in the cropped area of 120,000 acres; the rent realizations barely reached 50 per cent., but the Government recovered 80 per cent. of its demand. In 1896-97, the famine year, the Government realization was one-sixth; it is not shown what the tenants paid. In 1897-98, the Government recovered 79 per cent. of the demand; the information as to tenants' rents is wanting, as in the previous year. The district then suffered terrible deterioration. The cropped area in 1900 was only 31,000 acres more than in the year of the old Settlement, when the Settlement Officer, Colonel Maclean, found ruin and desolation all round.

One more district, and we shall have done with this sad tale. Writing in 1898, the Deputy Commissioner of Balaghat says, "It is greatly to be regretted that a few years could not have been given to the

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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." In 1898-99, 85 per cent. of the new assessment was realized, though the outturn was no better than a ten-anna crop, and tenants paid only 67 per cent. of their rents. Cultivation declined 42 per cent.

Sir William Hunter in his "Orissa," referring to the expiry of the thirty years' Settlement in that Province in 1866, when it was just emerging from the effects of a great famine, states:—"It would have been harsh in the extreme to have increased the burdens of the people at such a moment, and the Settlement was renewed for another thirty years at the old rates. Practically, therefore, we have shut ourselves off from the principal source of increased revenue in an Indian Province during sixty years from 1836 to 1896." It is sad that in the nineties, in another British Province under similar circumstances, the authorities could not rise to the height of the wise statesmanship which had animated them in the sixties. Let us hope that remedial measures, commensurate with the necessities of the people, will now be adopted, and that a great Province, prostrate under an unparalleled series of misfortunes, will be rescued from decay and destitution.

CHAPTER IV.

THE NEW SETTLEMENT OF THE 'NINETIES.

We have somewhat anticipated the course of events in the last chapter by narrating the *results* of the Settlement of the Nineties before narrating the *history* of that Settlement. That history will be told in the present chapter. In 1881, the law relating to land revenue, which till then had existed in various Government letters and Proclamations and Settlement engagements, was codified. When the Bill embodying the proposed law was under discussion in the Legislative Council, it was strongly pressed on the Government by the Malguzars of the Province that it would add greatly to the confidence of the people, and increase their feeling of security, if the main principles of Sir Richard Temple's Code were embodied in the proposed law. They prayed that the minimum term of Settlement should be thirty years, and the maximum land-revenue should be fifty per cent of the assets. In doing this they merely asked that the principles, already authoritatively laid down, and which, the people had been led to believe, would govern all future dealings of Government with them, might be placed on a firm and secure basis. But although

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assurances were given that the Government would not retire from the position taken up at the old Settlement, it could not see its way to grant the prayer of the memorialists. All that was done was to lay down that the Chief Commissioner would, from time to time, with the previous sanction of the Governor-General-in-Council, give instructions to the Settlement Officer as to the principles on which Land Revenue was to be assessed, and as to the sources of miscellaneous income to be taken into account in the assessment.

As the period of the old Settlement drew near to a close, the Local Government applied itself to the question of its revision. The districts first to fall in were Raipur and Bilaspur. Sir Charles Crosthwaite was then Chief Commissioner. He had the reputation of a wise and experienced Revenue Officer. He was long in the N. W. P. and knew what miseries followed severe assessments. He had enquiries made by officers specially deputed for the work, to ascertain what increase of revenue could be safely and reasonably imposed. As the result of his enquiry, he recommended that the enhancement should not, on the whole, exceed a third of the existing demand. He wrote to the Government of India to say that the assessment on new cultivation, without material enhancement of rents, would, on the half-assets principle,

give the increase of revenue which the progress of the Province might justify the Government in expecting. (Vide reference in par. 2 of letter No. 451, dated 24th August 1887, from Government of India to the Chief Commissioner).

Sir Charles Crosthwaite soon left the Province, and was after a short interval, succeeded by Sir Alexander Mackenzie. We have already alluded to the provision in the Land Revenue Act which makes it obligatory on the Chief Commissioner to obtain the sanction of the Governor-General-in-Council to any instructions that have to be issued to the Settlement Officer. In compliance with this provision of law, a long letter was addressed by the Chief Commissioner's Revenue Secretary, Mr. J. B. Fuller, now Lieutenant-Governor of East Bengal, to the Supreme Government. And a deliberate proposal was made in this letter to abrogate the half-assets rule, and to substitute in place thereof the absolute discretion of the Local Government to make "a reasonable and moderate settlement all round." (Letter No. 501-S., dated 18th May 1887.) The reasons assigned for this fatal reversal of a policy, which had been deliberately adopted as a fair settlement of a difficult question, and in the permanency of which the people had been led to believe, may be thus summarised.

First, that although "authoritatively presented for guidance" in the case of some districts, the half-assets rule had been more honoured in the breach than in its observance in the actual work of settlement. 2dly, that "except in a few well-marked tracts, there had been very little general enhancement of rents since the old Settlement, and that what increase had taken place in rent was due for the most part to extension of cultivation, not to rent enhancements, that the tenants had in fact thereto been too strong for the Malguzars and had been able to keep to themselves the advantage arising from the opening up of the Province and the general rise in the price of produce." "The maintenance of the half-assets rule" would under the circumstance have "the effect of depriving the Government treasury of Land Revenue to which it was fairly entitled," "3rdly that the system of Settlement to which the Government had by law committed itself would render it impossible to evade the operations of the half-assets rule in the manner followed at the last settlement." 4thly that the assets of the old Settlement were conjectural assets, whereas at the new Settlement they would be real, and more could be taken under a system where the Malguzar's income was certain than when it was uncertain. 5thly, that the half-assets rule was taken from the N.-W.-P., where the Malguzars

were used to manage their estates on ordinary business principles. But the Malguzars of the Central Provinces were unlike their *confreres* in the N.-W.-P., in this respect. That is to say they had failed to enhance the rents of their tenants on a sufficiently large scale in and out of Court, and no reliance should be placed upon their rent rolls.

As regards the first of the above reasons, it is, unfortunately, only too true that at the old Settlement, the people had been kept out of the benefits, which the Government had decided upon conferring on them, by the action of the Settlement Officers in disregarding the half-assets rule. To quote the instance given in Mr. Fuller's letter, the Gond Raja of Nagpur, the representative of the oldest reigning race in the Province, was assessed with a land revenue of Rs. 44,850 on a rental, which, after all the rise in rents in 25 years, stood at Rs. 60,000 in 1887. These and similar cases of over-assessment were brought forward in Mr. Fuller's letter as a justification for the withdrawal of a rule, which had been designedly introduced to act as a deterrent on the rack-renting proclivities of Settlement Officers. The argument thus rests on the principle that the way to redress a wrong is to perpetuate its operation, and make it universal in its

application. We, however, maintain that the right policy to adopt, when the Government discovers that its orders have not been given effect to, is to undo the effect of the mistake by restoring to the people what had been unjustly withheld from them. For the Government to try to benefit by the wrong procedure of its Settlement Officers was not an edifying spectacle, and was ill calculated to raise its reputation for just administration.

The second reason reads very strange in the light of what was said when the Tenancy Law of the Central Provinces was introduced. It was then authoritatively stated that State intervention had become necessary, in the interest of justice and humanity, for the protection of the tenants against their unsympathetic and oppressive landlords. Arbitrary evictions and capricious enhancements were then said to be so common as to render it imperative that the Government should interfere to protect the "weak" against being oppressed by the "strong". But in Mr. Fuller's wonderful letter all this was unsaid, and anxiety was shown rather to assist the "strong," to raise the rents of the "weak" in order that "the privileges which had been conferred on the ryots" might not constitute "a source of serious loss to the government exchequer." The moderation of the Malguzars in the matter

of enhancement of rent was thus chastised by the Government by a demand exceeding fifty per cent of their rental!

We have nothing to say regarding the third reason, and have dealt with the fourth already. Regarding the last reason, namely that the half-assets rule was thoughtlessly introduced from the N.-W.-P., without due regard to local conditions, we can only say that it does scant justice to those experienced revenue officers who were responsible for its introduction. The charge also came with a bad grace from one, who admitted that he was new to his office and "has had no practical experience of the circumstances of the Province." As a matter of fact, however, the landlords in the N.-W.-P., and the C. P. were at the time equally circumstanced as regards their power of eviction and enhancement. The same law, Act X of 1859, was in force in both the Provinces.

But the central idea running through the policy laid down by Sir Alexander Mackenzie, and his Secretary Mr. Fuller, was that the Settlement should be so conducted as to bring in the largest revenue possible to Government. All other considerations were subordinated to this one object. It was even said that the Government would be wise to look beyond the next Settlement, and should

carefully abstain from laying down any general principles which might hereafter hamper its proceedings. In complete contrast to this policy, the guiding principle of the old Settlement had been to secure improvement in the condition of the people, and to foster the accumulation of wealth in their hands. The authors of that old Settlement had discouraged "the notion that whatever is gained by the owners of land in the shape of rent is so much loss to the state." "The best wealth of a Government," it had been said in a Resolution, "is to be found in the growing wealth of its people, and the feeling, which leads it to grudge all that does not fall into the hands of the tax-collector, is a very short-sighted feeling, and must lead, if followed, to a very short-sighted policy." The new Settlement followed this short-sighted policy.

The Supreme Government was at first disinclined to accept the recommendations of Sir Alexander Mackenzie, but, after some further correspondence, it yielded. But it could not go the length of arming the Local Government with absolute discretion to take as much of the assets as it might think reasonable. It sanctioned a percentage of 60 rising to 65 per cent., gilding the bitter pill with the usual remark about its hesitation in sanctioning "so high a percentage as 65". Thus declarations

previously made by high officers of Government with every degree of solemnity were disregarded, and full advantage was taken of the elasticity of the new law to take away from the people an effective safe-guard against oppressive assessment.

We shall now proceed to examine the details of the new Settlement. It has been claimed on its behalf that its "assessments are based on real existing assets," whereas at the old Settlement, "revenue was commonly fixed with reference to prospective assets." What is meant by this is, that, at the old Settlement, the revenue was fixed according to an assumed value per acre, and it was left to the Malguzar, after the announcement of the assessment, to re-adjust the rents of his tenants in such a manner as to make them accord with the new assessment. We have already shown how this was done with the help of Government Officers. In contrast with this procedure of the old Settlement what was done at the new Settlement was to introduce a soil unit system, and to take, as the basis of the new assessment, rents "evolved or deduced by the Settlement Officer with the aid of this system." He was not bound to consult, and did not consult, either the proprietor or the tenant in fixing the rent, although the rent thus fixed

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was hereafter to be the legal rent. Thus the only substantial difference between the procedure of the two Settlements seems to be, that whereas at the old Settlement, the rent fixed was made acceptable to the tenant, and his agreement was secured before the Putta was issued to him, while at the new Settlement, the rent was fixed, and the Putta prepared and signed by the Settlement Officer, behind the back of both the tenant and the Malguzar, and was made binding on them whether they agreed or not. The result has been that, whereas the rents of the old Settlement, though in a sense prospective, were never repudiated by the tenants, cases by the score can be instanced in each assessment group, where the tenants have declined to accept the new Settlement rents, either through inability or contumacy. And to attempt to realize by suit rents, beyond the capacity of the tenants to pay, was to throw good money after bad. We are not sure therefore if there is much to prefer in the new Settlement, even though *in theory* it is claimed that, under it, the assessment was made to rest on the actual rental.

Whatever the demerits of the old Settlement, and in a considerable number of cases its assessment, no doubt, actually equalled the rental assets, it was a long-term Settlement. And every

additional acre cropped, every new tenant admitted, and every enhancement made under the automatic influence of rise in prices and competition for land, led to an increase in the proprietor's profits. And, in the then undeveloped condition of the country, openings under each one of these heads were large. Thus the burden of the Settlement, though heavy at the beginning, became less and less onerous every year, until the profits exceeded the charges. A different state of things now exists. The rents of tenants are, under the new Tenancy Law, practically incapable of enhancement during the currency of the Settlement. Nearly all available culturable waste in the advanced districts has been brought under the plough, and even where it exists, it is mostly incorporated in the holdings of tenants, and thus placed beyond the reach of the Malguzars. Another important fact, which greatly lightened the pressure of the old Settlement, was the light valuation of *Sir* lands. An examination of the figures of that Settlement makes it abundantly clear that *Sir* was purposely under valued. At the new Settlement, instead of being under valued, it has been over-valued, and what difference this has made in the economic position will be shown later on.

