INDEX

LAND REVENUE ASSESSMENT COMMITTEE BOMBAY.

LIST OF WITNESSES EXAMINED.

22nd June 1925.

(1) Mr. S. S. Bhonsle, Secretary, Deccan Non-Brahmin League, Belgaum.
(2) Mr. G. M. Chakradeo, Managing Director, Central Agricultural Institute, Poona (incomplete).

23rd June 1925.

Mr. G. M. Chakradeo.
(3) Rao Bahadur G. K. Chitale, President, District Local Board, Ahmednagar.
(4) Rev. E. Fairbank, Vadala, taluka Newasa, district Ahmednagar.

24th June 1925.

(5) Rao Bahadur Hiranand Khemsing, Hyderabad, Sind.
(6) Mr. K. K. Lahori, retired Deputy Collector, Larkana, Sind.
(7) Wadero Alihassan Hakro, President, Kambar Municipality, Larkana, Sind.
(8) Rao Bahadur B. R. Naik, President, District Local Board, Surat (incomplete).

25th June 1925.

Rao Bahadur B. R. Naik.
(9) Mr. K. N. Desai, Gopipura, Surat.
(10) Mr. R. G. Gordon, I.C.S., Collector of Bijapur (incomplete).

26th June 1925.

Mr. R. G. Gordon.
(11) Rao Bahadur R. K. Kembhavi, President, District Local Board, Bijapur.
(12) Principal S. C. Shahani, D. J. Sind College, Karachi.

27th June 1925.

(13) Sardar K. V. Joshi, Toka, taluka Newasa, district Ahmednagar.
(14) Mr. M. C. Patel, President, Gujarat Landholders' Association.
(15) Mr. R. B. Patel, late Director of Agriculture, Baroda.
(16) Mr. A. K. Patel, Giras Assistant, Baroda State.
(17) Mr. B. R. Ransing, Hony. Secretary, Dhulia Taluka Agricultural Development Association.

29th June 1925.

(18) Rao Saheb A. K. Kulkarni, Government Karbhari, Jamkhandi State.
(19) Mr. L. S. Chaudhari, President, Taluka Development Agricultural Association, Limited, Jalgaon.
(20) Mr. G. R. Patil, Nadgaon, taluka Bhusawal.
(21) Mr. S. V. Karandikar, President, Agricultural Association, Baramati.
(22) Mr. Bhadragowda Veergowda, President, Taluka Local Board, Badami.

LAND REVENUE ASSESSMENT COMMITTEE, BOMBAY.

22nd June 1925.

EXAMINATION OF MR. S. S. BHONSLE, SECRETARY, DECCAN NON-BRAHMIN LEAGUE, BELGAUM.

To the Chairman :—

Q.—Can you give us some idea of the constitution of the Deccan-Non-Brahmin League of which you are the Secretary?

A.—It is the principal body formed by District committees which send representatives to the principal body. We have got some 20 executive members who form the executive committee and of this committee I am the Secretary.

Q.—Who are the members of the taluka or district committees?

A.—Only Non-Brahmins.

Q.—Are they elected?

A.—Yes, one member represents his district committee.

Q.—Does the executive committee meet at Belgaum?

A.—Yes.

Q.—Is it confined to the Belgaum district only?

A.—No. It includes the Central and Southern Divisions of the Bombay Presidency.

Q.—Were these replies that you have given made in your personal capacity or as Secretary of the League?

A.—They were made after consultation with the President of the League.

Q.—Who is the President?

A.—Mr. B. K. Dalvi, M.L.C.

Q.—Please refer to your reply to question No. 1 (page 435). When the people mentioned therein buy land, do they expect any return as an investment or do they merely buy it for the sake of playing with land?

A.—In some cases they expect some remuneration.

Q.—What percentage of return do those persons expect?

A.—They expect much but do not get it.

Q.—When they would want to invest money they would surely make enquiries before investing their money to find out whether there would be any return on their investment, would they not?

A.—They happen to have much wealth and they want to invest part of it somewhere.

Q.—Do you mean to say they throw it away in any way they like?

A.—I think so.

Q.—What is the percentage of these persons who have amassed fabulous wealth? I think in India the country is getting poorer as we are told by many of our economists and therefore I think there cannot be any fabulous wealth.

A.—Not many but in some cases there are.

Q.—What would be the percentage of such?

A.—About 30 per cent.

Q.—Do you think 30 per cent. of the people are fabulously rich and that they can throw away money without any idea of any remuneration or return?

A.—Those who want to buy land.

Q.—Without any idea of any return?

A.—I think so.

Q.—You say that if this 30 per cent. is taken into consideration, the basis on which land is valued would fail. Is that so? Then it would vitiate the whole procedure?

A.—Yes.

Q.—Land Revenue Code, section 107, says that in revising assessments of land revenue regard shall be had to the value of land and in the case of land used for the purpose of agriculture, the profits of agriculture.....

A.—The wording is rather ambiguous.

Q.—Yes, what reason do you assign for that? In non-agricultural lands the value may be taken as the basis. But in agricultural land the return is taken as the basis.

A.—The net profits of agriculture.

Q.—You do not object to that?

A.—The wording should be changed. Profits only should be taken into consideration.

Q.—As regards agricultural land, the valuation of the land is not to be taken, not even as a secondary consideration?

A.—No.

Q.—Then you go on and say that only profit should be taken into consideration at the time of revision but the profit should not be gross but the net profit. Will you please tell us what you mean by " gross profits " and by " net profits "?

A.—The gross is the total yield of the land, but in arriving at net profits we must take into account the cost of labour, cultivation, etc.

Q.—The cultivation charges should be deducted?

A.—Yes.

Q.—Anything else?

A.—Cultivation charges, labour, manure and so on.

Q.—You are not deducting the maintenance charges of the family of the labourer or would you want those to be deducted?

A.—No. That comes under labour.

Q.—It does not necessarily include his wife or children. Do you want their maintenance charges also to be deducted?

A.—No.

Q.—The net profit is not the net profit as understood in ordinary Company transactions where the working costs are deducted. Do you want something beyond the working costs deducted? Nothing beyond the actual working, actual cultivation and labour which is put on the land and nothing more?

A.—Nothing more.

Q.—As regards question No. 3, you say that the rental value would be a better guide than anything else in determining the net profits. That means that you cannot suggest anything else which is better than rental value.

A.—Rental value, theoretically, is all right but in practice it is very hard to find out the rental value.

Q.—Here you agree to the proposition that the rental value would be a better guide than anything else?

A.—But after due consideration I have come to the conclusion that it is not a safe guide.

Q.—Can you suggest any other guide as if it is not a safe guide, others will be much more unsafe?

A.—That may be worked out.

Q.—Later on you quote two instances of one who gets a small rental value and one who does not get and you say these extremes will have to be provided against. Can you say how they should be provided against?

A.—They should be taken into consideration at the time of revision

Q.—Have you no special remedy to provide against them?

A.—No.

Q.—Why do you then say " in such cases, even the average rent of a number of past years will not be of much use "? It would appear that the average rent would be more than rent for one or two years.

A.—Because in some cases the cultivator pays more rent and in some cases less rent. Therefore we cannot take the average in such cases.

Q.—You then say " In other cases, the landlord shares the profits with the tenant and at the same time, supplies him with labour, manure and such other things ". Here you seem to refer to the Batai system.

A.—Yes.

Q.—In which there is no rental value in cash but it is only a division of crops. Is that correct?

A.—Yes.

Q.—In the second paragraph of your replies to questions 7 to 9 you say " in arriving at the rental value of the lands at the time of revision, real rents paid in open competition during the period of at least fifteen years immediately preceding the revision settlement, should be taken into consideration, and the average rental value be taken as the basis for the revision ". What do you mean by " real rents "?

A.—" Real rents " means rents that we can ascertain from village to village.

Q.—Ascertainable and then ascertained?

A.—Yes.

Q.—In reply to questions 10 and 11 you say that 25 per cent. would be the reasonable maximum and that 50 per cent. in this part of the country would be too excessive. What are your reasons for thinking 50 per cent. too excessive?

A.—Looking to the condition of the people and the cultivators and peasants we find that 50 per cent. is too oppressive.

Q.—You are talking at present of 50 per cent. of the rental value?

A.—Yes, the rental value arrived at by taking into consideration the extreme cases mentioned in answer to question No. 8.

Q.—By rental value you mean the rent which the man who sub-lets his land gets for that land which is then cultivated by the tenant. The man gets a clear income.

A.—Yes.

Q.—So his income should be equivalent to a return of say 8, 10 or 15 per cent. on the capital value of the land. Over and above that he need not expect. What does the rent which a man charges his tenant represent?

A.—That is his clear income.

Q.—Income from what, when the land belongs to the Crown?

A.—The land does not belong to the Crown according to me.

Q.—I am putting the Government point of view that the land belongs to the State, that the tenant represents the present occupant. He is the man who has certain rights given to him to cultivate the land and so long as he pays due assessment or increased assessment from time to time he has full rights over the land. If that land is sold by A to B, B buys it and invests some money on it with the idea, if he is not an actual cultivator, of getting a return from the land equivalent to a certain percentage on the money he puts in. In that case, if the rental that he receives is much more than what he would get from an ordinary investment, should not Government, as representing the general taxpayer, get a larger share from the income on the land? Is not Government entitled to get a larger share?

A.—I do not follow you.

Q.—I have seen in some cases that a man gets as rent, say, Rs. 400 and Government charges only 50 per cent. In that case do you think it is fair to the general taxpayer or to Government (which means the same thing) that all the profits should go to the middlemen instead of going into the hands of Government to be used for the general taxpayer? If that is accepted why should you restrict it to 25 per cent. and not restrict it to 50 per cent.?

A.—Such cases are very few.

Q.—As regards question No. 13, you think that the maximum limit of enhancements should be confined only to individual landholders, because you think that the other limitations are artificial or that they do not in any way affect the revision survey settlement. Will you be satisfied if a limitation is put on an individual holding and nothing is done as regards the others?

A.—Yes.

Q.—You want it to be fixed, not at 100 per cent. but at 25 per cent.?

A.—Yes.

Q.—You want the limit of revision to be increased from 30 to 40 to 50 per cent.?

A.—Yes.

Q.—On what grounds?

A.—Because the period of 30 years is rather too short.

Q.—It may happen that revision survey settlement or some settlement may have been made in times of scarcity but later on prices may go down and cultivators may be feeling the pinch so much that they themselves would like it to be reconsidered or revised at earlier intervals. If such is the case, then? Would you say that in favour of the individual cultivator but not in favour of the general taxpayer or the Government?

A.—I cannot say.

Q.—As regards an advisory committee, do you want it to be composed of non-official members of the Legislative Council only?

A.—No, there may be some officials also.

Q.—Why do you want officials? The local officer would be the settlement officer who has done the settlement work; the Collector who has recommended it or the Commissioner who has forwarded it. They cannot sit in judgment on themselves. It would not be fair to them to put them on the advisory committee which would have to review or sit in judgment on their own recommendations.

A.—If they are ready to help the non-officials with their advice.

Q.—They will of course give all information but nobody wants to sit in judgment on his own judgment.

A.—No.

Q.—You think that after 50 years improvements effected by the agriculturist himself may be charged, that the period should not be less than 50 years. You do not see anything objectionable in that?

A.—No.

Q.—I cannot understand this, that you say that the increases should in individual cases be not more than 25 per cent. and yet you fix a period of 40 to 50 years for one settlement.

A.—That should be the maximum.

Q.—But then in your reply to question No. 19 you say " if every revision is to take place every 40 or 50 years the graduation of enhancement should be 10 per cent ".

A.—I suggest a graduation.

Q.—10 per cent. on the rent? Are you quite sure? Will you ask your own agriculturist to pay that much?

A.—Not on rent.

Q.—If 15 per cent. is the maximum, what is the meaning of 10 per cent.?

A.—I have said 25 per cent.

Q.—But here you say 10 per cent.

A.—It should be 10 per cent. on the rent or in individual holdings 25 per cent.

To Mr. G. A. Thomas :—

Q.—In answer to questions 7 to 9 you lay down 15 years as the period to be taken into consideration. How do you propose to ascertain these rents for the last 15 years? By actually going to villages and making personal enquiries?

A.—Yes.

Q.—Do you think it would be possible for people to remember transactions which took place fifteen years before?

A.—I think it is possible.

Q.—Do you think it is safe?

A.—Yes.

Q.—As regards an advisory committee, do you propose a standing committee?

A.—Yes.

Q.—How often would it meet?

A.—That I cannot say.

Q.—How many revision settlements do you suppose come up every year?

A.—I do not know.

Q.—Two or three do you think?

A.—I do not know.

Q.—What do you think is the length of a revision settlement proposal? Have you ever seen a revision settlement proposal?

A.—Yes, that is a big book.

Q.—Do you know that it takes a long time to read it through and that it would take a still longer time to discuss it?

A.—Yes.

Q.—Do you know that eight or nine revision settlement proposals come up to Government every year?

A.—If you say so, it must be so.

Q.—Do you know that all those proposals would take several days to be gone through and discussed, four to six weeks for each settlement proposal?

A.—Yes.

Q.—If non-officials are on the advisory committee, how many meetings do you think they could attend? Do you think any non-officials can spare the necessary time?

A.—Yes, they must spare the time.

Q.—The non-officials would according to you be members of the Legislative Council?

A.—Yes.

Q.—Would they have enough technical knowledge of these questions?

A.—Therefore they would want the help of officials.

Q.—Would the non-official members possess the requisite technical knowledge?

A.—No.

Q.—The non-officials will possess no technical knowledge which, according to you, will have to be supplied by the officials.

A.—Yes.

Q.—You know that before the proposals come up to Government the officials concerned consider the questions from all points of view, write notes on them, scrutinise every point involved.

A.—Yes.

Q.—Every proposal is scrutinised by the Collector and by the Divisional Commissioner and by the Settlement Commissioner before it comes to Government.

A.—Yes.

Q.—Would it not be sufficient if these criticisms and proposals were placed before an advisory committee of non-officials and considered by them?

A.—Yes, that would be sufficient.

Q.—Would you be content with an advisory committee of non-officials?

A.—I would.

To Mr. L. J. Mountford :—

Q.—You say that the value of the land would not be a safe or a good guide because nearly 30 per cent. of the people are fabulously wealthy and would pay any price.

A.—Yes.

Q.—You think this 30 per cent. is a fair figure or is it over-stated or under-stated or is it a fair figure?

A.—As far as my knowledge goes, it is a fair statement.

Q.—I suppose you know what is a good taluka and what is a bad taluka.

A.—Yes.

Q.—Do you think Sholapur taluka is a prosperous taluka or a bad one? Is it a precarious taluka or a good taluka?

A.—I cannot quite say which.

Q.—We have there scarcity or famine years.

A.—I know Nagar and Sholapur districts have famine or scarcity every now and then.

Q.—Do you know Sangola taluka?

A.—Yes.

Q.—Do you consider Sangola taluka is full of prosperity?

A.—No. I cannot say.

Q.—Do you think it is prosperous?

A.—No. I cannot say.

Q.—You have not heard that it is looked upon as rather like Malsiras?

A.—I have no personal knowledge of the Sholapur district.

Q.—Is Sholapur district as prosperous as Khandesh? Or is it precarious?

A.—I know Khandesh is prosperous.

Q.—Is Sholapur not so prosperous as Khandesh?

A.—I cannot quite say.

Q.—Do you think it is full of people who amass wealth?

A.—That may or may not be, I cannot say.

Q.—What do you think of auction sale of land in a precarious taluka like Sangola where suspensions and remissions are very considerable? Are 30 per cent. of these people who buy land at auction sales those who have amassed wealth?

A.—I have come to the conclusion I have already mentioned from my knowledge of the Belgaum district.

Q.—Is Karnatak included in the Deccan?

A.—Yes, according to our constitution.

Q.—May I take it that the Secretary of the Deccan Non-Brahmin League knows nothing about the Deccan?

A.—No. Deccan according to the constitution of our League includes Karnatak.

Q.—Would you be surprised to hear that even in precarious tracts like Sangola the average sales of land made in open competition and covering over 5,000 acres show that the money received is more than 100 times the assessment? Should I be right in taking that as an indication of the real value of that land where no less than 5,000 acres have been sold or am I to consider that the money I have received is entirely fictitious as 30 per cent. of the bidders in all these auctions of 5,000 acres were people who had amassed wealth and were bidding far more than the value of land just to secure the land without expecting any return from it?

A.—I think it is fictitious.

Q.—Do you say that 30 per cent. of the people who have made money in cotton mills and in transactions in Bombay would run down to a precarious taluka like Sangola where there are suspensions and remissions nearly every year.....

A.—They will not go to Sangola taluka which is precarious.

Q.—Then, can I assume that the people who bid at auctions for land in Sangola have not been swelled (?) to the extent of 30 per cent. by rich people who wish to buy land purely for their own amusement?

A.—Rich people go in for good land and not for bad land.

Q.—Even in precarious tracts where they get no good rainfall, they still pay fancy prices?

A.—No.

Q.—Sangola taluka is rather an isolated taluka being away from railway communication and I take it that men who amass wealth would not go to out-of-the-way places where there is no railway at all and so can I therefore assume that the price we have received for land sales in Sangola taluka represents a true index of the market value of the land in Sangola?

A.—No.

Q.—What factor upsets that assumption?

A.—Where we have excluded all land with encumbrances and where a careful examination is made of sales between the creditor and the debtor for the sake of getting high prices for areas over 5,000 acres, how shall I not say that what we have received for those 5,000 acres is a fair index of the market value of the land which is sold in open market? What factor would upset that? In a precarious taluka where there is no inducement for any man to pay more than is absolutely necessary.....

Q.—You say that the assessment should be based upon the net profits?

A.—Yes. Clear income.

Q.—If you say that the rentals are fluctuating—you have good years and bad years—I suppose your net profits would fluctuate accordingly?

A.—Net profits ought not to be based solely on rental value.

Q.—But they vary? You have good years and bad years?

A.—Yes.

Q.—What year would you select to calculate your net profits? A good year, or a bad year?

A.—A normal year.

Q.—Can you tell me the last normal year we have had in the Deccan?

A.—I think last year was a normal year.

(The Chairman suggested that as there was some ambiguity about the use of the word Deccan, the witness should be asked what part of the Deccan he was referring to).

Q.—We will take the Belgaum district. Was it a normal year there?

A.—Yes, there was good rain.

Q.—Was Bijapur also a normal year last year?

A.—Yes.

Q.—Having selected your year, to get the net profits, would you calculate for every field?

A.—Yes, every field.

Q.—How many fields have you in a village as a rule?

A.—About 200.

Q.—You have 150 villages in a taluka, so you will be getting very busy making calculations?

A.—We can go to every village and not go to every field.

Q.—How many calculations would you make for the net profits in a village? One, two or three?

A.—Each village is to be visited.

Q.—How do you ascertain your net profits? You will see what the crop yield is?

A.—Yes, minus the cost of labour and cultivation.

Q.—Would any agriculturist admit that his field is as good as his neighbour's? Will he be content to be told that because the yield of field No. 102 is so many maunds and the assessment fixed on that is so much, therefore it is fixed equally high on his field? Will he admit it?

A.—I think he will quite agree.

Q.—Have you had many dealings with cultivators?

A.—Yes.

Q.—Would a cultivator be quite content to be told that because his neighbour's land produces so much, therefore his land also produces the same amount?

A.—Yes. In the same village.

Q.—But some of them are high lands, some of them are low lands, and some of them are medium lands?

A.—That classification is made even now. A class, B class and C class.

Q.—We have a classification on which to work. We classify every single field by comparison with the next field. You would not have that classification?

A.—I do not say that there should not be any classification.

Q.—Will it be enough to have one method for the whole village? You think that will satisfy the people?

A.—Yes.

Q.—How many crops would you experiment on? Rice, tobacco, jowari, or wheat? Many crops go round the same field. You would have to experiment on all those?

A.—Some important crops.

Q.—The major crops?

A.—Yes.

Q.—In a district like Belgaum, on rice land a person can cultivate Pavta also. You would have to experiment on that also?

A.—Yes.

Q.—What agency would you employ to carry out all these experiments? The Agricultural Department?

A.—The Revenue authorities.

Q.—We shall have to have an enormously increased staff for that purpose?

A.—I think the present staff can do it.

Q.—The conditions are not all the same in all parts of the Presidency. We find in the Deccan a normal year once in six years. In other places it is different. That will mean that we shall have to have a very large staff. Do you think the Council would grant the extra expenditure?

(No reply).

Q.—What proportion of this net profit, once you arrive at that, would you consider should be taken by the State?

A.—Sixteen to 25 per cent.

Q.—But the cultivator varies a great deal. One man will plough his land once in five years; another twice a year. One man will sow at the right time, while another will be too lazy. One man will sow the right kind of seed from his harvest, while another man goes to the Baniya and buys any bad stuff that is available and puts that down. How will we be able to find a normal cultivator who will cultivate in the best possible way?

A.—That depends on the honesty of the people.

Q.—But no man is honest when it is a question of paying money to Government. We do not want to pay more money; it is human nature.

A.—Every officer is supposed to be honest.

Q.—People will have to pay money to Government. No one likes to pay any tax. We have read of cases in England where conscience money is paid to the Inland Revenue and so forth. That being so, I would point out that there is some difficulty in getting our normal year, our normal crop and our normal cultivator. I do not know how it is to be done. The only alternative that I can see is to have an experiment for every single field in every single village. A man will not be content to have his yield fixed on what has been the yield in another man's field. He will say "I cannot get that produce in my field; I have kankar, lime stone and sub-soil water in my field."

(No answer).

Q.—About the advisory committee, you would have on the committee people who are really able to understand all about the land and its yield?

A.—Yes.

Q.—You would not have a lot of bankers or lawyers on it?

A.—No.

Q.—You would have the real landholding classes on the committee?

A.—Yes.

Q.—You think they will be the best people to have—those who know?

A.—The Council members could do that work.

Q.—Do they cultivate themselves?
A.—No.

Q.—Do not most of them live in cities?
A.—They have got some ideas.

Q.—We all have ideas. But you would rather have Council members rather than the actual landholding classes themselves?
A.—There are in the Council some landholders.

Q.—Does not the Council consist more of lawyers?
A.—The majority are lawyers.

Q.—You would be content to have your committee composed of Council members rather than landholding classes, actual zamindars? Which would you rather have?
A.—The landholders.

Q.—They are the people who pay assessment?
A.—Yes.

Q.—Is it fair that a man should be allowed to judge his own case?
A.—In order to safeguard their interests, they should have a say in the matter.

Q.—Have you heard of any country in the world that allows a man who pays a tax to Government to decide how much he shall pay? Can you parallel that? Does the Income Tax Commissioner come to you and ask you how much income tax you would like to pay this year?
(No answer).

To Moulvi Rafiuddin Ahmed:—

Q.—How long has your League been in existence?
A.—For the last four years.

Q.—Do your Non-Brahmins include Mahomedans?
A.—No.

Q.—What is the total number of members, and how are they elected?
A.—Each district has got its own committee.

Q.—What is the total number of your members, and how are they elected?
A.—It consists of 20 members, who are elected by the district committees as representatives of each district.

Q.—Have you got any annual report of your League?
A.—Yes, but I have not got a copy with me.

Q.—May this committee take your answers as the answers of the League?
A.—I think they may do so.

Q.—What is your idea about land assessment? Is it a tax or is it a rent?
A.—It is a tax.

Q.—Why not rent? What instructions have you received from your League on this question?
A.—We had some discussion of the members of the League, and we came to the conclusion that the assessment should be considered as a tax.

(The Chairman intervened and suggested that as it raised a general question of rent versus tax, it would take years to decide it, and that the member should ask other questions. Moulvi Rafiuddin Ahmad said that he was just asking the witness' opinion and what instructions he had received from the League on the matter).

Q.—Are there any reasons why it is a tax and not rent?
A.—There are reasons; because the proprietorship of the land according to the present system vests in the Government. If you consider the assessment as tax, then the proprietorship vests in the cultivator.

Q.—With regard to the advisory committee, your League has no objection to members of the Council being made members of the advisory committee?
A.—No objection.

Q.—Do you think that, although some of the members of the Council may not be actually landholders they can acquire knowledge on the subject?
A.—Yes, because they represent the interests of the masses.

Q.—Do you not think that some of them may be able to express themselves better than the landlords?
A.—Yes, because they are educated.

Q.—You have confidence in them?
A.—Yes, and therefore they are elected to the Council.

Q.—With regard to the Konkan, do you include Konkan in your League?
A.—Yes.

Q.—And the same standard of assessment prevails in the Konkan as in the Karnatak?
A.—No.

Q.—How does it vary?
A.—I think the standard of assessment in the Konkan is rather low as compared with the Karnatak?

Q.—And Khandesh?
A.—Not Khandesh.

Q.—Is it the same as Khandesh?
A.—No.

Q.—Is Khandesh a more prosperous district?
A.—Yes.

To Mr. H. B. Shivdasani:—

Q.—What percentage of the land in a village is given on rent? How much is cultivated by the owners and how much by the tenants?
A.—I think the cultivating landlords are very few.

Q.—What is the percentage?
A.—Eight per cent. who cultivate the lands.

Q.—What area of the land under cultivation is cultivated by the owners and what area is cultivated by tenants who pay rent?
A.—Eight per cent.

Q.—About 90 per cent. of the land is cultivated by the owners?
A.—No.

Q —Out of the land given on rent, what percentage of the rent is payable in cash, and how much in kind or share of crop?
A.—Generally, they pay in cash. About 25 per cent. is paid in share of crop or kind.

Q.—About 6 or 7 per cent. of the land of a village pays cash rent, and you want to base the assessment of all lands on this 6 or 7 per cent. You want to ascertain the net profits from the land, and you can know the rent of only 6 or 7 per cent. of the lands in a village. Only 10 per cent. of the land is given for cultivation by tenants.
A.—Rent includes both payment in cash and in kind.

Q.—But only 6 per cent. is paid in cash, and you want to base the assessment on all the lands on the rent basis of these few plots of land?
A.—Why?

Q.—Because you want to judge the net profits from the rent. Is that not so?
A.—Yes.

Q.—And, you can only know the rents of 6 or 7 per cent. of the lands?
(No answer).

Q.—Then you can ascertain the net profits directly. Why should you go to rent at all?
A.—I have said that rents are not the sole guide.

Q.—But you say they are the chief guide?
A.—They may be the chief guide, but not a safe guide.

Q.—At present how much percentage of net profits is represented by rent in your part of the country?
A.—Both are equal. If you exclude the instances I have given in my reply to question No. 3.

Q.—The rent value of the land is 100 per cent. of the net profits?
A.—Not exactly.

Q.—You said that assessment should be based on net profits and you want to judge the net profits from rent?
A.—Not exactly.

Q.—But chiefly. In reply to the Chairman you said that it was the chief guide and there was no other guide on which to judge net profits?
A.—I revised my opinion with regard to this.

Q.—What is the relation between rent and net profits? Are they equal?

A.—In some cases they are equal, but in many cases they are not equal.

Q.—Is the rent less than the profits?

A.—No.

Q.—You want the assessment to be 25 per cent. of the rental value?

A.—Yes.

Q.—What is it in your part of the country at present?

A.—Between 50 and 60.

Q.—In your reply to Mr. Thomas you said that the advisory committee would have to meet four to six weeks?

A.—Yes.

Q.—The settlement report may be a big volume, but if the members read at home and come prepared, how long do you think it would take the advisory committee to settle the question?

A.—If they come prepared, they may finish their work within two or three weeks.

Q.—For one proposal?

A.—Yes.

Q.—How long does the Revenue Member take to decide the question? Does he take two to three weeks?

A.—I do not know.

Q.—You said that the advisory committee cannot have the technical knowledge. What do you mean by technical knowledge?

A.—About assessments and other things.

Q.—Surely, the two or three people who are elected to the committee would soon acquire it?

A.—They may study and acquire the knowledge.

To Mr. R. G. Soman:—

Q.—You know of instances where agriculturists go to industrial towns and come back with their savings and buy lands at rather higher prices than they would have paid if they had been in the same place?

A.—Yes.

Q.—The same is the case with regard to rentals also, as you have stated in your written statement?

A.—In certain cases they pay higher rents.

Q.—You have said that 25 per cent. of the rental value should be the assessment. Is your League of opinion that where at present 25 per cent. of the rental value is the assessment, no further enhancement should take place?

A.—If we have reached that maximum, it should not be enhanced.

Q.—I am only asking you that where 25 per cent. limit has been reached whether your League is of opinion that the assessment should not be enhanced any more above the 25 per cent.

(*The Chairman*:—He went a little further and said that the maximum is very often 50 to 60 per cent. so that, if he is consistent, according to him there ought to be a reduction of rent in those cases to bring it down to 25 per cent.)

Q.—Where it exists to-day at 25 per cent., it should not be increased?

A.—Yes.

Q.—Regarding your reply to the last printed question, do you mean to say that if at all revisions are to take place, the enhancement of assessment of a taluka should not be more than 10 per cent.?

A.—Yes.

To Mr. R. G. Pradhan:—

Q.—You state that your league committee contains 20 members and that these members are elected by some constituencies.

A.—Yes. Just like the working committee of the Congress.

Q.—I should like to know what is the total strength of your electorate.

A.—There are about 300 to 500 members in each district and we have sixteen districts represented.

Q.—How many people do these 20 members represent?

A.—4,000 to 5,000.

Q.—Can you say that this statement which you have presented to this committee represents the views of the Non-Brahmins in the Deccan?

A.—Yes.

The Chairman :—Does Deccan include Karnatak and Konkan also?

A.—Yes.

Mr. Pradhan :—Can the Committee take this statement as the views of the Non-Brahmins in the Deccan including Belgaum and Dharwar?

A.—Yes.

Q.—With regard to your question No. 3, you have stated that certain safeguards will have to be provided for. Can you categorically state what those safeguards should be?

A.—No, I cannot.

Q.—In reply to a question put by my friend Moulvi Rafiuddin you said that land revenue, in your opinion, is a tax. In that case is it your view that land revenue should be treated as income tax in the same way as income tax is treated?

A.—Not exactly like income tax.

Q.—If you consider land assessment as a tax, are you prepared to treat land revenue assessment as a tax in the same way as you would treat income tax?

A.—Do you mean to say that exemptions should be given?

Q.—Yes, that would be one of the conclusions or inferences if it is a tax on land, as if it is a tax on land, is it not a tax on income derived from land?

A.—It is a tax on income derived from land.

Q.—If it is a tax on income derived from land, have you any objection to treating it in the same way as income derived from other sources?

A.—Not exactly.

Q.—You have no objection, then?

A.—No.

Q.—I am putting it to you in a general way.

A.—I have no objection.

Mr. Mountford :—Is it not a fact that income tax rises from year to year?

A.—Yes, according to the taxing capacity of the people.

Mr. Mountford :—Mr. Pradhan is using the word " treated " to which I think I ought to object?

Mr. Pradhan :—You (Witness) have already stated that you consider land tax as a tax on agricultural income. In assessing or levying this land tax, have you any objection to assessing it on the same principles, broadly speaking, as income tax is assessed or levied?

A.—Broadly speaking, I have no objection.

Q.—I now refer to your answers to questions 10 and 11. You say that it is desirable that some maximum should be fixed so that when it is reached there will be a sort of permanent settlement. So, I take it that you are in favour of a permanent settlement?

A.—Yes. But that I have qualified in the last paragraph.

Q.—Still, if the maximum is reached your opinion is that there should be no further revision.

A.—That is to say, after that maximum is reached there should be permanent settlement.

Q.—After a certain period we shall have permanent settlement. Can you have any idea of what that period will be?

A.—I think it will be about 90 years.

Q.—After 90 years we should look for permanent settlement.

A.—Yes.

Q.—But not before that?

A.—Before that even, if it is possible.

Q.—If permanent settlement can be realised earlier, you will have no objection.

A.—No.

Q.—In your reply to question No. 15 you say that between 40 to 50 years should be the normal period of settlement for the Presidency proper. Why do you fix the period at that figure? Is there any charm in the figure 40 to 50?

A.—Not because there is any charm but because I think that is a proper period.

Q.—Why do you think it proper? What are the principles or considerations that lead you to conclude that 40 to 50 years should be the proper period?

A.—Because I think the period of 30 years is too short.

Q.—Why is it too short? Periods are fixed arbitrarily.

A.—Not arbitrarily.

Q.—I want to know why 40 to 50 years is a proper period.
A.—They are not fixed arbitrarily.

Q.—What are the principles underlying that?
A.—Because the period is rather too short.

Q.—Why do you consider it too short a period for revising a settlement?
A.—I cannot say.

Q.—With regard to your reply to question No. 18, you then accept the principle that improvements made by the owner should be assessed.
A.—Yes.