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That the enhancements of the new Settlement have been heavy, and that they should in no case have been brought into operation at once, but allowed to take effect progressively, is no longer denied. The heavy enhancements have been justified on the ground of large increase in the village assets resulting from progress in cultivation and rise in rents, partly before the Settlement, and partly as the effect of enhancements by the Settlement Officer. We give below a table in which is compared the percentage of increase of assets irrespective of the enhancement of rent by the Settlement Officer, the percentage of increase of cultivation between 1868 and 1894, and the percentage of increase of Government dues including cesses.

District	Percentage of increase of assets.	Percentage of revenue and cesses combined.	Percentage of cultivation between 1868 and 1894.
Saugor	52	61	43
Damoh	60	70	43
Jabalpore	66	78	24
Mandla	66	86	264
Seoni	83	95	12
Narsingpur ..	48	60	11
Hoshangabad ..	70	99	18
Nimar	70	73	80
Betul	56	57	Nil
Chhindwara ..	64	50	42
Wardha	65	35	6
Nagpur	55	28	10
Raipur	55	71	57
Bilaspur	100	111	10

This table shows that, against an increase of 24 per cent. in the area under crop in Jabalpur, the Government dues have been raised 78 per cent. In Seoni, the dues have been raised 95 per cent. against an increase of 12 per cent. in cultivation. Similarly in Narsingpur there is an increase of 11 per cent in cultivation accompanied by an increase of 60 per cent. in the dues. Except in three districts, the percentage of increase in the State Demand is in every case higher than the increase in the village assets. And the enhancements in assessment exceed the increase in cultivation in the case of every district in which the new Settlement has taken place, except Mandla and Nimar.

The figures of enhancement of assessment given in the table above have been calculated on the basis of assessable assets as fixed by the Settlement Officer. In the following ways, however, the assets have been unduly inflated.

(a) By assessment of current fallows, which yield no crop, at the rate adopted for similar lands actually under crop.

(b) By rating *Sir* and *Khudkast* lands at higher values than those adopted for similar *ryoti* lands.

(c) By imposing enhancements on tenants, which they have been unable or unwilling to pay, thereby

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adding to the percentage of average unrealized rents, the loss resulting from which has to be borne entirely by the proprietors.

(a) *Assessment of current fallows.*

Proprietors and cultivators do not deliberately leave their lands uncultivated. They do not wilfully neglect to utilize sources of food and wealth. When they leave a field or part of a field alone, it is because the land needs rest, or because they have not the wherewithal to till it. It thus happens that, speaking generally, a certain portion of the village lands is always left fallow year after year. Such fallows yield no profit; and yet by a fiction of the Settlement Department they have been taken as bearing crop for purposes of assessment, and have been dealt with accordingly. A different procedure was adopted at the old Settlement. The following table prepared from the reports of the old Settlement explains how village lands were classified for purposes of assessment in that Settlement.

District.	Total Cultivation.			Cropped area Classified.				
	Irrigated.	Unirrigated.	Total.	1st Class.	2nd Class.	3rd Class.	4th Class.	Total.
Saugor	6891	621416	628307	82605	391183	140116	14403	628307
Damoh	1745	372227	373972	85441	186005	32936	69590	373972
Jabalpur	4619	733728	738347	192601	237311	256839	51596	738347
Seoni	4170	609590	613760	103032	156836	166678	187214	613760
Nagpur	15385	1261376	1276761	76584	869064	486546	344567	1276761
Bilaspur	6716	1330767	1337483	342033	279890	230519	53827	1337483

The classification in the above table shows that only the area actually under crop was assessed, the fallow area being left out of consideration altogether. It was added to the general Malguzari area, and, being unassessed, became in course of

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years a source of extra profit to the proprietor as he reclaimed it, and either cultivated it himself or settled tenants on it. How, in the new Settlement, fallow land has been classified and assessed, as if under cultivation, is shown in the following table prepared from the reports :—

District.	Cultivated area.			Occupied area.				
	Total cropped.	Double cropped.	Net Cropped.	Under cultivation.			Out of cultivation.	Total occupied.
				Net area under crop.	Fallow 3 years and below.	Total.		
Kangur ..	1,020,660	28,777	996,883	996,883	92,932	1,089,815	131,779	1,221,594
Demoh ..	647,538	12,635	634,903	637,713	78,624	616,337	104,258	720,595
Jabalpur ..	1,140,680	86,786	1,053,894	1,053,894	293,711	1,347,605	66,039	1,413,644
Seoni ..	677,728	26,025	651,701	651,484	170,997	822,481	64,869	877,350
Mandla ..	454,938	31,617	423,321	434,933	64,978	499,911	6,609	506,520
Karamnagar ..	640,649	23,656	625,893	625,893	40,466	676,294	58,562	728,850
Chindwara ..	706,688	9,274	697,409	697,406	112,198	809,601	48,990	858,591
Nagpur ..	1,264,440	9,714	1,254,726	1,254,726	78,308	1,328,034	241,162	1,569,216
Wardha ..	989,644	4,620	985,114	985,114	162,765	1,097,819	100,264	1,198,083
Raipur ..	2,477,941	384,427	2,143,514	2,143,514	177,626	2,321,140	16,066	2,337,206
Bilaspur ..	1,426,646	167,425	1,259,221	1,259,219	106,466	1,369,677	9,843	1,379,517

The value of the fallow area of three years and below, classified as under cultivation in the above table at tenant's rate, would be approximately as shown in the table below :—

District.	Fallow area of 3 years and below.	All round rate of tenants per acre.	Value.
		Rs. a. p.	
Saugor.. ..	92,932	1 1 11	96256
Damoh.. ..	78,624	1 1 6	85995
Jabalpur	293,711	1 7 5	431384
Seoni	170,997	0 11 4	121149
Mandla	84,978	0 7 10	31811
Narsingpur	49,405	1 11 5	84657
Chhindwara	1,121,92	0 11 1	77716
Wardha	102,705	0 15 1	96820
Nagpur	73,308	1 0 11	77508
Raipur.. ..	177,626	0 10 1	90,941
Bilaspur	100,456	0 8 7	53,890

It will thus be seen that in Jabalpur the assets have been raised by 431 thousand, in Seoni by 121 thousand, in Saugor by 98 thousand, and in Damoh by 85 thousand rupees, on account of fallow. In Nagpur, Wardha and Chhindwara also, between a lac and 75 thousand rupees have been added to the assets on this account.

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The argument advanced is that, the chances are, that, before long, the fallows included in the assessment will be cropped, and they should therefore be valued in just the same way as cropped lands. But it is evidently forgotten that a certain quantity of village lands *always* remains fallow. If any particular piece of land, left uncultivated in any one year, is brought under the plough during the year following, another piece of equal area, a little more or little less, goes out of cultivation during the latter year. The gain in one direction is thus discounted by loss in another, the total fallow area practically remaining a constant quantity year after year. That this is not mere imagination, but represents facts actually to be seen in every district, would appear from the following table. It gives the total fallow area during twelve years from 1887-88 to 1898-99, both inclusive. The fallow area, assessed as cropped area at the Settlement, is given at the top. The percentage of fallow area to cultivated area is also shown for facility of comparison. The table shows that, under the stress of bad seasons, the fallow area has during the close of the cycle increased. This may, however, be left out of account as an abnormal state of things.

Fallow lands not cultivated compared with fallow lands included in the assessment of recent settlement.

Year. Settle- ment figure.	Saugor. 92,332 or 9 P. C.	Damoh. 78,624 or 14 P. C.	Jabal- pur. 233,711 or 27.5 P.C	Mandla. 64,978 or 12.5 P.C	Seoni. 17,997 or 26 P. C.	Narsing- pur. 49,405 or 7 P. C.	Chind- wara. 1,12,193 or 16 PC	Wardha 1,02,705 or 10.75 P. C.	Nagpur 73,308 or 5.50 P.C.	Raipur. 1,77,626 or 8 P. C.	Bilaspur 1,00,456 or 8 P.C.
1887-88 ..	32,842	31,004	44,800	73,478	88,522	43,520	85,760	1,21,125	1,01,760	1,08,860	23,680
1888-89 ..	50,505	37,882	54,144	1,14,868	98,474	89,600	86,235	64,050	98,320	1,02,952	84,072
1889-90 ..	80,017	41,477	34,144	1,10,137	83,447	26,160	69,225	11,573	79,680	1,02,952	67,780
1890-91 ..	80,030	78,643	2,94,114	65,053	1,16,567	33,921	72,681	41,197	67,219	1,94,342	1,12,409
1891-92 ..	89,533	83,631	3,10,119	65,053	1,58,182	59,931	1,23,614	1,02,125	86,825	2,98,034	1,61,048
1892-93 ..	84,722	86,898	2,98,109	65,053	1,36,456	44,154	1,12,551	87,998	59,106	2,27,213	1,11,982
1893-94 ..	74,276	75,153	2,84,448	79,190	1,42,401	43,561	1,31,510	1,16,678	92,509	2,32,020	77,593
1894-95 ..	96,098	86,625	3,12,685	65,053	1,64,526	53,613	1,34,634	1,33,468	1,25,891	2,47,893	1,31,684
1895-96 ..	1,97,225	1,45,601	4,63,424	1,85,291	2,03,867	80,912	1,60,476	1,50,894	1,51,408	3,61,280	2,18,240
1896-97 ..	3,06,774	1,78,493	4,70,915	2,74,865	2,69,083	1,40,637	2,40,049	1,47,116	1,47,407	4,42,106	2,69,445
1897-98 ..	2,64,740	1,53,881	3,79,898	2,30,155	2,37,110	95,735	1,80,189	83,323	98,227	4,56,038	2,72,385
1898-99 ..	2,56,890	1,49,829	2,96,834	1,92,879	2,22,233	89,118	1,57,929	93,048	1,20,885	3,88,798	1,60,451
Average.	1,34,471	93,259	2,70,302	126,756	1,60,072	66,738	1,29,571	1,04,383	1,01,603	2,63,540	1,40,089
P.C. on total cultivated area.	12 P. C.	15 P. C.	20 P. C.	23 P. C.	19 P. C.	9 P. C.	16 P. C.	10 P. C.	7 P. C.	11 P. C.	10 P. C.

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For ready reference we summarise the figures in the following table :—

Districts.	Percentage of fallow area of 3 years and below included in assessment on total area occupied.	Percentage of the current fallow never cropped during 12 years on total occupied area.
Saugor	9 per cent	12 per cent
Damoh	14 "	15 "
Jabalpur	27.50 "	20 "
Mandla	12.50 "	23 "
Seoni	26 "	19 "
Narsingpur ..	7 "	9 "
Chhindwara ..	16 "	16 "
Wardha	10.75 "	10 "
Nagpur	5.50 "	7 "
Raipur	8 "	11 "
Belaspur	8 "	10 "

We may also point out in passing that, to assess land which yields no profit at the time of assessment, but which it is believed will at a near future be brought under cultivation, is assessing not on *actual* but on *prospective* assets, and is thus opposed to the principle upon which the new Settlement is avowedly based.

There is another point connected with this separate assessment of fallow lands which is also worth noting. It was the practice during the old Settlement, when population had not begun to press on land, for the tenant to keep a portion of his holding fallow to graze his cattle in. The rent he paid included the value of this fallow land, it being

duly taken into consideration when the rent was fixed by agreement. The rent recorded in the Jamabundi thus included the rent of the fallow area, and these recorded rents were duly entered in the calculation of the assessable assets of the Settlement Officer. To value the fallow area separately, after this, is to rate the same land twice over, and this is what seems to have taken place. But as the tenants cannot be made to pay more than what they can spare after meeting the cost of the maintenance of their families and of cultivation, it is the Malguzars who, in the long run, have to bear the burden of this assessment on fallow land.