Q.—You are not of opinion that improvements should be exempted from assessment permanently for ever.
A.—No. I do not hold that view.

Q.—Why don't you hold that view? What are your reasons for saying that improvements should not be exempted from assessment after a certain period?
A.—When we take assessment as a tax, the tax may be raised according to the taxing capacity of the cultivator.

Q.—You hold that improvements should be taxed because you consider land revenue is a tax.
A.—Yes.

Q.—There is no other reason?
A.—No.

Q.—You have stated that they should be taxed after a period sufficiently long for the holder to recoup himself for the expenditure he has incurred over improvements from the profits of land. Do you consider that the period should not be less than 50 years?
A.—Yes.

Q.—If the owner is able to recoup himself from his improvements for the expenditure he has made on those improvements within a shorter period, will you still maintain that those improvements should not be taxed for fifty years?
A.—No.

Q.—In other words you are of opinion that if a shorter period is sufficient to enable a proprietor to recoup his expenditure on improvements you would be prepared to tax improvements after that shorter period.
A.—Yes.

Q.—My friend Mr. Mountford in asking questions asked whether we, members of the Legislative Council, who would be on this committee, have cultivated lands or cultivate lands. May I know whether officials cultivate lands?
A.—No.

Q.—In this Reformed Council there are several members who represent agricultural population. There are also several members who are intimately connected with agriculture. There are also some members who own lands. If suppose a standing committee consists partly of these members who represent agricultural interests or who are actively connected with agriculture, dont you think that they would be competent to perform the duties to be assigned to an advisory committee?
A.—If they have that technical knowledge and if they study all the problems to be dealt with, I think they would be competent.

Q.—But if a standing committee is appointed, should we not assume that members of that committee will study those questions?
A.—We should.

Q.—When you were asked to represent your committee and to give evidence before this committee, were you not expected to study the questions coming up for discussion?
A.—Yes, but whether all members do study or not is another question.

Q.—If a standing committee is appointed, then there will also be a quorum of the committee.
A.—Yes.

Q.—Do you think that the Legislative Council members who will be on the committee, in deciding these questions of assessment, will be swayed by merely political considerations? Do you think so?
A.—Some may be swayed.

Q.—But not all?
A.—No, not all.

Q.—Suppose the standing committee consists of five members of the Legislative Council, how many of them will be swayed by political considerations in your opinion?

A.—That I will tell when the committee is formed.

Q.—But suppose the members of the Legislative Council who are on the committee represent agricultural interests, will they be swayed by political considerations?

A.—I do not think so, if they really represent the interest of masses.

Q.—Members of the standing committee who are also members of the Legislative Council and who represent real agricultural interests will not, in your opinion, be swayed by political considerations, although some of the others may.

A.—That is so.

Q.—On the whole, you have no objection to appointing a standing committee of this kind.

A.—No objection.

To Mr. A. W. W. Mackie :—

Q.—In your answer to questions Nos. 7 to 9 you lay down a period of fifteen years. I should like much to know why you want a period which appears to me so long, what is the reason for that?

A.—I may say that from 10 to 15 years should be taken.

Q.—Why? That too appears to me a long time. I want to know why you want so apparently a long period.

A.—Because we have to take the average calculations of each year. If we take a short period that will not be a true index.

Q.—Do you mean that it will give you too few cases or statistics and that a shorter period will not give you an adequate number of cases of leases, etc.?

A.—Yes.

Q.—In discussing the matter of tax or rent did I understand you to say that the proprietorship of the soil vests in the occupants? Do you assert that?

A.—Yes.

Q.—You say so that the proprietorship vests in the occupant?

A.—Yes.

Q.—You are a landlord?

A.—Yes.

Q.—Your land is agricultural land.

A.—Yes.

Q.—Can you build a factory on it?

A.—No, not without the permission of the Collector, I suppose.

Q.—If the Collector refuses, you cannot.

A.—That is so.

Q.—You have heard of inam villages and in some inams you perhaps know that a share of the revenue vests in the inamdar and in other inams the soil vests in the inamdar. From whom did the inamdar get the soil?

A.—He is the natural proprietor, I think.

Q.—The inams have been conferred by Government. From whom did the inamdars get the soil?

A.—From Government, I think.

Q.—You are in favour of permanent settlement. Have you any tenants on your land?

A.—Yes.

Q.—Are you in favour also of permanent settlement of rents paid by tenants to landlords?

A.—If they get more cropsyield, then I think I have got every right to take more from them.

Q.—How much more have you got a right to take from them?

A.—There should be some maximum.

Q.—A third?

A.—Yes.

Q.—And why should not Government take a third of any increase of your rents?

A.—Because when we consider assessment as a tax.

Q.—It is a modern system to be taxed in proportion to the outturn. You say " if my tenant gets an increased outturn I ought to get a third of it." Why should not Government say " if you get an increase, I ought to get a third of it ". I think it is perfectly natural from your point of view that you being a landlord naturally want to restrict Government from taking any increase from you and you want to put all the increase into your own pockets. Any landlord would want to do that. Is that not so?

A.—It is so.

Q.—You say that in individual holdings there should be a limit to enhancement.
A.—Yes.

Q.—Suppose it came out that a man did not for say five years pay income-tax according to the due rate, that he was under-taxed by the income-tax officer through not knowing his actual assessable income, and suppose that that income-tax officer now discovers that he has been under-assessing that man's income, do you think that the income-tax officer should have to graduate the steps by which he should levy assessment on the man's actual assessable income?
A.—I do not understand your question.

Q.—Suppose you are an income-tax officer and you assess a man's income at Rs. 2,000 for the past five years. Then suppose you now discover that the man's income was really Rs. 10,000. Do you think that it would be right for you to say " well, this is a hard case. If I go and levy income-tax on Rs. 10,000 this year it will be a dreadful shock to him and it may affect his budget and therefore this year I shall levy income-tax on Rs. 3,000, next year on Rs. 5,000, next year on Rs. 7,000 and go up like that so that in ten years I shall levy the proper income tax. Is that how you would look at it?
A.—No.

Q.—You also propose that 25 per cent. should be the maximum. Do you know any cases in Bombay where a maximum for a tax has been fixed? You take the land revenue as a tax. Is there any maximum fixed beyond which the legislature has undertaken that it will not raise income-tax, but on this one tax alone you want that?
A.—Yes.

To Mr. M. S. Khuhro:—

Q.—I understand that you say that the people are the owners of land and not Government. Is it not?
A.—Yes, it is.

Q.—How do you reconcile that position? What proof have you got for it?
A.—I have got no proof, but it is my opinion.

Q.—What reasons will you assign for that?
A.—Because if we consider assessment as a rent Government may raise it any time without looking to the taxing capacity of the cultivator and therefore I hold that view.

Q.—Are you aware that at certain places when Government require any land for their purposes they pay compensation for the acquiring of the land according to the Land Revenue Code.
A.—Yes, sometimes they give.

Q.—A house belongs to a certain person and may have been on rent to any person to occupy it. If he wants it for his own use, he would give compensation to that tenant. Do you then in that case feel the difference between the owner and the occupant?
A.—Yes.

Q.—What is the system prevalent in your division as regards the relationship between a tenant and his landlord. Do they take rent or the batai in kind?
A.—In some cases they take in kind and in others they take cash.

Q.—Have you got any personal experience of taking in kind?
A.—Yes.

Q.—What proportion do the landlords take from their tenants?
A.—Nearly half of the gross produce.

Q.—Then the half which the landlord gets includes expenses incurred on the cultivation, his management expenses, his establishment expenses and so on.
A.—No.

Q.—Do you consider it should be deducted from that?
A.—It should be deducted from that.

Q.—You do not consider it adequate compensation?
A.—No.

Q.—How much do you think will go towards expenses for the land over supervision, management, cultivation expenses, etc.?
A.—I think it would be 20 per cent.

To Sardar G. N. Mujumdar:—

Q.—When discussing this questionnaire, have you taken into consideration the conditions of tenants in inam villages?
A.—No.

Q.—Do you think there is any difference between the conditions of tenants of inam villages and the occupants of Government villages?

A.—I think so.

Q.—On what grounds, please?

A.—An inamdar takes a large rent I think from his tenants.

Q.—Even in surveyed villages?

A.—Only in unsurveyed villages.

Q.—There is thus a difference between the position of tenants in surveyed and unsurveyed villages?

A.—Yes.

Q.—Is the inamdar the owner of the soil in his inam village?

A.—There are some inamdars who are the owners of the soil and some are not.

Q.—Do you know how that is to be decided?

A.—No, I do not know.

Q.—Will it depend on the terms of the original grants?

A.—Yes, I think so.

To Mr. D. R. Patil:—

Q.—Don't you think that in the interests of the agriculturists the fair test ought to be that the State should take some portion by way of assessment out of the net income received by the agriculturists?

A.—Yes.

Q.—Are there any difficulties in ascertaining the net income?

A.—Yes, there are many difficulties.

Q.—Can they not be overcome by any method by Government?

A.—They may be.

Q.—What are the difficulties according to you in the manner of ascertaining the net income?

A.—Because we will have to take so many things into consideration?

Q.—What so many things?

A.—I think I have given them in the list.

Q.—Of items of expenditure and items of income?

A.—Yes.

Q.—Those are the only difficulties in the way of ascertaining the actual income of the agriculturists?

A.—Yes.

Q.—I think you were supplied with copies of the replies by different persons.

A.—Yes.

Q.—Kindly refer to page 322. Mr. Maganbhai C. Patel has given the various items of expenditure. Do you approve of these items?

A.—Not all, if you take all these items into consideration then there will be a minus.

Q.—I don't care whether there will be a minus or a plus. That is not the point before us. The only question is do you approve of all the items which are mentioned by Mr. Maganbhai Patel?

A.—I approve of that list but it is not practicable, I think.

Q.—You approve of all the items but they are not practicable.

A.—Yes.

Q.—How do you say that they are not practicable? What are your reasons for saying that?

A.—There will be no land revenue.

Q.—If we take into consideration the items of expenditure as given in that list, the expenditure will exceed the income and that is why Government will not get anything. Is that what you mean to say?

A.—Yes.

Q.—You have admitted in the beginning that the fairest method of assessment should be to ascertain the net income and then fix some proportion of the income which should be taken by Government in the light of this proportion. Why do you care to know whether there will be a minus or plus?

A.—Because it is not desirable in the interests of the State.

Q.—I put you a case. An agriculturist gets an income of Rs. 5,000 a year and he has to spend Rs. 6,000 a year. Then, if such is the case you say in the interests of the State, though he is working at a loss, he must pay something by way of assessment to Government. Is that what you mean?

A.—No.

Q.—I believe you accept the general proposition that the fairest test ought to be to ascertain the net income, that is deduct all the expenditure, and thus know the real income and then fix some proportion of such income which should be taken by Government by way of assessment. Do you agree to that?

A.—I agree to it but not to all these items he has given.

Q.—My simple question is, do you admit the fairest proposition that the State should in fairness to the agriculturist be only entitled to some proportion of income by way of assessment out of the net income received by the agriculturist?

A.—Yes, that I admit.

Q.—Consider the first item ' Interest on the purchase price of the land '. Suppose an agriculturist has got land worth Rs. 1,000, and he gets an income of say Rs. 200 and he spends Rs. 250. Then, would you like to calculate interest on the purchase price of the land by way of expenditure?

A.—No.

Q.—Why not?

A.—Because he does not invest the money in order to get interest out of the land.

Q.—What return does he get on the capital he invests?

A.—I think 3 per cent.

Q.—Leave aside the question of expenditure, and the actual cost of cultivation; why should you not take into consideration the interest on the purchase price of land, when an agriculturist has actually invested some money by way of capital on the purchase of land?

A.—Because he does not invest that money with that view.

Q.—Suppose an agriculturist owns some landed property worth Rs. 1,000. Now, would you not like to calculate the interest of the value of the land in the items of expenditure when he is not a money-lender?

A.—Yes.

Q.—Leaving aside item No. 1, take items 2 to 14. What items do you object to and why? Do you, in the first place, object to any of the items Nos. 2 to 14?

A.—I have not thought over all those items.

Q.—Out of the 14 items, how many items have you given your attention to?

A.—Cost of cultivation and labour.

(The Chairman suggested that it would not be fair to the witness to ask him questions on those points, as he was speaking for his Association, and the Association has not had an opportunity of studying those questions, and as the witness represented an association, he could not be expected to reply to them without consulting his Association).

Q.—With regard to question No. 1 of the printed questions, do you accept the general principles of assessment laid down in section 107 of the Land Revenue Code? Do you say that section 107 lays down really the general principles of assessment, or is there some other section which deals with that?

A.—I think there are some other sections.

Q.—Am I right if I say that the principal section which lays down the general principles of assessment is section 100 of the Land Revenue Code?

(The Chairman pointed out to Mr. Patil that he was one of the gentlemen who drew up the questionnaire. Mr. Patil replied that he was not one of the gentlemen who drew up the questionnaire; otherwise, the mistake would not have occurred).

Q.—Whatever sections there might be in the Land Revenue Code, do you agree that the general principles of assessment and the question of the ownership of the land—whether in the Government or in the people—will have to be decided once for all if we want to deal with the question of assessment finally?

A.—Yes.

Q.—Do you know anything about Khandesh?

A.—I have heard something about it.

Q.—You say that Khandesh is prosperous. How do you say that?

A.—I have heard about it.

Q.—From whom did you hear about it?

A.—From some of my friends from Khandesh.

Q.—Can you name them?

(The Chairman:—We are not cross-examining the witness, and such questions need not be asked).

Q.—So, that is your hearsay information?

A.—Yes.

Q.—Are you of opinion that when the revision is to be made finally, all the investigations made either by the Settlement Officer or by some other persons should be submitted to the Council, and should receive the final approval of the Council?
A.—Yes.

To Rao Saheb D. P. Desai:—

Q.—Referring to section 107 of the Code, what do you think about the general survey policy followed up to this time by Government? Has it made the cultivators prosperous or has it made them poorer during the last 30 or 40 years? During the last 100 years since when the policy has been followed by Government, do you think it has made the cultivator prosperous, or has rather made him poorer?
A.—It has made them poorer, but the reason of that is not the policy of the Government. There are other factors which have contributed towards their poverty.

Q.—Is it owing to famines?
A.—Yes.

Q.—Do you mean to say that during famine times, they are not able to meet the hard conditions that are brought to bear upon them?
A.—Yes.

Q.—Do you agree that in good times they are not able to save that much which would be useful to them during famines?
A.—Yes.

Q.—On the whole, you consider that the policy as followed by Government has brought about poverty among the cultivators?
A.—Yes.

Q.—It is laid down that any improvement made by the cultivator is not to be taxed. Has this rule been followed by Government up till now?
A.—In some cases it is not followed.

Q.—Is it followed generally?
A.—Generally, I think, it is followed.

Q.—Do you think Government have consistently followed it, and not taxed the improvements?
A.—Yes.

Q.—Under the section if you exclude all the cost, that is the capital of the cultivator, then what remains? Is it not that the bare land remains, the land as it is?
A.—Yes. And if you take all the 14 items given by one witness, then there would remain nothing.

Q.—I am simply asking, take away all the improvements effected by the cultivator, then what remains?
A.—Nothing.

Q.—Then, do you mean to say that Government are actually taxing the improvements made at the cost of the cultivator? Are you prepared to say that?
A.—That is an indirect way of saying it.

Q.—Will you please make it clear?
A.—Without improvements, or without any labour or without any capital, you cannot have any crop or anything.

Q.—But you admit that that capital or those improvements cannot be taxed under the law?
A.—Yes.

Q.—The section says that the bare land is to be taxed and the improvements are not to be taxed. Now, if any revision is made on the bare land, what basis would you like to suggest?
A.—I have not followed the question.

Q.—What basis of assessment would you like to suggest?
A.—Net profits.

Q.—Would there remain any net profits after that? Government, by reason of their being the Government or the State, are entitled to tax the bare land. In pursuance of this section, if Government were not doing any illegal act, or were not acting contrary to law, Government would have only the bare land to tax. Do you agree to that?
A.—Yes.

Q.—If that bare land remains, what basis would you like to have? Then you say that net profits should be the basis?
A.—Yes.

Q.—You have stated that 40 years should be the period of settlement. We have had revisions every 30 years till now. You also say that the present policy as followed by Government has rather detrimentally affected the cultivators. The improvement of the cultivator ought to be our first consideration; the State is always a secondary consideration. The improvement of the ryot is the first consideration of a State. So, under those circumstances, what term would you suggest? Would you advise a permanent settlement?

A.—Yes.

Q.—In order to recompense the cultivator for the actual confiscation by Government during the past 100 years, do you think it would be enough if for at least 100 years Government refrained from levying any additional amount, and also reduced the amount wherever it is very high at present? Would you suggest or advise that a permanent settlement under those circumstances should be introduced forthwith in the Presidency?

A.—Yes.

Q.—Regarding the question of proprietorship, Mr. Mackie just suggested that you cannot build a factory without referring the matter to the Government or applying to the Government, and if the Collector says no, you must abide by his decision. That being the case, of course the proprietorship rests with Government. But before the introduction of the present Land Revenue Code, if you wanted to build a factory, were you not entitled to do it? Before the present laws came into existence, if you or your forefathers wanted to build a factory over any land that was occupied by them, they would have done so without referring the matter to the ruling authorities at that time?

A.—I think so.

Q.—And now you cannot build without permission?

A.—No.

Q.—You want to say that those rights belonged to you and have been taken away by the Land Revenue Code?

A.—Yes.

Q.—Mr. Mackie also touched the question of the relationship between the landlord and the tenant. Supposing a Government official engaged a servant, and suppose the State interfered as regards the payment to be made to that servant, would that Government official accept the interference on the part of the State? If a police or revenue officer entered into their houses and said "Why have you kept a servant on such a low pay, would it be accepted?

A.—No.

(*Mr. Mackie*:—I did not suggest anything about anybody entering into a house).

Q.—Supposing you yourself were an officer or merchant,.....

(*The Chairman*:—With regard to merchants, Government do interfere in cases of dispute between the employers and the employees).

Q.—Not in the matter of wages?

(*The Chairman*:—There are minimum rates).

Rao Saheb Desai:—So far as I am aware, it has not come to that yet.

Q.—Do you think that any interference by the State will be tolerated by income-tax payers in the matter of the wages which they pay to their servants?

A.—No.

Q.—Do you think that the Collectors, Deputy Collectors and others possess the agricultural knowledge that is required to carry on survey operations?

A.—They are supposed to have it.

Q.—But do they actually know anything about it? Do they know what is Nagali, and how it is grown, how many cultural operations Nagali should receive, etc.?

A.—I do not think they know.

Q.—You must have come into contact with many of them?

A.—Yes.

Q.—Have you any reason to believe that these officers know much about it?

A.—Not all.

Q.—Have you any reason to believe that the Settlement Officer that periodically visits your place every 30 years, possesses that knowledge?

A.—I think he knows.

Q.—Do you think that five or six years after an English officer from England has worked in this country, when he is sent over to settle a particular district or taluka, he knows enough about the economic condition of the people, how agriculture is being conducted, how the various crops are grown, etc.?

A.—I think during that period he might acquire that knowledge.

Q.—Do you mean to say that he acquires second-hand knowledge?
A.—Yes.

Q.—Or rather knowledge gained from hearsay or by consultation with others?
A.—Yes.

Q.—They do not have that thorough experience that is required of a man—that technical experience—who is entrusted with such serious responsibility?
A.—No.

To Mr. G. W. Hatch :—

Q.—Have you met any settlement officers during a revision survey settlement?
A.—No.

Q.—You do not know whether they are officers of experience, and whether Government specially selects officers of experience?
A.—I have not met any.

Q.—Have you read a revision settlement report,—any of these reports that Mr. Thomas referred to?
A.—Not the whole report.

Q.—On this vexed question about the rental value as the basis, you have made the remark that it is a better guide than anything else, but you have qualified it by saying that you have subsequently changed your views. I have listened to your answers on that subject, and we take it that your view is that while you do not like the rental value very much, you are prepared to accept it in default of anything else, provided regard is paid to the general economic conditions of the tract concerned. Is that a right statement of your view?
A.—Yes.

Q.—What do you suppose is the average life time of a Deccan ryot? Do they live 40, 50, or 60 years? What is the average?
A.—Forty to 50.

Q.—I suppose they do not get possession of the land to work it under the age of 20? You do not think there are many cases of young boys getting possession of the land and working it?
A.—There may be some cases.

Q.—Has it occurred to you that the 30 years period that has been fixed by Government corresponds pretty exactly with the average working life of a Deccan peasant? He starts at 20, and goes up to 50. So that, the average corresponds pretty closely with the average life of the Deccan peasant?
A.—Yes.

Q.—Mr. Pradhan wanted to know whether there was any rhyme or reason in having the period of settlement at 30 years. I am suggesting that this is the reason.
A.—Yes.

To the Chairman :—

Q.—In reply to Rao Saheb Dadubhai Desai you said that you had an idea that the economic condition of the country and the ryot was going down day by day. On what facts have you based that opinion? Have you made any enquiry into the economic condition of the ryots as a class?
A.—I have visited some villages.

Q.—Have you found that during the last 30 or 40 years the people are getting poorer and poorer?
A.—Yes.

Q.—In spite of the high prices of materials? Do you know what the index figure is at present?
A.—It is high.

Q.—The prices have gone up and the Government assessments have not gone up in proportion to the rise in prices; and yet you think the ryot is not making a profit?
A.—There are other reasons that may have a bearing on the question.

Q.—Not necessarily famine conditions?
A.—Not necessarily.

Q.—It may be that he is spending more money in other respects; he may be heavily indebted?
A.—Yes, and he may spend more money on drink, etc.

Q.—In reply to Mr. Patil you said that you wanted to show some regard to the State, that you wanted some money to go to the coffers of the State. Taking the typical instance that he gave where a man had an income of Rs. 5,000 and he had to spend Rs. 6,000, do you think that any man will go on losing Rs. 1,000 year after year?

A.—He will give it up; in some cases it so happens that they have got no other business to do.

Q.—Where does he find the money from every year? Don't you think that he must either sell the land or give it up? He is not going to continue losing Rs. 1,000 every year for a number of years?

A.—He may sell it.

Q.—In that case, the man who buys the land does so with the knowledge that he has to pay Rs. 1,000 every year out of his pocket. Knowing that, how is he going to buy that land?

A.—A moneyed man might buy it.

Q.—But a moneyed man does not want to invest money in a concern which puts him to a loss of Rs. 1,000 a year? So, you agree that the typical example that Mr. Patil gave cannot affect the situation?

A.—Yes.

Q.—You said that the inamdars got their lands from somebody. From whom?

A.—From Government.

Q.—So that, the land belonged to Government and Government gave it. Do you accept that? I cannot give anything that does not belong to me. If I give it, it must belong to me?

A.—Yes.

Q.—So, that creates the presumption that the land belonged to Government in the old days?

A.—That is a presumption.

Q.—And now also it belongs to the Government.

Q.—Mr. Khuhro put it that if Government acquired land, they are not bound to pay compensation, but if you turned out your tenant you pay compensation. Supposing it was one of the conditions of the lease that you had the pre-emptive right of selling it; if that condition was attached to the lease, you would not have to pay compensation if the land was yours?

A.—Yes.

Q.—So that the argument that Government does not have to pay compensation does not meet the point that the land does not belong to Government.

22nd June 1925.

EXAMINATION OF MR. G. M. CHAKRADEO, MANAGING DIRECTOR, CENTRAL AGRICULTURAL INSTITUTE, POONA.

To the Chairman :—

Q.—Can you give us an idea of the Central Agricultural Institute which you represent?

A.—More or less I am its originator and founder and it has been brought into existence with the sole purpose of supplementing Government effort in trying to ameliorate the agricultural conditions of this province.

Q.—What is your sphere of work? Which are the districts where you work?

A.—At present I am confining my activities to the theoretical investigations of questions.

Q.—On the economic side or on the scientific side?

A.—On the economic side founded on scientific basis.

Q.—If you do not consider my question impertinent, have you taken any degree in science or economics?

A.—I am a B.A. of the Bombay University.

Q.—With Economics?

A.—Not Economics but I got a grounding in economics in Natural Science which was my subject and at present I am dealing with economics.

Q.—You belong to the old type when History and Political History were compulsory?

A.—No, but at present I am investigating into the fields of economics and sociology.

Q.—Does your institute consist of any representatives of agriculturists?

A.—I am going to explain it; at present we have no complete organisation as such except advisory bodies.

Q.—What are your advisory bodies composed of?

A.—We have Dr. Lohokare now. Another principal member of the advisory body, Mr. Naik, Vakil, is unfortunately dead.

Q.—Does Dr. Lohokare still take any interest in it?

A.—Yes. It is our purpose not to build a frame without a soul.

Q.—You are the soul for the present?

A.—That I am, I must humbly accept it.

Q.—On page 378, in reply to questions 3 and 4 you say that you want a definite percentage of gross produce limited by a definite percentage of net profits. Please explain more clearly what you mean.

A.—I say that assessments, in principle, should be based on a definite percentage of gross produce limited by a definite percentage of net profits. By a definite percentage of gross produce I mean a portion of the total production of the land of the assessee. That is the gross produce, and a definite percentage of it means if the gross produce is say 10 maunds, then you can put it at say 10 per cent., and then the Government share would be one maund.

Q.—In cash or in kind?

A.—My object of stating this is, in principle, to settle it in kind. When that point has been settled, then as to the recovery whether it should be done in kind or coin, it is a separate question which we deal with on its own merits and on our mutual conveniences.

Q.—Do you accept Mr. Shivdasani's scheme?

A.—I have my own opinion about that scheme and I think there has been some mistake in summarising my note in this.

Q.—Do you accept the general principles laid down in Mr. Shivdasani's note?

A.—I cannot give a definite reply either way because the scheme cannot be so definitely understood.

The Chairman :—Supposing you find that the gross produce is 10 maunds. Then the State is entitled to 10 per cent. of it, which is one maund. How are you going to check it up to arrive at net profits? You state it should be a definite percentage of net profits.

A.—I do not say it should be ten per cent. but for example.....

Q.—How is the definite percentage of net profits to be arrived at?

A.—In the first place I should state the reason why I am bringing in a limiting factor in the percentage of net profits. It is this, if the purpose of Government in taking its legitimate share from the assessee is served by taking a portion from his gross produce, we need not go to the limiting factor, but if that share proves to be either a loss to Government or an undue tax to the assessee, then we may go to the limiting factor, in other words, it should not exceed that fraction of gross produce which should not exceed a certain definite fraction of the net.

Q.—You take a percentage x of gross income but in no case shall it be more than y percentage of net profit, whichever is the lower or whichever is the higher?
A.—We settle the gross, we limit it.....

Q.—So that whichever is the lower?
A.—Indeed.

Q.—Is that so?
A.—I think the point is sufficiently clear that we put the limiting factor at a fraction of the net produce.

Q.—The limiting factor necessarily limits it on the side of excess.
A.—Whichever is the lower.

Q.—Is that how you understand it?
A.—Yes, assessment should be 1/16th of the gross profit but should not exceed 1/6th of the net profit.

Q.—In reply to questions 5 and 6 you say that all cultivating landholders with less than 5 acres of land should be exempted from assessment except local cess. If Government is taxing land, why should 5 acres be exempted and why is 5 acres recommended?
A.—By your question I understand that what you are evidently referring to is "production" as used and contained in this reply.

Q.—I merely want you to help me to understand it.
A.—When I say there should be made no difference, I refer to the party as assessee; there is no reason for me to make a case for exemption in favour of anybody. Then when I speak of exemption I refer to the extent of land, only the bases are different in two cases. At present all assessment is based not merely on the piece of land but with reference to the parties concerned, as the assessee.

Q.—You say that we tax the land.
A.—That is my view.

Q.—We can tax the land, that is take a share from the income of the land. That is what you say by "gross produce".
A.—Yes. When I say "tax the land" I mean irrespective of whether the land belongs to a landholder or a jahagirdar or a peasant proprietor who tills it. Apart from that we take a tax. We want to ascertain its capacity to bear Government assessment and we take it whether it is in the hands of a peasant proprietor or whether it is in the hands of a landholder who never sees the face of his land, we have nothing to do with it.

Q.—You accept that?
A.—Yes.

Q.—You want exemption again?
A.—The basis on which I plead for exemption is on general principles of taxation.

Q.—Then it means you do not tax the land but only tax income from the land. In other words you treat it as income tax.
A.—When we tax land, we tax not the parties but the land, and when I plead for exemption I only enunciate general principles of equity. Just as in the case of the income tax you have the minimum percentage entitled to exemption. The bases are different in the two cases.

Q.—Practically you mean we should grant to landholders exemption up to 5 acres.
A.—Whether we should grant exemption or not is one thing. When that is settled, how much exemption should be given is another question. We may agree to 4 acres or any number of acres. I suggest 5 acres merely as an example.

Q.—I may not agree to anything.
A.—The question resolves itself into two factors. One is the principle of exemption. Is it acceptable or not? If it is accepted, then I suggest 5 acres should be exempted.

Q.—As regards question 7, you say "not mere oral or paper agreements". Does it mean that you want such agreements as are made to cover certain points agreed upon between landholder and tenant such as the interest or sinking fund or monies that he may have advanced and the landholder wants to recover the whole of it from his tenant. Is that the idea?
A.—Paper agreements are generally found by experience to be not the real agreements which the parties ultimately execute into action.

Q.—That is to say they keep them merely to protect the land against any action by the tenant.....
A.—For many things which are too comprehensive to be explained.

Q.—Have you any idea that in most cases figures mentioned in these paper or oral agreements or agreements of any kind are included in rent or excluded? Do you know?

A.—I have no idea, not being an executive officer, but I would only point out one point. By "paper agreements" I mean thus; suppose a land is rented at a certain rate. Merely for the sake of securing the land, any price is agreed to and entered in the agreement. If we were to base our assessment on the paper agreements which are arrived at by bidding, we shall really be proceeding on false basis because in actual practice they are changed afterwards.

Q.—Don't you think that from the moral view point it would be a fit punishment for those who break them? But no. I won't bring in moral view point here. It is out of place. Please refer to your reply to question No. 8. You say that you would like to exclude bidding in competition as leading to bogus transactions. I should think if there is open competition there would be no bogus transaction.

A.—Theoretically, it is so, but in practice it is not so, and people pay any price they like just to get the thing although the thing itself may not be worth that price.

Q.—It is not a bogus transaction, but a real transaction in which the purchaser actually pays cash.

A.—My point is that even if the land is bad, the price goes up quite out of proportion to the real value of the land. And in that sense it is bogus.

Q.—Now as regards question 9. You want 12 to 15 years, by taking every alternate year. Is that because you think that in the Deccan there is one good year and one bad year.

A.—Yes, because there we get two bad years and one good year and taking figures for alternate years would be fair to the agriculturists. I want you to be fair to both agriculturists and to Government also if possible.

Q.—Coming to your answer to question 10, you say "fixing such a maximum would be alright provided it is not immediately brought into practice." How are you going to restrict it?

A.—If we at all want to fix a maximum beyond which the assessment should not go, we may theoretically have it settled but in actual execution it should not be brought into force immeditely but it should be gradually covered up.

Q.—You say that when the maximum is attained it should be turned into a permanent settlement. The maximum is 50. If the rental value increases, should not the maximum increase proportionately; it cannot be a permanent settlement; if the rental value at present is 100, Government or the State charges 50. After 30 years, owing to certain circumstances the rental value of that land increases to 150, then the Government is entitled to 75 and so there cannot be a permanent settlement on that basis. Do you realise that by fixing 50 per cent. maximum it does not necessarily mean a permanent settlement?

A.—Fixing the maximum and a permanent settlement are really quite different things, and my proposal is only a medium or mean between the two.

Q.—In reply to question 11, you say in very many cases even at present assessment has gone beyond 50 per cent. on account of the excessive assessments already fixed during previous settlements. Have you any evidence for saying that?

A.—I could find it out for you.

The Chairman:—I hope you will let me have a copy of the statement when you make it.

A.—Yes. I will put it in the supplementary statement.

Q.—When you say that you would limit the maximum at 1/6th of net profits, you mean if the net profit is say 96, the assessment should be 16, that is the landlord keeps 32. That means 50 per cent. of the rental value is equal to 1/6th of the net profits.

A.—I don't say so.

Q.—It then comes to this that 50 per cent. of the rental value or 1/6th of the net profits, whichever is lower, and we go back to the old standard.

A.—The last sentence of my reply to question 11 supersedes the previous portion of my reply to that question.

Q.—As you say, it is limited by whichever is lower.

A.—Yes. In fact let me point out to the committee that my reply to question 3 and question 4 is the only real thing that matters. If that is accepted, all the other questions are eliminated.

Q.—As regards your reply to question 12, have you anything over and above what you have said?

A.—The summary rather misrepresents my views. I would like to suggest that once assessment in kind is fixed according to Mr. Shivdasani's scheme it should be recoverable in coin. So far we agree, but Mr. Shivdasani says, not the current market prices of the year as I put it, but an average of prices for ten years or some such period.

Q.—If prices go down you do not think that the cultivator should get any advantage or if prices go up Government should not get any advantage out of that.

A.—In my opinion any procedure on the basis of average price will be treacherous and therefore on the least lines of resistance I take the current market prices of the year, whatever the advantages or disadvantages either to the Government or to the cultivator.

Q.—Which year, does it mean year by year?

A.—Practically market price of the year in which you collect it as falling due.

Q.—As regards your reply to questions 13 and 14, you do not want the present system of 33, 66 and 100 per cent. but you want to have 30 to 50 per cent. enhancement in all cases keeping pace with increased profits. How would you put it?

A.—Here again I draw upon my reply given to a previous question that no difference should be made. Here again I say we tax the land and not the parties.

Q.—Now as regards replies to questions 15 and 16, you do not object to 30 years and yet after saying that it is a reasonable period you say you are in favour of a permanent settlement. What are we to take as your final reply?

A.—I have given alternate replies because I could not be sure what scheme would be acceptable. I merely looked at it from the intellectual point of view, but if present conditions were to stand then preferably I want to go in for a permanent settlement; and if latter is not to be I would not object even to 50 or 90 years period of settlement.

Q.—In reply to question 17, you say you want the co-option of non-official experts on the standing committee. What experts do you mean?

A.—I mean economists, sociologists and those who have actually studied the problems theoretically or practically.

Q.—Do they know anything of land values?

A.—I cannot say that they quite know them but I have been carrying on some investigations into them for some time past, and I think the experts I suggest can know the land values in two days.

To Mr. Thomas:—

Q.—Are you such an expert?

A.—That is for you to see.

Chairman:—Natural modesty would prevent the witness from replying that question. (To Mr. Thomas.)

Q.—You say in your reply to question 19 that assessment should be made payable within four months following the harvest. Are you in touch with agriculturists?

A.—Yes, I have endeavoured to be in touch with them as far as possible.

Q.—I do not know what your experience is in your part of the country but my experience of my part of the country (Gujarat) is that the parties do not keep their harvests but they sell it off, give it to sowkars or dispose of it in some way or other and it is absolutely impossible for the revenue officers to get back any money from the agriculturists. Is that correct or not correct?

A.—I have not got the evidence like the one which you have quoted. I have had conversations with agriculturists and made investigations by sampling individual cases and I am advocating their opinion in addressing this committee.

Q.—Do you think that they will keep their money packed up ready for Government officers to come and take it away in payment of assessment?

A.—What else will they do?

Q.—Give it over to sowkars, as their condition is bad and debt-ridden.

A.—If you accept to proceed upon that basis, really it proves that our agriculturist class is absolutely incapable to pay his assessment and if whatever he gets goes to sowkars, then nothing remains for Government to assess.

Q.—You think there will be no practical difficulties?

A.—He is an agriculturist. He should adjust himself to the circumstances. A concession is given to him, and he should make the best use of it. If not, of course, we shall have to modify.

Q.—How are the expenses of Government to be carried on? In a further reply you say "Assessment being regarded as a tax on agricultural incomes, should be levied on the same principles as appertain to the income tax". Does it mean that you want to give exemptions in the case of incomes up to Rs. 2,000 as in the case of income tax?

A.—Up to what amount it should be, we shall settle separately. It should be on a different basis. We shall have to analyse the budgets.

Q.—What is your figure?

A.—My figure is not in coin, because I have said the coin varies.

Q.—How many maunds of jowari or bajri?

A.—That is a point which I admit I shall have to work out.

23rd June 1925.

EXAMINATION OF MR. CHAKRADEO—contd.

To Mr. G. W. Hatch :—

Q.—Regarding your proposal to exempt holders of land less than 5 acres, can you give me an idea of what the outturn of an acre of land for dry crop in the Deccan is? How would you put this in terms of money?

A.—The value of the outturn and the outturn itself, these two things can very rarely be secured permanently.

Q.—You cannot put it into cash?

A.—I can, but that will apply only to the time for which it is cultivated. According to the records available so far, so far as the dry land of the Deccan is concerned, it is about Rs. 14 per acre.

Q.—We get for five acres about Rs. 70, and the cost of cultivation is about Rs. 7 to Rs. 8 per acre. Have you any idea of the value of the outturn of 5 acres of sugarcane land?

A.—These are all matters of detail. I should like to know what we are driving at by this question.

Q.—What I am driving at is this. You take 5 acres as your limit of exemption, apart from the character of the land.

A.—It is not apart from the character of the land. If it is rice land, or sugarcane land, it should be .....

Q.—You have not said so?

A.—I understand it in that way.

Q.—You take 5 acres of dry land?

A.—It is only rough.

Q.—You mean 5 acres of dry crop land?

A.—Yes.

Q.—It would vary when you come to lands growing sugarcane or rice?

A.—Yes.

Q.—Has it occurred to you that your proposal to exempt holders of 5 acres and less might result in a sub-division of holdings?

A.—I should rather think it would advance consolidation. On this basis, that a cultivator gets immediately relieved from any burden on the produce that he will get out of his land less than 5 acres. That will immediately give him a chance to work up his land most. Because 5 acres and anything less than that is hardly enough for the maintenance of his family, at the rate of one acre per head and taking 5 people as the unit of a family. So, barely for the matter of the maintenance of his own family, he has to work it up, and he would try to maintain it in a solid piece as much as possible.

Q.—Therefore, it would promote consolidation?

A.—I mean to say it will at least prevent sub-division.

Q.—You admit, I presume, the remark that was made yesterday that the tendency of human nature is to avoid taxation where possible. Don't you think a man owning 20 acres of land which he cultivates by himself, his sons and brothers would be tempted to divide that land amongst his brothers and sons, so that each one had less than 5 acres, and therefore he would have the whole of the holding free of assessment? Would it not be a temptation to him to do that?

A.—Would not the same disadvantage occur in the case of income tax? A man having an income of over Rs. 2,000 might try to show that the various members of his family contributed towards it. The disabilities which income tax suffers from in that respect will have to be shared by land revenue also.

Q.—But there will be that temptation. I am asking you your opinion.

A.—We have not to presume immoral ideas. We must be just. At present there is no data on which to proceed. We have not tried the system, and if it is tried in one area for one year we will get the results, and we can proceed on that basis.

Q.—The question that I have asked is whether in your opinion there would be a tendency towards sub-division as a result of this proposal.

A.—I think this measure will go a far way towards preventing sub-division.

Q.—In your reply to question No. 14 you say "Ordinarily there is no reason for enhancement. Section 107 of the Land Revenue Code itself provides against it." Can you explain what you mean when you say that section 107 provides against any enhancement?

A.—Please permit me to make a comment upon that question itself. In the questionnaire itself that ambiguity has been left by the committee. I have proceeded taking the question as it is. Section 107 deals with improvements, but it prevents improvements made on the land from being taxed. We will have to go back to section 199 in which the general principles have been embodied. Those principles are supposed to be embodied in section 107 and section 107 has been referred to as such, which is ambiguous. Section 107 does not deal with the general principles of assessment; they are dealt with by section 199 and section 107 deals with improvements. That section has been misunderstood while putting the question in the questionnaire, and the question has to be understood in the sense in which you understand section 199.

Q.—Taking the questionnaire, I understand your answer No. 14 is the answer to question No. 14. Question No. 14 is "If not, what maximum would you fix in each case", and your answer is that ordinarily there is no reason for enhancement and section 107 provides against it. Section 107 says:

(Reads section).

Therefore, if the revising officer finds the value of the land has gone up, he frequently recommends an increase in the assessment. You say that section 107 provides against it. How is that?

A.—My comment upon that is that you can enhance only if there is improvement and if the cultivator gets something more.

Q.—You do not think the value of the outturn is considered?

A.—Even if it is taken into consideration, and even if it increases, how does it fall under assessable increased profits?

Q.—Take a very simple case. Thirty years ago, a man's holding produced a certain amount of crop which he could sell for Rs. 50. We find now that the same holding, produces the same amount of crop, and he can sell it for Rs. 100. Would you accept that difference as any reason for enhancement or would you not?

A.—Obviously, there is an enhancement in the money, but I would not go by it.

Q.—The recovery by Government of the assessment is in coin and Government pay their officials in coin. Government have now to provide double the quantity of coin, and especially when you get down to the lowest grades, the talatis and the pattewalas, you will find that, roughly speaking, their pay has been doubled in 30 years in coin, and if you accept my statement that the farmer has got double the amount in coin for that portion of his produce, do you not think it is a fair reason for enhancement?

A.—If Government have to bear increased expenditure, the expenses of the agriculturist have increased proportionately, and if it has doubled in the case of Government, it has doubled for the agriculturist also. Therefore, in fixing the assessments, his increased requirements should be taken into consideration. I am the first person to take as much as possible for Government, but I would not do it at the sacrifice of the necessities of the agriculturist. If you calculate these on the same basis as you calculate the increased needs of the Government staff and deduct them from the agriculturists' income, I would not mind your taking assessment from the remainder—whatever it may be.

To Rao Saheb D. P. Desai:—

Q.—You are of opinion that section 107 has been honoured in the breach and that it has not been followed out while carrying out the settlement revision?

A.—I have said so.

Q.—You say in your replies to questions 1 and 2 that during revision operations the improvements and all that goes with them are not being considered, that is, that though the improvements have been made by the agriculturist at his own costs, those improvements are taken into account by the settlement officer and increase in the maximum rates has been the result. You do not favour that view. But such practice on the part of the settlement officer has been existing. What has been the result?

A.—Impoverishment of the agriculturist. I do not mean to attribute it to increased assessments merely by itself, but it is due to all the circumstances put together that underlie and go with increased assessments. It is absurd to say that the increase of a few annas in the assessment would impoverish the agriculturist. I would say that all the circumstances that underlie that increase go towards the impoverishment more and more.

Q.—All the circumstances that underlie that increase go to impoverish him?

A.—His condition is already going down and down, and even if the assessment is increased by one pie, his burden rises up. And both running at cross-roads increase each other proportionately.

Q.—I think you mean to say that the percentage may be fixed on gross produce, but it should be checked by the net profits. Of course, the gross produce may be doubled, but at the same time the net profits may not increase. There are so many circumstances under which an agriculturist has to do his business; labour charges for instance. What other expenses would you count?

A.—I take all of them as they are—whatever they be.

Q.—His own cost of living has increased, and considering all these factors, though his gross produce may be doubled, his net profits may be diminishing as a rule. So you wanted to guard against that mistake perhaps. You stated that assessment based on gross produce should be controlled by the net profits. That was your meaning?

A.—Indeed my meaning in fact is that we should base our assessment on net profit, but as a matter of convenience if you are not able to do it—I do not say it is impossible to do it, I can do it in three months—if as it is advanced at present it is thought very difficult to ascertain, as it is equally difficult to ascertain also the rental value, I would advise assessment on gross produce, and in case that becomes tyrannous you should go by the net income and take one-sixth of the net.

Q.—You say " Our contention is that in very many cases even at present assessment has gone beyond 50 per cent. on account of the excessive assessments already fixed during previous settlements ". Are there any instances in your district of assessments having gone over 50 per cent. of the net profits?

A.—I have promised to the President to furnish a statement with regard to that in my supplementary note. Provisionally I would draw attention to page 260 of the Land Revenue policy of the Indian Government. There is a table given for the different districts, and I would refer you to the last column.

The Chairman:—It is never less than twice, if you are referring to page 260. It varies from 4 to not less than 2. The rental value is always double the assessment, on an average. The last column gives the percentage, and it is seldom less than 2.

A.—Further investigation will give us more of such cases where it is more. We have got some instances here.

Q.—Have you heard of any instances in which the assessment bears a ratio of over 70 to 50 per cent.?

A.—Yes, I have some. I have got an analysis made of the revision settlement of the Khed taluka, published recently. I have tried to analyse the figures given in the report. There are about 30 items on which the report is based. Of the 30 items, the majority are variable factors. I fail to find any stable factor in it on which the increases in assessment could be safely based.

Q.—Will you please give us a statement showing cases where the rental value is less than twice the assessments, or, to put it the other way, the assessment is higher than 50 per cent. of the rental value. If you can give us such a statement, we shall consider it?

A.—I will try to call them up and prepare a statement.

Rao Saheb Desai:—

Q.—You have stated the value of the outturn per acre for dry crop land in the Deccan is Rs. 14. Have you any reason to believe that the outturn is diminishing?

A.—I have got every case for it.

Q.—Have you come across the bulletin published by Government some time back stating that the outturn has been diminishing since 1884?

A.—I know about it.

Q.—As regards consolidation and fragmentation, may I know whether these excessive assessments on your side have led to the fragmentation of the land, because you know that the burden in that case would be divided between the partners among whom the land is divided, and as the fields have to bear heavy assessments, nobody would like to take the responsibility to pay higher assessments?

The Chairman:—Does it arise from the replies?

Rao Saheb Desai:—Yes, because there was a question put by Mr. Hatch regarding the question of fragmentation.

The Chairman:—What he wanted to ask was whether the limit of 5 acres for exemption would not lead to sub-division. He never questioned as to what were the other causes of fragmentation. If you wish to push on that enquiry, you may do so, but let us not enter into the question of fragmentation.

Rao Saheb Desai:—

Q.—Is the Government policy under section 107 leading to further fragmentation of the land? For example, I give you one instance. Supposing in your district there are dry crop and kiari lands; the kiari lands bear heavier assessments than dry crop lands. Have you got cases of such a sort where people would not like to take lands having higher assessments unless they are fragmented into very small pieces?

A.—Yes.

I should like to hand over a manuscript on the question.

(Manuscript handed in to the Secretary).

Q.—Have you proved by figures that it leads to that fragmentation and sub-division of lands?

A.—I have a general note on that. Therein I deal with pros and cons only. The details will follow later, or rather I would *send* this note along with my supplementary statement.

Q.—Would you approve of the idea of basing assessments on prices?

A.—Absolutely not.

Q.—Because you think that during famines, of course, the prices are higher than in ordinary times?

A.—Even in sumptuous times, the prices are likely to increase by circumstances which we cannot control. We had the war when the prices did rise. Prices are not controlled only by the conditions in this country.

To Mr. D. R. Patil:—

Q.—Do you regard land assessment as a tax or as a rent?

A.—On that point no two economists agree. Hence I should like, on this point, to go rather upon the connotation than upon the term itself. The terms rent and tax are absolutely vague, and no two economists are agreed so far as the terms are concerned. I do not mind what term is used; I want you to come to the connotation. So far as the connotation of assessment is concerned, whether it be called rent or tax, you should take that much portion which an agriculturist can afford to give to Government out of his net profits. This portion is not more than one-sixth according to the laws of Manu.

(The Chairman pointed out that they were going out of their way; they had decided not to go into the question of tax *versus* rent, unless it arose out of any of the replies).

The Chairman:—I do not think this question arises, whether it is a tax or rent.

Mr. Patil:—In whom, the Government or the people, in your opinion is the ownership of land vested?

A.—It is vested in the people.

Mr. Patil:—Do you think it is not possible to ascertain the net income from agriculture to a landholder?

A.—It has been supposed so up to now but personally I do not think it is difficult to arrive at it, in the same manner as rental which is supposed to be actually arrived at but is not so arrived at. Same difficulty is in both.

Q.—Which is a safe guide to ascertain the exact income from agriculture whether from rentals or from other sources?

A.—A balance sheet prepared out of individual budgets. The sample one I have prepared and (showing) here it is, is of this lengthy extent and it takes so much time and entails so much trouble to prepare it.

Q.—Have you drawn any balance sheet for any taluka?

A.—Not of any taluka but of a village and from certain individual budgets of agriculturists.

Q.—Will you supply us with a copy of that?

A.—Yes, I will, when it is complete.

Q.—From those budgets you must have arrived at the net income of the agriculturists per acre of land which is much less than his expenses require.

A.—There is no net income because there is a *minus*.

Q.—If it runs into a *minus* that is another thing. Many times deducting his expenditure the net income received by the agriculturist is less than what he has to spend on the land?

A.—In many cases I have found it so.

Q.—In that case would you be in favour of still assessing the land?

A.—Personally, I would not be, as doing so would merely drive the agriculturist into further debts.

Q.—Do you want to assess land revenue on liability or ability?

A.—On capacity.

Q.—That means ability?

A.—No, capacity is not identical with ability.

Q.—You do not say that an agriculturist is bound to pay assessment in any circumstances, whether he gets more than what he spends or whether he gets less than what he spends.

A.—According to the principles of equity he is bound to pay only if there is a net income out of which he can pay, but if you want him to pay at any cost you will have to put him into additional debt. And who can prevent your taking over the whole household?

Q.—Are agriculturists prosperous?

The Chairman :—That does not arise.

Mr. Patil :—It arises in this sense that in ascertaining the principles of assessment we must have regard to the prosperity of the agriculturists. That is one of the factors to be taken into consideration and that we find in the survey manuals.

The Chairman :—The questionnaire confines itself to saying whether it should be based upon the rental value of lands. Please do not go beyond the questionnaire.

Mr. Patil :—What I think is this that we are here to ascertain the principles on which assessment should be based.

The Chairman :—I think the terms of reference are clear.

Mr. Patil :—The very first question in the questionnaire is " do you accept the general principles of assessment laid down in section 107 of the Land Revenue Code ". That section deals with the revision of assessments.

The Chairman :—We are talking of revisions only and there is no question of any original settlements now, and all lands have already been surveyed.

Mr. Patil :—Question 19 says " have you any other remarks or suggestions to make on the principles of assessment, the graduation of enhancements, the period of settlements and any other matter connected with these questions ".

The Chairman :—But only those questions.

Mr. Patil :—If we are not to take into consideration the prosperity of the agriculturists, what are we to take into account?

The Chairman :—Such questions may put the witness into a difficulty, he cannot answer off hand a question like that.

Mr. D. R. Patil :—Do you find you are in a difficulty when I put a question like that, Mr. Chakradeo?

Mr. Chakradeo :—I am prepared to answer questions put to me.

Mr. Patil :—What I say is this, if I put you a question like this namely, whether agriculturists are prosperous or not will you be taken by surprise?

The Chairman :—This does not arise. I cannot allow it unless you put it on the ground of the revision of survey settlements.

Mr. Patil :—Even at the time of revision the prosperity of the agriculturists must also be taken into consideration.

The Chairman :—But here the questionnaire asks us to fix the principles of revision survey settlements.

Mr. Patil :—I submit this that if we want to decide the question of revision assessment even, should we not take into account this factor, namely, whether the agriculturists are prosperous or not?

The Chairman :—On account of revisions?

Mr. Patil :—Generally.

The Chairman :—That we will consider when we write the report.

Mr. Patil :—But we must have the materials wherewith to write the report. In any case, Sir, I will proceed with the witness. Well, Mr. Chakradeo, when Mr. Hatch asked you a question as to whether or not the prices of agricultural products have risen four times or so. Has not the cost of living also risen in the same proportion?

Mr. Chakradeo :—I have said so already.

Q.—Do you think that the rise in prices makes any difference in revising the assessment if we take into consideration the rise in the cost of cultivation and living also?

A.—It should make no difference.

Q.—Do you suggest any maximum of the net income?

A.—One-sixth.

Q.—Of the net profits?
A.—Yes.

Q.—And if you reach that maximum, would you like to increase assessment in future or would you require a permanent settlement at that stage?
A.—In fact it will depend upon the case at the time, but as a principle we should not raise it on the solid ground that you cannot legitimately demand from any agriculturist or ryot more than 1/6th according to my calculation.

To Sardar G. N. Mujumdar :—
Q.—In answer to question 17 you say that you entirely favour the idea of a standing committee. I ask you whether in your opinion it is advisable to have a representative of the inamdars on such committee.
A.—Yes, he should be on such committee to safeguard inamdars' interests.

To Mr. R. D. Shinde :—
Q.—As regards your reply to questions 3 and 4 you said that you had studied the matter intellectually. Have you studied it historically?
A.—For historical study I should refer you to the records of Government. I have done so far as the requirements of my purpose go.

Q.—Do you know what percentage was taken under the Mahratta rule?
A.—50 per cent.

Q.—Of what?
A.—Of the net income, I think.

Q.—What percentage would you suggest on the gross produce?
A.—1/16th portion of the gross produce.

To Mr. A. W. W. Mackie :—
Q.—As regards questions 3 and 4, you say you have studied the matter intellectually. In that answer you use the words "*in principle*". I would like you to look at it not from the practical but from the theoretical point of view. You know the income tax, I presume.
A.—Yes.

Q.—And you know that the higher the income the higher the rate of tax.
A.—Yes, it is progressive.

Q.—Do you think that that is a good thing?
A.—I think it is a good thing in the interests of Government so far as increases in incomes go.

Q.—Now-a-days municipalities also levy house tax on the same principle.
A.—I think they are making a mistake in doing so because in the case of the house tax the earnings of the people are not increasing in the same proportion as the earnings of wage-earners or business men.

Q.—Do you think that the higher a man's income the higher should be the rate of taxation?
A.—I should think so.

Q.—You want to take 1/16th of the gross produce.
A.—As an alternative if you are unable to get 1/6th of the net.

Q.—You say that assessments, in principle, should be based on a definite percentage of the gross produce (which means 1/16th of the gross produce) limited by a definite percentage of net profits, and the Chairman yesterday elicited the fact that you propose to take whichever is the less.
A.—Yes.

Q.—Suppose a man gets a gross produce of Rs. 1,600. According to your principle you would take 1/16th which would be Rs. 100.
A.—If it comes under assessable limits. But I am not prepared to agree that his income would be Rs. 1,600. I refuse to go on money values.

Q.—I am merely taking Rs. 1,600 for purposes of calculation. The produce must have a money value. According to you you would take 1/16th, *i.e.*, Rs. 100 of the gross produce worth Rs. 1,600.
A.—Yes.

Q.—Suppose his net profit was say Rs. 800, how much would you take?
A.—1/6th of that.

Q.—That is, Rs. 133.
A.—Yes.

Q.—Would you not take the less?
A.—I have said, whichever is the less.

Q.—1/16th of 1,600 is 100 and 1/6th of 800 is 133, so that 100 is less than 133, you admit that of course.
A.—Yes.

Q.—Suppose his net profits were Rs. 600, how much would you take out of it?
A.—Rs. 100.

Q.—That is, 1/6th, so that out of Rs. 800 net profit you take Rs. 100 and also out of Rs. 600 you take Rs. 100.

A.—That is a matter of detail.

Q.—I wish to examine you only as to the principle. You propose that all cultivating landholders with less than five acres of land should be exempted from assessment. Are you a landowner?

A.—I am not.

Q.—We can then regard you as disinterested. Why do you propose that? What is the basis of it?

A.—The basis is two-fold. One is the present dissatisfaction of the agriculturists all over the country over this question of assessment and their resources. The first effect of giving this exemption will be to keep the agricultural class absolutely satisfied. I admit it will run Government into a little bit of loss. I have calculated that loss and it comes to about Rs. 200 for one village. But the benefits will outweigh the loss.

Q.—Suppose you had 10 acres of land and this rule came into force, would you not at once sell 6 acres to your friend over on the other side of the table on condition that he made you a perpetual tenant of it?

A.—I would not.

Q.—How much percentage on the average of the gross produce, would the present assessment amount to?

A.—There is certainly no reply to this question because at present it is done on the basis of rental.

Q.—You cannot say?

A.—No, for this reason that the basis is the rental value and not the produce.

Q.—The basis is the rental value. I think you were talking about a case where the cultivator's expense was greater than his income from the land.

A.—Yes, in some cases.

Q.—Does he pay any rent?

A.—To whom?

Q.—To his landlord.

A.—He has to if he takes it on rent, I suppose.

Q.—He pays rent, then.

A.—I believe so.

Q.—You propose now to abolish assessment because he has to spend more on his land than he gets out of it. Do you propose also to abolish rent in such cases?

A.—In which case?

Q—In the case of a tenant who has to pay rent to his landlord while the tenant gets less from his land than what he spends on it.

A.—It is a matter between the landlord and the tenant.

Q.—You would not abolish rent?

A.—I have not considered that point. We are considering assessment—a question which relates to Government and the ryot.

Q.—You have not considered that point?

A.—No.

To Moulvi Rafiuddin Ahmad :—

Q.—Whom does your institute represent and whom do you yourself represent?

A.—The institute represents the general interest of the agricultural classes as a whole in whose behalf and for whose benefit we have started to work.

Q.—Is it a private institution?

A.—It is.

Q.—How many members have you in the institute?

A.—The membership extends a great deal but, as I have already told the committee, we have not yet taken the trouble to formulate it because we are yet developing it.

Q.—You said you were the soul of the institute.

A.—Yes, and there are advisory people, some of whose names I gave you yesterday.

Q.—One of them is dead? And one more active member is alive.

Q.—One of them is dead?

A.—Yes.

Q.—So that you two conduct this institute?

A.—Yes, with the advice of those who give it.

Q.—I only want to know whether you have come here on behalf of any representatives of landholders? Do you represent any agriculturist classes?

A.—Not directly. Ours is an academic body.

Q.—With regard to this standing committee, are you in favour of this proposition that after the standing committee has arrived at certain conclusions no increase in assessment should be made without reference to the legislative council as a whole?

A.—I think nothing should be done without reference to the Legislative Council by the standing committee not only on increases but on any measures taken by the standing committee.

Q.—That means that all increases of assessment should be first referred to the Legislative Council?

A.—Any findings of the standing committee should be referred back to the Legislative Council, and its previous sanction obtained before the measures are passed into execution.

Q.—It should not be left merely to the Executive?

A.—Certainly not.

To Mr. G. A. Thomas :—

Q.—Are these views given in your written evidence your personal views or the views of the Institute you represent?

A.—They are the views of both.

Q.—In some places you use the word " we " and in others you say " I ".

A.—That may be taken as a slip.

Q.—How much does Government get every year from land revenue assessment?

A.—I think something like 33 per cent. of the total income.

Q.—What is the exact figure, do you know?

A.—I cannot give you that.

Q.—You do not know how many crores does Government get?

A.—I do not know it.

Q.—If your scheme is brought into effect, will Government revenue increase or decrease?

A.—I think it will increase.

Q.—To what extent will it increase?

A.—To the extent of 25 per cent. within the period of five years.

Q.—I think you told in reply to a question by Mr. Mackie that you had made some calculations of one village and that you thought that if areas less than five acres were exempted there would be a loss of Rs. 200.

A.—Yes.

Q.—In one village?

A.—Yes.

Q.—What is the population of that village?

A.—About 500.

Q.—How many villages are there in the Presidency?

A.—Some thousands, I cannot say exactly.

Q.—Say they are 30,000, so that it would mean a loss of sixty lakhs of rupees.

A.—You cannot take it like that because conditions in different villages vary.

Q.—Take an average village with 500 population. Suppose the number of villages is 30,000 in the Presidency. The exemption of holdings less than five acres would mean a loss of 60 lakhs. How would you make that up?

A.—The percentage I have given is that of the income, Rs. 200 loss on income of Rs. 2,000 for that village.

Q.—About 12 per cent. would it be do you think?

A.—Only 2 per cent. more than mine for an individual average case.

Q.—Take the total land value as 5 crores. The increase which your proposal if accepted would give Government would be over a crore of rupees.

A.—It would be within 25 per cent.

Q.—The exemption of holdings less than 5 acres would mean a loss of 50 lakhs. So your proposal would bring the best part of two crores of rupees to Government, and Government would therefore have to make up 185 lakhs elsewhere.

A.—Yes. But the indirect gains of Government will be tremendous. You cannot ignore that. Of course if any scheme is brought in operation in toto.

To Mr. L. J. Mountford :—

Q.—Are you from taluka Khed?

A.—I have toured in that taluka.

Q.—Is your birth-place in the taluka Khed?
A.—No.

Q.—Do you know the Konkan?
A.—I know it.

Q.—Do you think it would be right not to take any assessment from the Konkan on holdings of less than 5 acres? Are you aware that an average holding in that part of the country is not 5 acres at all?
A.—Yes.

Q.—That no village would then pay any assessment at all?
A.—I am not aware of that.

Q.—You know the Konkan?
A.—I know Konkan but not to the extent of this detailed knowledge.

Q.—Do you know Alibag taluka?
A.—I do not know it.

Q.—Have you heard of it?
A.—Yes.

Q.—There is a village called Nehuli. It has an average holding 2 1/3 acres among agricultural and 2 1/2 acres in non-agricultural land. Under your scheme they will pay no assessment.
A.—Yes.

Q.—Do you think it is wise?
A.—Those are individual cases which should be considered on their own merits.

Q.—Those are typical villages.
A.—I have laid down general principles only. Details shall have to be worked.

Q.—Now take dry-crop holdings. According to Dr. Mann's report nearly 60 per cent. of these dry-crop holdings are less than 5 acres each. Don't you think in that case the exemptions would have to be given to such a large number?
A.—We shall have to do it if it is just. In that case we shall try to adjust. That is a matter of detail. I am talking of a general principle only.

23rd June 1925.

EXAMINATION OF RAO BAHADUR G. K. CHITALE.

To the Chairman :—

Q.—You say you generally agree with the written statement of Sardar K. V. Joshi as it appears on pages 346—349?

A.—Yes.

Q.—Can you tell us where you disagree, or would you like to go question by question?

A.—Question by question.

I agree generally with the principles of assessment laid down in section 107, but if the section is confined to its legal aspect, at present for purposes of revision settlements the profits of agriculture are, as a matter of fact, a matter of vague conjecture.

Q.—Do you think more stress is laid on the value of the land?

A.—Yes, and on other adventitious circumstances which go to make up the prosperity or adversity of a particular tract. If more stress is laid on the words " profits of agriculture " as it is in the section at the time of revision settlements, there will be no cause for complaint.

I have nothing more to say on question No. 2.

Question No. 3.—I do not agree that it should be based solely on the rental value of land.

Q.—You do not object to that being one of the factors?

A.—As far as famine tracts are concerned, with which I am more familiar, the rental basis is rather misleading. The landlord, in the lease, puts in a share of the crop, and by way of liquidated damages puts in a certain figure. Our usual custom is to have half the crop in dry land and one-third to two-fifths for bagayat land. In some cases the expenditure is charged to the landlord and in some it is not. You may take it as half of the gross. The landlord of course takes as much as he can. The amount mentioned in the rent note very often represents also the amount of interest which he might put on it and often includes a penal amount.

Q.—You think the rent note consists of actual rent, that is, one-half or two-fifths converted into cash, *plus* interest, *plus* a penalty?

A.—Not that. We have this in kind, and that is equated into cash made up of a certain amount of interest and a penalty if the tenant does not pay his share of the crop. The rent note does not correctly represent the actual amount that he receives as rent.

Q.—The rent note includes figures which perhaps he may not charge or may charge as interest or penalty?

A.—Yes. And as far as my experience goes, it is so in my district; I am not speaking of the canal tracts.

Question No. 4.—I have nothing more to say.

Question No. 5.—I accept the opinion of Sardar Joshi.

Question No. 6.—There is no distinction.

Question No. 7.—I discard the factor of rental value altogether, because it is vitiated by many considerations. The crop experiments which used to be taken by prant officers are now discontinued; so we do not know how the rental is arrived at and whether it is fair or unfair. We have no data to work upon.

Q.—Have the crop experiments been discontinued in all districts?

A.—I do not know whether it is so in all districts, but in my district they have been discontinued. The data being vitiated altogether, it is rather wonderful that in all revision settlements there is an increase somehow. That has given wide publicity to an opinion which probably does not represent the correct attitude of Government on this question. That is the feeling of the people.

Q.—Owing to famines in your district or owing to other factors, have the prices of crops gone up?

A.—The worst taluka of which I have got a report here for 1925 is Karjat in Ahmednagar. In that revision Government has tried its best to be fair. But what about the reports of the Settlement Commissioner and other officers concerned? To read the basis on which these proposals are based makes startling reading. If that is the specimen of a report for the worst taluka, one can imagine what it will be like for a prosperous taluka. I am therefore rather inclined in favour of the view that Government is bleeding more than it should.

Q.—That does not give a reply to my question. This is the year 1925. The previous settlement was made in 1894. During these 30 years have the prices of the various crops grown in that taluka or in any other talukas of the Nagar district risen?

A.—I should say they have risen.

Q.—Supposing it was Rs. 10 per maund before, do you think the prices have gone up to Rs. 15 now?

A.—They have almost doubled. The cost of growing crops has also gone up in a greater proportion on account of certain peculiar reasons. For instance, particularly in this district, as a result of very many famines, almost a dozen in my memory, the people have taken to the habit of migrating, and naturally there are very few labourers and most of the land is very badly cultivated owing to the lack of proper labour and all round poverty.