(b) *Over-valuation of Sir Lands.*

As already pointed out, while at the old Settlement, the *Sir* was generally valued at rates *lower* than the rates imposed on similar ryoti lands, at the new Settlement a *higher* rate has been adopted in the case of *Sir*. In the North-western Provinces, as would appear from the following rule taken from the Settlement Report of the Jaloun district for the year 1889, a deduction of 25 per cent is made from the rental-value of home-farms on the ground, among others, that the Malguzars generally carry on their cultivation by hired

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labour, and their cost of cultivation is therefore more than that of tenants :—

“In calculating the Revenue, the rates applied to proprietary *Sir* should be 25 per cent less than the rates applied to tenants' land. All *Sir* land, actually and in good faith cultivated by proprietors with their own stock and servants, or by hired labour, should be valued at the favourable rate. But inquisitorial investigations into the way in which *Sir* is managed are not to be resorted to.”

The Board of Revenue in their letter No. 2199 of 29th September 1889 thus refers to the subject :—

“That the enhanced demand had been based entirely on the recorded rent which had presumably been collected for many years, that in rating the *Sir* lands at average tenants' rate, *a deduction of 25 per cent had been made on account of proprietary cultivation, although Sir lands were as a rule better in quality than other lands, that a further deduction varying from 6½ per cent to 12½ had been made from tenants' rental to allow for vicissitudes of seasons, that progressive Jama were fixed in all cases of large and sudden enhancements, and that the increase of revenue in the whole tract excluding resumed Muafi did not exceed 18 per cent.*”
(The italics are ours).

In contrast with the above liberal policy, we find our Settlement Officers exercising their ingenuity in devising rules for the valuation of home-farms all tending to one result, viz, its valuation at a higher rate. We may refer as examples to para 312 of the Nagpur report, and to para 58 of the Jabalpur report. How materially this has swelled the assessable assets will appear from the following table, in which the valuation of Sir and Khudkast lands at tenants' rate, and its actual valuation by the Settlement Officer, are shown side by side, the percentage of increase in valuation resulting from this process being shown in the last column :—

1	2	3	4	5	7
District.	Area prior to Settlement.	Tenants' rate adopted at Settlement.	Value at tenants' rate.	Value adopted at Settlement.	Percentage of increase of (5) over (4).
	Acres	Settlement.			
Saugor	2,26,299	1 2 0	2,54,586	3,23,583	27
Damoh	1,13,068	1 2 5	1,30,145	1,73,901	33
Jabalpur	2,38,710	1 3 4	2,88,441	5,11,006	77
Seoni	1,99,149	0 12 8	1,57,659	1,67,544	6
Narsingpur ..	1,34,530	1 2 2	1,52,747	2,93,108	92
Chhindwara ..	1,55,910	0 7 8	74,707	1,14,860	53
Wardha	2,05,131	0 12 5	1,59,188	2,13,814	34
Nagpur	2,31,985	0 12 4	1,78,822	3,15,676	76
Balaghat	94,087	0 15 7	91,637	1,10,258	20

Thus in Jabalpur, Narsinghpur and Nagpur, the value of Sir and Khudkasht is fixed at 77, 92, and 76

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per cent, in Chhindwara 53 per cent, and in Damoh 33 per cent, above the tenants' rates.

The assessment of current fallows and the high value adopted for home-farms have unduly swelled the assets, and have thereby added to the burdens of the new Settlement. The excess incomes thus assumed should be excluded from the total assets of the Settlement, if we wish to have a correct idea of the actual position of the Malguzars. Making these deductions, the figures stand thus:—

1 District.	2 Rental assets (excluding Saw-ai) fixed at the last Settlement.	3 4 Deduct.		5 True assets after deducting (3) and (4)	6 Revenue demand.	7 Percentage of Revenue on true assets.
		Excess value of Sir over tenants' rate.	Value of fallow of 3 years & below at tenants' rate.			
Saugor	1354562	68997	98256	1187309	695895	58
Damoh	801558	45965	85995	669598	443372	66
Jubbulpore...	1927870	222568	431384	1273918	1001059	78
Seoni	619439	9885	121149	488405	294098	60
Narsingpur ..	1277486	141412	161766	974308	642615	65
Chhindwara..	527113	40153	77716	409244	297427	72
Nagpur	1676211	139854	76450	1459907	1054830	72
Wardha.....	1083062	54626	96820	931616	663835	71

If to the percentages shown in the last column we add 8 per cent taken as cesses, we arrive at the result that the Government dues generally absorb between 66 and 84 per cent of the real

rental assets. And this will shew how far the Settlement Officers in the Central Provinces have drifted from the declared policy of limiting the Government Demand to half the rental assets.

(c) Enhancement and fixation of Tenant's rents.

The rent under the existing law is, for all practical purposes, fixed by the Settlement or the Revenue Officer. He does so after calculations which may be perfectly scientific, but which are wholly unintelligible alike to landlords and tenants. It has been found in Northern India that the wisest, safest, and the most considerate policy is to let the landlords make their own arrangements with their tenants as regards rents, subject to salutary and effective checks imposed by law on over-enhancement. Where rents are allowed to adjust themselves, subject to statutory limitations against unfair rents, they generally crystallise into amounts which represent, as accurately as is possible under the circumstances, what the tenants are able to pay, taking good years with bad. When an outside authority like a Settlement or a Revenue Officer undertakes to fix rents, he undertakes a great responsibility. In the first place, he is in a sense an interested party, for every enhancement benefits the Government whom he represents. Even if the enhancement is too heavy and cannot

be paid, the Government does not suffer, for it recovers its assessment from the Malguzar, if need be by distress and sale of his property, and by putting him in prison. In the next place, the factors upon which he works are from their nature so uncertain and complicated, that they need to be handled with the greatest care and circumspection. A very wide knowledge of the nature of the soil, its crop-bearing quality, the capacity of the tenants to pay, and their general condition, is essential to success. How many of our Settlement and Revenue Officers can boast of possessing this knowledge ?

It has been stated in defence of the present system that its general effect has been towards a reduction, not an enhancement, of rents fixed by the landlords before the Settlement. We will not deny, as stated by Sir Alexander Mackenzie in his letter of May 1887, that in some few tracts, the Malguzars had dealt unfairly by their tenants. But, as admitted in the above letter, the majority of the proprietors had behaved in an entirely opposite manner, so much so that the Chief Commissioner went to the length of saying that the tenants had proved too strong for their Malguzars, and had succeeded in keeping to themselves the benefits resulting from the prosperity of the

country under the stimulus of general advancement. And, in order that the Government might not suffer from the moderation of the Malguzars, he proposed to arm the Settlement Officers with power to settle rents all round. That, the results of the Settlement proceedings have been, generally, to enhance, and not to reduce rents, would appear from the following table, prepared from the statements appended to Revenue Reports, giving the percentage of enhancement of rent in the various assessment groups in a district:—

District.	Per centage of enhancement in the rental in various groups within the District.			
Saugor	10,	8,	9	
Damoh	14,	10,		
Jabalpur	11,	4,	3,	9
Mandia	figures not available.			
Seoni	12,	8,	10	
Narsingpur	4,	6		
Hoshangabad	4,	5,	9,	8
Nimar	23,			
Betul	14,	17,	18,	14
Chhindwara	17,	9,	12	
Wardha	20,	7		
Bhandara	14,	15,	13	
Nagpur	13,	17,	15,	14
Balaghat	16,			
Raipur	12,			
Bilaspur	13,	7		

How the rents have been fixed on a calculation of the gross outturn, and the prices of agricultural produce, will be shewn in the next chapter. Here we shall content ourselves with pointing out that the enhancements have, in most districts, been imposed on an impoverished tenantry, with the result that the percentage of unrealized rents has considerably increased. In 1894-95 the Deputy Commissioner of Narsingpur wrote;—"Speaking generally, however, they (the tenants) could not pay more than half their rents." The new Damoh Settlement Report para. 21 states;—"They (the tenants) are as a rule not well-to-do. They practically depend for seed, cattle and food on advances from money-lenders, and it is rare to find more than two or three men in a village who sow their own seed. A great many of them are in debt." Again;—"The ryots of Haveli had suffered from a succession of poor spring-harvests. The officer in charge of the district thought their embarrassments were only temporary. On these expectations new assessments were made which carried off 80 per cent of the true assets of the Malguzars. But the years which followed brought no relief." In the following table is shown the rent-collections during six years preceding the new

Settlement in the estates managed by Government under the C. P. Court of Wards Act. Managers of such estates, carrying as they do the prestige of the Government they serve under, enjoy facilities for collecting rents not possessed by ordinary Malguzars; and yet 12 per cent. of the demand remained on an average uncollected.

Year.	Total Demand.	Total collection.	Percentage of collection.
1887-88	12,55,580	11,05,413	88
1888-90	11,60,560	10,11,450	87
1890-91	10,94,901	10,68,209	97½
1891-92	11,49,913	10,18,502	88½
1892-93	11,44,321	10,27,563	89½
1893-94	9,56,390	7,26,403	75½
Average	11,26,944	9,92,928	per cent. 88

How the arrears increased during the next seven years under the cumulative effect of bad seasons and the Settlement rents would appear from the

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following table prepared from the Court of Wards Reports.

Year.	Total demand.	Total collection.	Percentage of collection.
1894-95	10,95,086	6,31,257	57½
1895-96	15,64,566	8,59,753	55
1896-97	19,70,557	6,75,104	34½
1897-98	24,56,419	10,78,816	43½
1899-1900	57,55,455	33,24,521	57½
1900-1901	20,36,322	7,63,155	37
1901-1902	15,71,457	8,16,675	51½
Average	23,45,751	11,64,183	per cent. 49

Taking good years with bad, it would not be unfair to take 20 per cent. as the average of unrealized rents under existing circumstances. The collections of Malguzars could not therefore possibly exceed 75 per cent. of their assumed assets; and virtually the whole of it was swept away by the Government Demand, as has been shewn above.

CHAPTER V.

CALCULATION OF OUTTURN AND FIXING OF RENT.

Mr. Fuller, for long Commissioner of Settlement and author of the new Settlement Code, says in his Note given in the "Indian Law Revenue Policy" with regard to the official estimate of gross produce:—"It may be objected that the Settlement Officer's calculations cannot be relied upon, but if he is not capable of estimating the produce, I do not know, whom else are we to turn to." But what are the bewildered Malguzars and tenants to do when two officers, of equal status, and presumably of equal knowledge and experience, differ, and differ widely, in their estimates—when, for instance, in the case of two equally circumstanced districts like Saugor and Damoh, one puts the value of gross produce of wheat per acre at Rs. 20, and the other at Rs. 11-13-5? As illustrative of the difficulties of our position, we give below a table showing the estimate of gross produce of some of the principal commodities as made by various Settlement Officers at the recent Settlement.

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District with page of the Report.	Wheat.	Rice.	Gram.	Jowar.	Cotton.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Saugor page 12	20 0 0	30 0 0	12 8 0	10 0 0	12 0 0
Damoh ,, 15	11 13 5	17 12 5	7 8 0	9 4 2	7 13 3
Wardha ,, 11	17 10 4	31 13 1	..	16 0 0	14 9 3
Nagpur ,, 71	13 8 1	25 11 0	14 0 0	14 2 0	16 0 6
Jabalpur ,, 15	13 5 4	18 3 5		8 0 0	10 0 0
Narsingpur, 18	22 0 0	21 0 0	15 3 10	8 5 4	12 0 0
Seoni ,, 18	15 8 0	24 0 0	13 10 2	9 4 2	7 13 9

In two neighbouring districts like Wardha and Nagpur, wheat is valued at Rs. 17 in one and Rs. 13 in the other, the corresponding figures for rice being Rs. 31 and Rs. 25 respectively. Similarly Jabalpur values wheat at Rs. 13, whereas the adjoining district of Narsingpur values it at Rs. 22. Rice is valued at Rs. 24 in the comparatively land-locked district of Seoni, whereas it is valued at Rs. 18 in Jabalpur, and Rs. 21 in Narsingpur.