Q.—Supposing in 1895 a man having 12 acres grew crops which brought him Rs. 120 and he had to spend Rs. 60 in agricultural operations, his net profit would be Rs. 60, and Government took something from it. Let us take the year 1925. Now the crops being of the same quantity, the prices have doubled and the man gets Rs. 240; the costs of cultivation have also doubled, and instead of Rs. 60 he has to spend Rs. 120 or Rs. 130. His net profit comes to Rs. 110. Is not Government therefore entitled to get one-sixth of Rs. 110, or the same proportion that they took in 1895?

A.—As you are perhaps aware, statistics can be wielded to prove anything. So far as the gross produce of the Karjat taluka is concerned, I think it is certainly not more than what it was in 1895, but may be very much less. So also, the cost of cultivation, the cost of many more things has gone up. I would be quite fair to Government and would say that at present the assessment charged would be quite fair, provided of course the conditions which were expected to remain stationary did remain stationary. But to my great surprise, I find that the mere fact that the people have learnt the lesson of migrating is seized of as one of the factors for raising revenue. I think that is absolutely bad.

(The witness read an extract from page 37 of the settlement report of the Karjat taluka for 1925 to prove his contention.)

Confining ourselves strictly to the terms of reference, I must say by all means have one particular test which will apply in all possible circumstances. But the result of revisions generally appears to have created an impression in the public mind that at every step an attempt is made to justify the enhancement somehow. We must look to practical results. I will put it to Government officers here whether there are any revision settlements wherein the rates have been decreased.

(One of the Commissioners pointed out that there were several such instances.)

Q.—As regards question 7, you say that you do not believe in the rental value of land, but you want a certain proportion of the profits?

A.—As the section stands, we cannot go against it.

Q.—By profits do you mean gross or net?

A.—It is difficult to answer it. I think it is beautifully vague, and it ought to remain as it is. It is purposely kept vague.

Q.—Would you fix it on the gross or net profits?

A.—I would leave it to theorists to answer that question.

Question No. 8.—I have no remarks to make.

Question No. 9.—I have no experience of this, and I will not venture an opinion.

Question No. 10.—Q.—Perhaps your reply would be that you do not approve of the basis of rental value?

A.—No, I maintain that the State, as a general rule is entitled to a share in the prosperity, if it is due to the efforts of the State itself. Supposing a particular tract is improved by the introduction of irrigation canals, or a big railway station is opened in its proximity for commercial or business purposes, I would have no compunction to charge more on the land, if it is possible, without waiting for the full period of 30 years. If, on account of such improvements the landlord is pocketing more than he should, the State has a right to put its fingers in his pockets.

Q.—Do I understand you to say that the unearned increment should go to the general taxpayer and not to the landlord or the middleman?

A.—Yes.

Generally speaking, if that is what the State gains, I take it the terms of reference restrict us only to the aspect of revision settlement. What the State is getting it will continue to get.

Q.—At the time of a revision settlement, if it is found that the assessment is high, it may be reduced?

A.—But the general basis is taken for granted. What we are now asked is to bring the process of the revision of land revenue assessments under closer regulation by statute. From my point of view what the State loses in this way it is entitled to regain by suitable amendments in the law. The State has also to bring the process under closer regulation by statute, from the rental basis, from the basis of gross produce or net produce and the other things that are involved in the process of arriving at the figure, or other adventitious circumstances which are not really covered by section 107, but are the growth of the several rules, or practices, or methods. They have all to be revised by altogether an expert committee.

Q.—There should be an expert committee to revise the rules that have grown under section 107 and to lay down a certain procedure?

A.—A clear cut procedure, so that the people may know where they are.

Q.—That clear cut procedure to be drawn up by the committee and to be approved of by Government and the legislature?

A.—If it is a local Act, the legislature will have a right of looking into it.

Q.—You want a statute?

A.—Yes.

Q.—That does not lead us anywhere. As you do not consider the rental value as the basis, you do not want to say anything more?

A.—The question is difficult and beset with so many objections and difficulties that I will not venture an opinion in this way of answering questions across the table.

Question No. 11.—Does not arise.

Question No. 12.—I think it is impracticable.

Question No. 13.—I have already stated that the State has a right to share in the prosperity as also the adversity. I would have absolutely no compunction in liberally reducing the pitch of assessments if a particular area has gone wrong, or putting it higher in areas which have developed.

Question No. 14.—Does not arise.

Question No. 15.—In the framing of a statute some particular limit will have to be put, and the legislature will see what that limit should ordinarily be, because, after all, the cases of these improved areas would be so few in proportion to the other areas which would remain stationary.

Q.—No. 15 refers to the number of years.

A.—I have said that I would have absolutely no compunction to the Government sharing in the prosperity.

Q.—Yet, you would have something on the statute book?

A.—As a guide.

Q.—What would be that period? The present period?

A.—I should think 30 has answered well so far.

Question No. 17.—I must say that I am not in favour of an advisory committee. I an in absolute favour of these revision settlement papers being put before the Government as a whole, that is the Cabinet consisting of both parts of the Government, or in days to come, before the Cabinet. I use the word advisedly. The usual procedure according to which importance is given to the view of the Member in charge should not be followed in these cases. If the proposals are carried in the Cabinet by a majority, the minority should have the right of appealing to the legislature. If the Cabinet is unanimous, then no further action is necessary. What I mean is that in the discussion in the Cabinet various questions might arise about which there may be two presentable views, and in that case the minority should have the right of appeal to the legislature.

Q.—Do you mean a minority of the Government as a whole or a minority of the Executive Council?

A.—I mean the Government as a whole. So long as we have Diarchy we shall have the two parts, but I refuse to consider the Ministers as not being a part of the Government.

Question No. 18.—I have nothing to say.

Question No. 19.—I have nothing more to say.

To Mr. L. J. Mountford:—

Q.—You are not at all in favour, I understand, of the rental value as a basis on which to fix assessments, because you consider the rents are vitiated by the relationships between the creditors and the debtors?

A.—Altogether.

Q.—Would you agree with the proposal as regards section 107, that the principle contained in the first paragraph of section 107 should be accepted, and that the main criterion should be the economic rental value of the land cultivated, or would you relegate this as a subsidiary criterion?

A.—I am afraid if you introduce the word " economic " it does not help my case. The present agency is not qualified, to judge the economic value from the point of view of the people.

Q.—Do you mean to say that settlement officers who enquire into sales and who exclude sales of land with encumbrances, etc., are not qualified to say whether the rent that is given is a fictitious rent or a genuine rent?

A.—What I mean to say is that they go by certain documents, that they have got into a bad habit of accepting those documents at their face value which I dispute, at least as far as my district is concerned.

Q.—Would you or would you not agree that the rental value grows upon the foundation of the proved net profit that it grows as the proved net profit is growing and it is practically assessed by the people themselves who pay the rent and take the rent, they are the people who assess the land value for the rental by bidding for the land? Do you agree?

A.—I will not venture an opinion. That is rather complicated. I only point out that there are difficulties in both directions.

Q.—Would you prefer the gross profits?

A.—That is all misleading.

Q.—Do you agree that the net rental is an absolutely certain profit and has a supreme advantage as already pointed out of having been assessed by the people themselves? Do you agree with that as a general principle?

A.—I have no objection but I hold no views as I have not yet considered the exact phraseology and its effect.

Q.—You have told us that you consider the price of grain has doubled in the last thirty years of this particular settlement. Sholapur I think is a neighbour of Ahmednagar and her sister in distress. The prices must have also doubled in Sholapur, the same as in the Ahmednagar district.

A.—Probably, but the measure differs.

Q.—I will give you figures for Sholapur. In 1895 jowari was selling at 24 seers 4 chataks to a rupee. In 1921 it sold at 5 seers 4 chataks to a rupee. That is much more than twice.

A.—Yes, but what I mean is this, you add up the quantities from 1895 down to 1925, divide it by so many years, find out an average and adopt it as the present one.

Q.—It comes bigger still.

A.—It won't. Take the rate for every year from 1895 to 1925. Divide it by so many years. You get the average and then compare it with the present.

Q.—You know that the original settlement is based upon the prices up to 1895.

A.—Probably.

Q.—We are concerned not with what a man was able to pay in previous years but with what he could pay at the time that he is going to pay the assessment.

A.—It is rather a catching question. On the one hand Government wants to take to itself the credit of liberal rules of suspension and remissions and they must be prepared to be debited also with certain losses. Take the census. What will you say to the loss of man power the value of which you cannot assess in rupees? The Settlement Commissioner says these census figures are not reliable..... This particular district has since the census of 1911 lost a population of over two lakhs or more than 25 per cent., at least 21 per cent. It is an economic loss from my point of view which does not justify revenue authorities in raising a pie more of revenue.

Q.—Even though the rental may have trebled?

A.—I don't care what the rental is. The State must come forward very handsomely.

Q.—Don't you care for rentals?

A.—No, because I own my land and till it.

Q.—Landlords do care for it and they take that rental in the open market and if you find that that rental .....?

A.—Even there I dispute the proposition. Although the village sowkars have come into bad odour, I should think they are very fair also to the tenants. They have to be fair because as a matter of fact they would not otherwise exist.

Q.—If they take a rental and if that rental rises by three times, should we not be entitled to increase our assessment?

A.—I do not accept your figure. You only pay liquidated damages. You have not got any record to show what the half crop or 1/3rd crop or 2/5th crop came to.

Q.—Yes, the Government of India have got records for every single taluka, showing kinds of crop for every single taluka in the entire Presidency.

A.—It is very misleading data.

Q.—Don't you regard the Record of Rights as reliable?

A.—I do but it only shows what rent is agreed upon.

Q.—It shows rents, it shows what the leases are.

A.—The Record of Rights is not a proper record. It mentions what rent is shown in the lease but it does not record what share he actually gets but it only records the liquidated damages which is a vitiating figure. You add up that and find the rental value.

Q.—Does it record a lower rent or a higher rent?

A.—I think it records a higher rent. The custom has been to take it in kind. They do not care what is mentioned in the rental note as regards the amount.

Q.—You know that these rental agreements which are mentioned in the Record of Rights come under section 86 of the Land Revenue Code. Is it likely that the tenant will agree to enter in the record of right a higher rate than he is actually prepared or able to pay?

A.—I say the tenant does not care what is mentioned in the record. He won't pay all that.

Q.—Is he not afraid of being sued in a civil court?

A.—No, because even if a decree is obtained against him the decree-holder will get very little from the tenant, and generally the decree is never executed.

Q.—What percentage would you favour, 10, 20 or 50?

A.—I will not venture any opinion. As far as I know landlords do not insist upon cash rental, they take it in kind and naturally the record is vitiated.

Q.—Is that your experience?

A.—Yes.

Q.—Does not the landlord usually go to court to recover his dues from his tenant?

A.—Only in the event of their quarrelling and if they are at cross purposes.

Q.—When we consider that grain has risen in price to a certain extent, *i.e.*, it has gone down from 24 seers a rupee to 5 seers a rupee, do you consider that the rupee has fallen in value? Do you purchase less for a rupee now than you did in the old days?

A.—That question is quite complicated. A rupee means a particular token of money for which the ryot is paying six annas more.

The Chairman:—Please do not discuss the exchange policy.

Mr. Mountford:—But you admit now that the people are paying more for their bullocks than they used to?

A.—I do not agree to that, not in my part of the country.

Mr. Mountford:—If not in your district, it is so in Dharwar and other districts.

To Mr. G. A. Thomas:—

Q.—Can you say what the ratio of the net profit to the gross produce is in Ahmednagar?

A.—I cannot, I am unable to say.

Q.—Is it possible to ascertain it?

A.—It is quite possible to ascertain it, absolutely.

Q.—Have you any figures?

A.—Yes. It is quite possible to do so, but whether you do it as a practical measure or not is another matter.

Q.—Is it practicable to ascertain it?

A.—I won't venture any opinion.

Q.—You do not think it is practicable.

A.—No.

To Moulvi Rafiuddin Ahmad:—

Q.—Have you read the Joint Parliamentary Committee's Report?

A.—Yes.

Q.—And their recommendations?

A.—Yes.

Q.—That report suggests that if there is a minority of even one in the Cabinet the matter should be referred to the Legislative Council.

A.—That I did not see.

Q.—I ask you, if it be a minority of one, whether of the Members or of the Ministers, should the matter, in your opinion be referred to the Legislative Council?

A.—If he insists on it, it should be so referred.

Q.—If the Cabinet is unanimous, should it also be referred to the Legislative Council?

A.—No.

Q.—In other words you do not think that assessments should come before the legislature for increases.

A.—I hope you have appreciated my point of view. I said they should not be treated as departmental matters, but must be put before the Cabinet as whole, before bringing them into effect. They must place the question before the Legislative Council for final sanction if it is a majority decision.

Q.—You are then in favour of these assessments going to the legislature for their sanction?

A.—Yes, as the Joint Parliamentary Committee insists. It depends on what the Act lays down.

To Mr. H. B. Shivdasani:—

Q.—In your district what proportion of the total area of the land is given on rent; how much is cultivated by the landlords and how much is given on rent ?

A.—Roughly 80 per cent. is cultivated by the agriculturists themselves.

Q.—Then only 20 per cent. is rented?

A.—Yes.

Q.—Of the 20 per cent. how much is rented for cash and how much for kind?

A.—Cent per cent. in kind.

Q.—If that so, and if we want to fix assessment on the rent we shall have no basis to go upon?

A.—No basis.

Q.—Only one or two persons would pay rent in cash so that to make assessment depend on rent would be to make the assessment depend on data collected from two persons and that also not necessarily representative.

A.—That is my view of it.

Q.—Would you make the assessment depend on the gross profits or on the net profits?

A.—On net profits.

Q.—As regards enhancements, paragraph 13, would you keep no limit, would you like the land assessment to be raised by 500 per cent.?

A.—No. Take for instance my Kopergaon taluka. In that taluka the first revision was found enough for the first ten years because the canal was being built. After those ten years were over, it was put down for revision settlement, and as a matter of fact, we knew (and it could be proved to the hilt) that the original rental which the man was getting was only Rs. 2 or Rs. 3 an acre and that yet he was pocketing roughly anything up to 20 to 50 rupees, giving an average of 30 or 35, pocketing the unearned increment for which he has not spent a pie for it and for which the other parts of the presidency were bled in finding the capital for which he does not pay the interest. I would therefore in that particular case not allow the landlord to pocket all the 40 or 35 rupees which are not the result of his own labours but I would allow Government a share of that.

Q.—You would raise the assessment by 500 per cent. if need be?

A.—I do not mean 500 per cent., but any reasonable percentage. I would have no compunction at all in agreeing on a reasonable percentage.

Q.—The Commissioner of the Division says that in Khandesh the assessment is about 1/4th of what it should be. If it was found to be so, would you raise the assessment four times at once?

A.—There again, as a matter of fact, even under the present revision rules it does depend, for instance, upon the kind of crop which has come into vogue and which was not previously there. For instance if you find that the people were growing a certain amount of grain crop and are now growing a commercial crop like cotton for which they get better prices, not due to any private efforts of their own or any private capital which they have spent, I would give them every liberal allowance.

Q.—Changing the crop is a private effort?

A.—I am not quite sure whether it is a private or a State effort because there is the Agricultural Department for teaching the people to do how.

Q.—You would raise the assessment four times if necessary?

A.—No, no. Don't read in my answer what I do not mean. I would have no compunction in having any percentage which the committee may think proper, up to even 100 per cent.

Q.—Are you in favour of limiting the enhancements to certain gradations?
A.—Yes, certainly, to certain reasonable gradations.

Q.—What is a reasonable limit?
A.—I will not define it.

Q.—As regards the advisory committee, you are in favour of the question being put up before the Cabinet as a whole.
A.—Yes.

Q.—Would it be feasible?
A.—Yes.

Q.—One settlement proposal covers so many pages and if each member of the Cabinet were to read it through it would take so many weeks.
A.—I do not care so long as each member does his work. If he does not, send him out.

Q.—If you put this additional burden on the other members they will also go and then all others would have to do the same.
A.—I don't think so.

Q.—Do you think it is quite practicable?
A.—Quite.

Q.—Would you expect the Minister or Ministers to do this work?
A.—I do.

Q.—Would you expect the Education Minister to do this work?
A.—I won't say which Minister should do this. The Ministers are our representatives and if they are unanimous, then I should have no quarrel.

Q.—It would mean one or two months' work for each proposal.
A.—I do not care even it takes six months because it is a revision settlement and actually at present some times such proposals take over twelve months and sometimes they are put off for famine or scarcity. This is most important work which the Ministers should do and the Joint Parliamentary Committee requires them to do it.

To Mr. R. G. Soman :—

Q.—As regards section 107 of the Land Revenue Code you said that the words " profits of agriculture " are there and should be retained as they are and that the main basis of assessment should be the profits of agriculture.
A.—What I said was that those words are there but the proposals of revision settlements are not based upon those words. They are neglected and they are based upon confidential instructions which are the result of several rules.

Q.—Quite right; but how would you find out profits of agriculture in money value?
A.—I do not see any difficulty.

Q.—Would you like to resume practice of making crop experiments which was abolished in your district as you say?
A.—I won't venture an opinion. I am not an administrator and do not know the reasons why it was abolished. It must have been abolished for good reasons. My opinion is that if I want certain advantages from the present assessment there is no reason why I should not keep my accounts properly as would inspire confidence which would lead government officers to put confidence in them and get at the net profits. I think that is quite possible. If we do not want to assist ourselves and want instead the State to come in and do everything for us, I think we deserve what the State charges us.

Q.—Do you mean that the present system that is followed in finding out the money value cannot be cured by any means?
A.—I do not know; but superior wisdom may be able to find out those means. I hold no opinion but I am only giving the fundamental facts.

Q.—We want to ascertain your opinion.
A.—As I have said it is quite possible to ascertain the net value.

Q.—Can we ascertain it by any machinery of Government, by resuming the practice of having crop experiments?
A.—By the co-operation of the people and Government it could be ascertained.

Q.—You may probably have seen the memorandum of the Bombay Government which was published along with the Government of India Resolution. Can you give us an idea as to what proportion did the assessment bear to the gross income in 1895 or say 20 or 30 years before?
A.—I won't venture on that field.

Q.—What is the proportion which you suggest the assessment should bear to the gross income?

A.—The present pitch of assessment is reasonable.

Q.—But does it deserve to be enhanced looking to the economic condition of the people, so far as your district is concerned?

A.—I have already said that it does not deserve to be enhanced at all.

To Mr. R. G. Pradhan :—

Q.—I would invite your attention to the reply to question No. 3 given by Sardar Joshi and to tell me whether you agree with him as regards the statistics he has given with regard to persons who cultivate their own lands and persons who lease their lands to other people.

A.—I think I have already said 90 per cent. I agree with his statement.

Q.—Suppose a majority of the people who cultivate their own lands are able to satisfy the revenue authorities that such and such are their net agricultural profits, would not that be enough for fixing the assessment?

A.—If they are able to satisfy the revenue authorities, yes.

Q.—If they are able to satisfy the revenue authorities as to the genuineness of the net profits which they have earned, should not then the assessments be fixed on the basis of those net profits?

A.—Of course, that is good evidence but I do not think the revenue authorities will be satisfied so easily.

Q.—Do you cultivate your own lands?

A.—Yes.

Q.—For how many years have you been doing that?

A.—For the last 25 years.

Q.—You are, I suppose, a big landowner.

A.—Fairly big, yes.

Q.—You are able to ascertain in your own case what the net profits of agriculture are?

A.—Yes, as I have kept accounts.

Q.—In ascertaining net profits what factors do you take into consideration?

A.—I have not yet taken account of the factors as I have not yet had occasion to arrive at the net profits. It is of course possible for me to do so because I have got materials as I have taken care to keep accounts, I have kept a clerk to whom I pay a salary. Whether agriculturists in general can afford to keep a clerk and pay him is another matter.

Q.—I want to ascertain from you how profits of agriculture can be ascertained.

A.—It is a very simple process.

The Chairman: What Mr. Pradhan wants to know from you is what items you would deduct from the gross profits to arrive at net profits, such as the cost of agricultural operations and so on.

Rao Bahqdur Chitale: The cost of agricultural labour which is very bad in quality because it does not give us good work. Depreciation of agricultural stock which is necessary. Investment on seed. Payment of assessment. These are the important factors.

Q.—Would you agree that the assessment that should be levied by Government should be any proportion of these net profits?

A.—Yes if the committee think it reasonable.

Q.—I want your opinion.

A.—I say any reasonable proportion which the Committee think fit.

Q.—So you agree that a certain proportion of the net profit should be levied by Government as assessment?

A.—Yes.

Q.—Would you tell me what that proportion should be?

A.—If you ask my individual opinion, it may vary from 1/10th to 1/6th.

Q.—In other words, it should not be less than one-tenth and it should not exceed one-sixth?

A.—Yes.

Q.—You have told the Committee that you agree with the provisions of section 107?

A.—Generally.

Q.—And you are in favour of retaining it as it is?

A.—I am not.

Q.—Could you tell us what changes and modifications are needed?

A.—I have not thought about it.

Q.—In other words, you do not say it should be retained as it is, but you are not at present in a position to tell us what modifications should be made in that section?

A.—I am not in a position to suggest modifications.

Q.—The section refers to the value of land. Could you tell the committee in what way the value of land should be determined?

A.—There again, as I say, the present data is unreliable.

Q.—If the present data is unreliable, what do you think should be reliable data?

A.—Take the sale deeds at half the value.

Q.—Sale deeds for how many years?

A.—Take them for 10 or 15 years or 30 years. There are certain factors which must vitiate the data.

Q.—Taking your district as it is or even your taluka, in ascertaining the value of land, you have stated that the sale deeds should be taken for half their value. For what period should they be taken?

A.—If you only confine me to the period of years, irrespective of the fact whether famines have intervened or whether they were prosperous years and the rest of it, it is very difficult to say.

Q.—I would ask you to confine yourself to ordinary years.

A.—Roughly 10 years.

Q.—You object to the appointment of a standing committee. What are your reasons for it?

A.—Spare me that question. I do not want to answer it.

Q.—You have told us that if a minority of the whole Cabinet consisting of Members and Ministers differs as regards a particular revision settlement, matters should be referred to the Legislative Council if the minority insists on it, but who should take the initiative?

A.—Why the Ministers or Members as the case may be.

Q.—The Member who differs from the rest?

A.—Yes.

Q.—Are you aware that the proceedings of the Cabinet consisting of Members and Ministers are treated as confidential?

A.—I know it, but I hold the view that in this particular matter the proceedings should not be treated as confidential.

Q.—You know that there are certain rules made by His Excellency the Governor with regard to the transaction of business in the Cabinet?

A.—I will not pitch my experience against it. I do not know what is being done inside.

Q.—There are such rules regulating the transaction of business in the Cabinet. So you agree that, if necessary, those rules should be modified so as to permit of this subject being referred to the Legislative Council under the conditions you mention?

A.—Take all possible steps, legal or moral, or bring any amount of pressure to bear on it. If you want this matter to be looked at from the point of view of the public the matter must be considered by Government as a whole and not by an advisory committee. There will be no appeal to the legislature, if the Cabinet comes to a unanimous decision.

Q.—Why do you make that distinction?

A.—Because I have trust in my Ministers and a unanimous vote.

Q.—If the person who happens to differ is a member of the Executive Council, then what should be done?

A.—I am afraid these things are not going to last for ever.

Q.—I may differ from you. Let us take things as they are and suppose that a Member of the Executive Council and not a Minister differs. Then you would still maintain the question should be referred to the Legislative Council?

A.—Certainly.

Q.—Why do you make this distinction? Why should matters be referred to the Legislative Council only when there is a difference of opinion in the Cabinet and not when the Cabinet is unanimous?

A.—I thought it was self-evident. This is a matter in which a lot of technical knowledge and administrative experience are necessary; the Ministers would be usually lay men, and also the Ministers have to keep their place in the Legislative Council, and they would therefore have an eye to the catching of votes. I do see some danger, and in order to guard against it I say that in the Cabinet, which is a responsible body consisting of responsible men, if the minority makes out a case which it considers very convincing, and they feel that the Council as a whole can be persuaded to take their view, I do not know why we should fight shy of it.

Q.—Your suggestion comes to this, that the Legislative Council should have no jurisdiction in case of a unanimous decision by the Cabinet?

A.—It is hopeless to expect to have a reasoned opinion from a Legislative Council of the nature which we have at present.

Q.—At the same time, you have no objection to placing some reliance on the judgment of the Legislative Council in case of a difference of opinion in the Cabinet?

A.—Certainly.

Q.—In that case you rely upon the judgment of the Legislative Council?

A.—Naturally.

Q.—Only you do not rely upon the judgment of the Legislative Council when the Cabinet is unanimous?

A.—Yes. Unanimity carries conviction to my mind.

Q.—From some remarks you just now made, I gathered you did not think much of the Council.

A.—I beg your pardon. I never meant that. What I meant, if you want me to say, is that this is not a matter which could be relegated.....

Q.—What I do not understand is how your position is consistent.

A.—It is absolutely consistent.

Q.—In one case you are prepared to.....

The Chairman: It had better be dropped. There is no use arguing.

Q.—You think that a limit of 30 years as the minimum period of a revision settlement should be embodied in law?

A.—I have not said that.

Q.—What limit do you think should be put in the law?

A.—I will not venture an opinion on that when answering questions across the table on a matter to which I have not given much deliberation. But if you want me to give an answer now, you may put in a period varying from 30 to 50, but it should not be less than 30.

To Mr. A. W. W. Mackie :—

Q.—You are not inclined to trust the lease statistics owing to their not being genuine?

A.—Yes.

Q.—Suppose you went to a village to find if a particular lease you were interested in was genuine, can you find it out?

A.—Quite possible, unofficially.

Q.—You would be able to find out because you are not an official?

A.—Yes.

Q.—So that, if we employ non-officials.....

A.—If you employ anybody, he becomes an official.

Q.—A non-official can find it out?

A.—Supposing I go to a particular ryot and ask him about it, because he knows I am not interested in knowing it, he is likely to tell me. But if he knows that there is some ulterior motive or something else, then he will either be silent or will not give me the exact facts.

Q.—You say that assessment ought to be one-tenth to one-sixth of the net profits?

A.—Yes, when I was pressed for an answer. I mean only for revision. I start with this that the present pitch is reasonable.

Q.—One-tenth to one-sixth in a revision?

A.—Yes.

Q.—One-tenth to one-sixth of the increase in the profit?

A.—Yes.

Q.—You start off from the point where they are now?

A.—Yes.

Q.—Whether it is half or more for the future you take one-sixth to one-tenth?

A.—Yes.

Q.—With regard to the question of migration to which you referred, first of all what has been the increase in the agricultural population in India during the last 50 years?

A.—I do not know.

Q.—Will you believe me if I tell you that it is 50 per cent.?

A.—May be.

Q.—For a man to be as well off now as he was 50 years ago, the land must produce 50 per cent. more or the agriculturist must take to other occupations?

A.—I do not know; they are living, there is no doubt about it.

Q.—Assuming that the population has increased by 50 per cent., if each man is to be as well off now as he was before, the land must produce 50 per cent. more, or he should take to other occupations?

A.—Quite logical.

Q.—Do you think that 50 per cent. of the land was still unoccupied 50 years ago?

A.—I find that the cultivable land has increased.

Q.—It was pretty well occupied 50 years ago?

A.—Yes.

Q.—It is an absolute necessity that the people should take to other occupations?

A.—Yes.

Q.—So that, the turning of the agriculturist to industry is not only a good thing but it is a necessary thing?

A.—True.

Q. Take for instance the Karjat taluka. Imagine that the crops are all right in two years, but there is nothing at all in the third year. Take the Belgaum taluka, which is a very secure taluka, and imagine that the crops in Belgaum which is a very secure taluka, where the crops are exactly the same as in Karjat in these two years, and that they get the same crop in the third year also; so that in Nagar you get two years crops and in Belgaum you get three years' crops. Would you say that the rate of assessment should be the same in Belgaum as in Nagar under those circumstances? Would you say that it should be less in Nagar because they get two-thirds of what Belgaum gets?

A.—Yes.

Q.—Supposing in that year in which the crops fail in Nagar the people go off to Bombay or somewhere, which they have got in the habit of doing, and suppose they earn a living which yields them just as much as the Belgaum people get through their crops. Do you think in that case the pitch of assessment in Belgaum and Nagar should remain the same?

A.—If assessments are to be complicated by so many factors, agriculture would be impossible. I may be wealthy. My agriculture may suffer, but payment may be demanded of me because I am able to pay. I think that is an obligation which does not rest on me.

Q.—Take the first year when the crops in Belgaum and Nagar are the same. Is there any reason why the Nagar man should pay less than the Belgaum man?

A.—There are absolutely many reasons. For instance, you find that the average assessment, speaking broadly, in the Southern Division and the Central Division is not the same.

Q.—That introduces too many complications. I am imagining two talukas exactly the same in all respects except that the crops are good three years in one and they are good two out of three in the other.

A.—That introduces the factor whether the man is able to pay. When you have a normal season, the staying power and his capability to improve his land and also the state of his bullocks. If you compare all that in the case of the ryot in Belgaum and in Karjat, you will be immensely struck by the difference between the two. I do not think the comparison is fair.

Q.—I was assuming that their going to Bombay kept them on a level as regards income with the Belgaum people.

A.—I do not accept that. That ought not to enter into the consideration of assessments.

To Mr. M. S. Khukro :—

Q.—You are a landlord? Can you tell me how much land you possess?

A.—I am paying roughly in Ahmednagar, Ratnagiri, etc., Rs. 450 by way of assessment.

Q.—You cultivate your land yourself?

A.—I hope you understand it.

Q.—You must be knowing what you spend?

A.—Yes. I have got my accounts. But I cannot tell you what percentage I spend.

Q.—In your district do they give the land on rent or do they cultivate it themselves?

A.—Mostly they cultivate it themselves, except in the Canal tract.

Q.—Do you think the settlement officers are fair to both parties?

A.—I won't answer it.

Q.—Are you in favour of associating a committee of non-officials from among the residents of the taluka to be with the settlement officer and help him in finding out exact figures?

A.—It will be a bad reform.

Q.—What will be the proper method of arriving at the net profit?

A.—You may find it out in your wisdom. I have given my reply. The question is so complicated that it will be difficult to arrive at a satisfactory solution by way of question and answer across the table.

Q.—You stated that the maximum should be one-sixth and the minimum one-tenth?

A.—I have given the figure as a rough guide. It may vary.

Q.—For each settlement?

A.—Yes.

Q.—You cannot say what should be the highest pitch?

A.—No.

Q.—In your district do you think land assessments should be increased at present, looking to the present conditions?

A.—You mean the reasonableness? It could be safely increased, but it ought not to be increased on account of other things.

Q.—Is agriculture a paying industry?

A.—It does pay in the sense that it allows the holder of the land to live.

Q.—Does it give sufficient interest on the money that you pay for the land?

A.—Landlords should be done away with altogether. Why should they get interest? Suppose a landlord gets land for the occupancy price and makes out 100 times the occupancy price as the profit. That is bad enough.

Q.—Supposing there is land, you have to invest a certain amount of money on it in order to improve it. Otherwise it will lie waste. Don't you then deserve a certain amount of interest over that investment of yours?

A.—Fortunately for me, my district is so rich in land. Give us rain; it does not require much improvement.

To Mr. R. D. Shinde:

Q.—As regards section 107, do you agree that in the case of land used for agricultural purposes regard should be had only to the profits and not to the value of land?

A.—I would consider only the profits.

Q.—You would restrict the value of the land only to non-agricultural land?

A.—That is done as a matter of fact.

Q.—In the case of agricultural land is the value of land also considered?

A.—As I say, as a result of these rules, many adventitious circumstances have crept in which ought to be defined by statute.

To Sardar G. N. Mujumdar:

Q.—Do you think an Inamdar is in the same position in his village as Government is in a Khalsa village?

A.—Yes.

To Mr. D. R. Patil:

Q.—Do you agree with me if I say that the most just and equitable method of revising assessments should be based from the agriculturists as well as the Government point of view on the net income of the agricultural produce?

A.—I have said so.

Q.—You also admit that it is not very difficult to ascertain the net profits?

A.—I have said it is possible. Whether practicable or not is another matter.

Q.—That is the lookout of the Government?

A.—That is also the lookout of the people.

Q.—If the people and Government co-operate, then it is quite possible?

A.—Yes.

Q.—Have you read the replies of Mr. Maganbhai Patel on page 322?

A.—Yes.

Q.—He has given so many items of expenditure. Would you take them all into consideration? Would you take the interest on the value of the land of the agriculture by way of expenditure into account?

A.—No, it ought to be distributed.

Q.—Why?

A.—That is my opinion.

Q.—Any reasons for that?
A.—The people are idle.

Q.—I ask for reasons?
A.—I do not want to give reasons.

Q.—Suppose an agriculturist buys to-day landed property worth Rs. 1,000 and he borrows that much money from a money-lender. Would you take into account, while ascertaining the net income, the interest on the amount which he has borrowed from the money-lender by way of expenditure?
A.—I do not think that enters into an expenditure to be legitimately charged to agriculture as an industry but it is more or less a business or a commercial transaction.

Q.—Suppose a labourer collects one thousand rupees by means of his labour and he wants to take to agriculture and wants to live on the income from that agriculture and buys land worth Rs. 1,000, then would you not like to take the interest on that amount into consideration?
A.—In levying assessment.

Q.—In the matter of expendiure?
A.—Absolutely no.

Q.—Even if he wants to live only on his agricultural produce?
A.—It is a commercial venture,.I won't take it into account.

Q.—Suppose an agriculturist engages a servant to cultivate his land, would you not take into consideration the wages of that servant?
A.—If the agriculturist wants to be idle and engages a servant, I would not.

Q.—He himself works and also engages a servant?
A.—By all means give him with this proviso that he himself does not remain idle.

Q.—Don't you think that you have to pay Rs. 200 yearly in actual practice to your yearly servant in your district?
A.—In my district, no, not to all servants. There are certain kinds of servants whom we pay that much.

Q.—I am talking of servants engaged in cultivating lands?
A.—You may take roughly 4 to 6 1/2 annas average per day.

Q.—What have you to pay to your yearly servant?
A.—Usually only big landlords have yearly servants, others do not have them, they employ occasional or seasonal servants.

Q.—Suppose an agriculturist in working out his fields has the assistance of some of the members of his family in the actual field work, would you not like to take into consideration the cost of the labours that are bestowed by those members?
A.—I have said the cost of cultivation will come in.

Q.—If that agriculturist borrows some money from a sowkar which he utilises in the cultivation of his land, would you not in that case calculate the interest on that amount which he borrows for the cultivation of that land on the debit side?
A.—Certainly, I said whatever he borrows for seed should be so debited.

Q.—Again, would you include the cost of watching the crops and the fields?
A.—Of course if he has any additional men.

Q.—If he himself watches, that labour should be taken into account?
A.—Yes.

Q.—Would you admit in the items of expenditure, the cost of cutting and the cost of husking?
A.—Those are items included in the cost of cultivation, provided the man himself does not remain idle.

Q.—Why do you confine the period of 30 years to the revision of settlement? Why don't you enlarge that period?
A—That is my experience.

Q.—What are your reasons for holding that view?
A.—My reading says that it has been found to be a pretty good period which has given us reasonable tests. That is all. There is absolutely no other reason why I am enamoured of 30 and not 50 years, but so far 30 years' period has given us good results all over, not only here but in Central Provinces and other places. That is exactly my view.

Q.—Would you like to have permanent settlement?
A.—Certainly not.

Q.—Never?
A.—Never.
Q.—Why?
A.—Because it is not fair to the State and is not also fair to the people themselves, I mean to individual holders.
Q.—Now suppose the time is reached when an agriculturist has to pay 1/6th of the net income as you advocate; in that case would you suggest the adoption of permanent settlement even if you think that there are no further prospects whatsoever about a rise in prices or prosperity of the people?
A.—I hope you know that the State has the right of sharing in its people's prosperity as well as in adversity. If you take that as the basis, I do not mean to say that you are going to be stationary at 1/6th.
Q.—Your view is that the agriculturist is bound to pay the assessment even if he works at a loss?
A.—No, no, I never said so. He works at a loss either because he is not sufficiently industrious himself or because he is not sufficiently efficient in his methods.
Q.—Take this case. An agriculturist gets an income of Rs. 600 and he has to spend Rs. 700. Under those circumstances would you wish that he should pay anything to Government by way of assessment?
A.—I cannot conceive of an instance where an agriculturist gets Rs. 600 and spends Rs. 700 except in a famine year.
Q.—You have had no experience of this?
A.—Absolutely no, unless he is an idler and has allowed his servants to go and swindle him.
Q.—Would you like to place the land revenue assessment on the same basis as income tax?
A.—I think that does not arise, but it ought not to be placed on the same level as income tax.
Q.—Why? In the case of income-tax, if a man has got an income of Rs. 2,000 he has to pay nothing while an agriculturist who gets an income of Rs. 500 has to pay some assessment. Why should you not place him on the same basis as the person who pays income tax?
A.—Do you ask my reasons?
Q.—Yes. Should he not be placed on the same basis?
A.—Income tax in itself is a new invention. It never existed before. It is now imposed. It is a burden specially intended for certain contingencies as a matter of fact and is placed on broad backs as far as possible. It is varying in degree and is likely to be more in future. As against these income tax payers you have a large class of landholders who are being taxed in no other way. As a matter of fact 80 per cent. of the people require the benefits of the present administration; provided they are not vicious, or improvident, it is right they should pay this tax for the upkeep of Government and it is certainly fair that they should be taxed thus.
Q.—You admit that the land revenue assessment is heavier than income tax?
A.—No, I do not admit that.
Q.—Is it not so?
A—No.
Q.—Don't you know that an agriculturist has to pay some assessment even if he gets Rs. 500?
A.—It does not follow that the pitch is higher.
Q.—Why should he not be liable to pay in the same proportion as the income tax payer?
A.—Those are abstract propositions on which we cannot agree.
Q.—Why cannot we agree?
A.—Income tax is a new invention.
Q.—How long ago was it introduced?
A.—I should think not more than 50 years.
Q.—What is your objection to placing agriculturists on the same basis as income tax payers?
A.—Because all these taxation proposals depend very largely upon the requirements of Government.
Q.—Do you mean to say that these poor masses, *i.e.*, 80 per cent. of the agricultural population should be heavily taxed?
A.—I do not say " the poor masses ", 80 per cent. of the masses.

Q.—These 80 per cent of the people from the agricultural classes are the persons upon whose shoulders this heavy taxation falls.

A.—Heavy?

Q.—Yes, it is heavy.

A.—I dispute all your propositions involved in this question. What I said was that a large mass of the population coming up to 80 per cent. requiring all the benefits of administration of any Government are rightly taxed. If they pay something towards the upkeep of that Government, they are bound to do so.

Q.—Even if they are unable to pay any assessment?

A.—If they do not indulge in liquor or in litigation, they ought to be able to pay.

Q.—Do not other taxes indirectly fall upon their shoulders?

A.—No, it does not, that is my view. As I said, if they do not indulge in liquor or in any vices or in litigation, they ought to be able to pay the assessment.

Q.—Are pleaders greatly responsible for litigation in your opinion?

A.—I do not know; otherwise, how can they thrive!

Q.—Why do you say that these revision matters should be directly referred to the Cabinet and why not direct to the legislature?

A.—My view is that all these proposals must be considered by people first who are responsible and who have learnt the lessons of responsibility or wielding responsibility and deliberative bodies in all matters of taxation: from my experience of municipal and local boards are the last persons to be resorted to for this purpose.

Q.—Do you mean to say that the members of the Legislative Council are not experts in understanding these matters?

A.—I will not say that.

Q.—Will they not be so competent as the Cabinet?

A.—Yes.

Q.—Suppose these questions are considered by the Cabinet and after that have you any objection if these proposals are referred to the Legislative Council?

A.—I would give the option to Government. If they think fit they may, but in the case of unanimity they ought not to go to the legislature.

Q.—But suppose there are some five or ten members in the Legislative Council of your ability, would you not like to say that these proposals should be submitted to the Legislative Council for consideration?

A.—If you ask my candid opinion, I should first have my eye on my voters.

Q.—Are you afraid of your voters and therefore will you go against your conscience in giving votes on such matters?

A.—I should have my eye on my voters. But please note that that is your question I am answering and not mine.

Q.—If any improvements are made by the cultivator himself, are you of firm opinion that Government should not be entitled to tax them at all?

A.—Certainly.

Q.—Even after a particular period of years?

A.—They are not usually taxed.

Q.—Section 107 of the Land Revenue Code says "in revising assessments of land revenue regard shall be had to the value of land and in case of land used for the purpose of agriculture to the profits of agriculture". Would you like to add the words "and nothing else" to the section?

A.—I leave that to the Committee.

Q.—Would you like the addition of the words suggested?

A.—I have not looked at it yet.

Q.—Would you like to add those words?

A.—No, no. I will not add them.

Q.—For what reasons?

A.—As I said, the right of sharing in the prosperity of its people as well as in its adversity vests in Government. That is my maxim.

Q.—But you have already said that the basis of assessment should be on the net income or profits. If that is so, what reason is there for your view?

A.—In the case of revision I should not like to add those words.

Q.—In the case of original settlement?

A.—It is a question of opinion.

Q.—You have no other reason except your opinion?

A.—I do not consider it advisable to add those words.

Q.—Have you got any reasons?

A.—Yes, when I say it is not advisable I have my own reasons.

Q.—Do you only look to safeguarding the interests of the State and not look to the interests of the agriculturists?

A.—Or it may be to safeguard the interests of individual holders as against landholders.

Q.—If those words are added don't you think that the interests of the agriculturists will be safeguarded?

A.—No.

Q.—Will they be losers?

A.—Landlords may be gainers—that is my suspicion.

Q.—Even the agriculturists who are actually cultivating their lands?

A.—You cannot eliminate him.

Q.—Is not the percentage of landholders only 8?

A.—You are asking me a general question, or about my own district?

Q.—Can you give me the percentage of landholders as compared with the percentage of cultivators, so far as the Bombay presidency is concerned?

A.—I have no idea.

Q.—Take this hypothetical case that in the Bombay Presidency out of the whole population 10 per cent. is the landlord percentage. Or say out of 100 agriculturists only 10 per cent. are the landholders and 90 per cent. are the actual cultivators. In that case don't you think that if the land assessment is revised only on the basis of the net income and nothing else, the addition of these words "and nothing else" will be advantageous to 90 per cent. of the agriculturists?

A.—That is fallacious. Allow me to say the figures show that there is an excessive fragmentation of holders. That fragmentation of holders is made up by taking some other land from some other people for more cultivation and making it a holding on which he can eke out a living. So in one sense you may say they are not landholders and therefore from that point of view the number would be very large.

Q.—Otherwise, if they restrict themselves to their own holding they won't be able to live?

A.—My experience is that no agriculturist lives on 5 acres of land but he takes bits of other people's land here and there and employs his own men and makes out a living unless he has got some bagait land. If you allow that amendment in that sense I should think that the addition is not advisable as it will not benefit the individual holder.

Q.—What does it matter if we add these words, because even in the case of landholders if we can ascertain the net income then the State gets some proportion out of that net income?

A.—If you think it eminently practicable that net profits would be immediately available, perhaps I might accept your suggestion to add those words but I know that no human ingenuity or human agency would be able to arrive at even any approximate figure of net profits.

Q.—You have already told us that it is not possible to ascertain net profits even in theory. If it is possible, have you any objection to add the words?

A.—If it is possible I have no quarrel at all, but I do not consider it possible at all.

To Rao Saheb D. P. Desai:—

Q.—You have stated that revisions are made on certain vague conjectures.

A.—Those are not my words. I said "adventitious circumstances". They are not contained in the Code but they are the result of the rules.

Q.—There must be some conjectures on which they must be based. They are revision proposals.

A.—Conjectures based on certain figures.

Q.—Can you tell me from your experience of Karjat taluka on what the settlement officers have relied for basing their proposals?

A.—They have got certain scientific principles to go by, certain classifications, certain heads; they go to the taluka, find out through their clerks complete data and make enquiries with their own eyes.

Q.—You have misunderstood my question. After all they have certain data on which they base their revision proposals. They examine increases of prices and increases in the value of land. Generally they bas their conclusions from seeing the country with their eyes and hearing talks of their friends. They are mentioned in the Karjat taluka report also. I want to know what things were taken into consideration by the settlement officer in framing those proposals, whether increase in price of one place which he took into account or not.

A.—I do not think it is right because that is the latest instance and probably the only instance wherein Government have lowered the pitch.

Q.—There must have been previous instances also.

A.—Not more than 5 per cent. in which the assessment is lowered.

Q.—I want to know whether the prices were taken into consideration in that.

A.—Mr. Joshi will answer that.

Q.—Give us your legal opinion on this. Section 107 of the Land Revenue Code says that in revising assessments of land regard shall be had to the value of land. It is our impression that the words "value of land" do not refer to all the agricultural land. Are you of that opinion or not? This is meant for non-agricultural land, for land for non-agricultural use. The value of non-agricultural land is to be taken into consideration while for the land that is used for the purpose of agriculture only, the profits of agriculture should be taken into account.

A.—Your interpretation appears more plausible.

Q.—Legally would you defend any case on this ground?

A.—No, I do not think I would because the precedents are against you.

Q.—That means you are prepared to say that the settlement officers have up to now acted all along illegally?

A.—There may be certain rules by which they have gone.

Q.—The rules do not override the Act?

A.—They ought not to, but perhaps the other interpretation is not so very inconsistent, as to rule it out.

Q.—You are not prepared to rule out that interpretation?

A.—No.

Q.—You have said that income tax is a new impost and land revenue is an old impost, and therefore it should be kept up?

A.—Not because it is old. I said that everybody has to pay for the upkeep of Government.

Q.—Would you like that a person earning less than Rs. 2,000 should go scot-free?

A.—Is he being allowed to go scot-free? He may not pay income-tax, but he might pay in other ways as I have suggested on many occasions. Government has a big machinery, and he might be caught in an indirect way.

Q.—You said that unearned increments ought to go to the general tax-payer. Then you would like the unearned increment in all the trades to go to Government?

A.—You are mixing up the two. In cases of improvements which are not the result of his own private labour or capital but for which the State pays and also pays interest on the capital employed, then it is not fair to the State that the man should pocket all the Rs. 110 and pay only Rs. 2 to the Government.

Q.—Then you mean to say that Government should reimburse themselves for services rendered?

A.—That is a large order rather. My point is the pitch of assessment is fixed for 30 years irrespective of the fact whether famines would require Government to spend a large amount of money. By all means give a reasonable margin. But it is not fair to the State that the landlord should be allowed to pocket almost the whole and grow in idleness. That is the result, and that is my own view of it, that it has led to a lot of idleness. A sudden increase in the price of the produce of an acre has led to idleness and vice.

To Mr. G. W. Hatch :—

Q.—May we accept it that you have got no objection to the rental value as the basis of assessment if it can be correctly ascertained?

A.—Yes.

Q.—You would be prepared to accept a revision or modification of section 107 of the Code on lines something like this "That the revision of assessment of land revenue should be based upon the rental value, but regard shall also be had to the general economic condition and the history of the tract, assuming of course that the rental value is correctly ascertained"?

A.—Allow me to say that it will not be possible to do it. As we progress, we might progress in that direction also.

Q.—You admit that theoretically it is the right basis if we can get a proper figure?

A.—Yes.

To the Chairman :—

Q.—Section 107 says that regard shall be had to the value of the land and in the case of land used for the purposes of agriculture, to the profits of agriculture. Does it mean that only these two things are to be taken into consideration by settlement officers?

A.—As the section is worded at present, the proper interpretation ought to be that these are the only two factors to be considered.

Q.—Then you said that as regards non-agricultural land the value of the land was to be considered and as regards agricultural land the profits of agriculture. But the word "and" coming in between, makes it appear as if it should apply to both. Would you please think over the matter and tell us how to change the phraseology so that at the time of revision settlements in the case of non-agricultural lands regard shall be mainly had to the value of the land and in the case of agricultural land to the profits of agriculture?

A.—I will try to do so.

Q.—You said that you wanted to do away with the money-lender and the middleman. How would you do it?

A.—What was passing in my mind was this. Supposing I am able to get land simply for the occupancy price, I invest on it and then rack-rent it as I am justified in doing. In that case, I think it is not fair that the State should be deprived of its due share. When these canals were being built, years back, people got certain lands for the mere payment of occupancy price, on which the assessment was about Rs. 2 per acre. After the canals were completed they still pay Rs. 2 and they want to pocket Rs. 40 minus Rs. 2, that is Rs. 38. I say, that is not fair to the State. Therefore, we cannot do away entirely with the money-lender and the landlord. These are the inevitable concomitants of progress, but as a matter of fact these ought to be avoided, and the State ought to intervene in such a way that it gets its proper share.

Q.—So far as you can envisage the future, would you like to have a large peasant proprietor class and not a large landlord class? Would you like Government to deal with the man who tills the soil and not the landlord who leases it out to the peasant and makes a profit out of it?

A.—I will not go to that extent, because it is impossible to estimate it.

Q.—You think there should be only two parties?

A.—If State proprietorship is to be retained, there should be two parties.

Q.—And you want the State to retain control over the land?

A.—Yes. There are certain advantages in it.

23rd June 1925.

Examination of Rev. E. FAIRBANK, Vadala, taluka Newasa, district Ahmednagar.

To the Chairman :—

I accept the general principles of assessment laid down in section 107.

Question No. 2.—No alternatives.

Question No. 3.—Yes. I agree that the agricultural assessment should be based on the rental value of lands.

Question No. 4.—No reply is necessary.

Question No. 5.—No.

Question No. 6.—No reply necessary.

Question No. 7.—Actual rents are paid. Careful enquiry in villages to be made, and the basis should be on actual rents.

Q.—Enquiries should be made in villages to find out the actual rents?
A—Yes.

Q.—What do you mean by actual rents? You lay stress on the word 'actual'?
A.—Certain things like the sowcar's interest and matters like that should not be considered as part of the rent.

Q.—You want that portion to be eliminated?
A—Yes.

Question No. 8.—I would say that no years should be excluded at all. Years of abnormal prices and years of low prices should all be considered.

Q.—You wish it to be the average of all the preceding years?
A—Yes.

Question No. 9.—I should think 10 years was a fair allowance. Certainly as much as 10 years, but not short of 10 years.

Q.—Will it be possible to get correct figures for 10 years?
A.—I think that generally we might be able to get them.

Question No. 10.—I think it is advisable.

Question No. 11.—I do not think that I really am able to say. I should say 50 per cent. strikes me as rather high.

Q.—Is it the maximum?
A.—I understand, but I still would feel that it is a little high even as a maximum.
Q.—What maximum would you suggest?
A.—About 40.

Question No. 12.—I have seen it, and I do not see how it is practicable at all.

Question No. 13.—I do not think I have anything to say. I do not know enough about it.

Question No. 14.—I have nothing to say.

Question No. 15.—From my acquaintance with the people, I should say that 30 years was accepted by them and not opposed.

Question No. 16.—Does not stand.

Question No. 17.—Probably the best plan is for the settlement officer to submit his report through the Collector, the Settlement Commissioner and the Revenue Commissioner, considering that they are experts. I would say that it must be an expert committee.

Q.—The suggestion is about a standing advisory committee consisting of officials and non-officials of the Legislative Council.
A.—I do not stand by it, because it does not seem to me that the people that do not understand everything on matters like that are of any use in deciding them. I should say that the Settlement Officer, the Collector, the Settlement Commissioner and the Revenue Commissioner are experts. I would not mind if there were a committee in addition to those, but it should be an expert committee, a committee that was thoroughly competent to deal with such matters.

Q.—Even if they are members of the Legislative Council?
A.—Yes.

Question No. 18.—Improvements made by the agriculturists should be exempted in considering assessments.

I have no other remarks to make.

To Mr. G. W. Hatch :—

Q.—What is your experience out here? Have you been here long?

A.—I was born in the country, and have been here now for 32 years, most of which I have spent in the Nagar district and about 3½ years in Sholapur district.

Q.—Have you had opportunities of ascertaining what the feelings of the cultivators are about assessments and so on?

A.—I am in touch with them, and I have at times discussed these matters with them, but not often.

To Rao Saheb D. P. Desai :—

Q.—It appears from what you have stated that you approve of the present conditions?

A.—Yes, I think so.

Q.—You stated that you accept the rental basis supplemented by the profit basis?

A.—Yes.

Q.—Both the basis of profit as well as that of rent?

A.—To my mind, the rental basis really grows out of the profit basis. An agriculturist sees what the profits of the land are and bases the rental upon that, so that in that way the rental decides itself pretty well.

Q.—How are the rents in Ahmednagar arrived at? Do the landlords charge rents on lands improved by them as well as on those not improved by them?

A.—If they are improved, the rents are increased.

Q.—Do the unimproved lands fetch any rent?

A.—Certainly.

Q.—And there is a difference between the unimproved and improved lands?

A.—I should think that there certainly was.

Q.—Would you exempt land that is improved, especially that part on which some capital is sunk?

A.—Improved by the landlord?

Q.—Yes.

A.—And the rent for that reason would be higher because it had been improved.

Q.—He will have to pay more and that would be taxing him.

A.—In the case of assessments, if the improvement has been made by the landlord, then I think that the improvement should not be taxed; otherwise, it would be an unfortunate thing for the people.

Q.—You state that the present 50 per cent. is rather high, and you would rather suggest 40 per cent. Do you think that even 40 per cent. is not high?

A.—Yes. Forty per cent. may be high, but it is the maximum. The higher you go up, the harder it is. I look at the cultivator all the time.

Q.—Generally what is the maximum in one respect becomes the minimum when it is put into the hands of the administration, you know?

A.—Yes.

Q.—Sometimes that maximum is exceeded, and we have had experience of it, not in this district perhaps but in other districts. In view of these facts, are you inclined to suggest any lower maximum?

A.—I think I should stand by 40 as being a fair maximum.

Q.—Even when there are mistakes of the nature I just stated? It is likely to be the minimum also sometimes. The maximum that is in the Act may be the minimum in the hands of the Government officials?

A.—From what I have said in regard to Government officials, that is to say where they are experts, I think they ought to consider it fairly.

To Mr. D. R. Patil :—

I am a missionary. I have been in India for 32 years, most of which time I have spent in Nagar and some time in Sholapur. I do not know anything about other districts. I have got some experience of actual working of the fields. I had some lands, but I do not own any at the present time. I had about 150 acres. I do not remember what the assessment was, but I think it was about Rs. 100 or Rs. 120. I held the lands for about 7 or 8 years, and I held them up to 7 or 8 years back.

The proper basis for assessments would be the net income, but it is impracticable. I think it would be very difficult indeed to get at it.

I think, if it was workable, to take the net income as the basis would be all right.

Q.—If it is practicable, it would be the proper basis?

A.—It would certainly be a good and proper basis, but it is so very difficult. Of course, with your condition, I am able to say that it was a thoroughly good basis.

Q.—Then, if you are satisfied that there are no practical difficulties, are you still prepared to hold that it would not be the proper basis?

A.—I have said that the net income would be all right if there were no difficulties.

Q.—Do you object to hold that it would be a proper basis if there are no practical difficulties in getting at the net income?

A.—Because it is so clear to me from my acquaintance with the people and my contact with the cultivators that there are serious difficulties, and therefore it seems to me that the rental is the simplest and surest method of getting at it.

Q.—Rao Bahadur Chitale said that if the people and the Government co-operated, then there would not be the least difficulty about getting the net income. If that proposition is correct, then would you accept the net profit as the basis?

A.—I am not sure that I would say that, because in getting at the net income of a field there are so many little things involved that it is very difficult to get at it. For instance things like the use of cattle, with the prices of the grain going up and down, and many other variable factors, it seems to me that it is an exceedingly difficult thing to get at; so that, even if there should be the co-operation of the two, I would still hold that it would be exceedingly difficult to get at a fair rate. I think the rental represents in the minds of the cultivators what is really the actual income from that field.

Q.—Do you think that rental would be a safe basis?

A.—I think so.

Q.—Are there no vitiating factors?

A.—There may be but not anything like that but it is the best basis that we have.

Q.—What are the vitiating factors according to you?

A.—In the case of rental?

Q.—Yes.

A.—Of course it is a matter of going over the ground. It may be that at one time the land was considered as most valuable. Supposing a particular land has produced a specially good cotton crop one year, the next year when that land is let out the rental may be increased in view of its previous good history for the last ten years but on the whole villagers generally carry these things in their minds and naturally give what they consider a fair rental for that field.

Q.—Don't you think that agriculturists out of necessity offer fabulous prices for lands when they take them on hire?

A.—I do not think ordinarily they do so. In my acquaintance at least when it comes to renting I do not think it is a fabulous amount at all on account of the system of division of crop.

Q.—Do you know what system prevails in Sholapur district?

A.—No. I know the conditions in Ahmednagar district only.

Q.—How many agriculturists in Ahmednagar district have you come across?

A.—I live among them, I live not in Nagar town but in Vadala some 27 miles from Nagar. Vadala is an agricultural section where I have lived ever since I came out to this country.

Q.—Did you discuss this question of rental with them?

A.—Right along, always the question comes up in one way or another.

Q.—Did you consult them after you got this questionnaire or before that?

A.—No, not before that but I had conversations with them since receiving this questionnaire with the best of the agriculturists that we have and I asked them about it.

Q.—Have you taken the notes of these discussions?

The Chairman:—Mr. Patil can take the witness' word for it and need not press this question.

Q.—Before you got the questionnaire, what was the occasion for you to enquire about the question of rental from those agriculturists?

A.—In our part of the country the assessment has been enhanced recently and naturally enough people would ask the reasons for it and talk about it.

Q.—What did these agriculturists tell you about the maximum percentage of rental value?

A.—They did not say anything.

Q.—Did you ask them anything?
A.—No.

Q.—What did they say about increased assessment?
A.—About the present assessment they said it was fair, they felt it was not an extravagant assessment.

Q.—Out of the agricultural population how many are indebted to money-lenders?
A.—I could not give you any figures, a large proportion of course.

Q.—A large proportion of the agricultural population is indebted?
A.—Yes.

Q.—When there is a famine in Nagar I believe these agriculturists go out for their maintenance. Is my belief correct?
A.—Many do go out.

Q.—90 per cent. perhaps?
A.—Not as much as that. In villages I know of they do go out but not to the extent of 90 per cent.

Q.—From other villages?
A.—It may be 40 to 50 per cent. There may be special cases, special villages, where more have gone out but I have got no figures, I merely judge it by the people I know.

Q.—What did these agriculturists tell you about this 30 years' period of settlement?
A.—They accept it as a reasonable period.

Q.—Did you not talk with them about it?
A.—I questioned them directly and they said that they were pleased with the 30 years period, they accepted it as a fair arrangement.

Q.—Had you any talk with them to the effect that whether those agriculturists can save a lot of money after deducting the expenditure that is incurred on agriculture?
A.—Yes, it depends on the men, the better class of agriculturists are able to save and save a good deal.

Q.—And the poor class of agriculturists?
A.—They are not able to.

Q.—To save anything?
A.—I would not say " save anything ".

Q.—Do they save very little?
A.—There again are complications, there are difficulties. There are expenses that come in sometimes in the case of Hindu population which immediately demand a large expenditure of funds; they put them into the hands of sowkars so that it is a difficult thing to say whether they are able to save anything from their fields or not. If they were not in the hands of sowkars on account of these economic difficulties, I believe myself that they would be able to live on their fields. A large majority of them would be able to live on their fields.

To Mr. R. D. Shinde :—

Q.—When you referred to rental value you said that the actual rents should be considered. Are you aware that in a majority of cases even though in the lease a certain amount of money is specified that amount is not in practice paid but only a portion of the gross produce is paid?
A.—Very often it is paid in kind.

Q.—Not the money that is specified in the lease?
A.—No. Not the actual money in cash but grain for that cash is handed over or fodder is handed over.

Q.—My question is, even in those cases in which specified amount of money is mentioned in the lease note the actual payment is not made in money but there is a contract under which he gives only a portion of the produce, not the money.
A.—I should not say that that was true in the cases I know of ordinarily. That is, supposing a field was rented to some one for 45 to 50 rupees. The man to whom it is rented either pays cash in full or gives grain or fodder to that value or gives oxen to that value, something which would equal the value of the rent for which the field has been rented by him.

Q.—Are you aware that in some cases this rental value is inflated owing to competition?
A.—Yes, there are times of course when it is, but ordinarily in the long run that inflation is not present; there are times when it is inflated there is no doubt about it.

Q.—Some allowance will have to be made for it.
A.—Yes, I think so.

Q.—May I put it then this way, that the original rent on which you rely is not the actual rent or the economic rent?

A.—In getting at true rent, take the number of years as that would eliminate the matter of inflation, competition and things like that which would vitiate it.

Q.—Do you accept the view that land revenue operates as a tax on agricultural income?

A.—I do not think I shall have anything to say about it.

Q —You know that in levying every sort of tax or putting any burden on the tax-payer the legislature has got to be consulted.

A.—Yes.

Q.—And land revenue is the only burden in reference to which the legislature is not consulted.

A.—Yes.

Q.—Do you agree with the position that in every subsequent revision settlement even though there may be more burden upon the tax-payer the legislature will not be consulted?

A.—I think whether the legislature is consulted or not is another question. As far as expert opinion goes, which was my statement, that is the basis on which it will have to be consulted; if it was consulted it would have to be consulted on the basis of expert opinion.

Q.—Not on the ground of sanction?

A.—They would have to receive the results as expert opinion. It would not be just the wish or desire or anything like that of those who belong to the legislature who are not experts in the matter.

Q.—You are not prepared to give them the power of sanction or to sanction proposals?

A.—I am not ready to say so.

To Khan Bahadur Ismail Saheb Bedrekar :—

Q.—You just told us that members of the Legislative Council should not be on the committee. What are your reasons?

A —I did not say that they necessarily should not be but there may be those who are experts along these lines. They should have had that experience and that knowledge which would enable them to determine what was right and fair in these cases. It might be that there were members of the legislature who were experts but to say that all Legislative Council members are experts is not right.

Q.—But you know that they are the representatives of the people.

A.—Certainly.

Q —Would it not be better that those members should be present at the committee when it meets so that they would be of great help to the committee?

A.—No, the mere fact that they represent the people does not give them the knowledge that is necessary for a proper and fair decision in regard to all the matters that come up. It is only as the matter is gone into carefully and thoroughly that they would become experts.

To Khan Bahadur S. N. Bhutto :—

Q.—If all the improvements made by the cultivator were taken away, would anything remain for him?

A.—By " improvements " if what you mean is substitution of an iron plough for a wooden one, that really is now the basis on which they go. By " Improvements " I understand " improvements which take up a lot of money ". Take for instance a well put in at great cost. A well means a lot of improvement for a certain section of the land, it produces more for the agriculturist and if you are going to tax him for putting in that well, you would be discouraging him from doing the very thing that is best for the country to be done.

To Mr. M. S. Khuhro :—

Q.—Have you any experience of Sind?

A.—None at all.

To Mr. A. W. W. Mackie :—

Q.—You said I think that inflated rent must be taken into account where there is a great deal of competition amongst tenants because it forces up the rent.

A.—Yes.

Q.—Consider a landholder who would get Rs. 1,000 ordinarily but owing to competition amongst tenants the rent he gets is forced up to Rs. 1,500. How would you take account of the inflated rent in that case?

A.—What I meant by that was that supposing it was Rs. 1,500 (I doubt very much that it would continue that way for a number of years) and therefore in taking the rents over a number of years it would easily be known what was the inflated rent and therefore the actual rental could be arrived at by the experts.

Q.—In considering the rent for ten years past, you say?
A.—Yes,. 10 years past.

Q.—Suppose the rent for the past ten years shows a steady increase.
A.—Then that would show to the agriculturist that there was a real value there and therefore assessment should be based on this increase.

Q.—You would consider that Rs. 1,500?
A.—I would not take only one year's rent.

Q.—Suppose it was established that this inflated rent was there and would continue owing to pressure of population in one particular part of the country, would you take such inflated rent into account and would you increase the assessment in that particular part of the country?
A.—I think you would have to increase it because that would be the value it would represent to the agriculturists.

Q.—So far as the landholder is concerned, would you increase the assessment?
A.—I think I would.

Q.—In your remarks you said that you were thinking of the agriculturists. Do you mean landholders or the tenants?
A.—I should say that the landlord system is not the same in many parts of India. So many of them are owners of their own lands and they rent out to smaller holders. They cultivate their own lands and in that sense they are landlords.

Q.—Have you got landlords and tenants and others who are owners of land and cultivate it themselves?
A.—Yes.

Q.—Suppose the assessment were reduced one anna in the rupee to-morrow, would the tenants benefit at all?
A.—Yes, I think that they would in case the rent is fixed on the basis of including the assessment. Of course ordinarily it is not included.

Q.—Who pays the assessment?
A.—The owner of the land pays the assessment.

Q.—Suppose the rent is ten rupees and assessment is two rupees, and suppose you reduce the assessment to Rs. 1/8, who pockets the eight annas?
A.—In that case the landlord.