Two factors enter into the calculation of the value of gross produce, (1) the average produce, and (2) its value at the current average market rate. As regards the first, there ought not to be any substantial difference between the estimates

of the old and the new Settlements. If anything, the productive powers have deteriorated since 1863. Referring to the immense difficulties of the calculation of gross produce resulting from the difference in the outturn of different fields, and of the same field in different years and under different circumstances of irrigation, manure and high cultivation, Sir Charles Elliot said in his Hoshangabad Report of the 'Sixties:—"It stands to reason that land, even the black soil of the Narbudda Valley, must deteriorate if it is cropped year after year without anything returned to it." And speaking of the same valley, Sir Charles Grant said in the Narsingpur Report of the 'Sixties:—"Wheat is taken from it year after year without any attempt at relieving, either by manure or by a system of rotation. But though the annual tribute is unfailingly rendered year after year, it is useless to deny that the powers of the soil have deteriorated under so constant a strain."

It is clear from these statements that the produce of the soil in the 'Nineties could not have been larger than those in the 'Sixties. And let us now see how it was estimated at the old Settlement. Sir Charles Grant in his Narsingpur Report already referred to says:—"My enquiries regarding the present rates of produce have, I think, been sufficiently

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extensive to warrant me in saying with some certainty that, taken good years with bad, the average for wheat in unirrigated and un-embanked lands is not more than four-fold or 6 maunds per acre. This is the ratio given by both officials and non-officials as a well-known and undoubted fact." Sir Charles Elliot says in his Hoshangabad Report :— "The average produce is a point very keenly debated, but the best native judges are now inclined to put it at five-fold, which, after making allowance for the loss by reaping, gleaning and treading out, corresponds to a gross produce of six-fold, *i. e.*, 6 maunds to the acre. This is generally the average I have assumed after much careful enquiry." Sir Charles Bernard in his review of the Chand Settlement Report says :— "So far as my knowledge and enquiries go, the average rate of produce per acre is pitched at rather a high figure. For instance, the outturn of wheat per acre is set at 6 maunds per acre, which is the rate for the best lands of the Narbudda Valley. Mr. Elliot's rate in Hoshangabad was 5½ maunds per acre, Mr. Grant's rate in Narsingpur 6 maunds per acre, Mr. Lawrence's rate in Bhandara 3 mds. per acre. My own rate in Wardha 5 mds. per acre." Mr. Chisholm in the Bilaspur Report gives 6 mds. as the produce per acre of rice. The produce of

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wheat for various Chuks, as given in appendix VIII of the Damoh report, does not on the whole exceed 5 mds. According to these figures the estimate of produce as accepted at the old Settlement did not exceed 6 mds. which is equal to 480 lbs. Now let us turn to the estimates which have been adopted in the new Settlement.

The black soil of Damoh, which in 1863 was estimated to yield from 450 lbs. to 200 lbs., or an average of 345 lbs. of wheat per acre, is now said to yield 640 lbs. or 85 per cent more.* Which estimate are we to accept,—that of the old Settlement, varying from 450 lbs. to 200 lbs., or that of the new Settlement giving a uniform yield 640 lbs. for the whole district, for each and every field under all the varying circumstances of the seasons for the entire period of the Settlement? In Narsingpur, as against Sir Charles Grant's estimate of 480 lbs., we have an estimate of 660 lbs. or 38 per cent. higher in the present Settlement!

The fact is, that only one who is an agriculturist by profession, or who has made a close and careful study of agriculture, not merely in theory but in practice, can be trusted to make a

* Average of 24 Chucks given in Appendix VIII of the Report.

correct estimate of the produce. An Officer, however high-placed, does not, by merely going through a course of training in Survey, become an expert in agriculture. The requisite experience and knowledge do not come by intuition; and the wide discrepancies we have pointed out in the results of the work of various Settlement Officers are such as are to be expected under the circumstances. Then again, when we remember how the materials upon which Settlement Officers generally rely are gathered together, we do not wonder at the result. Settlement estimates are mainly based on crop-experiments made from time to time under the orders of the District Officer. A Tehsildar or an Extra Assistant Commissioner is generally deputed to go to a village at the harvest time, and make the experiment. He generally selects the portion of the field where the crop has come out well. He makes no allowance for loss incidental to carrying, gleaning and threshing. He never takes the cultivator into his confidence, and never cares to inquire of him whether he has manured his field, or has taken special measures to improve its productive powers. His proceedings are entirely one-sided; and those vitally interested, namely the cultivator and the landlord, are never allowed to know the details of

his report, or to correct any misconceptions he may have formed during his *ex parte* enquiry. Nor are these experiments undertaken on a sufficiently large scale, or cover a sufficiently large number of fields of different soils and varying capacities, to permit of a correct average being arrived at. The great diversity of opinions which can be formed under these circumstances as regards the outturn of crops, and the unreliable nature of the materials on which such opinions are often formed, are illustrated by a Judgment of Mr. Fox Strangways, Commissioner of Jabalpur, which is printed as Appendix G. of this work, and to which we invite special attention.

Then again, the estimates of the Settlement Department represent an average crop during an average season, an average crop being a 13·3 anna crop. But it is not every district which annually yields such a crop. Take for example Saugor. The new Settlement Report gives a valuable table showing the harvest year by year during 30 years. Mr. Fuller thus summarises the table:—

“In the first period of 10 years there were two years of bad harvests, 1862-1863 and 1868-69. The latter year is generally known as the famine year.

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The kharif failed entirely owing to drought, and there was distress among the poorer classes.

“In the next period of ten years, 1872 to 1882, the crops were spoilt in two years by excessive rain, and in three years i. e. 1877 to 1878, 1878-1879 and 1881 to 1882 by drought. In this period seasons of excessive rain alternated with years of drought, and in only two years, 1872 and 1873, was the rain fall at all average. It is remarkable that the Rabi crops in the years 1879 to 1880 and 1880 to 1881 were good, as in neither case was there any winter rain, and the rain fall in both years was scanty. But fortunately it was well distributed, except for the absence of winter rain.

“In the last period of the 10 years, i. e. 1882-92 there have been no years of drought, but the rain-fall has been almost uniformly excessive. In six out of the ten years the harvest have been bad. The way in which excessive rain effects the crop is as follows.

“Heavy falls in July wash the seed and young plants out of the ground; continued rain in August prevents the weeding of the kharif crop; rain continuing right through September induces blight in the kharif, and makes the ground too

soft to sow the rabi early in October. Then the rain suddenly ceases, the powerful October sun rapidly dries up the surface, the soil becomes too hard to plough, the seed if sown does not germinate. In years of excessive rain, and consequent late sowing, winter rains are more needed than in years of moderate fall.

“Other causes which render agriculture in this district especially unstable are hail, frost, insects. Storms of hail, doing very serious damage, are of almost annual occurrence, but they luckily usually only extend over a small area. The Saugor Tahsil is perhaps less liable to such storms than the other three Tahsils. But once a village is visited by hail, and the crops spoilt, it takes many years for it to recover itself.

“Fields in the vicinity of rivers are particularly liable to damage by frost, and a great deal of good land along river banks does not produce good crops in consequence. The insects which chiefly damage the crops are locusts, catterpillars and white ants. Locusts rarely do extensive damage, because they generally pass through the district at times when the crops are not in a state to be damaged, but occasionally they ruin the

crops over a small area. Catterpillars and white ants do a great deal of damage, the latter not so much here, *i.e.* the Saugor Tahsil as in the Khurai Tahsil."

The above facts must have been well known to the Settlement Department, and yet we find that, for purposes of assessment, the whole of the culturable area of the district, 414,541 acres, was credited with an uniform produce of 640 lbs. per acre, as if not a single acre out of this large area would give a smaller return owing to the operation of the various adverse circumstances mentioned by Mr. Fuller. And the whole of this supposed produce was valued at 30 lbs. a rupee for wheat, though in the neighbouring district of Damoh 49 lbs. per rupee was adopted as the average price.

The condition of things in Damoh are somewhat similar. They are thus described by Mr. Fuller :—

"Excessive rain during the cold weather months is very liable to induce rust in the wheat crop, especially if it falls early in the season before the plants come into ear. The spring crops are always exposed to peculiar risks from frost and hail. Sharp frost is often experienced at nights, especially in the hill valleys, and if occurring late

in the season, while the wheat is in flower, may turn a promising crop into absolute failure. I have myself seen the people cutting wheat full grown, and apparently ripening for harvest, as fodder for their cattle, the ears containing not a single grain owing to the destruction of the flowers by a night's frost."

And yet we do not find any allowance made for these depressing causes in fixing the Government demand. Subsequent abatements, made inevitable by the absolute incapacity of the people to pay the new assessments, are a matter of grace on which the people cannot reckon beforehand. They do not palliate the unfairness of the Settlement rates.

In connection with the question of gross produce there is another circumstance, which must not be omitted. The estimates of the Settlement Department in the northern districts have been based on such superior crops as wheat and rice. But we have large areas chiefly devoted to minor crops, on which the poor peasantry and the labouring class mostly live. And by assessing these lands as if they yielded wheat or rice, they have been overtaxed. How largely they have been overtaxed would appear from the following table in which the prices of wheat and rice are compared

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with those of kodo, jowar and other minor food grains, as given in the Settlement Reports.

District with page of report.	Wheat	Rice,	Kodo.	Jawar.	Minor food grains,
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Saugor page 12	20 0 0	30 0 0	3 10 8	10 0 0	4 2 8
Damoh „ 15	11 13 5	17 12 5	4 2 8	9 4 2	5 10 8
Jabalpur „ 15	13 5 4	18 3 5	4 2 8	8 0 0	7 0 0
Narsingpur „ 18	22 0 0	21 0 0	6 12 2	8 5 4	5 2 7
Seoni „ 18	15 8 0	24 0 0	3 10 2	9 4 2	6 7 8

In Saugor as against wheat and rice at Rs. 20 Rs. 30 respectively, we have kodo at nearly $\frac{1}{3}$ th and $\frac{1}{3}$ th of these prices respectively. The disparity is great, though not so great, in the case of all the other districts as shown above.

We have dwelt so far on the practice followed in ascertaining the average produce of lands. We will now describe how their prices are fixed. It may not be amiss to point out that if prices of agricultural produce have gone up, so have the prices of many of the necessaries of life and the cost of cultivation. The following remarks by Sir Richard Temple on this subject are very pertinent. "The tenant cannot pay quite as much rent as would be supposed. For while, on the one hand, he gets much more now than formerly for the produce he has to sell, still he has to pay more for the articles he buys from others. For his draught cattle (very important to him) he pays 3 or 4 times

as much as before. His clothes are much dearer. His timber is more difficult to procure. For such farm labour as he has to employ he must give higher wages." (Page 58. Administration Report.)

The above remarks hold good with even greater force now, the causes operating to cut down the profits of cultivation having increased many-fold. The various indigenous industries, too, which, as the old Settlement Reports testify, were in a more or less flourishing condition in the Sixties, have since been either wholly crushed, or reduced to a moribund condition under unrestricted and, not unoften, favoured foreign competition. With the disappearance or decadence of these industries, which used formerly to add to the resources of the village communities, the pressure of population on land has increased, thereby largely discounting the advantage which could otherwise have resulted from a rise in the prices of agricultural commodities.