Q.—The tenant does not benefit?
A.—No.

Q.—Do you think that the unearned increment should be appropriated by the community?
A.—I think ordinarily it is.

Q.—Take the case that you have a building site over which you spent a certain amount so that the return you get by letting it out would be the market return on the money you paid for it. But suppose owing to certain circumstances that rent went up 50 times so that you got practically all your capital back every year, do you think that the State should appropriate that or not?
A.—The State should appropriate it.

Q.—That is to say, the community?
A.—I should think Government ought to have something of the benefit of it.

Q.—How much of it?
A.—It would be hard to say.

Q.—That is why I ask you, why should the State take 40 to 50 per cent? They are necessarily unearned incomes and why then do you say 40 per cent?
A.—Because anything above that must go to the agriculturist. That was the basis on which I was going.

To Mr. R. G. Pradhan :—

Q.—Have you carefully studied agricultural conditions of Vadala?
A.—Yes.

Q. —What is the percentage in your village of tenants to the total number of landowners?
A.—I do not know.

Q.—But there must be some tenants?
A.—Yes.

Q.—These tenants have to undergo the cost of cultivation.
A.—Yes.

Q.—Do they make any profits?
A.—Generally speaking, they do.

Q.—How much profit?
A.—It differs in different areas.

Q.—In a normal year?

A.—Probably enough to live on and it may be a little more.

Q.—Who pays the assessment?
A.—The landowner generally.

Q.—So the rental value means the actual amounts stated in the lease *minus* the assessment?
A.—Yes.

Q.—Does the rental value represent the profits of agriculture.
A.—It is as near as they can get at it.

Q.—You have at the same time told me that tenants make profits. Don't you think then that profits of agriculture include not only the rents obtained by the landlords but also the profit which the cultivators make, that is, the profits of agriculture are equal to the profit made by the tenants *plus* the rent obtained by the landlords, *minus* in their case the assessment, don't you think so?
A.—That may be.

Q.—In that case then the rental value would be less than the profits of agriculture.
A.—If you add it up that way, yes.

Q.—If the rental value is less than the profits of agriculture, why should the revision be based on the rental value? Don't you think that by basing the assessment on rental value Government will be taking less than they are entitled to?
A.—It may be but it is as far a basis as can be got.

Q.—It is the approximate basis?
A.—Yes.

Q.—There is no better basis than that?
A.—No.

Q.—You hold the view that rental value should be taken as a basis of assessment because it is practically impossible to ascertain the net profits of agriculture.
A.—Yes.

Q.—You object to the standing committee because you think members of the legislature do not understand these things and have no experience?
A.—I said they are not experts.

Q.—Suppose the legislature contains some experts, you would not object to appointing them?
A.—If they were experts, no.

Q.—Please refer to question No. 17. You know that ordinarily settlement proposals are submitted by the settlement officers through the Collector, the Settlement Commissioner, and the Revenue Commissioner. Then you have stated that a standing committee should be constituted of official experts.
A.—I do not think I necessarily stated that they should be official experts. But I do say that should be experts. From my knowledge I take that the settlement officer, the Collector, the Settlement and Revenue Commissioners are experts. They have had that experience which gives them the position to be able to determine the question fairly and squarely.

Q.—Have you any objection to appointing non-official members on the committee?
A.—No.

Q.—Do you think that the officials who will form the members of the standing committee will be properly qualified to sit in judgment upon these proposals?
A.—I think so.

Q.—Will they not in any way be swayed by the fact that the proposals come from their brother officials?
A.—I think no, where they are experts and are trying to face the problem.

Q.—They will not be swayed by that consideration?
A.—As it is, if there were non-officials, they might be swayed by political motives also. There would be other things to influence a decision. All these things have to be taken into account. When they are at the problem as a problem, I think they would do their best.

Q.—Similarly, these officials are likely to be swayed by the fact that the proposals come from officials?
A.—I do not think it is necessary for me to answer that question.

To Mr. R. G. Soman :—

Q.—You had some experience of agriculture yourself when you had your holding. Can you give us an idea as to the proportion of the gross profits, the net profits and the rental value?

A.—I do not think my own experience is such that you can conclude anything from it. My position in that was not an ordinary position. I do not think it would be good in any way. For instance, there were famine children that were on the farms.

To Mr. H. B. Shivdasani :—

Q.—You stated that assessments should be on rentals and the rental might include something for improvements. How do you exclude improvements?

A.—What I meant was that it depends on what you mean by improvements. If there is an improvement like that for instance in the Ahmednagar district where canals have brought in water.....

Q.—Suppose a landlord digs a well on his land, he will naturally get more as rent. How will you exclude such factors?

A.—I do say that improvements like that ought to be excluded. Otherwise, you are going to discourage people from making any improvements, because he knows that the moment the land is improved, he is going to be taxed more highly.

Q.—The landowner has made improvements. That is the basis. How are you going to ascertain that? It will be too complicated; the settlement officer will have no time to see for himself. There will be other factors also.

A.—Those factors would be pretty well known. So, I do not think it would be very difficult to see what the improvements will be.

Q.—Take 5 fields without improvements and 5 with improvements. Unless the officer sees, how will he be able to.....

A.—He has got to see what has taken place in each field; otherwise he would not be an expert.

Q.—What percentage of the lands are given to tenants?

A.—It will be very difficult to say. I should say in the villages that I know of probably half of the lands are given to cultivators. That is a rough reckoning.

Q.—How much of it is collected in kind?

A.—Probably most of it.

Q.—There will be only 5 or 10 per cent. in cash?

A.—Yes, but the kind represents cash.

Q.—The settlement officers could not ascertain that ?

A.—They can. It is drawn up in cash. The rental would be known to be in cash.

The Chairman :—I think you are practically stating what Rao Bahadur Chitale stated that all the rental notes are for cash, but that the payments as against cash are made in kind, sometimes in crops, or sometimes by giving a horse or bullocks.

A.—Yes.

To Mr. H. B. Shivdasani :—

Q —The cash rental will not tell us what the economic rent is? It is not paid in practice. It is not equivalent, it is different.

A.—Yes.

Q.—Take for instance the case of a farmer who has rented the land for Rs. 50. He gives the landlord Rs. 50 worth of grain. He has given him cash value. He has taken the grain to the bazaar and sold it. That will be troublesome; the price of the grain may vary.

A.—Whatever it is worth, high or low, makes no difference because the rental is Rs. 50. So, he has got to pay the value of Rs. 50.

Q.—But the grain may be worth Rs. 30 at one time and more or less at another time.

The Chairman :—He says it is not a share in the crop; it is Rs. 50 worth of grain.

To Mr. Shivdasani :—

Q.—In answer to Mr. Mackie you said that competition would force up the rents.

A.—It might. Instead of Rs. 1,000 the landlord might get Rs. 1,500, but that would not be considered as a basis for assessment. It would be clearly seen that the land was being rented year after year at the same rate.

Q.—Owing to pressure and competition the rent would be forced up beyond what it should be.

A.—If it was simply a matter of inflation in cash, it would last only for a short time.

Q.—The tenants might be squeezed for a short time.

A.—But the matter would immediately level itself, because they would see that there was not any money in it and would give it up.

Q.—You would not exclude abnormal years?

A.—No. When the settlement is for 30 years you should base it on normal as well as abnormal years. My experience of Ahmednagar shows that it would be unfair to exclude famine years.

Q.—After the American war prices went up so much that the settlements made in 1867 had to be revised because they were too high. If you base your assessments on abnormal years also, will it be fair?

A.—I would not do it on one year at any time. I would take a number of years in order to see what was the inflation. I think experts would take that into account.

Q.—Out of 10 years 5 may be abnormal, still would you base your assessment on that?

The Chairman:—By abnormal I think the witness means a bad year, and naturally if that is left out of account the agriculturist will suffer.

A.—That is exactly what I was thinking of.

Q.—You told Mr. Mackie that if we reduce the assessment the tenant would not get any benefit. Suppose a landlord was getting Rs. 100 rent and the assessment was Rs. 2, if the assessment is reduced to Rs. 1-8-0, that would be no benefit to the cultivator. Where the landlord is himself the cultivator would it not benefit?

A.—Yes.

Q.—In a great many cases he is the tenant?

The Chairman:—Half and half he said.

Mr. Shivdasani:—

Q.—You propose 40 per cent. to be the maximum?

A.—I said that with a great deal of qualification. I am not able to put it down strongly. I might regard it should be lower than that, probably 20 to 25.

Q.—You said 30 years period was not opposed by the cultivators?

A.—Not in our parts.

Q.—Have you specifically discussed this question with them?

A.—Yes: with individual farmers. Good farmers as well as ordinary farmers have stated that they felt it was quite all right for Government to have a period of 30 years.

To Moulvi Rafiuddin Ahmad:—

I have not been asked by any of the agriculturists to represent them here. I am also not an expert. I have not read the report of the Joint Parliamentary Committee.

I see no reason why the settlement proposals should not be discussed by the Legislative Council, but my point is that expert opinion is what we have to depend on for a fair and square decision.

I have no objection to any non-official members of the Council being members of the standing or advisory committee, if they are experts.

I think generally the higher the officer the more the agriculturist feels that he would be fair to him. What I mean by that is that they are more ready to trust the Collector than the mamlatdar.

Q.—Have you heard of any Indian people having any prejudice against the official class?

A.—Of course I have. I am an American. I have heard of such a thing as no taxation without representation. The system of Government in my country is representative government. I do not wish to be misunderstood. I am an American and look at things through American eyes. I do not wish to be misunderstood. I do not stand by the Government just because it is the British Government.

Q.—Don't you think that the Indian people should have the right of representation?

A.—I certainly think there should be representation, and I thoroughly believe in it, but when it means ignorant representation it is not advisable representation. That is the reason why I make the difference between one who is an expert and one who is not an expert.

Q.—May I take it that you think that the members of the Legislative Council will be ignorant?

A.—Not in that sense.

Q.—Would it be fair representation?

A.—I have no technical knowledge; I have no figures.

Q.—You simply say it ought not to be ignorant representation. Then do you say if the Legislative Council of the Bombay Presidency is ignorant representation?

(*The Chairman*:—These gentlemen come from a distance to help us and we cannot treat them as if they were criminals in a dock. They ought to be treated with great respect).

Moulvi R. Ahmad:—I simply wanted to know what you have heard from the people. We have a right to cross-examine you. You said that these people believed more in the officials than in others. Therefore, I asked you whether the representatives of the people in the Council commanded some confidence with them or not.

Q.—Have you ever gone to any agricultural associations or any meetings of the Government about agriculturists?

A.—No.

Q.—This is the first time?

A.—Yes.

To the Chairman:—

There was a revision settlement in Nevasa three years back and the people were satisfied.

Q.—Have you any idea as to what the assessment was?

A.—One-third increase, and the people did not grumble.

I am interested in the co-operative movement, and in that connection I had dealings with agriculturists.

24th June 1925.

EXAMINATION OF RAO BAHADUR HIRANAND KHEMSINGH OF HYDERABAD, SIND.

To The Chairman:—Your answer to question 1. Why do you want the word "only" added to the section?

A.—The value of land should form no factor in the determination of assessment.

Q.—Not even a minor factor?

A.—No.

Q.—Not even to the slightest extent?

A.—No.

Q.—I see from your replies that most of the lands are given on the batai system. When selling lands do not zamindars take into consideration the return they will get by investing money on those lands?

A.—My point is this that in the calculation of assessment which ought to be paid to Government the value of land should not form any factor at all. The assessment is levied as it were for a part of the produce. The value of land depends upon so many circumstances, sometimes it is fictitious, it is not always a commercial transaction, in the sale and purchase of land there are various considerations, which cannot legitimately be used for determining assessments.

Q.—By using the word "only" you eliminate all value of land.

A.—Yes.

Q.—Not only that but you exclude all other factors such as facilities for railways, markets, growth of population and so on.

A.—Yes.

Q.—Then it will be inconsistent with your reply to question No. 3 wherein you say that it should be based on rental value of the land. Don't you think that if you merely use the words "the profits from the land" it may be inconsistent?

A.—I am sorry for the misuse of this expression. I have explained in my reply that in Sind there is no rental value, it is only another expression for "net profit" at least so far as Sind is concerned.

Q.—Then you want some addition to be made to section 214 and you want the settlement officer to call upon each and every holder of a field and find out all the improvements made by the holder and then to give decisions in each case. Do you think it is a practicable proposition?

A.—Yes, very.

Q.—What about the time which would be necessary for one man?

A.—As a matter of fact a settlement officer already takes 6 to 10 months to do the work of revision settlement of one taluka and in Sind especially there is a large number of landholders holding something like a thousand acres, and I do not think it would take such a long time in Sind to enquire into improvements actually effected. At present rates of settlement are fixed by groups of villages, for instance first group consists of something like 50 villages. Assessment is raised by 25 per cent., from Rs. 3 to 4 or from Rs. 4 to 5 per acre for all the 50 villages and no allowance is made for any improvements whatever. That section is a dead letter for the whole province of Sind.

Q.—In your knowledge have any cases come where agriculturists or zamindars have applied that there should be no increase on account of improvements made by them or that proper exemptions should be given them for the improvements and where the settlement officers have brushed those applications aside without giving any reasons?

A.—Very few zamindars know the provisions of section 107. They have not applied so far as I can see because they know that their representations will be refused and that revisions go by groups, and it does not matter whether improvements have been made or not.

Q.—Can you quote any instances?

A.—I cannot give any specific instance. As a matter of fact during the last 45 years not one improvement has been allowed for in all the settlements that have been effected in the whole province of Sind. Take up any report (revision settlement report) for any taluka in Sind and you will find that in not one individual case has any settlement officer made any kind of remission for improvements effected.

Q.—What meaning would you assign to the term "improvement"?

A.—Where a lot of money is expended by a zamindar to make his land fit for cultivation and for increased crop yield. Change from a paddy to a sugarcane land would involve an "improvement" because it means levelling up of the land, a lot of manuring, etc.

Q.—Would you call manuring a permanent improvement for which exemption should be given?

A.—If it is for a number of years, yes.

Q.—For manuring?

A.—Yes.

Q.—Are you quite sure?

A.—Yes, because in Sind manuring is very dear and very scarce and costs a lot of money, more than in the Presidency proper per maund and that is not sufficient even for a quarter jireb land of sugarcane. Then there are pumps, machinery, etc.

Q.—So even an annual expenditure on manure you would exclude?

A.—I mean the initial expenditure on manure, it is quite a lot. Subsequently so much may not be required as in the initial stages.

Q.—In Sind I believe the water rate is not charged separately.

A.—No.

Q.—So the land assessment includes water cess.

A.—You may call it either water rate or land assessment, because land without water is useless.

Q.—Is it not a combination of the two?

A.—It never was.

Q.—What do you call it? Revenue assessment includes the price charged for land *plus* water rate.

A.—The settlement in Sind is called the irrigational settlement and by the mere connotation of the words " irrigational settlement " the revenue that is charged by Government is for both land and water.

Q.—Is it for both?

A.—It is, in the irrigational settlement.

Q.—Does it differ from the Presidency settlement?

A.—Yes, very considerably.

Q.—In reply to question 3 you say that the net profit of land should be found out by a committee of Amins after carrying out crop experiments. Would you like that work to be done by non-officials or by officials?

A.—I would associate with the settlement officer a committee of two Amins, local men belonging to the village or taluka.

Q.—Later on you say that the settlement officer, being a servant of Government, would consider that it was his duty to increase the assessment and that he is seldom impartial enough to fix the net profit in the right way. Don't you think that a committee of Amins is more likely to be influenced on the other side?

A.—No, not at all. At present, for instance when remission is being applied for by a zamindar, a mukhtiarkar inspects the field and in doing so he takes with him two Amins to help him to find out what the actual outturn is, and whether remission is due or not. That system is in vogue in Sind.

Q.—Not by statute?

A.—By departmental orders. By rules framed by the Commissioner in Sind.

Q.—If there is an advisory committee will not they be able to guide the settlement officer?

A.—If it is merely an advisory committee, it will be a mere cipher and it will not have any voice in the determination of the net profit. If Amins are associated with the officer for advice only, their advice may or may not be taken and acted upon.

Q.—In the matter of revision the mukhtiarkar has got to submit his report to the Deputy Collector and so on, but would you give the settlement officer with whom you want to have two Amins associated the power of vetoing the opinions of the two Amins?

A.—There is no question of vetoing. The whole matter has got to go to the Collector and the Commissioner and to the Executive Council. The Amins would act as a sort of a check on the settlement officer who would be more inclined to act in a judicious manner.

Q.—What kind of crop experiments would you like to have?

A.—At present when the settlement of a taluka is undertaken the settlement officer invariably makes crop experiments over an acre or so. I want similar experiments only; they should be carried out more fairly.

Q.—Would you want crop experiments to be made for each village or taluka?

A.—For each individual holding.

Q.—Is that practicable, do you think?
A.—Yes, absolutely.

Q.—You make a general statement that settlement officers seem to be possessed with the idea that their duty lies in over-assessing the gross produce of land. Have you any specific instances?
A.—If you read Mr. Hey's report for three talukas of Guni, Tando Bago and Badin you will know how he has carried out the experiments. That is to say, he has chosen the best villages in the whole taluka. They are grouped as first class, second class and third class. The grouping has not been scientific but haphazard. He picks out the best village in the whole group, takes the best plot in the entire village, gets the crop cut and he says that it has produced so much and he considers that to be typical of the whole village and whole group of villages.

Q.—Is there no classification of soil?
A.—In Sind none whatever, admittedly not. It is all classed according to water supply facilities, if a canal is very near, the land goes into the first group, if it five miles away, it goes into the second group and so on.

Q.—Don't you think it is a correct way of doing it?
A.—Partially, not wholly.

Q.—Proximity of water is an advantage?
A.—It is, but classification of soil is absolutely necessary, and many officers who have worked in Sind for a long time have agreed that the present classification is absolutely wrong. For instance, if you look at the report made by Mr. Davies, the present Collector of Karachi, he tells you very clearly and distinctly that the present method of classification according to the nearness of water supply is absolutely wrong. He tells you that in the same village there are so many classes of land superior and inferior. So does Mr. Moysey in his report on Badin, Tando Bago and Guni settlement says the same thing at greater length and I would ask you to read his report.

Q.—In your answer to question 7 you say that in Sind there are practically no leases of agricultural land. Do you mean that for building land there are leases?
A.—I mean that the batai system is predominant in Sind, while the leases are very few.

Q.—Where leases are executed, they afford a sure index of the rental value, because everything is deducted, the cost of clearance and bund-work, wages paid to kamdar, karara and wahi, stable expenses, interest on capital spent on field work, his own charge for supervision. How does he usually supervise? Does he do it daily by going round and so on?
A.—He lives upon the land, goes about every day to see that the haris, the actual cultivators, do their work properly.

Q.—How much would you deduct for this supervision in arriving at net profit?
A.—It all depends upon the man's status, upon his holding; if it is a large acreage supervision would mean a lot of expenditure.

Q.—It would vary according as the man is rich or poor?
A.—Not rich but the area of his holding ought to be considered.

Q.—In reply to questions 5 and 6 you want that distinction which you mention to be made.
A.—Yes, very much. The smaller landholder finds that his income is very much less because the holding is very small and therefore in fairness he ought to get some kind of rebate.

Q.—Questions 10 and 11. What are your reasons for reducing the maximum from 50 to 25 per cent.?
A.—I understand that 50 per cent. has been laid down by Government in their Resolution but that it is not to be found in the statute. It is a maximum which the Government have fixed in order that it should not be exceeded, not in order that it should be approached. I want it to be reduced from the practical point of view, so that it may be approached.

Q.—Why not 40 or 33 or any other percentage, why 25 per cent. only?
A.—Because it is nearer the mark than otherwise.

Q.—After 25 per cent. is reached?
A.—Then there should be no attempt on the part of Government officers to exceed it.

Q.—At present it is somewhat near 25 per cent.
A.—I should think it is.

Q.—At present the assessment, as it is, is somewhere near 25 per cent. of the rental value as you have put it?

A.—Yes, the assessment which at present is being taken by Government is near 25 per cent.

Q.—So that Government, which is the owner of the land and which provides water takes ¼th and the landlord or zamindar, after deducting all the wages of his labourers, his own supervision charges and interest on land, gets three times that for doing no work?

A.—Excuse me, I will put it like this. Half of the produce is taken away by the actual cultivator who tills the land under the batai system in the case of the flow land; in that of lift land 2/3rds and out of the balance that remains 1/2 or 1/3rd goes to the zamindar. Out of that clearance of water courses and other expenses take away something like 16 per cent. 25 per cent. is not always reached but 16 to 20 per cent. is usually taken away by Government. In good years zamindar gets 16 per cent., in bad years he gets nothing.

Q.—Say Rs. 100 is the total produce. Then 50 goes to the hari or actual cultivator who works for it. The remaining 50 remains with the landlord. Out of this 50 his cost including all these things you have mentioned you put down at 16. Rs. 34 remains with him. Out of this 34 Government takes say 17, 50 per cent. of 34. This you are prepared to accept, I suppose.

A.—In a good year the zamindar gets it but in bad years he gets nothing as expenses and assessment take away the whole thing.

Q.—If the figures are as you have given them, then Government is at present taking 50 per cent. of the net produce. If your suggestion of 25 per cent. be accepted, it means Government revenue will fall by half.

A.—In some cases it would.

Q.—Have the wages that the zamindar pays to the agriculturist increased?

A.—They have more than doubled, in some cases trebled. Formerly the wahi used to be paid Rs. 5 a month, and now it is Rs. 10 to 12 with food which costs from Rs. 5 to Rs. 7 in the mofussil.

In spite of the high rise in prices, I do not think that the net profit of the zamindar has gone up. In Sind you will find most of the zamindars indebted. That is not due to the reckless living of the zamindars. There are very few who live recklessly, and they give a bad name to the whole class. The others have not got a sufficiency to waste. That is the reason why they are in debt, and the Government now-a-days has stopped the policy of giving takavi loans, and they are obliged to borrow from the baniya at 24 per cent. interest.

It will take a very long time for the co-operative movement to give them any benefit. The hari, that is the man who tills the soil, can never take advantage of the co-operative societies, for he has no land of his own which he can mortgage with societies.

The hari is attached to the soil from generations. He is not a permanent tenant by law; he is a tenant at will, but as a matter of fact there are many estates on which the haris have been working for generations.

I do not know whether the zamindars would like to make the haris permanent tenants, and I cannot answer the question without consulting the zamindars.

Q.—You want the percentage of increase for revisional settlements to be all round reduced to 10 per cent.?

A.—The increased enhancement to be limited to 10 per cent.; not to be more than 10 per cent.

I would abolish all gradation between taluka and village, because they are absolutely not wanted. I am talking all through about Sind. I do not know anything about the Presidency.

In Sind the settlement period lasts 20 years, while the period of settlement in the Presidency is 30 years. Applying that analogy, lift lands should have a settlement of at least 60 years so that it may give 20 crops to the cultivators, for lift lands are cultivated once in three years.

At present there is no differentiation between lift and flow lands, and I want a differentiation to be made.

I approve of an advisory committee. I should personally prefer that the entire settlement report should come up before the Legislative Council, because they should have a voice in the matter of all taxes, and I regard the land revenue as a land tax.

Q.—Do you think it a practical proposition that after Government have laid down rules say for the collection of income tax, the assessment of each assessee should be examined by the legislature? The legislature is to lay down rules, and not to do the executive work. So what you say about the legislature examining the assessment proposed in a revision settlement practically comes to the legislature examining the figures of the Income-Tax Commissioner in the case of the city of Bombay or Karachi. If the analogy holds good, the legislature would be quite justified in saying that they would like to examine the income tax figures.

A.—The analogy is unfortunate. Land revenue is altogether different and levied on different principles from income tax. The proposals for land revenue are made not for individuals but for a whole taluka.

Q.—At present there are separate percentages for the increase of individual holdings?

A.—That is rather imaginary maxima fixed by Government. The officer makes definite proposals with regard to the whole taluka or groups of villages. That as a whole should come up before the legislature. They either accept the proposals or reject them, or increase or reduce the rate as a whole, and not in individual cases.

Q.—You do not approve of the idea that the legislature should decide on what lines the executive should do the work, and they should leave the executive to do the work and trust the man on the spot?

A.—There has been too much of the theory of trusting the man on the spot. There are officers and officers. An officer like Mr. Moysey might be trusted any day. The better course is to have a system, which will work with all kinds of officers.

My reply to question No. 18 is in a way an amplification of what I have stated in reply to question No. 1.

Question No. 19.—I do not think any offence need be taken at the language I have used in my reply to the question. I simply wanted to illustrate in a forcible manner what is happening over there. You will find, if you examine the question, that the Commissioner in Sind wields a power much greater than that of the Governor. It is wrong in theory for one man to wield so much power. These things may have been all right in 1868, but events are moving very fast, and Sind likes to be treated like other parts of the Presidency.

To Mr. M. S. Khuhro :—

I think the rates of assessment charged in Sind are very much higher in comparison with those charged in the Deccan.

I have already explained that there is no such thing as a water rate. Land in Sind without water is absolutely no good whatever, and whatever you charge, whether you call it land revenue or water rate, per acre, it is very much higher in Sind than in Gujarat or the Deccan or any other part of the Presidency. I do not think the present rates are capable of expansion, unless you grind down the zamindars and take away the little they have now.

About 50 years back they had what is called the diffused settlement. It preceded the present irrigational settlement. Under that settlement the zamindar was made to pay a lump sum assessment for his entire holding, whether he cultivated it or not, or whether he partly cultivated it. That is why it was called the diffused settlement. Under that settlement, the zamindar used to pay something like 8 annas per acre, with all the facility of water supply from the canal which Government now claim as their own property. Now-a-days you find that the assessment has been raised under the irrigational system on the theory that the canals belong to Government, to something like 1,200 per cent., that is Rs. 6 per acre in Larkana and Rs. 4 in other parts.

The amount of land cultivated by rain water in Sind, or Barani as it is called, is negligible.

With regard to the ratio of lift land to flow, the Commissioner in Sind had the figures compiled very recently, and it has been discovered that the lift land is the larger half and flow land is the smaller half. The bulk of the land, one should say, is lift land.

Under the batai system in Sind, the zamindar gets from the hari one-third of the gross produce in the case of lift lands, and half in the case of flow lands.

I have already stated that in the case of lift lands the period of settlement should be increased to 60 years, so that they should correspond to 20 of the flow lands.

In the case of flow lands, the period is at present 20. I should like to have a permanent settlement. Sind, more than any other part of the Presidency, is entitled to a permanent settlement. They are zamindars exactly in the same sense as in Bengal and the Bengal zamindars have been treated more favourably simply because they happened to be close to the capital of the Imperial Government. But Sind was at the other corner of India and had the misfortune to be attached to Bombay. Sind had no such thing as a ryotwari system. If you were to read the correspondence between the Government of India and the Bombay Government as to the land tenure which should be introduced in Sind, you will find it very interesting—the Bombay Government pulling one way and the Government of India pulling the other way.

The Chairman :—

Q.—Would you like to go to the Punjab?

A.—I am not talking of that. I should like to have my own Presidency. Sir Charles Napier was the first Governor and we had nothing to do with Bombay. The land belonged to the zamindars, and when we went to Bombay we were called ryotwari people. The Land Revenue Code does not contain one word about zamindar, and we have now a mongrel system which is a combination of the zamindari and the ryotwari.

Q.—About gradation of enhancement you have stated that 10 per cent. should be fixed for individual cases and nothing for groups of villages. Would you assign some reason for that?

A.—At present the Government theory seems to be that individual assessments are very light and they could be raised, and it would be possible to raise them cent. per cent. At the same time they do not like that that should be universal in the whole of the taluka. Therefore, they say that for individuals the enhancement should be limited to cent. per cent. but so far as the groups are concerned it should not be greater than 66 per cent., and so far as the talukas are concerned, they should not be more than 33 per cent. These are all, I should say, imaginary safeguards put up by Government to please the people that they will not increase the assessment beyond a certain limit.

Q.—Not to check the vagaries of the settlement officers?

A.—You do not expect a settlement officer to be unsound and make impracticable proposals.

Mr. Khuhro :—

Q.—Has any classification of the soils been made?

A.—No. The Commissioner in Sind admits that this classification has been made solely with regard to the nearness of the water supply.

Q.—What is the distinguishing feature of the present settlement?

A.—Water supply. Everything else is ignored, and that is the essential and only feature. You find Mr. Moysey and every Sind Officer suggesting that in order to be fair we should have a classification of the soil also. I am absolutely not satisfied with the present classification.

Q.—Should the committee that you suggest be elected?

A.—One may be nominated by the Collector and one member may be nominated by the zamindars, or if you want to have an independent tribunal you can have a selection made by the Taluka Local Board or by the Association of the taluka or district.

Q.—In reply to the Chairman you have stated as regards section 107 that that rule is not being strictly followed?

A.—It is not followed at all.

Q.—They never consider as regards the improvements of land in Sind?

A.—Never.

Q.—As regards that, would you suggest how practical measures should be taken?

A.—I have suggested that the settlement officer should issue a notice to the landholder and tell him " Look here, I am going to revise the assessment; have you got any improvements to bring to my notice? Please do so. I shall see whether they are real or not, and I will decide about it."

Q.—Will that committee of Amins be useful so far as this matter is concerned?

A.—Yes. He who runs may read. The Amins will see the improvements for themselves. The difficulty arises from the present manner in which settlements are made for groups of villages. Fifty groups are put into the first class, 60 groups in the second class, and so on. Where is the room for considering improvements or exempting them? The unit is not the village, the unit is 60 villages and the assessment applies automatically to all, improvement or no improvement.

Q.—What minimum enhancement would you recommend for a revised settlement to be laid down by statute?

A.—No minimum but a maximum might be fixed at 10 per cent. I think.

Q.—What percentage do you think should be taken for the expenses of the zamindar on cultivation, establishment, etc.

A.—I have answered that question. About 16 per cent.

I think remissions should be an integral part of the settlement in Sind, because the rates in Sind are very much higher than in the Deccan.

I could not exactly tell you whether the indebtedness of the zamindars is increasing or decreasing, but it is there as a matter of fact, which you cannot ignore.

Q.—There are encumbered estates in Sind, and the zamindars who seek the protection of the Manager for Encumbered Estates in Sind are increasing.

A.—That is one index of the extent of indebtedness.

Q.—To what do you attribute the indebtedness? Is it due to the carelessness of the zamindars?

A.—No zamindar, if he be worth the name of a zamindar would be careless so far as the cultivation of the land is concerned.

The Chairman:—I never used the word careless; I said reckless.

A.—So far as recklessness is concerned, you may find some running the high horse, but such cases are rare.

Mr. Khuhro:—

Q.—You said formerly there was the diffused settlement. After the irrigational settlement was introduced in Sind, what became of the lands that remained uncultivated by the zamindars?

A.—They were quietly put to the *khata* of Government, and the zamindars were in those days too dumb to fight it out with Government in a court. One zamindar had the temerity to bring a suit against Government, because he held a putta from Government that the land was his property, and he won the suit.

The Chairman:—

Q.—Other zamindars had a putta?

A.—Every zamindar had a putta. His father had it and his grandfather had it. But the Commissioner in Sind has now put a veto on it, and he declines to give copies of puttas, because there is a chance of the zamindar going to court. He merely says " You shall not have it."

Mr. Khuhro:—

Q.—The putta proves the ownership of the zamindars?

A.—Yes, and therefore the Commissioner would not give it. I applied for a copy of my putta, but it was refused. Fortunately, I have got one myself.

Q.—It shows clearly that there was an undertaking given by Government?

A.—My dear man, it was a recognised deed of grant.

Q.—With regard to the lands that were confiscated by Government under the fallow system, was any undertaking given by the Commissioner that he would return them when the arrears of assessment were paid?

A.—Fallow land is entirely distinct from uncultivated land. Fallow is that which was cultivated once and could not be cultivated again on account of certain circumstances. The zamindar was allowed to let, as otherwise it would be forfeited to Government, and the promise was that it would be given to him whenever he thought that he could cultivate it on payment of the arrears of assessment.

Q.—Do you agree that on lands which have been got very cheap, people have invested a good deal of money in improving them and that otherwise they would not have been cultivated?

A.—Yes. New lands which have been taken up from Government are lands which were more or less in the nature of waste land, and you had naturally and necessarily to spend a lot of money to bring them under cultivation.

Q.—Do you consider agriculture as an industry paying?

A.—To some people it pays a modicum, but to others it does not.

Q.—Do you think they are entitled to get a fair return for the money?

A.—It is like this. I may have a piece of land 500 acres in extent, for which I am offered Rs. 75,000. If I were to put the money into a bank I would get 6 per cent. on it, but the land pays me much less than that and yet I would like to have the land. If you take interest into consideration, you find it pays no interest in that sense.

Q.—In fixing land assessment would you take into consideration the rise in the cost of living at present?

A.—Yes, it is only fair.

Q.—As regards standing committee, should it be merely advisory?

A.—Even if advisory it should have real power to guide the Cabinet.

Q.—What powers would you assign to them?

A.—Power to make modifications, alterations it thinks fit; otherwise, don't have a committee at all.

To Khan Bahadur S. N. Bhutto:—

Q.—Does the Government admit the claim of zamindars over the fallow lands?

A.—They do not, unfortunately; that is a serious breach of pledge. In 1887 the Commissioner in Sind included these fallow lands in the irrigational settlement which was introduced in Sind. He said all lands ought to pay at least once to Government in five years. If a zamindar does not pay on a parcel of land one assessment in five years, he has the option of letting it go by forfeiture in favour of Government, with this proviso that whenever he thinks of resuming it Government will give it back to him and that it should not be considered that the land is finally forfeited to Government. He has always a lien upon it and it will be given to him as a matter of course on payment of the arrears of assessment. This was so when the fallow rules were introduced and the pledge was given. Many officers had represented to Government the absolute desirability of doing away with this lien but the Commissioner said "No, the sense of proprietorship in such lien would always remain and it would be an outrage on the sense of proprietorship of the zamindar if this right were taken away." That was in 1887. That Commissioner was followed by a series of Commissioners who observed that pledge very honestly, but nowadays I have found that the Commissioner has, by issuing a new set of circular orders, ordered that fallow lands can be given back only as a matter of grace and not as a matter of right. This was confirmed in a meeting of the Legislative Council by the Revenue Member, the Hon. Mr. Chunilal V. Mehta, in answer to a question put by a member. The Commissioner in Sind limits the period within which fallow-forfeited land can be given back to five years although as a matter of fact the Revenue Member laid down ten years as the period within which the forfeiture can be annulled and the fallow lands restored to their owners. If the land happens to be in the Barrage area it cannot, he says, be given back at all and also if it happens to be on canals on which there is restriction of water. My complaint against the Commissioner in Sind is that he has altered these rules without inviting objections from anybody.

Mr. Bhutto:—

Q.—Did the Government assure the people that the fallow forfeited land would be simply "held in deposit" for the owners pending payment of a year's assessment?

A.—Yes, those are the words.

Q.—Has this change of policy created great discontent among zamindars?

A.—The greatest discontent. They look upon it as a breach of a solemn pledge and they say that if they had known what was going to happen they would not have agreed to the settlement at all.

Q.—Did you say that the sanads of the zamindars have been removed from the taluka offices and kept somewhere else?

A.—Mr. Lucas I think was the Commissioner who got all the sanads packed up in two or three bundles and got them sealed up and probably sent them up to Karachi or they may be lying in taluka offices sealed up and nobody can even have a look at the pattas or sanads.

To Mr. H. B. Shivdasani:—

Q.—You say assessment should depend on net profits. Will it be possible to ascertain net profits?

A.—In Sind, easily, because many of the zamindars keep accounts of actual expenditure and of gross produce. If any do not keep accounts you can get the information from neighbouring landholders.

Q.—They also distribute the crop with the haris and that is another reason why the net profit can be ascertained?

A.—Yes.

Q.—What is the average size of a field with a hari?

A.—In case of flow land about 25 jirebs or 12½ acres on an average and in case of lift land 10 jirebs or 5 acres.

Q.—What is the average size of a holding of each zamindar?
A.—It is difficult to say, some hold 10,000 acres and some 10 only.

Q.—Ten acres is the minimum?
A.—Yes.

Q.—Not half an acre or quarter of an acre?
A.—No such thing in Sind.

Q.—That is why it becomes practicable to arrive at net profits?
A.—Yes.

Q.—Is the flow and lift land intermixed or is it in separate blocks?
A.—It is not intermixed, it is in separate blocks.

Q.—You say it would be quite practicable to have permanent settlement?
A.—Yes, with a few exceptions.

Q.—Why does not the Commissioner in Sind give even a copy of the patta?
A.—He does not assign any reasons for doing so.

Q.—Has nobody asked for reasons?
A.—No, nobody has the courage to go to court asking for production of these pattas.

Q.—A copy can be got through a court?
A.—Of course but nobody is sufficiently bold to go to that extent.

Q.—What is the land tenure system in Sind? You say it is not ryotwari?
A.—The land tenure in Sind is Zamindari. As I understand it, ryotwari is that system in which the owner is the cultivator and pays rent or land revenue or land tax directly to Government. The zamindar is the owner of the soil and he gets land cultivated by others such as haris or by hired labour and is an intermediary between the actual cultivator and Government and is always the owner of the soil.

Q.—Are there no cultivating zamindars in Sind?
A.—Very few.

Q.—Do the zamindars give their lands on rent?
A.—Very few, those who are impecunious.

Q.—What percentage?
A.—I cannot say, but it is very small.

Q.—In any case that would not be a fair guide?
A.—No.

Q.—Moreover the zamindar who mortgages his crops may not have any money and even if the rental value is Rs. 5 his debt may be Rs. 10 and the latter figure would be stated in the document as rent?
A.—Yes.

Q.—If you took rental as the basis you would not be able to make allowances for improvements and it would be difficult to know how much was for improvements and how much for other things?
A.—Yes that is so. Finding out rental value in the way it is done in the Presidency or elsewhere in India is utterly impossible in Sind; it is not feasible, not practicable.

Q.—It would not be possible to make allowance for improvements?
A.—It would not be.

Q.—Because part of the rental would be for improvements?
A.—Yes.

To Moulvi Rafiuddin Ahmad:—

Q.—When was the Commissioner in Sind's order about pattas issued?
A.—In Mr. Lucas' time, 10 or 15 years ago.

Q.—Was no question asked in the Legislative Council about it?
A.—I could not tell you.

Q.—Did not your representatives ask this question in the Legislative Council?
A.—I do not know.

Q.—Do you represent the feelings or thoughts of many landholders?
A.—I believe I do as I am a member of the Tando Zamindars' Association.

Q.—Are your views generally shared by the landholders?
A.—Yes, by landholders in my part of the province at least.

Q.—In Sind they consider that the zamindars are the proprietors of the land and they consider this assessment as a land tax, not as rent?
A.—That is so, decidedly.

Q.—Was the incidence of taxation in pre-British days lighter than it is now in Sind?
A.—It was, the Amirs of Sind used to send collectors round and they could be disposed of very easily by some sort of corruption.
Q.—Was the pecuniary condition of the zamindars better in those days than now?
A.—It was, decidedly.
Q.—Do you think that the impoverished condition of the present day agriculturist is due to his recklessness?
A.—No, no, he has no surplus income to be reckless with.
Q.—Then that is due to the higher incidence of taxation?
A.—Yes, and also to higher cost of labour, higher cost of living.

To Mr. G. A. Thomas:—

Q.—You say in your written reply to question 3 that a committee of Amins is likely to act as an independent tribunal, the settlement officer having an equal voice in the decision but not a predominant voice. Supposing the committee consists of three members, *i.e.*, two Amins and one settlement officer, and each member has one vote so that in case of difference there would be a majority of the two Amins as against the settlement officer?
A.—It would be like that.
Q.—So that the proposals would come up as the proposals of the majority?
A.—Yes, if they happen to differ but in many cases they would not differ.
Q.—Where the two Amins differ from the settlement officer, who is going to write the settlement report, the two Amins or the settlement officer?
A.—The settlement officer will write the report and the others, if they differ, will write minutes of dissent, or the settlement officer will write his own report and the Amins will write a separate report.
Q.—Do you consider the two Amins would be capable to write a settlement report?
A.—Yes, if they are qualified.
Q.—I think you said that crop experiments should be conducted in each holding?
A.—Yes.
Q.—Do you mean every year?
A.—No, but at the time the settlement is made. As a matter of fact even now the mukhtiarkar has to make or is supposed to make crop experiments.
Q.—In each holding?
A.—In certain villages.
Q.—In how many holdings in a village would you have crop experiments?
A.—About a dozen.
Q.—How many holdings in a taluka?
A.—Probably a thousand.
Q.—Do you think they are about 1,000?
A.—No, they are I think about 5,000.
Q.—But now you said they are about 1,000?
A.—I think there are about 150 or 200 villages per taluka in Sind and so the holdings will probably be about 5,000 in each taluka.
Q.—Who will carry out the crop experiments?
A.—The settlement officer with the two Amins.
Q.—In how many months would it be possible to complete those experiments? A fortnight or so?
A.—More than that.
Q.—Ninety days?
A.—You can always get head munshis and others to carry out these experiments and thus assist the Amins and the settlement officer.
Q.—How many crop experiments can be carried out in a day, do you know?
A.—May be 4 or 5 or 6 in a day.
Q.—According to you about 5,000 crop experiments would be necessary?
A.—Yes, you can appoint more officers if necessary.
Q.—Then do you think the additional expenditure that would be entailed would be justified?
A.—You would be able to arrive at more proper tests and to ascertain real value of crops.
Q.—It might mean raising of assessment?
A.—No, no. It ought not to.
Q.—At one holding there may be good crop experiments and at others not so.
A.—That cannot be helped.

Q.—Do you think it is practicable?

A.—Absolutely, where there is a will there is a way.

The Chairman.—Do you think it would be possible to get trained men to do all this kind of work in a period of 60 or 90 days? We would require an army of men for carrying out these crop experiments.

A.—There is the government agency already trained for the work.

Q.—You know 5 or 6 crop experiments can be made in one day. There would be 5,000 crop experiments in one taluka, which would take 1,000 days. What an army of establishment would be required? Can you get these 300 or 400 men trained up like that?

A.—You will want only 50 or 60 men. You can take one taluka at a time. At present one settlement officer takes up three taluks at a time and is occupied nearly a year.

Q.—You will get all these 50 or 60 men trained up for a taluka?

A.—Yes, very easily, there are head munshis, and mukhtiarkars are there, they are all trained. Every year some taluka has been settled. In the province of Sind there are some 60 talukas and a settlement is once in 20 years. Do three talukas in a year on an average.

Q.—For each taluka you want 50 men, *i.e.*, 150 men for the three talukas?

A.—No expert knowledge is required in carrying out crop experiments.

To Mr. G. A. Thomas :—

Q.—Would you not want some responsible officer to supervise all these experiments carried out by the men?

A.—If you get two Amins to work along with the men, you will see there will be no foul play.

Q.—As regards advisory committee, you prefer that all proposals should go before the Legislative Council, that is to say, the Legislative Council should act as an executive body?

A.—What I mean is that the report should be placed before the Legislative Council as a whole, the Council must have a voice and a right to say whether proposals for increase as made in the report should or should not be accepted by the executive.

Q.—They should then perform the functions of the executive and decide what the rates should be?

A.—I do not think so. They would be concerned only with increases of rates of assessment.

Q.—The Legislative Council has to decide what the rates are to be?

A.—Not what the rates are to be but whether the increases proposed should be levied or not.

Q.—It comes to the same thing?

A.—No, it does not. They would consider whether the increase proposed is justified and whether the report should be passed or rejected.

Q.—Can the Legislative Council decide what the rate or the increase should be in each and every holding? There would be thousands of cases in which they would have to fix rates, as is the case of still-head duty in the Excise. Is that a function of the Legislative Council?

A.—I am not prepared to answer that question in the way in which it is put. In other matters it may not be possible to do that, but the case of land assessment is different.

Q.—You mean questions like grazing fees?

A.—These are very small matters, there is no analogy between them and land assessments.

Q.—You think in some matters the Legislative Council is an executive body?

A.—In questions of taxation the principle is that the legislature should have a voice and this is absolutely a question of taxation.

Q.—That means they should decide the question, *i.e.*, they should exercise executive functions?

A.—I do not regard that as an executive function. Take the increase of the salt tax. I treat the land assessment also on the same basis and just as the Assembly has the right of saying "Yes" or "No" to increase or decrease in salt tax, so should the Legislative Council have a voice in saying "Yes" or "No" in the matter of revision settlements of land assessment.

Q.—Even lowering of the rates of land assessment should be passed by the Legislative Council?

A.—That is my view.

To Mr. L. J. Mountford:—

Q.—Would your crop experiments be similar to those which we have been holding for a very long time now in Sind?

A.—There may be some difference.

Q.—Don't you think there will be some difference because the object of the present experiments is to determine the gross produce whereas you want to determine the net produce?

A.—The net produce will be determined after the gross produce is ascertained.

Q.—Would it not be very difficult indeed to arrive at net produce as it depends actually on the industry and the skill of the cultivator? One hari may be industrious and bring his land up to a very high pitch while the other may be indolent and unskilled and may not be able to get even his normal produce.

A.—I do not think it would be difficult at all. It all depends upon different individuals, whether they keep accounts or not.

Q.—Take the question of depreciation of a bullock which is used for ploughing.

A.—In Sind there would be no difficulty at all because the haris take away half the share of the produce and from the other half the man can deduct his expenses on canal clearance and so on. Those difficulties may arise in the Deccan and in Gujarat or elsewhere but not in Sind.

Q.—Would you consider the zamindar's share as showing the net return?

A.—It would show net return *plus* the cost of cultivation, clearance and other expenses.

Q.—It would be hard to determine because we would have to consider the liability of the zamindar for the haris' debts?

A.—No, no, it would not.

Q.—You know a zamindar is responsible for his hari's debts in Sind. It is a long handed down, immemorial and age-long custom.

A.—Sometimes he is and sometimes he is not.

Q.—You know that Banis come to the zamindars and receive their shares from the haris?

A.—Yes.

Q.—And if the hari is not able to give what he owes to the bania the bania makes the zamindar write an acknowledgment for it?

A.—There are very few cases of that kind. On our side no zamindar is responsible for his haris' debts.

Q.—You say that in determining assessment you want to do away with any considerations such as communications and markets. Don't you think that roads and markets ought to form a very big factor in basing assessment?

A.—I do not, because the roads and markets have brought no advantages so far as yet to zamindars.

Q.—Feeder lines?

A.—If in actual practice they are of no help to zamindars, I do not think they ought to be taken into consideration. They do not pay any dividends.

Mr. Mountford.—The Sind Light Railway has paid a dividend and there is a great opening for light railways in Sind?

A.—Yes, but the Upper Sind Light Railway has paid no dividend and feeder lines have not any prospect of earning dividends.

Q.—You do not think that markets and communications should be taken into account?

A.—Not at all because they result in increasing competition and reducing prices for the sellers.

Q.—Supposing that in the last few years we had had light railways and more markets established in Sind and the rental had begun to go up but we took the rental as an average for the past many years, would you not agree that the new railway should be taken as a factor entering into the new revision settlement?

A.—That will be reflected in the net profits upon which the revision settlement will be based.

Q.—Not the net profits for the previous run of 30 years?

A.—In special cases where the light railway has been able to reduce the expense of carting and to bring a substantial increase in price, you may take it into consideration.

Q.—Do you consider that increased water supply should not be taken into account?

A.—The water supply would certainly be a ground for increase, but all those factors were taken into consideration when the settlements were made, and for many years, the water supply has not been improved.

Q.—In ———————— the price of land has risen from Rs. 25 to Rs. 400 per acre. Are you aware of it?

A.—I am not aware of that.

The assessment being based on net profit of land, the value of land should not form any factor in fixing the assessment.

Q.—As regards improvements, you consider that section 107 has not been considered during the last 40 years. Do you consider a well any improvement?

A.—I think so.

Q.—Is it a big or a small improvement?

A.—Of course it is a small improvement.

Q.—Do you know that we never charge any extra assessment on account of that? As regards land which is irrigated by wells, what percentage does it form of the bulk?

A.—It is negligible; hardly ½ per cent.

Q.—Will a well improve a field, and do you know we do not charge any assessment on account of that well?

A.—There are certain lands in which there is no water supply, and there a well is the only remedy. It is only with regard to such lands that you charge light land assessment, but there is no such thing as building a well for land which is already irrigated by canal water. A well will be an additional facility to raise a sort of second crop, but there are very few wells like that.

Q.—How many talukas are there where water supply is not satisfactory and wells have been put up?

A.—Very few. In very many parts of the province the water supply is deficient, and wells would be very useful, but they cannot always be successfully sunk.

Q.—Let us take the land you describe where there is a well. That is an improvement. I ask you whether there is any extra assessment put on that.

A.—No.

Q.—Then will you revise your statement that no settlement officer has at any time during the last 40 years exempted any land from increase on account of improvement?

A.—In Sind land irrigated by wells is hardly 1/2 per cent. of the total area. The great bulk of land, 99 per cent., is irrigated on canal water and my statement that improvements were not exempted was with reference to this great bulk of 99 per cent.

Q.—As regards the other land, do you find that the industrious zamindar is levelling his land in order to get a good flow of water instead of having to cultivate it by lift?

A.—Yes.

Q.—He is not charged any extra land assessment. They charge him the flow rate, don't they?

A.—Is not that charging an improvement?

Q.—You understand that in Sind a man pays for the water. You have told us that without water land is quite useless. In Barani land we charge 4 annas an acre. In other lands we charge entirely by the water we give and the amount of water required for flow is a good deal more than that which is required for Charkhi.

A.—Yes.

Q.—These canals cost a good deal of money to maintain. Don't you think it is fair that a man should pay for the water?

A.—Yes, but why should Government charge him for the improvements he makes.

Q.—I am with you as regards the improvement question, but one has to consider the question of supply of water and the cost of it.

A.—That is so.

Q.—As regards the diffused settlement, the Commissioner wanted the zamindars to take up large areas of land. He gave them a large area of land on the diffused rate of 8 annas on the assumption that the zamindars would cultivate one-fourth.

A.—I do not accept it. In my own individual case, when I was a boy of five years, my father had something like 1,100 to 1,200 acres. We had it even in the pre-British days, and we had a putta as regards that land. We used to pay 8 annas at the time and had the right to cultivate what we liked and were never limited to one-fourth the area.

Q.—That low rate was fixed because it was considered the zamindar would observe the full and customary ratio of fallows, 4 fallows to one of cultivation.

A.—There is no such condition in the puttas at all.

Q.—That was the assumption.

A.—It should have found a place in the putta, if it was.

Q.—That is why it is called diffused settlement. It was diffused over the cultivated as well as the uncultivated. It was assumed that the customary fallows from time immemorial would be maintained. But the zamindars instead of giving up their land for fallow, absolutely sweated their land and they cultivated all they could in one year, and then gradually threw it up.

A.—Not at all.

Q.—I would advise you to read the correspondence. It was fixed for fallows as well as for cultivated land. The zamindars took up enormous areas, more than they could cultivate.

A.—They retained what they had, and cultivated what they liked.

Q.—They took up enormous areas, which could not be measured out.

A.—No.

Q.—You consider that the rate in Sind is higher than in the Presidency, but now in Sind you only pay assessment when you cultivate, don't you?

A.—Yes.

Q.—Do you know that in the Presidency a man pays assessment whether he cultivates the land or not?

A.—Yes, but in spite of that I maintain that our rate is much higher than in the Presidency, because the uncultivated fallows are smaller. Take a zamindar owning 1,000 acres; what he does not cultivate is one-fourth for flow land. Lift land is not capable of being cultivated except once in three years, because it is inferior. If you take into consideration the fallows in a zamindar's holding and the cultivated land, and you distribute what is being levied from him over the cultivated land over the fallows as well as over the cultivated land, you will find the rate works out much higher, specially for flow lands.

Q.—Let us take 5 acres of land in Sind and in Baramati. In Sind if you cultivate 4 acres you pay assessment on the 4 and not on the 5th acre, but in Baramati you have to pay on all the 5 acres whether there are fallows or not. In Tando Bago it is Rs. 4 and in Larkana it is Rs. 6 per acre. Do you consider your rates are higher?

A.—I do.

Q.—Do you know that your rates are one-sixth of those in the Presidency? Do you know that in Baramati it is Rs. 45 per acre? On the Nira Valley there are 26 villages, and round about Manjri there are very large areas, and so it goes on, where it is greater than yours in Sind.

A.—These are all sugarcane rates. But in Sind there is very little of sugarcane land, and you cannot compare the one with the other.

Q.—Coming to the grouping, I think you admit that land without water is useless in Sind. Don't you think that the settlement officer is justified, if he finds that all the land which is at the tail of a *wah* where the water does not come, in putting the lands in a lower group?

A.—Yes.

Q.—And where he has got flow lands he puts them in a higher group?

A.—I do not object to it.

Q.—Coming to the question of batai, you don't think the zamindar is responsible for the balance of his hari's debts?

A.—Not as a rule. There may be exceptions.

Q.—You are an experienced and intellectual cultivator and landlord, and the baniya cannot treat you in the same way as he would treat an illiterate landlord?

A.—My experience is not limited to my personal case. I am speaking about what I find round about me.

Q.—You say once we have fixed the rates there should be no further revision at all. But would you not agree, if the cost of water supply goes up very much we should be justified in taking that extra cost from the zamindar?

A.—You are constructing the Sukkur Barrage, which would convert many lift lands into flow lands, and flow lands pay you better. If you impose an additional rate, I dare say when people realise the good that a perennial supply of water does, they will pay better rate.

Q.—We could not do it if we had a permanent settlement?

A.—So far as our districts are concerned, there is no such possibility. If there were permanent improvements like the Sukkur Barrage, there would be some justification for extra assessment.

Q.—Sukkur Barrage is a special case. But take other canals also which we are trying to improve, like the Damrao in Upper Sind. We have cut out certain loops. In the case of the Fuleli canal also we have made certain improvements.

A.—They are so minor that I do not pay the slightest regard to them.

Q.—It is essential that a free flow of water should be supplied. Therefore, if we had the money we should be improving the canals. If it was explained to the Council that it would lead to a revision of the settlement, they might be tempted to vote the money, otherwise they may not.

A.—You are right so far. In such exceptional cases there would be good reason for enhancement of rates.

Q.—You say that for lift lands the period should be 60 years, but is not there the danger that if we improved our canals and the lift turns to flow, we should still be charging the lower rate?

A.—I have said that when you convert lift land into flow, instead of levying Rs. 2 per acre you are levying Rs. 4 automatically, because it is flow.

Q.—Is the State justified in charging more?

A.—It cuts both ways; it affects the zamindar as well.

Q.—It affects every man except the man who gets the surplus.

A.—Your argument is one-sided. You do not consider the cost of labour, etc.

Q.—Would you take the case where in about 1890 he had to produce 24 maunds of grain to get one rupee, and now he has to produce 5 maunds to get one rupee?

A.—What about the cost of labour?

Q.—You do not think if the value of money falls, the State has a right to take anything more?

A.—You must leave something to the man to live upon, and take only a share of the profit. If the value of money falls, the cost of living increases. You must take that into account.

Q.—The zamindar is very much indebted, it is not due to recklessness. Don't you think that it is due to a considerable amount of haris' debts?

A.—No.

Q.—Do you think then it is due to higher assessments?

A.—Yes. That is the predominant reason.

Q.—Although he has to pay one-quarter of what a holder in the presidency pays on sugarcane?

A.—Please do not take sugarcane into consideration. It is negligible in Sind. I am basing my arguments upon jowari, bajri, paddy, etc., which is the staple produce in Sind.

Q.—What are you paying on paddy land?

A.—Rs. 4.

Q.—Is there an assured supply of water?

A.—Fairly good when the flow is good. Not when the river is low.

Q.—Would you consider that a rate of Rs. 9 in the Presidency on rainfall (per acre) would be a higher rate than what you are paying in Sind for an assured supply of water?

A.—I would consider it a higher rate unless the land is very much better than in Sind and it was fertile enough to give a far better crop, but I do not know the conditions in the Presidency.

Q.—Those are the conditions in many places.

A.—Our lands are admittedly inferior.

Q.—I know, in some cases it is just sea sand?

A.—I only wanted to bring this fact to your notice that it is an admitted fact that the soil in Sind as a matter of fact is much inferior to that in other parts of India, and that you will find in the Moral and Material Progress report.

Q.—Do you know what your outturn of wheat is on kacha land per acre?

A.—I have got no kacha land. Kacha land is naturally full of silt and it is very fertile and rich land, but what percentage does it bear to the bulk of the land?

Q.—I quite agree. But I do not want you to give an impression that all your land is bad.

A.—Most of it is; 90 per cent.

Q.—Take the rice lands of Larkana; is it bad soil?
A.—It is superior to that lower of Sind. I do not know how far it can be compared with the Presidency proper.

Q.—Do you consider that the zamindar is really impoverished by the assessments and not by his haris' debts?
A.—Yes.

Q.—A reduction would improve him?
A.—Yes. From my point of view the baniya is not responsible for the indebtedness of the zamindar.

Q.—Do you know in Hyderabad some of those palatial buildings?
A.—You cannot call them palaces. They are good houses. There are only two which you may call palatial.

Q.—You do not think that the owners of those buildings made money out of land?
A.—No.

Q.—As regards the puttas, can you tell me for how many years the puttas were to be in force?
A.—The period was not specified until the new settlement.

Q.—Was it looked upon as permanent?
A.—It was. They were issued by the Commissioner in 1863 to 1868.

Q.—What was their term?
A.—Up to the next settlement. But it was distinctly stated in them " the land is yours ", and the confirmation of the zamindari was not up to the next settlement.

Q.—You have raised certain objections to the fallow rules. Don't you consider that until recently the fallows were given back on payment of the assessment due?
A.—Yes.

Q.—Do not the zamindars very often fling up an area of fallow land and get fresh land in addition to extend their holdings, and then come back on the fallow once more?
A.—No.

Q.—There is a doleful story about the land and zamindars in Sind, that they are in debt. If we were to offer land inside the bandash area should we not get an enormous bid for it? If I offered you 50 acres on the bandash would you not, as man to man, make a good bid for it?
A.—Yes.

Q.—Are you absolutely impoverished?
A.—I am not, but I do not depend chiefly for my livelihood on my land, but partly. I have been a successful pleader all my life, and since I retired from practice, I have been doing a good deal of business in England.

Q.—I thought you were more or less dependent on agriculture.
A.—I am an agriculturist as well, but I have so many strings to my bow.

Q.—Has your experience as an agriculturist resulted in your impoverishment?
A.—Not in my own case. I am talking of the general public. One swallow does not make summer.

Q.—You will admit that there are very many canals in Sind that require drastic improvement?
A.—Yes.

Q.—If those improvements are made, would not they make for the prosperity of Sind?
A.—That is a natural consequence.

To Rao Saheb D. P. Desai:—

Q.—You say that 25 per cent. of the rental value of land would be a fair charge. Do you think that will remove the chronic indebtedness of the ryot?
A.—Reduction of assessment would necessarily affect the well-being of the people and make them less indebted.

Q.—Would it leave him sufficient to carry on his ordinary expenditure of maintaining his family and getting his children educated?
A.—It would be dangerous to make a general statement of that kind. I would fix it at 10 per cent. for small holdings, and a maximum of 25 per cent. for large ones. If these limits are worked upon, it would certainly improve the condition of the people.

Q.—You state in reply to question 1 that the word " only " should be added at the end. What profits of agriculture have you in mind, net or gross?
A.—Net.

Q.—You say the land in Sind is not classified as it is in the rest of the Presidency but it is classified in accordance with the distance or nearness of the source of water. May I know if the land infested with kalar or salt is classified with land not infested with kalar?

A.—Yes. It is all one, so many groups, everything in it.

Q.—All in it?

A.—All subordinate to the one source of water, although kalar land is not cultivable even with water. It is classed in the same classification and charged the same rate.

Q.—Still you are charged the same rate?

A.—Yes, that is my complaint.

Q.—Have you any separate assessments for rice and for other dry-crops, such as jowari, bajri?

A.—Yes, we have different rates for dry-crops and for wet crops.

Q.—The highest for rice crops?

A.—Yes.

Q.—What is the highest for rice crops on the Larkana side?

A.—Rs. 6 an acre and in Lower Sind Rs. 4 an acre.

Q.—The Land Revenue Code applies to Sind as well as to the Presidency?

A.—In Sind it is supposed to be applicable but it is never applied. It is the Commissioner's circulars which hold good.

Q.—That is why you complained that the Commissioner has issued circulars not in accordance with the existing law?

A.—Yes.

Q.—Have you gone to a court of law to remedy that grievance?

A.—Nobody has yet done so.

Q.—Why?

A.—Because the Sind zamindar is a very obedient man to the officials, he would not venture, he is not like a man from the Presidency proper who would exact his due and go to the civil court very readily. It is with great reluctance that he would go to court of law. He is differently constituted and has a timid temperament.

Q.—Is the small type of zamindar with 50 or 30 acres usually always in debt?

A.—Yes.

Q.—Is that because he is extravagant in habits?

A.—No. He could not be, it would not pay him to be so.

Q.—As regards diffused settlements you told us about, were these rates levied on survey numbers?

A.—Yes, on survey numbers of 50 acres or thereabouts.

Q.—You paid formerly in lump just as in the rest of the Presidency?

A.—We paid in lump for both cultivated and uncultivated land together.

Q.—As regards ownership of land which you claim, can you tell us whether under the present condition of the law you could build a factory over your land without the permission of Government?

A.—No.

Q.—What would happen if you did so without previous permission of Government?

A.—I would be evicted, fined according to the pleasure of the Collector.

Q.—Is there any scheme like altered assessment?

A.—Yes.

Q.—Is your land slowly and gradually getting exhausted or being replenished every year?

A.—Not being replenished, it is being exhausted.

Q.—Is any expenditure taken into account by the survey officer when he comes to survey the land?

A.—Never, during the last 40 years it has not been taken into consideration, and I do not know about the future.

Q.—As regards your limit of 30 years, would that be enough?

A.—Sind is somehow satisfied with small mercies. You had already got 30 years when we in Sind had only 10. After a great deal of agitation and trouble, we were given 20 years. So we want at any rate to be put on the same level with the Presidency proper.

Q.—Perhaps that eight anna rate was permanent?

A.—It was permanent so long as it was charged.

Q.—Did the Amirs of Sind in pre-British days charge it?
A.—They never charged the cash rate. They divided the produce.

To Sardar G. N. Mujumdar :—

Q.—How do you distinguish a zamindar and a Jagirdar in Sind from each other?
A.—A Jagirdar holds the land from Government rent-free as it were. But assessment is paid by a zamindar to Government. A Jagirdar pays what is called " Hak abo ..... " and 5 per cent. cess.

Q.—Are there any classes of Jagirdars in Sind?
A.—There are, 1st, 2nd and 3rd.

Q.—On what basis are they divided?
A.—According to the position which they held in Amirs' time, in pre-British days.

Q.—Do Jagirdars in Sind pay anything such as Judi or Jama?
A.—They pay " Hak abo ..... " and 5 per cent.

Q.—Are these Jagirdars owners of the soil in their jagir villages?
A.—Some are and some not. About 25 or 30 years ago some of the jagirs underwent survey operations and a claim to the ownership of land was laid by some of the actual cultivators while in other jagirs, Jagirdars made the claim, and that claim was recognised and they were held to be owners.

Q.—Do you know of any jagir villages where Government have got more or less a share in the revenues of the villages?
A.—No.

Q.—Are all these jagir villages survey-settled?
A.—Every one, with few exceptions.

Q.—Are Jagirdars required to pay charges for surveying their jagir villages?
The Chairman.—That does not arise here.

Q.—Is the present rate of assessment in those jagir villages equal to that paid in the surrounding Government villages?
A.—No, it is entirely different.

Q.—Would you like to have a representative Jagirdar on the standing committee or the advisory committee if appointed?
A.—Yes, to protect their interests.

To Mr. R. D. Shinde :—

Q.—In your reply to question 1 you say that you do not accept the principle that in revising assessments of land regard shall be had to the value of land. You mean it should be only taken notice of in the case of those lands which are used for non-agricultural purposes?
A.—I did not follow you.

Q.—Sometimes Government gives land for building purposes?
A.—Then the value of land should be taken into account.

Q.—In fixing the ground rent do you think it would be fair to take into consideration the value of land? What is your experience? In these previous revisions was value of land taken into account? In the case of agricultural land was value of land taken into account previously in the old revisions?
A.—It has always been taken into consideration, in every settlement report.

Q.—I see from your replies to questions 3 and 7 that you speak of rental valuation being the same as net profit?
A.—Yes. In Sind we have got no rental value.

Q.—You would not like to leave the assessing of the net value or the rental value to be fixed by Government?
A.—I want both to join hands and arrive at a fair settlement.

Q.—What is your idea of an independent tribunal that you suggest in answer to question 7?
A.—I would appoint, along with the settlement officer, two local men. Then you can have a more impartial and a more fair treatment than at present. All the three should act together.

Q.—You would not then exclude the settlement officer?
A.—No.

To Mr. R. G. Pradhan :—

Q.—You have stated that you do not know the conditions of the Presidency proper. If that is so, how can you say that the rate of assessment in Sind is higher or lower than in the Presidency?