Again, it is but seldom that the agriculturists are able to take full advantage of the rise in prices resulting from the opening up of the country by roads and railways. The linking of an inaccessible tract to great centres of trade is more generally of advantage to the grain merchants than to the agricultural communities. Under the exigencies of their economic condition, and generally

under the pressure of a heavy load of debt, and of rent to be paid in cash on fixed dates, the agriculturists are not always able to take full advantage of the benefits which on theoretic grounds ought to accrue from the above cause. They can neither afford to wait for the favourable season when prices are at their highest, nor can they command the means to carry the produce to the best markets. On the contrary, more often than not, they have to part with their crops at low rates long in advance of the actual harvest to their Sowkars, or to the travelling agents of grain-merchants. The real wealth of the cultivator is his grain, and he is rich when his granary is full. But when he has to turn his grain into cash at inconvenient times, the cash soon disappears to meet the demands of the Sowkar and the charges on his land. All this has been pointed out in the Settlement Report :—

“It will be some time before the slow-moving rustic wakes up to the new order of things, and when he does, poor fellow, he must find as best he can, the ability to benefit from it. It is the local Sowkar or grain-dealer, with here and there some astute and thrifty landlords, exceptions to their species, who will at once wax fat on the lucrative opportunities thus opened out to them.”

A good test, by which to judge whether the rise in the prices has really added to the wealth of the land-holding classes, is to examine the figures relating to

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transfers of land, and see whether they have gone up or gone down. We give below a table showing transfers of land in two divisions, Jabalpur and Nagpur, during 13 years ending 1898-99.

Year.	Area transferred by sale or mortgage in acres.	Consideration recovery in rupees.
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JABALPUR DIVISION.

1885-86	1,01,376	3,17,848
1887-88	1,27,469	4,67,182
1888-89	1,06,633	5,16,717
1889-90	1,37,286	6,93,422
1890-91	1,00,669	4,13,828
1891-92	1,00,099	3,63,355
1892-93	1,74,588	5,03,023
1893-94	1,13,568	3,97,693
1894-95	1,52,277	6,10,056
1895-96	1,80,059	6,99,765
1896-97	1,26,237	4,79,293
1897-98	1,94,314	6,26,880
1898-99	1,77,622	8,04,975

NAGPUR DIVISION.

1885-86	1,08,986	2,93,650
1887-88	2,02,279	2,81,035
1888-89	1,56,616	4,00,189
1889-90	81,928	3,20,093
1890-91	1,02,339	2,97,198
1891-92	89,833	2,95,945
1892-93	1,45,916	3,59,596
1893-94	1,09,148	3,34,100
1894-95	2,01,549	8,86,772
1895-96	2,30,020	10,64,927
1896-97	1,69,092	7,26,127
1897-98	1,43,302	5,34,838
1898-99	1,88,491	6,13,109
Total ...	36,61,766	1,31,33,581

The above figures disclose a sad state of things. During the 13 years to which the figures relate, in two divisions only, more than 36 lakhs of acres, that is to say, an area equal to the total occupied area of five districts, Damoh, Seoni, Mandla, Narsingpur and Chhindwara, have either already passed out of the hands of the original owners, or are in the process of being lost to them. This does not support the theory upon which the new Settlement is presumably based, namely that the land holding and the agricultural classes have benefited largely by the opening out of the country to external traffic.

Let us now proceed to see how rents have been enhanced on the ground of rise in prices. The rule in the old Settlement was to enhance rent-values by 25 per cent when prices had doubled themselves. Considering how many causes operate to take away from the actual tillers of the soil the full benefit of an advance in prices, this was undoubtedly a safe rule to adopt. On the other hand, in the new Settlement, 50 per cent was taken as the standard of enhancement where prices had increased 75 per cent. We refer for an example of this to para 22 of the Seoni Settlement Report.

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Another method adopted to secure higher rental values was to take, as the price of the staple crops, not the mean of the prices prevailing in the past, but something in advance of the same, presumably on the supposition that the upward tendency would continue. Thus the prices adopted in the valuation table of the Damoh district are 24·3 seers for wheat, and 13·5 seers for rice. "These prices," says Mr. Fuller, "exceed those for the quinquennial period preceding the Settlement by 26 per cent in the case of wheat and 40 per cent in the case of rice."

The Settlement Report for Saugor gives a valuable table showing the prices of the principal articles during 30 years ending 1891-92. The figures when worked out give an average of 23·68 seers for wheat, of 28·78 for gram, of 30·19 for jowar and 15·75 for rice, as against 14·63, 19·50, 24·39 and 9·75 seers respectively of the calculation table of the Settlement Report. Thus the prices assumed for assessment purposes are higher by 64, 47, 23 and 66 per cent respectively than the averages of the thirty years preceding.

We have already said that if prices have gone up, so have the costs of cultivation. Let us compare the incidence of the assessment with the

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value of the produce of an average crop of 13'3 annas left after deducting costs of cultivation as allowed by the Settlement Department.

District.	Value per acre of an average crop of 13'3 annas.	Cost of Cultivation.	Net after deducting (3) from (2).
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Saugor	11 13 5	7 0 0	4 13 5
Damoh	8 10 0	5 3 0	3 7 0
Jabalpur	9 6 5	5 11 6	3 10 11
Narsingpur	12 3 9	6 12 9	5 7 0
Seoni	10 3 5	6 1 5	4 2 0
Nagpur	11 13 11	7 0 0	4 13 11
Wardha	18 5 1	6 12 9	11 8 4
Chhindwara	12 4 0	5 5 0	6 15 0
Balaghat	8 3 5	6 12 9	1 6 8
Raipur	8 3 0	5 0 0	3 3 0

Excluding Wardha, Chhindwara and Balaghat, where the figures are exceptionally high or exceptionally low, the net value ranges between Rs. 3

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and 6, by no means very large figures. We give below a table comparing the net produce with the all round rate per acre as fixed by the Settlement Officer:—

District.	Net produce on the basis of a 13·8 annas crop.	All round rent rate.	Balance left.
	Rs. as. p.	Rs. as. p.	Rs. as. p.
Saugor.....	4 13 5	1 1 11	3 11 6
Damoh.....	3 7 0	1 1 6	2 5 6
Jabalpur.....	3 10 11	1 7 5	2 3 6
Narsingpur.....	5 7 0	1 11 5	3 11 7
Seoni.....	4 2 0	0 11 4	3 6 8
Nagpur.....	4 13 11	1 0 11	3 13 0
Raipur.....	3 3 0	0 10 1	2 8 11

The above figures would shew the proportion of the rent to the net produce if the estimates of average outturns and their prices were fair. We have shewn above that this is not so; and as a fact the rent often covers the entire net produce. But taking the figures as they stand, let us work out the details a little further. In Narsingpur, which at one time was one of the richest districts in the Province, the average area of an ordinary tenant's holding in 1893-94, the year in which

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cultivation had reached its maximum limit, was about nine acres. Such a tenant would have earned in this district nine times Rs. 3-11-7, or about 34 rupees. In Jabalpur the average area in the same year was 6 acres, and the net earning after deducting rent would be six times Rs. 2-3-6, or about Rs. 13. In Raipur the area was about 11 acres, and the net earnings would be eleven times Rs. 2-8-11 or about Rs. 35. The question naturally arises how the cultivators and their families live on such small incomes. The fact is, they live to a considerable extent on the wages of the labour they and their families perform on their fields. They have also to supplement their income from their cultivation in other ways, such as by engaging in the carrying trade when they are free from the cares of their cultivation, and by raising dairy produce. Any way they live on their wages, and lead a miserable life. Even the ordinary comforts of life are not generally within their means. And these are the tenants from whom the Malguzars are expected to realize rents regularly in good years and bad, and to pay therefrom the revenue demanded by the State!

CHAPTER VI.

THE NEW SETTLEMENT AND THE LANDLORDS.

In this chapter we shall show by quoting official figures how largely the profits of the Malguzars were reduced at the new Settlement.

We shall take up Jabalpur first. In para. 64 of the Settlement Report it is said, that, including the rental value of the home-farm, the Malguzars were left with a cash balance of Rs. 9,66,835 as against Rs. 6,12,226 left to them at the old Settlement. But the first figure is arrived at by valuing the home-farm at a higher rate than the tenant's land. If we value it at the tenant's rate, we get at a total valuation of Rs. 2,83,437 as against the Settlement valuation of Rs. 5,11,005. The difference resulting from the harsher method of rating *Sir* is thus Rs. 222,568, an increase of 77 per cent. Deducting this from the figure Rs. 9,66,835, we get Rs. 7,44,267. From this again we must deduct the increase in Cesses amounting to Rs. 32,011, and the cash balance is reduced to Rs. 712,256 as against Rs. 6,12,226 of the old Settlement. But even this is not the real profit, for in various other ways the assets have been inflated, as already explained.

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The effect of the new Settlement may be shown in another way. In the year immediately preceding the new Settlement (1890-91), the assets from *ryoti* rents in round figures were Rs. 13,22,000, and the Revenue and Cesses amounted to Rs. 6,14,000. The balance left as profit was thus Rs. 708,000. There was besides the profit from the home-farm, which covered an area of 217,000 acres or 15 per cent. of the total occupied area. In 1894-95, after the whole district had been re-settled, the tenants' rents stood at Rs. 13,89,000 and the Revenue and Cesses at Rs. 10,14,000 excluding Patwari cess, or including it at 4 per cent. at about Rs. 10,54,000. The rental profit left was thus Rs. 3,35,000, which is about half of what it was before the Settlement. The above figures are based on an assumption of an average crop and a full realization from tenants, an assumption, contrary to actual facts.

We shall next take up Seoni. The Settlement Officer in para. 65-70 of his report makes out that including the rental value of *Sir*, the Malguzars were left with a profit of Rs. 3,36,663, as against Rs. 1,75,564 at the old Settlement. But the Settlement figure is arrived at by including in the assets the rental value of 170,997 acres of fallow land, which did not actually produce

a rupee of rent, and by a higher valuation of the home-farm. If we deduct the first item, and value the *Sir* and *khudkast* at the tenants' rate, the balance of profit at once dwindles down to Rs. 205,629.

In Nagpur, the difference between Revenue and Cesses combined, at the old and the new Settlements, is Rs. 2,57,000, whereas the increase of assets owing to enhancement of rents by the Settlement Officer is Rs. 1,86,000 (vide par. 6 of the Resolution on Nagpur Settlement.) Thus instead of the enhancements of rents cancelling the increase in the Government dues, as claimed in the Resolution, they left a deficit of Rs. 71,000. Again, taking into account the Cesses, the balance of profit immediately before the new Settlement was Rs. 5,44,000, and after revision, it was estimated at Rs. 5,49,000, thus giving a gain of Rs. 5,000. But against this has to be set off the charge of Rs. 11,000, newly imposed on account of remuneration of kotwars. The net result is thus a loss of Rs. 6,000.

We shall next deal with Bilaspur. Excluding profits from the home-farm, which was practically a constant quantity at both the Settlements, at the old Settlement the balance left with the Malguzars after meeting the Revenue and Cesses at 12½ per cent. out of the rent realizations

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was Rs. 3,26,500. At the new Settlement, the corresponding figure was Rs. 1,42,000, thus reducing the Malguzari profits by 56 per cent.

In Hoshungabad, in 1893-94, just before the rents had been affected by the operations of the new Settlement, the total of tenants' rents was Rs. 11,33,000. The balance left out of this after meeting the old Revenue and Cesses was Rs. 6,46,000. The new assessments came into force throughout the district in 1896. The total of tenants' rents as fixed at the new Settlement was Rs. 11,42,000 and the balance left out of the rental assets after meeting the new Revenue and Cesses was Rs. 2,22,000, or a little more than one-third of what it was just prior to the new Settlement.

In Narsingpur the old rental assets and the old Revenue and Cesses were Rs. 8,75,000 and Rs. 4,48,000 respectively, the profit left being Rs. 4,27,000. The result of the new Settlement was to raise the rental assets to Rs. 9,57,000 and the Government dues to Rs. 6,81,000, thereby reducing the balance respecting rental profit to Rs. 2,76,000 from Rs. 4,27,000, or a reduction of Rs. 1,51,000.

It is needless to go into further figures. Enough has been said to show that whatever

may be said against the assessments of the old Settlement, the burden of the new assessments was more severe and crushing. And it was all the more severe because the rental assets fixed at the new Settlement were "inflated beyond the rent-paying ability of the tenants," and thus represented an income which landlords did not derive.

CHAPTER VII.

CESSSES.

At the old Settlement the Cesses were fixed at $4\frac{1}{2}$ per cent on the revenue. In one district, Bilaspur, a Patwari Cess was introduced either immediately after, or contemporaneously with, that Settlement. Since then the Patwari Cess, at rates ranging from 4 to 5 per cent, has been brought into force throughout the Province, and one of the old Cesses has been increased by one per cent. We exclude from consideration the Famine Cess, which has been abolished during the current year. A further new charge in the shape of a contribution towards the pay of the village watchman has recently been introduced. Altogether there has been a considerable increase in the Cesses since the old Settlement.

We have never been able to understand why the landholding classes, out of all classes of the Indian population, should be specially singled out for taxation for support of education, roads and Post Offices. If it is necessary to raise revenue, apart from the general revenues of the Empire, for these objects, why should not a tax, affecting the entire population in a fair and

equitable manner, be introduced, instead of a tax which falls on one class alone? It is no security to limit the Revenue Demand, and then to go on imposing other burdens on land, and try to differentiate them by calling them Cesses instead of additions to the Revenue, which they really are. The question of the Cesses was discussed before the Parliamentary Committee which sat on the subject of Indian Finance in 1871-74. We give below the opinions of Mr. Fawcett, who was one of the members of the Committee, and of Sir Charles Wingfield, who was examined as a witness.

Mr. Fawcett :—“The Thirty years Settlement, in fact, becomes a meaningless farce, if, after you have made a Thirty years Settlement, you can impose new Cesses on the land at the free will of the Government.

Sir Charles Wingfield :—“So it has always appeared to me.”

Mr. Fawcett :—“And according to this action which the Government has taken, the proprietors of Oudh have no security whatever that, if the exigencies increase, they may not find Cess after Cess to any amount imposed.”

Sir Charles Wingfield :—“Certainly not.”

Regarding the Patwari Cess, it may be pointed out that the original object of its introduction, as set forth in the Land Revenue Act of 1881, was to enable the Government to maintain an efficient staff for the preparation of such village-papers as the Malguzars were under an obligation to submit under the terms of the old Settlement. And so far as the services of a village accountant are necessary for the preparation of these papers, the Malguzars are bound to pay his remuneration. But under the system as it obtains now, the Patwari is something very much more than a village official. He has practically ceased to be a village servant. He is appointed neither by the Malguzars nor by the village community. He is not under their orders, and owes them no allegiance. More often than not he is hostile rather than helpful to his former master. He is appointed by Government to have charge of a circle of villages, and is as much a member of the district revenue staff as any other official of the Land Record Department. He is transferred from circle to circle just like any other Government official, and has no permanent connection with any particular village. He devotes only a small fraction of his time to the preparation of village-papers, being mostly engaged in doing Government work like other officials of the Settlement and Land

Record Departments. Under the circumstances, it is against the principle upon which the Cess is based to make the Malguzars bear the entire cost of maintaining a staff of Patwaris. The fairness of this procedure becomes still more doubtful, when a substantial surplus from this Cess is appropriated towards the pay of Revenue Inspectors and other controlling Revenue Officers.

CHAPTER VIII.

TERM OF THE NEW SETTLEMENT.

In laying down the principles which were to regulate the Revenue Settlement of the newly acquired territories of the Nagpur Raja, the Government of India, in its letter dated the 28th June 1860 to the Commissioner of the Nagpur Province, thus dealt with the question of the term of Settlement. "In par. 17 of your letter of the 12th May, you express yourself in favour of long leases and light assessments, and hope the new Settlement will be for 20, if not for 30 years. In this the Governor General in Council entirely concurs with you, and desires that in all cases in which the proportion of culturable waste to cultivated land in any village is not excessive, or in which the Malguzars do not desire a shorter term, engagements may be taken for 30 years, and that the people may be assured that all Settlements made for that period will be confirmed by the Government." And after the formation of the C. P., Administration, Sir Richard Temple issued the following instructions on the subject :— "The Government of India has, in a letter from the Secretary to the Government of India No. 60 of 21st March 1862, sanctioned the term of

30 years for the Settlement now in progress throughout these Provinces." (Settlement Code Part II, p. 13).

Coming to the new Settlement, we find that in the first districts which came under revision, Raipur and Bilaspur, the period was fixed at 10 to 12 years. It has, in the case of other districts, been raised to 20 years as a maximum, the actual terms varying from 16 to 20 years, to enable the Government, it is said, to make new Settlements by rotation from group to group by means of a small permanent staff. We may point out here, in passing, that the principle of rotation could be given effect to equally well, if the period were 30 years, or any other comparatively long period.

The landholding classes must confess to a feeling of deep disappointment at what they can not but regard as an abandonment, without adequate cause, of a policy dictated by high motives of statesmanship, and which, they had been led to believe, would be permanently binding. If forty years ago, when the Province was still in a greatly undeveloped state, it was not considered an unreasonable sacrifice of the rights of the State to have a Settlement for 30 years, the people can scarcely be blamed

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if they fail to appreciate the justice or the expediency of the abrogation of the rule at a time when 16 out of the 18 districts have been linked by railway with principle centres of trade. If a long-term Settlement was the right policy, when the land yet awaited development, it can not cease to be so now, after the great rise in the level of prices, and the extension of cultivation which has taken place during the past 40 years. There is no prospect in the future of any large increase in prices, or any considerable extension of cultivation. There is no reason therefore for withholding from the people of the Central Provinces a long-term Settlement, or even a Permanent Settlement, which was promised to them over forty years ago. We will refer to this important promise in the next chapter.

CHAPTER. IX.

PROPOSAL OF A PERMANENT SETTLEMENT.

We have in previous chapters spoken of the old Settlement of the 'Sixties and of the new Settlement of the 'Nineties. But before either of these Settlements was effected, a Permanent Settlement of the land revenue was promised to the people of the Central Provinces—a promise which has never been redeemed. The literature relating to a Permanent Settlement is now looked upon as discredited ancient history. But it is interesting to know the views of those statesmen who organized the Province and laid the foundation of its future advancement. We give below Sir Richard Temple's letter No. 33 dated the 8th October 1862, recommending a Permanent Settlement.

Sir,—With reference to your No. 490 of 3rd ultimo, I am now to submit a further statement of the views of the Officiating Chief Commissioner on the subject of the introduction of a Permanent Settlement into the Central Provinces after an attentive consideration of the Despatch from the Secretary of State No. 14, of 19th July last, forwarded with your No. 480, of 30th August.

2 In letter from this Office No. 532, of 22nd July last, and in the Revenue Chapter of his Administration Report recently submitted, the Officiating Chief Commissioner

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advocated the measures at some length. But so far as that advocacy relates to the general principle of the measure, a recapitulation of the arguments then made use of is now unnecessary, in as much as, after a discussion of the various views which have been from time to time expressed on the subject, Her Majesty's Government have, in the 58th and 63rd paras. of the Secretary of State's Despatch, finally affirmed the principle, and ordered its application wherever "the conditions absolutely required as preliminary to such a measure are or may be hereafter fulfilled." It therefore only remains to re-examine whether those conditions are fulfilled in any parts of these Provinces.

3. The conditions which are laid down as essential may be thus stated :—

1st,—That there shall be available, for the purpose of determining whether a given tract be in a mature state for the permanent limitation of the land assessment, those data which are derivable from revenue survey of the land.

2nd,—That the assessments of land revenue shall have had sufficient trial to admit of the discovery of the defects which may always be presumed to have remained undiscovered at the time of survey assessment, such defects being defined as—

- (I.) Over-assessment.
- (II.) Inadequate assessment, whether *positive* in respect to its incidence per cultivated acre, or *relative* in reference to the excessive amount of culturable but uncultivated land in the assessed area.
- (III.) Unequal distribution of assessment.

4. The Officiating Chief Commissioner previously stated that there were certain districts in the Central Provinces, noted in the margin,* which cannot be considered to be in a fit state for the introduction; and on the other hand, certain others, marginally† entered, in each of which a Permanent Settlement might, in Mr. Temple's opinion, be *partially* introduced. The grounds for that opinion were then stated but briefly. I am now to enter more fully into the circumstances of each district or tract, testing them by the above conditions, on the fulfilment of which alone it would now be proper to recommend that a Permanent Settlement be conceded.

5. Out of the eight districts above-mentioned, five—*viz.*, Jabbalpore, Saugor, Damoh, Narsinghpur, and Hoshangabad—have passed through a twenty years' Settlement, which expired in 1855-56. It was not based on a professional survey, but it worked fairly. It is now being revised on the basis of a professional survey. The operations were commenced and the establishments organized under the Government of the North-Western Provinces; and it may be hoped that the present Settlement will not be inferior to that of the North-Western Provinces, and the fiscal arrangements (though differing in respect of tenure) should be similar at least in respect of efficiency.

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| ° 1. Raipur | † 1. Nagpur. |
| 2. Bilaspur. | 2. Chanda. |
| 3. Sambalpur. | 3. Warda (Nachangon). |
| 4. Sironcha (Upper Godavery District.) | 4. Jabbalpore. |
| 5. Bhandara. | 5. Saugor. |
| 6. Mandla. | 6. Damoh. |
| 7. Seoni. | 7. Narsinghpur. |
| 8. Chhindwara. | 8. Hoshangabad. |
| 9. Bilaspur. | |

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6. In par. 50 of the Secretary of State's Despatch, Sir Thomas Munro's opinion is quoted, to the effect "that, after a survey assessment has been completed with as much ease as possible, a trial should be always made of it for six or seven years, in order that all defects in the assessment be discovered." It may, however, be presumed that this advocacy of six or seven years' delay has reference chiefly to tracts of country in which, previous to the Survey Assessment, there may have been assessments only of a very summary character. The essence of Sir Thomas Munro's opinion lies in the "discovery of defects." The question, therefore, in regard to these five districts would appear to be whether, when the present revision of assessment upon the basis of a professional survey shall have been completed, there will be grounds for assuming that all essential defects have been discovered and removed. It appears to Mr. Temple that this question may be answered in the affirmative, for, first in regard to the defect of "over-assessment," proceeding on the experience of a twenty years Settlement and with the aid of a professional survey, there will be few estates of which it may not be safely affirmed, without further trial, that their assessment is as good as that of the estates of any province in India; secondly, as regards the defects of "inadequate assessments," the same means which will enable the Settlement Officers to avoid over-assessment will also enable them to avoid positive inadequacy of rates on the cultivated area. And relative inadequacy of assessment in view of the possible inclusion of an excessive amount of uncultivated land within the whole area of an estate will be prevented, *firstly*, by the measures

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which Mr. Temple discussed in the 189th para. of his Administration Report,—*viz.*, the separation from the nominal limits of estates of tracts of excessive waste, and the consequent circumscription of private property in land to actual occupancies, whether cultivated or otherwise; and, *secondly*, by the rule which was proposed in the 10th para. of this Office letter No. 532, of 22nd July, that Permanent Settlement should only be conceded when the cultivation should equal three-fourths of the whole assessed area. Again, in respect to the third cordial defect, *viz.*, "*unequal distribution of the assessment*," presuming that by this is meant unequal *pressure of assessment on estates*, and not the distribution of the assessment upon each estate among the holdings of the several co-parceners, Mr. Temple would here again observe that there are all the data for the avoidance of this defect,—*viz.*, the experience of more than quarter of a century, upon which and the new survey the coming assessments will be formed; so that, should His Excellency the Viceroy in Council consider that the circumstances under which a revision of the land assessments is now being made in the five above-mentioned districts are such as will admit of the removal of all defects which should bar a Permanent Settlement, and that under those circumstances further trial may be dispensed with as much in these districts as in any other, then it would only require that the defect of relative inadequacy of assessment be guarded against by the adoption of the rule which should limit the concession of a Permanent Settlement to those estates of which at least three-fourths of the whole area shall be under cultivation. The conditions would then seem to be fulfilled for the introduction of a Permanent Settlement proper, in conformity to the instructions of Her Majesty's Government.

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7. It may be here added that, in the event of His Excellency the Viceroy in Council now expressing his general concurrence in the views held as above indicated, there would be ample opportunity for the exercise of due caution in carrying the measure into effect. Until each district or division of country came under assessment and were reported upon in detail by the Settlement Officers, no steps could be taken which should in any way compromise the Government. It would then be the duty of the Chief Commissioner to make a Special Report to the Supreme Government for each estate *seriatim*, from which a full and final judgment might be formed of the propriety or otherwise of confirming the assessment in perpetuity. Such a report would not be for any tract or district generally, but village by village. The Officiating Chief Commissioner is not prepared to say that any district is *entirely* suited for a Permanent Settlement: in every one of these above-mentioned districts there will be estates not fitted. On the other hand, many individual estates will be found to be fitted, and to be fulfilling the conditions prescribed by the Secretary of State. If a Permanent Settlement were declared in a whole district at once, there might be a chance of error; but if it be conceded to one estate after another, according as good and sufficient cause might arise and be shown (of which the Supreme Government alone would be the final judge, after considering the representations of the Chief Commissioner), then the Officiating Chief Commissioner supposes that all reasonable precaution against error would have been adopted.

8. Further, on this point I am to observe that the fact of a Permanent Settlement being conceded to one and not to another would generally act as a stimulus to agricultural

improvement. The concession would be made partly on the ground of the estate having attained a high degree of prosperity. Such concession, therefore, if really valued, must incite people to attain the fulfilment of the conditions required.

9. It is not, therefore, at the present moment solicited that His Excellency the Viceroy in Council should grant any such authority as might have an immediate effect; but should His Excellency consider that Government is prepared to concede a Permanent Settlement in those districts where cause might be shown, the holding out of such a hope would have a beneficial effect at once in encouraging the agricultural population to deal fairly with the Settlement Officers, and to expend capital, in view of prospective returns.

10. It remains to notice the three districts of "Nagpore" "Chanda," and "Warda." In regard to these, it is observed in para. 5 of the Secretary of State's Despatch that, in recently-acquired territories, such as Nagpur, which are still unsurveyed, no means exist for determining the adequacy of the amount or the quality of the pressure of the present demand; but I am to submit, in explanation, that the Nagpore and Warda Districts have now been professionally surveyed, and are being subjected to a Settlement in every way as elaborate as those made in any Province. It may certainly be anticipated that all the highly-cultivated and valuable portions of the Nagpore Province (but not the wild and scantily-cultivated parts) will have been professionally surveyed in two more years.

11. But the circumstances of the three last-named districts, so far as concerns the present question, differ somewhat from

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those of the five districts previously noticed in this particular, that, instead of our having the data of a previous twenty years' Settlement administered by British Officers, as in the Saugor and Nerbudda Territories, we have the revenue experience of only a Native Government prior to 1854. But it will be found that in some estates the data are not less sound, for all practical purposes, than those available in the Saugor and Nerbudda Districts ; for, although it is true that the Government was administered direct by the Raja of Nagpore subsequent to 1829, yet before that period the administration was in the hands of British officers, under the wise control of the Resident, Sir R. Jenkins, for years, during which the land revenue was in many cases placed on a sound and moderate basis, from which their successors did not deviate ; and Sir R. Jenkins' Settlements, if not based on Professional Survey, were yet generally based on careful field measurements. There will be estates, then, in which the demand was fixed nearly forty years ago, and has since held good, with slight fluctuations, and with slight variation on account of extra cesses under British rule. If such an estate has been now professionally surveyed and a new measurement has been made and still the assessment remains much the same, and if the estate itself have its culturable area almost entirely under cultivation, what change is to be anticipated except such general change as might affect the whole country ? and has not such an estate attained the condition required for a Permanent Settlement ?

12. As to the degree of cultivation in Nagpore Province it is necessary to explain a peculiarity, which is this :— While much, indeed, of the area consists of forests and jungle, and while in many parts cultivation is sadly behind

the natural capabilities, and the culturable, but as yet uncultivated area is great—yet in *other* parts the cultivation is very fine, and has reached almost to its utmost possible limits; for instance, in the valley of the Warda River it is notorious that all the culturable area is cultivated. In very many estates Mr. Temple can himself attest this fact. It would be in such places, if anywhere, that a Permanent Settlement would be possible.

13. In these three districts, however, the Officiating Chief Commissioner admits that the case is not so strong as in the Saugor and Nerbudda Territories; the Officiating Chief Commissioner only submits that some estates will be found that fulfil the required condition.

14. Such are the Officiating Chief Commissioner's views on a re-consideration of this important question. They have been recorded after an attentive consideration of the Secretary of State's Despatch; and Mr. Temple trusts that they may meet with the approval of His Excellency the Viceroy in Council.

The final decision of Government was contained in the following despatch of Sir Stafford Northcote, Secretary of State for India, No. 15, dated 23rd March 1867, to the Governor-General of India.

Sir,—Para. 1.—I have considered in Council the Despatch from your Excellency in Council, dated the 20th November last (No. 29), on the subject of the Permanent Settlement of estates affected, or liable to be hereafter affected, by canal irrigation.

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2. In Lord de Grey's Despatch of the 17th March, 1866 (No. 17), it was proposed that a rule should be laid down, excluding from Permanent Settlement all estates "the assets of which would, when canal irrigation shall have been carried to the full extent at present contemplated exceed, in the opinion of the officers of the Settlement and Irrigation Departments, the existing assets in a proportion exceeding 20 per cent."

3. The Board of Revenue at Allahabad desire to generalize the terms of this rule so far as to extend it to exclude from Permanent Settlement all estates "the assets of which have not reached 80 per cent. of the amount which they are susceptible of attaining under a full development of the available means of cultivation and irrigation." Such a rule would, as your Excellency observes, exclude from Settlement all estates which, "by means of wells, embankments water-courses, manure, location of cultivators, &c., and still more, by extension of the facilities of Railway communication, had not reached the maximum or potential limit of excellence," and would, as it appears to me, indefinitely postpone the time when, in the case of the great majority of estates, any Permanent Settlement could be permitted.

4. The Lieutenant-Governor of the North-Western Provinces would, on the other hand, withdraw all restrictive rules, (retaining only I presume, the rule which requires that 80 per cent. of the cultivable area shall be under actual cultivation before a Permanent Settlement shall be granted), and considers that, "as a measure of large and enlightened policy, the Permanent Settlement of these Provinces should be carried out unhampered by further conditions."

5. Your Excellency in Council is of opinion that the rule prescribed by Earl de Grey "if limited to such tracts as "will certainly, or with reasonable likelihood, within a definite period come under the influence of canal irrigation," would not cause "injury or harm from its application," and would certainly to some extent guard the "financial interest of Government, and promote uniformity of assessment." Your Excellency, however, seems to think that the terms used by Lord de Grey, "when canal irrigation shall have been carried out to the full extent at present contemplated" should be construed to apply only to lands to which "canal irrigation will certainly, or within reasonable probability, extend within a given period, say five or six years." In regard to such lands you propose "to limit the engagement to ten or fifteen years, within which period the expectations of the Irrigation and Revenue Officers as to extended use of canal water would no doubt be realized."

6. I have very carefully considered in Council the various documents which have been placed before me; and, after giving full weight to the varying, and indeed conflicting, opinions of the high authorities who have recorded their views on the subject, I have now to convey to you the final decision of her Majesty's Government.

7. In consenting to a Permanent Settlement of the Land Revenue at the present time, Her Majesty's Government are advisedly making a great financial sacrifice in favor of the proprietors of land. They are giving up the prospect of a large future revenue, which might have been made available for the promotion of objects of general utility, and might have rendered it possible to dispense with other forms of taxation. This sacrifice they are prepared to make in

consideration of the great importance of connecting the interests of the proprietors of the land with the stability of the British Government. It is right, however, that I should point out that the advantages now conferred upon the land-holders are far greater than those contemplated in former times, and especially that they are quite beyond the scope of the expectations held out when Lord Cornwallis originally formed a similar Settlement in Bengal and Behar. The assessment made by Lord Cornwallis left rather less than one-tenth of the rental to the zamindar. The present assessment will leave him one-half; and, in addition to this, one-fifth of the cultivable land, if at present uncultivated, is to be allowed to remain free of assessment for ever. Moreover this Settlement, instead of being granted (as was the case in Bengal and Behar) at a time of extreme depression and impoverishment, is granted at a time of unparalleled hopefulness for all kinds of industry in India, when the demand for every kind of produce is rapidly increasing, and the price rising, and when the railways and other forms of enterprise are beginning to develop the vast resources of the country, and to add to the wealth of all classes, and most especially to that of those connected with the land.

8. Under these circumstances, it does not appear to be either necessary or reasonable that the Government, as trustees for the whole body of the people, should confer upon the land-holder, in addition to the other benefits which I have pointed out, the whole of the great increase in the value of his land which will certainly result from the extension of irrigation, without making any reservation on behalf of the public interest. The only feasible mode of making such reservation appears to be, to withhold the Permanent Settlement in cases where irrigation is likely to

be effected within a reasonable period; and it is with this view that my predecessors have laid down the rules now under consideration. In the justice of the principle on which those rules are founded I entirely concur. It only now remains to define the period for which it will be right to defer the Permanent Settlement for lands capable of profitable irrigation, but not yet irrigated. I am of opinion that this period should be not less than twenty years. Great injustice and inequality would result from the adoption of a shorter period; for the projects of irrigation which are now in their infancy will probably receive a large development in the course of the time I have mentioned; and it would be unfair to enforce the claims of the State upon lands which may be irrigated within the next few years, leaving the estates to which the same boon may be extended a little later entirely free from it. Such a course, besides being unfair, would probably tend to retard the extension of irrigation, by making it the interest of the land-holder that it should be deferred till his assessment has been completed.

9. I have therefore to desire that the following rules may be observed before estates in the North-Western Provinces or elsewhere are admitted to Permanent Settlement, viz:—

First,—No estate shall be permanently settled in which the actual cultivation amounts to less than 80 per cent. of the cultivable or malguzari 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 20 per cent.

The decision of the Government was publicly announced to the people by Sir Richard Temple and his officers at Darbars specially held to explain the principles of the Settlement. And he thus referred to the matter in his Administration Report:—
“The period over which the limitation of the Government demand, according to the new assessment, is to extend is thirty years for all districts alike. This has been sanctioned by Government. It has also been recommended that the boon of the Permanent Settlement, that is the limitation of the Government demand in perpetuity, should be conceded to those landholders who might have brought their estates to a high state of cultivation. The Government have decided that, after a lapse of ten years from the commencement of the new Settlement, those landholders who may be thought worthy of the concession, and who may desire a perpetual limitation of the Government demand, may have their assessments revised with a view to such limitation in perpetuity being declared.”

Sir Richard Temple also explained the benefit which the country would derive from this policy in the following words:—“It would have an effect altogether beyond immediate calculation, in stimulating industry, enterprise and self-reliance of the agriculturists, the application of capital and the

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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 rights 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 other branches of revenue. These branches entirely depend on the growth of the 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 revenue 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, thus, there can be no fear for the success of a measure which would, while restricting the land tax, cause all other taxes to arise."

These statesman-like views possess now a melancholy interest. From a Thirty years' Settlement, with a promise of a permanent limitation of the State demand on the fulfilment of certain conditions, the Government came

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down to a Ten or Twelve years' Settlement, which after considerable agitation, has been changed to a Sixteen or Twenty years' Settlement. And if Malguzars, having strictly complied with the conditions laid down in the Secretary of State's despatch, and publicly announced to the people by Sir Richard Temple and his officers, come forward and claim a fulfilment of the promise given, the Government can only refuse to give it effect by declining to be bound by the ordinary rules of natural justice and equity, which, in the case of private individuals, are enforced through the agency of its Courts of Justice.

CHAPTER X.

CONCLUSION.

The demands of the people of Central Provinces are these :—

(a). Assess the Land Revenue on the real rental actually realized, not on an estimated rental based on hypothetical data. If this can be done in the Provinces of Agra and Oudh without any detriment to Government Revenue, it ought not to be impossible to follow the same method in this Province. Protect the cultivators by adequate and fair Tenancy Laws ; but subject to such statutory protection, leave the settlement of rent to the parties concerned. Reserve the right to reduce rent where it is found to be unfair, but do not assume the duty of fixing the rents payable by cultivators to their landlords all round. No Government on earth can properly discharge such a duty ; nowhere in India is it attempted except in this Province ; and the attempt here has often resulted in the fixing of high rents which the landlords find it impossible to realize.

(b). Limit the Land Revenue by statutory provision to one-half the actual rental according

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to the old Saharanpur Rule. How this rule, though authoritatively introduced, was disregarded, how Settlement Officers sought to put an unnatural and forced interpretation on it, how the rule itself was virtually abrogated before the new Settlement began, and how the new assessments, added to a failure of harvests, resulted in famines and in heavy loss both to the people and the Government, has been told in the preceding pages, and forms one of the saddest chapters in the history of this Province.

(c). Let *Sir* land, which was lowly assessed at the old Settlement, be assessed at rates not exceeding the rates fixed for absolute occupancy tenants.

(d). Let no Cesses or special taxes be imposed on land alone so as to increase the total assessment beyond the half-assets limit.

(e). Let there be at least long-term Settlements, if not a Permanent Settlement.

(f). Let the rule of arrest and imprisonment for recovery of arrears be abolished. What does the rule signify? That the land has been so heavily assessed that the Government can not trust to its sale for realizing its demands, but needs must put.

the proprietor to the humiliation of arrest in order that he may raise from his other sources of income the amount that is demanded for his land.

The Settlement of the Land Question on a fair and equitable basis concerns as much the Government as the People. Their interests are identical. The one cannot prosper without the other. And when the nation practically lives on the produce of the land, the Settlement Question becomes with them a question of life and death.

Agricultural prosperity is not possible so long as there is no fixity and certainty in the Land Policy, and so long as assessments are raised and lowered according to the changing ideas and opinions of successive generations of Administrators and Settlement Officers. Accumulation of agricultural wealth cannot take place when improvement leads to enhancement; and when enterprise receives, as its reward, an appropriation of its fruits by the State. Allow this great wealth-creating industry of India to flourish, and every other source of Government Revenue must flourish along with it. Reverse the process, depress agriculture by over-assessment, and it is not long before the chilling and withering effect of such a policy makes itself felt in all directions.

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We therefore fervently hope that our rulers will rise to the height of the occasion, and, realizing the responsibilities of their position, will carry out in practice the sound principles enunciated in the famous Resolution of January 1902, and thereby place the prosperity of the Province on a firm and secure basis.

APPENDIX A.

Statement showing average enhancement in the whole district on the previous demand, made at the New Settlement, when first introduced.

District.	Enhancement under Land Revenue alone.	Enhancement under Land Revenue and Cesses combined, inclusive of additional rate and Patwari cess imposed during the currency of the old Settlement.
	Per cent.	
Saugor	49	61
Damoh	60	70
Jabbulpore	65	78
Mandla	71	86
Seoni	80	95
Narsingpur	50	60
Hoshungabad	87	99
Nimor	59	73
Betul	46	57
Chhindwara	38	50
Wardha	26	35
Nagpur	20'6	28
Raipur including Zamindaris.	57	71.8
Bilaspur do. do. ..	93	111
Sambalpur do. do. ..	46	56

APPENDIX B.

Statement showing the per centage of assets taken as Land Revenue and Cesses combined under the Old Settlement.

District.	Assets.	L. R. and Cesses.	Per centage.
Saugor	8,97,677	4,86,212	54
Damoh	5,20,843	2,90,501	55·8
Jabbulpore ..	12,20,488	6,32,648	51·8
Mandla	1,16,737	65,800	56
Seoni	3,41,912	1,69,431	49·5
Narsingpur ..	8,76,031	4,48,854	51
Hoshungabad ..	9,46,359	4,66,944	49
Nimar	2,81,757	1,88,988	67
Betul	3,11,934	1,97,606	63
Chhindwara ..	3,29,084	2,24,117	68
Wardha	6,71,995	5,46,523	81
Nagpur	11,46,599	9,17,194	79·9
Raipur (with Zamindaris.)	10,89,693	5,81,497	53
Bilaspur do. do..	5,17,234	2,89,027	55·8
Sambalpur do. do..	2,20,931	1,45,064	65

APPENDIX C.

Statement showing the percentage of assets taken as Land Revenue and Cesses combined at the New Settlement and the difference between the percentages at the two Settlements.

District.	Assets.	L. R. and Cesses.	Per centage.	Increase or decrease as compared with the old settlement.
Saugor	13,63,832	7,82,832	57·3	+ 3·3
Damoh	8,30,122	4,95,428	59·6	+ 3·8
Jabulpur	19,67,894	11,26,191	57	+ 5·2
Mandla	2,07,116	1,22,404	59	+ 3
Secni	6,14,130	3,30,985	53·9	+ 4·4
Narsingpur	12,91,626	7,18,122	55·5	+ 4·5
Hoshungabad	17,21,419	9,30,257	54	+ 5
Nimor	4,65,724	3,28,076	70	+ 3
Betul	5,09,136	3,12,439	61	- 2
Chhindwara	5,43,990	3,36,098	61	- 7
Wardha	11,14,512	7,40,176	66	-15
Nagpur	17,22,417	11,74,639	68	-11·9
Raipur	17,51,090	9,99,048	57	+ 4
Bilaspur	10,57,808	6,11,255	57·7	+ 1·9
Sambalpur	3,13,639	2,26,865	72	+ 7

Note. In four districts the percentage has been reduced at the new Settlement. Of these four, two, Nagpur and Wardha, were very highly assessed at the old Settlement. Even with a deduction in the percentage, enhancements of 28 and 35 per cent respectively have secured in these two districts at the new Settlement. In the other two districts, Betul and Chindwara, the reduction is small, and the enhancements secured in spite of it are 57 and 50 per cent respectively. In the remaining eleven districts, the percentage has been increased.

APPENDIX D.

Statement showing percentage of assets taken as
Land Revenue under the old and the new Settlement.

District.	Under the old Settle- ment.	Under the new Settle- ment.	Increase or decrease in the new Settlement.
Saugor	51·7	51	—·7
Damoh	53	53	Nil.
Jabalpur	49·5	50·8	+1·3
Mandla	53·8	52	—1·8
Seoni	47	47·7	+1·7
Narsingpur	49	49·7	+1·7
Hoshangabad ..	47	48·6	+1·6
Nimar	64	62	—2
Betul	60·5	54	—6·5
Chhindwara ..	65	54·5	—10·5
Wardha	77·8	59·5	—18·3
Nagpur	76·5	61	—15·5
Raipur	50·8	49·8	—1
Bilaspur	53	54	+1
Sambalpur	61	62·7	+1·7

APPENDIX E.

Statement showing the proportion which the Land Revenue of the New Settlement bears to the assets as they existed before the Settlement Officer enhanced rents or otherwise raised the assets.

District.	Assets just before the new Settlement.	Land Revenue of the new Settlement.	Proportion per cent.
Saugor	12,54,339	6,95,851	p. c. 55·5
Damoh	7,48,616	4,43,372	59
Jabulpore ..	18,82,278	10,01,059	53
Mandla	2,05,375	1,07,845	52·6
Seoni	5,90,597	2,92,907	49·5
Narsingpur ..	12,34,325	6,42,615	52
Hoshungabad ..	16,44,533	8,38,070	50·9
Nimar	3,75,553	2,89,054	76·8
Betul	4,50,804	2,76,495	61
Chhindwara ..	5,01,007	2,97,432	59
Wardha	10,03,799	6,63,835	66
Nagpur	15,30,350	10,58,608	69
Raipur	16,68,465	8,73,299	52
Bilaspur	9,87,189	5,30,988	53·7
r	2,73,866	1,97,479	71·8

APPENDIX F.

Statement showing the percentage of Land Revenue to the assets just before the New Settlement operations began.

District.	Assets.	Land Revenue.	Per centage.
Saugor	12,54,339	5,18,630	41
Damoh	7,48,616	2,80,524	37·5
Jabbulpore ..	18,82,278	6,08,260	32
Mandla	2,05,375	65,610	32
Seoni	5,90,597	1,64,470	27·7
Narsingpur ..	12,34,325	4,30,291	34·8
Hoshungabad ..	16,44,533	4,70,947	28·6
Nimar	3,75,553	1,90,649	50·7
Betul	4,50,804	1,90,719	42
Chhindwara ..	5,01,007	2,17,699	43·5
Wardha	10,03,799	5,31,553	52·9
Nagpur	15,30,350	8,97,829	58·6
Raipur	16,68,465	5,53,815	33
Bilaspur	9,87,189	2,74,612	27·8
Sambalpur ..	2,73,866	1,34,893	49

APPENDIX G.

Copy of order in appeal against the order of Shamshululama Mohamed Amin, Extra Assistant Commissioner, Jabalpure, dated 13th October 1902, fixing value of certain Absolute Occupancy holding at Rs. 492, in Mouza Murrai, Jahsil Jabbulpore.

Rev ; Case No. 26 of 1902-1903.

In the court of M. W. Fox Strangways, Esq :
Commissioner, Jabalpure Division, dated 20th
January, 1903.

Sao Udechand of Jabalpure	Appellant.
Pulandarsingh, Balwantsingh and Halkoosingh, Malguzar of Mouza Murrai, Tahsil, Jabalpure.	} Respondents.

ORDER.

The Extra Assistant Commissioner has fixed the value of the land in this case by taking as the cultivating profits, $\frac{1}{2}$ of twice the rental value. This is an arbitrary method which is laid down for want of a better for the guidance of officers in Collectors' cases. But other tests should be applied if possible.

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On page 14 of the Settlement Report, 770 lbs. is given as the standard gross outturn of Kabar II Bundhwas land. This is of course for a 13 anna (in American notation 100) crop. Such crops are not obtained every year, but I think that it would be fair to assume an average outturn of $\frac{2}{3}$ of this or 513 lbs. per acre. Taking 240 lbs, the amount given by the Settlement Officer, for cost of cultivation, the net outturn comes to 273 lbs. which I should value at about Rs. 8. Thus the net outturn of the holding would be Rs. 200, and the net profit deducting rent Rs. 103. This profit will doubtless be reduced at the Settlement now impending, but I accept the Extra Assistant Commissioner's estimate of Rs. 104 as a fair rent, and I do not think the enhancement is likely to go beyond this. Roughly speaking then the profits are Rs. 100, and on this basis of calculation the selling value should be not less than Rs. 1000.

If the valuation were made according to the rules for Land acquisition the tenants share would be $(\frac{2}{3} \times 104 \times 20) = \text{Rs. } 1386$.

On the other hand the appellant actually purchased the land for Rs. 400. This fact must be given some weight. No doubt he purchased it below its value, but, as pointed out by the Extra Assistant Commissioner, the Collector would surely

ORDER.

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have been able to save the holding if its value had really been anything like what the appellant says.

On the whole I think that Rs. 800 will be a fair price. But it has to be remembered that the appellant is at present liable to the respondent for one year's rent. Whatever may be the value fixed in these proceedings the respondent will be able to sue the appellant for this. I think it right therefore to allow for this, and I fix the value at Rs. 900.

M. W. FOX STRANGWAYS,

Dated, 29-1-1903.

COMMISSIONER.



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