A.—Because I find that the rate per acre in Gujarat and Deccan is given in Lord Curzon's Book " Land Revenue in India " which contains a note by the Bombay Government.

Q.—So your opinion is based on reading and on information derived from books?

A.—Yes.

Q.—In reply to question 11 you say that you want thriving landlords. Do you think that landlords would thrive very well if there were a permanent settlement?

A.—Of course they would.

Q.—You hold the opinion that thriving landlords are a bulwark to the State. In what sense?

A.—Yes, certainly.

Q.—But in what way? Do you mean to say that they will not ask for Swaraj? Is that your view?

A.—My view is that they will have a greater stake in the country and they would not like revolutions which would be disturbing.

Q.—In other words do you mean to say that they won't take part in anti-government activities?

A.—I do not mean that at all. Whatever Government we have, whether it is British supremacy or Indian supremacy, thriving landlords will be a great strength to that Government.

Q.—You do not mean to say that the landholders will not take part in the movement for Swaraj?

A.—I do not mean that.

Q.—Certainly they will take part in it?

A.—Of course they will.

Q.—In Bengal there is permanent settlement and you hold the view that the landlords in Bengal are a bulwark to the State.

A.—I think so.

Q.—Have you studied the question of permanent settlement on its merits?

A.—In a way, I do not know what you would call " merits ". Your view may be different from mine.

Q.—Are you aware that there is a very strong and considerable body of opinion against permanent settlement?

A.—Yes, there are two views held.

Q.—Are you aware that in Bengal there is a very large body of opinion that the condition of ryots has deteriorated as the result of permanent settlement?

A.—I am not aware. It might have.

Q.—Can you tell me positively that in Sind in case permanent settlement is established the condition of cultivators will continue to be satisfactory?

A.—It ought to because you see the lot of the cultivator is cast in with the zamindar. I do not know what the system prevalent in Bengal is as between the actual cultivator and the permanent zamindar. But so far as Sind is concerned, the two hang together, the cultivator as well as the zamindar.

Q.—In other words as a result of permanent settlement in Sind the condition both of landholders and cultivators will improve?

A.—Yes.

To Mr. R. G. Soman:—

Q.—You have already conveyed the idea that the smaller zamindar should have a different maximum percentage from the larger zamindars.

A.—Yes.

Q.—And you have also stated that the maximum holding of the smaller zamindar is ten acres or so.

A.—That would be the least, I suppose.

Q.—The 25 per cent. you have laid down as the maximum limit of assessment should not apply to the smaller holdings?

A.—No, very small holdings should have 10 per cent. limit.

The Chairman.—You say that half the share goes to the Hari and that it includes all the cost of the actual labour and the cost of cultivation including seed and everything else?

A.—It does not include clearance of water-courses.

Q.—All the seed and bullocks are included. Then in your reply to question 7 you refer to wages paid to kamdar, karara and wahi and so on. What is a wahi?

A.—He is the man who looks after the water-course.

Q.—Is not that done by the Hari himself?

A.—He tills the land entirely. The water course is not for one hari or one field but it is for something like 50 or 60 fields. The kamdar is the supervisor and exacts work from the haris.

Q.—Should all their expenses go out of the profits?

A.—Yes. There is no zamindar who can do without them.

Q.—What is the duty of a zamindar if he keeps kamdar for his supervision work. What is, further, a karara?

A.—He is the man who is employed for about two or three months in the year to see that thefts are not committed by the haris at the time of reaping when the crop is ready and about to be reaped.

Q.—You deduct that also for arriving at profits?

A.—Yes.

Q.—Stable expense, what are they?

A.—If he is a big zamindar.

Q.—If he keeps horses for riding?

A.—Not for riding purposes but he keeps horses invariably, as a zamindar with 500 acres or more cannot go down over his fields on foot.

Q.—So that too should be deducted?

A.—Yes..

Q.—In reply to Mr. Mountford you said that you did not agree to the proportion of 4 to 1 of fallow to cultivated land. During four years every field must be cultivated?

A.—Suppose a zamindar has good land and bad land. Suppose further that no amount of labour or expenditure would bring in a crop from this bad land, then he leaves it fallow because he cannot cultivate it with profit. Government says that at least once in five years, whether it is capable of bearing a crop or not, if he wants to keep it, he must pay assessment because Government says it is entitled to assess land at least once in five years, good, bad or indifferent.

24th June 1925.

EXAMINATION OF MR. K. K. LAHORI, RETIRED DEPUTY COLLECTOR, SIND.

To the Chairman.—What do you think of question No. 1?
A.—I think the principles are all right but they ought to be strictly followed.

Q.—Do you suggest any amendment?
A.—We should have two things. Instead of having these assessments which are composed of Government dues as well as services Government supplies, they should be separate; water should be separated from land revenue proper.

Q.—Is it possible to do so?
A.—Very possible and very easy.

Q.—People who know Sind intimately tell us that it is not possible?
A.—I do not know. Those people may have more experience but I claim to have most experience.

Q.—Then make the assessment on the land proper to be made liable to section 107?
A.—Yes.

Q.—Is that your alternative?
A.—Yes.

Q.—What do you say to question 3?
A.—Give these people who complain of short term settlements a permanent rent and there will be no difficulty. If there is any expense incurred on account of any canal, you can only raise the water rate incidence without undergoing all the trouble of collecting information for survey settlement, etc.

Q.—Would you raise the water rate to keep the land assessment the same?
A.—Yes, almost the same.

Q.—If it is to be the same, then it is liable to increase?
A.—It may increase only when there is a rise in prices or if there is a light railway or other improvement then there may be an increase. It will relieve you of so much botheration of having to hear these complaints of zamindars.

Q.—Do I understand you aright that your answer to question No. 3 is that after once you separate the land assessment proper and the assessment for water tax that Government may change the water rate if they find that water is more costly?
A.—No, if they introduce any new improvement about water, bring a new canal, then the new incidence of expenditure that falls could be done without increasing the land assessment which may almost be permanent.

Q.—What about question 5?
A.—I do not think any distinction should be made between cultivating and non-cultivating landlords in fixing the assessment.

Q.—What about question 7?
A.—It will never arise because when I tell you to separate the two things then it will be very easy because when there is a rise in prices the rental value also will rise and that will at once raise the assessment to that extent.

Q.—What about question 8?
A.—It will also never arise equally.

Q.—What about question 10?
A.—The maximum will only frighten people. It should not be fixed at all.

Q.—What about question 12?
A.—Fixing it in kind may produce those difficulties which I have pointed out. If you fix it for one year then you can go on recovering for many years unless there is a change in prices.

Q.—You would fix it in kind for one year?
A.—You have got to fix settlement rates. Now, take next year. Suppose you introduce settlement. Take rates for that year and compare them with what they were during the previous year and raise the assessment.

Q.—That means that the assessment would vary from year to year.
A.—It should be done once and then revised only when there is a change in prices. And the question will be of percentage as to what percentage should be revised.

Q.—What about question 15?
A.—I have told you that it will not be necessary to worry about what period should be given, whether for 30 or 20 or 40 or 50 years. As soon as there is an appreciable rise, you can increase it by a certain percentage.

Q.—What about question 17?

A.—It would be better to co-opt two Amins with the settlement officer. They should be selected by the district local board. Its president can find people who are responsible residents of places where settlement is in operation.

Q.—What about question 18?

A.—I think the question of improvements is a very important one because there are two kinds of land, one is called waste land and the other is cultivated land. Both are of the same quality. Government charges only one assessment for the two. The occupied land brings in the market upto Rs. 800 an acre whereas the waste land does not. The difference I attribute to improvements carried out by the occupant or his ancestors and that should be accounted for. In fixing assessment that ought to be taken into account.

Q.—Now the assessment is fixed. We are concerned with revisions of assessments.

A.—There should be revisions only when there is a rise in prices of produce or crops.

Q.—You mean in fixing assessments this factor should be considered and allowance made for it?

A.—Under section 107 it should be accounted for to the employer of labour or to the owner of the land.

To Mr. M. S. Khuhro:—

Q.—You have said that water rate and assessment should be separate. You hold land in Larkana division?

A.—Yes.

Q.—You know most lands in Sind are kalar and are not on the same level and therefore require lots of improvements.

A.—They are not most of them kalar but require lot of improvement to be made fit for cultivation.

Q.—They could not bring about any crop unless a lot of money was spent?

A.—I agree.

Q.—When you say that the water rate should be separated and land should be assessed apart from the water rate, do you think the land would fetch anything?

A.—In the beginning, unless you apply the process of improving the land, it will not fetch anything.

Q.—According to section 107 of the Land Revenue Code, improvements are exempted. Would you approve of that?

A.—Yes.

Q.—When improvements are exempted from taxation, would you advise that lands which are improved should be taxed at all?

A.—When the water is there, it will improve.

Q.—We take the land and the water separately. I am talking of land independently of the water.

A.—I am talking of improvements carried out at the zamindar's expense.

Q.—Should that land be taxed?

A.—Not to be taxed.

Q.—Without water the land is of no use?

A.—Yes.

Q.—Do you think it is impossible to tax any land under these circumstances?

A.—Yes.

Q.—That means that you contradict your first view that land should be assessed at all, without water?

A.—Water also brings on improvement. You do not take into consideration the fact that water also brings certain improvements. In the case of kalar land, water removes the kalar.

Q.—I am talking of land cess.

A.—The land also improves under your occupation, but for which you do not spend. There are improvements that your land gets without any money being spent on it by the people?

Q.—Let us take the water question. Which are the main canals in the Larkana district and Upper Sind?

A.—The Ghar, Western Nara and Sukkur Canal, the Fuleli and the Eastern Nara. But the latter too are not in Larkana district.

Q.—Are you aware that the Western and Eastern Nara, the Ghar and Fuleli canals existed during the pre-British days?

A.—Yes. And the British Government has regulated the water supply and improved them.

Q.—What Government have realised in the shape of interest you may call it, or return on the money they have invested in improving those canals; how much proportion do you think they are realising at present?

A.—I have no idea.

Q.—You at any rate think that no big canal has been excavated by Government at their own cost?

A.—The Jamrao was.

Q.—Are there not branches of the Western Nara?

A.—There are feeders, not branches.

Q.—There is no such big canal as the Fuleli excavated by the British Government?

A.—No; not to my knowledge. But the Fuleli was not excavated by Government either.

Q.—You are familiar with the rates of assessment in Sind. Don't you think that they are very high in comparison with the other parts of the Presidency, looking to the circumstances that I just mentioned?

A.—I do not think they admit of any further expansion.

Q.—You know there is the Batai system in Sind. What share does the zamindar give to his hari?

A.—In the case of flow land, it is half and half. In the case of lift land the zamindar receives only one-third.

Q.—In Larkana district what is the proportion of sugarcane to paddy crop?

A.—Sugarcane is not a crop in our place; it is only nominal.

Q.—Can you tell me what is the yield per acre of paddy?

A.—I think about 50 Kasas an acre. Out of that 25 Kasas are taken away by the hari and the balance remains for the zamindar.

Q.—What is the established or consolidated rate of paddy?

A.—About 3 Rs. a maund.

Q.—That means Rs. 25 remain to the zamindar as his share?

A.—Yes.

Q.—In determining the net profit of a zamindar, what items would you exclude as expenses incurred on bringing about the crop?

A.—Pay of his establishments, karia expenses, interest on seeds, interest on takavi as they have to pay interest to the baniya.

Q.—Do you include wages paid to kararas and wahis?

A.—It is very necessary.

Q.—A horse is necessary and a kamdar is necessary?

A.—Yes.

Q.—Roughly speaking, out of the Rs. 25, how much would you lay aside for these expenses?

A.—I think it should be not less than Rs. 6 for all these per acre. Roughly one-fourth.

Q.—Do you know that in certain cases the expenses go up to one-third?

A.—They go up to one-third sometimes. If the man has got 40 acres he has to employ a kamdar and if he has got 500 acres, then also one kamdar is sufficient.

Q.—In many places, the excavation and clearance costs are much more than would probably be imagined?

A.—Yes.

Q.—According to you, what would you lay down for a zamindar as net profit?

A.—One-fourth goes for expenses, and the balance will be profit.

Q.—Would you give some portion of it to the zamindar for his personal management and supervision?

A.—I think he is as much entitled to it as the Manager of the Encumbered Estates.

Q.—How much remuneration would you fix?

A.—Twelve per cent.

Q.—Do you know the Manager of Encumbered Estates charges 15 to 20 per cent.?

A.—Probably the zamindar might not keep all that establishment. But I would put it at 12 per cent. of the gross produce, because the manager manages not only the zamindar's share but the haris also.

Q.—Deducting it from 18 it will be 12 apart from zamindar's cost?

A.—I am telling he should receive 12 per cent. of the gross of zamindar as well as haris.

Q.—The money that is being invested in improvements, does it pay interest?

A.—It has got to be accounted for.

Q.—Do you consider agriculture an industry?

A.—Yes, that never pays.

Q.—You have stated that there should be no fixed period for revising the assessments. Do you say that at any time there is a rise in price of produce, the rates of assessment should increase in proportion?

A.—Yes. But it should be a substantial difference which would justify a revision. If, for instance, there is a rise of 10 per cent. it should not be taken into account, as in that case, the game will not be worth the candle. If the increase is beyond 25 per cent., then it must be taken up. Some times interim settlements might be introduced.

Q.—Supposing in one year it is Rs. 4, and next year it rises to Rs. 5 a maund of produce, you will recommend a proportionate enhancement?

A.—Yes.

Q.—And next year if it again comes down to Rs. 4, you will recommend a reduction?

A.—Yes.

Q.—Do you not think it will be very inconvenient for Government to revise it every now and then? Will it not be inconvenient for the zamindars also?

A.—I do not think it will be inconvenient, because it will not involve any labour. You will have to charge one-fourth and make calculations accordingly. The tapedar and mukhtiarkar will be able to do it.

Q.—Who would be the deciding authority for the rates?

A.—The Jamabandi officer.

Q.—Do you know that Government keep a record of rights?

A.—Yes.

Q.—Are they not faulty?

A.—Then probably the mukhtiarkar when he has to do it will keep them more reliably. It is the mukhtiarkar on whom everything will depend.

Q.—May I know whether you have been a settlement officer?

A.—Yes.

Q.—While revising settlements the settlement officer generally fixes the classes of land, first class and so on, and in each class he puts certain villages, and then forms a group and then he decides how much assessment should be taken from the group. That is called classification. Is that classification, in your view, being done properly? Is it satisfactory?

A.—I did it very properly, and I think it is being done very properly as far as possible.

Q.—You heard Rao Bahadur Hiranand saying that he would rather recommend that the classification of land should be in a different way, that is, each zamindar's holding should be assessed individually, and not the villages together in a group. Do you hold the same view?

A.—I consider that Rao Bahadur Hiranand does not know the difficulties. It will be impossible for any settlement officer to do it in the way that he suggested.

Q.—What gradation of settlement should there be at each time of settlement?

A.—I agree with Rao Bahadur Hiranand; 10 and 25.

Q.—Question No. 13: Rao Bahadur Hiranand has suggested that 10 per cent. should be fixed as the maximum in individual cases, in individual holdings. You also hold the same view? Would you recommend it for a group or taluka or would you not as he has not recommended?

A.—I agree with Rao Bahadur Hiranand.

Q.—You would not put the maximum or minimum of assessment?

A.—I am not in favour of that. It is unnecessary.

Q.—You are not in favour of a permanent settlement?

A.—In the way I am suggesting, it will be a permanent settlement.

Q.—Do you favour the scheme suggested by Mr. Shivdasani?

A.—To a certain extent it could be done.

Q.—While fixing a certain proportion in kind, you will have to verify the rate,—at what rate the corn will be sold—and then you will have to ascertain the rate, and then find out how much it will fetch, and then you will have to fix the assessment.

A.—That will be once for all.

Q.—But sometimes on account of lack of water there may be less yield, and there may be other disturbing factors. Will it not be inconvenient?

A.—When we take the average of 10 years, it should be an average of 10 years. It should be a fair average, for guidance.

Q.—Are lands becoming more fertile day by day, or are they exhausting?

A.—They are exhausting.

Q.—Supposing we take the average for the last 10 years and fix the assessment in cash accordingly, and subsequently, after 30 years or some more generations, the land gradually gives less and less yield, will it not be a great hardship upon the cultivators and landholders if this sort of settlement is arrived at?

A.—You will have to reduce it when you find that the rates have reduced.

Q.—You do not mean a permanent settlement?

A.—I have said it is to be on the incidence.

Q.—You say there should be a committee of two Amins. Should they have advisory functions or should they have the right of giving their independent opinion or if they do not agree might they not write a different report?

A.—I think the settlement officer and they will agree.

Q.—In nominating the members should the president of the district local board select them from the members of district local board or can he select outsiders also?

A.—Leave that to the district local board. The president represents the board.

Q.—Supposing they all agree, should the matter come before the Legislative Council?

A.—If they all agree it should go through the proper channels to Government just as it does now. Government must watch its own interest also. In case of unanimity it should not come up before the Legislative Council.

Q.—Have you remained as a mukhtiarkar in places where there are kacha lands?

A.—Yes.

Q.—Kacha lands are those which are on the banks of the river?

A.—Yes, they are formed by the capricious action of the river.

Q.—You are quite familiar with the vagaries of the river and that sometimes the best lands are turned out to waste lands?

A.—Yes.

Q.—You are also aware that kacha lands grow every year a lot of jungle which the zamindar has to cut down at a lot of expenditure?

A.—Yes.

Q.—Do you think that the zamindars and haris are prosperous in kacha lands?

A.—I do not know. I think they should be prosperous. If they are not prospering it is on account of other defects, for instance the river spoiling the land.

Q.—As regards the general economic condition of the haris and zamindars, what is it in your opinion? Are they prosperous?

A.—They are not prospering, as I told you. Agriculture as an industry does not pay, and they are not prospering.

Q.—They are day by day becoming more and more indebted?

A.—Yes, more and more.

Q.—They are more and more seeking protection under the management of encumbered estates?

A.—We have been giving them these reliefs since 1856, and probably our followers will give them the same relief unless the whole thing is extinct.

Q.—Do you attribute this chiefly to the high assessment?

A.—The present vagaries of the river. As far as I know, extravagance is not one of the reasons of their indebtedness. They are living from hand to mouth. I am talking of the haris, and in the villages they are living at starving point. As regards the zamindars, I do not think there is much difference in the conditions of life of poor zamindars and haris.

Q.—In revision settlements, would you take into consideration the high cost of living?

A.—I really do not know how far we can allow it. It is a very difficult thing. Possibly gramaphones will also be considered a necessity.

Q.—You have not followed me. I mean necessities in life. The prices of necessaries have gone high. Would you take that into consideration? I do not mean luxuries.

(No answer.)

To Khan Bahadur S. N. Bhutto:—

I am a retired Government officer.

I have served as mukhtiarkar, deputy manager, deputy and assistant colonisation officer, on the Jamrao, assistant land acquisition officer, and something of the police department, and deputy collector.

Q.—Will you let us have your own experience of revision when you went to revise assessments?

A.—There are some rules which we are bound to keep before our mind's eye. I am now talking freely as I am not a Government servant now. When you are entrusted with doing certain things, you have got to follow the policy laid down for you to follow the rules. It is very necessary in the interest of continuance in office.

Q.—Government as well as the non-officials are anxious to arrive at a fair basis. We would like to have first-hand information. Kindly let us have your experience when you went to revise assessments.

A.—It is a very difficult thing. A settlement is not an easy thing. So many things have got to be considered.

Q.—For instance you do an experiment?

A.—Rao Bahadur Hiranand thought it to be practicable for so many experiments to be done. They can be made only at certain times of the year. At that time, the district officers cannot come up. In the case of rabi, you cannot hold these experiments long after sunset on account of the tremendous heat.

Q.—In the piece of land in which you conducted an experiment, was the outturn of the rest of the piece equal to that on which the experiment was made?

A.—When I was deputy colonisation officer, I had to do a lot of these experiments. There were 7 jirebs or 3½ acres where I held experiments. I got hold of 7 jirebs and reserved for crop experiments half an acre. I supervised with the help of a tapedar until I could come to a decision about it. I found it produced 7 kasas (2 1/2 kasas to a maund). I told the men to see how much he got out of the remaining 6 jirebs. I was astonished to find that he realised only 27 kasas more out of the whole plot whereas only one jireb brought me seven kasas.

Q.—To what do you attribute this difference?

A.—To pilfering by haris and also by birds, gleaners also.

Q.—From your experience can you say that land is a paying concern?

A.—No, I want to sell my land if I can get a buyer for it. It does not bring me anything.

Q.—You know that land is worth nothing in Sind without water. How do you suggest that water tax should be separated, when it is not worth anything, you are not to consider improvements, you take away improvements, take away water.....

A.—Improvements at the cost of zamindars, improvements that have taken place on account of water being available.

Q.—Does Government also effect some other improvements except water?

A.—Nature makes some improvements. You know kalar lands often get washed away by water and become excellent cultivable lands.

Q.—Is there anything in Sind like waste water?

A.—Yes.

Q.—Are you permitted to draw water into your waste land and improve that land by bunding that water?

A.—I do not know whether it is permitted or not, but I did it and do it.

Q.—I believe you have some personal knowledge of the Upper Sind Light Railway. Do you think it has aided anything to the rise of rates?

A.—No, the contrary is the case.

Q.—Has it any way reduced cost of conveyance or cartage?

A.—No.

Q.—Has it aided anything to rise of rates?

A.—I do not think so.

Q.—Is the railway cheaper than carts or camels?

A.—I think we actually employ camels and carts and even if the railway is available we shall not do away with carts and camels.

Q.—Putting all charges together, they would work out higher than cart hire rates?

A.—Yes, including payment to station master who will tell you there are no " gaddas " available.

Q.—In your opinion except rise in rates no other consideration should be taken into account?

A.—For revision, yes.

Q.—Is that the only point to be considered, difference in rates?

A.—Yes.

Q.—In case the Amins and the settlement officer do not agree, will you then refer the question to the Legislative Council or not even then?

A.—In that case it may go to the Legislative Council.

To Mr. H. B. Shivdasani:—

Q.—You want to separate land and water assessment?
A.—Yes.

Q.—How would you fix the assessment?
A.—Land revenue forms a proportion of something like 1/8th.

Q.—Suppose in a year water fails, will you charge the land assessment, if there is no inundation and canals do not have sufficient water?
A.—Remission is there.

Q.—What is the advantage in having it separate?
A.—There will be no need to go into net profits.

Q.—How will you fix water rate?
A.—According to what we (P. W. D.) have spent on water.

Q.—How will you charge, for which piece of land?
A.—According to the whole area.

Q.—Will you charge rice as you charge jowari?
A.—Not jowari but we may have double and single rates. In the case of flow we should charge double and in the case of lift only half.

Q.—What is the price of land in Sind?
A.—About Rs. 300 a jireb or Rs. 600 an acre. I have purchased about 300 to 400 jirebs.

Q.—What would you get if you sold them now?
A.—For about one to ten jirebs I can find a purchaser in a Mahomedan who does not care to get any interest.

Q.—What is the price of lift land in lower Sind?
A.—It is very cheap, about 10 or 15 rupees a jireb.

Q.—What is the assessment on lift land?
A.—About one rupee or Rs. 1/8.

Q.—And the price is only 15 to 20 rupees an acre?
A.—Yes, about that.

Q.—Flow land I think sell up to Rs. 50 a jireb or 100 rupees an acre?
A.—That is the maximum.

Q.—What is your idea about fallow rules?
A.—As far as I can see they were intended to check idleness among zamindars. The thing is they went on getting land which they had no capacity to cultivate. It was found very necessary to guard against mischief done to other persons who possessed no land to take back from them such land as was not cultivated. It was on account of this that fallow rules were introduced.

Q.—Whether land was good or not he is compelled to pay assessment?
A.—Assessment has always been paid.

Q.—What are recent orders?
A.—I do not know what they are because I retired some 5 years ago.

Q.—What were they when you retired?
A.—We used to give fallow lands back to the owners.

Q.—As a matter of right or of grace?
A.—I have not been able to make any distinction between grace and course in government service.

Q.—Did they give it back on permanent tenure or temporary tenure?
A.—On the same tenure on which they were held previously.

Q.—For shorter periods?
A.—No.

Q.—Are you aware that at present they are given back on shorter tenures such as five years only?
A.—I am not aware.

Q.—Are landholders satisfied with auction system?
A.—Most dissatisfied.

Q.—Is there great discontent?
A.—Yes, because they think Government has broken its pledge.

To Moulvi Rafiuddin Ahmad:—

Q.—You told us that you had to do many things in the interest of continuous service. Are you quite free from official domination now?
A.—I consider that I am not within very easy reach.

To Mr. L. J. Mountford:—

Q.—You have told us that a zamindar cannot make a living in Sind out of his lands. Is that the idea?

A.—There is a very small percentage of zamindars who do make a living but it is a very small percentage.

Q.—Supposing they had regular water and sufficient water for their crops, would their condition improve or not?

A.—It would not improve unless you reduced their assessments which are heavy at present.

Q.—Is your estate not very well supplied with water?

A.—I think I am quite satisfied.

Q.—Yet it does not pay?

A.—It does not, because it does not bring me even the low rate of interest which I would have got if had invested the capital in other business.

Q.—Would you look upon it as an average good land or a poor land?

A.—I suppose it to be the best land because I have paid up to Rs. 300 a jireb for it.

Q.—You may have paid too much.

A.—No.

Q.—And on that do you make a loss on account of excessive improvements you have made or do you make a loss in any case?

A.—I have made no improvements excepting the Rs. 300 a jireb which I have paid.

Q.—Have you built a karia?

A.—That existed before.

Q.—Does not your land pay 6 per cent.?

A.—No, not even four per cent.

Q.—Does not good rice land at Fuleli pay 4 per cent.?

A.—That is different because they do not invest so much.

Q.—They make more than four per cent.?

A.—Yes. In Larkana or Sukkur district such land fetches Rs. 150 to Rs. 200 a jireb.

Q.—Do you think on rice lands a man cannot make even four per cent. generally after careful cultivation?

A.—I do not think they can get it. My cultivation is done most carefully and yet it does not bring me anything like a fair rate of interest.

Q.—Are the estates which come under the management of the Manager, Encumbered Estates, not rich estates?

A.—They are above the average.

Q.—Their lands did not pay to those who gave out leases 4 per cent.?

A.—I think so; but to lessees it might.

Q.—Their estates are in debt?

A.—Yes.

Q.—In some cases amounting to 2 lakhs of rupees?

A.—Yes.

Q.—What would a landowner make anything on these estates?

A.—What do you mean by landowners? One man who has purchased land from another becomes a landowner and the man who sells the land is also a landowner.

Q.—Did those estates pay off all their debts?

A.—Yes.

Q.—The Manager scrutinised the debts and helped the estates so much by reducing the debts. Even so those debts were cleared off by management?

A.—But by selling off their bullocks and so on.

Q.—You found that in the previous regime a very large number had been cleared off.

A.—Yes.

Q.—And yet you would stick to your statement that the average estates were not paying their owners?

A.—Yes, but it is not so much on account of the land paying so much but by resorting to other more careful methods of management and cutting debts.

Q.—Don't you think that with more care and more water the conditions of the zamindars and agriculturists could be improved?

A.—I think they are getting in my part the maximum supply of water.

Q.—Do you think they are able to supply maximum water say on the Ghotgi side?

A.—There they depend upon floods. Sometimes the river spoils their crops. You saw that in two or three years the river had no water in it.

Q.—If these canals were improved would it improve the condition of the zamindars?
A.—I think it will not although it ought to.

Q.—If they had water in their canals would it not improve their condition?
A.—No, because they will have more land which is now lying waste at their disposal.

To Mr. A. W. W. Mackie :—

Q.—In Sind if you get Rs. 50 out of an acre Rs. 25 goes to the hari and 25 remains with the zamindar. The zamindar's expenses leave him with Rs. 19. How much is the Government assessment?
A.—The Government assessment is about Rs. 6.

Q.—That is about 1/9th. That leaves the zamindar with Rs. 13. The hari's share is Rs. 25. The one is about half of the other.
A.—I think he employs his own family people and keeps a pair of bullocks which do not cost him much.

Q.—Out of that 25 how much costs the hari and his family to live?
A.—He cultivates his own land and it costs him practically nothing.

Q.—He may have to spend for the maintenance of his bullocks, implements. He must purchase grass, etc.
A.—What implements? he has got only a plough.

Q.—I want to know how much remains for his livelihood after he pays all his expenses for bullocks and so on.
A.—I think, a negligible amount.

Q.—Does he spend all his 25 rupees?
A.—He has to spend on purchase of bullocks every two or three years.

Q.—A zamindar in practice gets half of what the hari gets. How many acres is an average holding in Sind?
A.—It would be very difficult for me to tell.

Q.—Would you regard a zamindar with say 200 jirebs as moderately well off?
A.—About 150 jirebs or 75 acres I would consider a moderate size.

Q.—How many haris would you need?
A.—7 to 8.

Q.—And the zamindar gets half as much as each hari. That means such a zamindar would have an income equal to that of 4 haris?
A.—Yes, that is so, in any event it is not much.

Q.—You know Rs. 300 a jireb was a great offer.
A.—Yes, I paid that price.

Q.—And it does not pay you 5 per cent.?
A.—That is so.

Q.—Then you gave too much for it?
A.—I gave too much for it.

24th June 1925.

EXAMINATION OF WADERO ALIHASSAN HAKRO, PRESIDENT, KAMBAR MUNICIPALITY, LARKANA, SIND.

To Mr. M. S. Khuhro :—

I am aware that zamindars have spent so much money on improvements.

I possess land in Larkana division.

Round about my holdings there were many lands that were *kalar* and Government waste lands and they have now come under cultivation and occupation.

If the lands lying waste round about our lands had not got water they would have been worth nothing.

I think it would be proper to separate water tax and land assessment.

I know that at present, as you state, the proportion of water rate to land rate is 1 to 9.

It should be a permanent settlement; if it is not possible, then please bring it up to 30 years at least.

The zamindar spends one-third of his share on expenses in bringing about his crop as a minimum.

I know that lands are sold at Rs. 200 to Rs. 300 a jireb in Upper Sind. But those are lands that are already improved, and would not admit of any other improvements. Unimproved lands in comparison to these fetch very little price. If we were to improve them and bring them up to the level of other improved lands, it will cost us about Rs. 200 to Rs. 300 a jireb.

We do not get any interest out of the money that we invest in land—very little, almost nothing.

I am aware that there exists a provision—section 107 of the Land Revenue Code—that improvements are not to be taken into account.

If we do not improve the lands that are unimproved, it is practically impossible that they could be cultivated. Unless we invest money it is impossible to get any outturn from land. Taking this into consideration, in my opinion Government can only charge assessment for water.

The proportion of assessment should be fixed on the net profit of the zamindar and not on the rental value, as there is no system of rental value in Sind. The maximum that I would recommend would be one-fourth of the net produce of the zamindar—25 per cent.

I know that at present the settlement officer takes into consideration only the facility of water while revising assessments, and nothing else.

In individual cases 10 per cent. should be the increase at each time of revision of settlement.

In case of groups of villages, there is no need of fixing any maximum. I have no confidence in the present method of revision of settlement. The present method of revision settlement is not satisfactory.

What I would suggest is that there should be two Amins or Mashirs at the time of revision with the settlement officer. They must be zamindars. The taluka local board should select such Mashirs for their taluka.

I am in favour of a committee being appointed by the Legislative Council to go into the report, before it is sent up to the Executive Council.

24th June 1925.

EXAMINATION OF RAO BAHADUR BHIMBHAI R. NAIK, PRESIDENT, DISTRICT LOCAL BOARD, SURAT.

To the Chairman :—

Q.—You accept the principle of section 107 of the Land Revenue Code?

A.—Yes. I would suggest that the profit should be net profit. The word "net" should be added. It should be made clear.

Q.—In reply No. 4 you say "On the net profits of agriculture." How would you arrive at that?

A.—Gross produce, *minus* cost of production.

Q.—What will you include in cost?

A.—Labour, seed, manuring, harrowing. I would take interest on the capitalised value of the land. I cannot give you the details with regard to other places, but in Surat one acre of cotton crop is the basis. Rs. 2/4 for removing stumps.

Q.—What are the items?

A.—Taking stubble of previous year, harrowing, manuring, carting of manure to the fields, ploughing, sowing seed, interculture, weeding twice, filling gaps, thinning and picking cotton and marketing.

Q.—All money spent on agriculture should be deducted from the gross value of the produce?

A.—Yes. Also interest on the capitalised value of the land.

Q.—If the land was newly purchased, it might have cost something, but if it has been inherited from times immemorial?

A.—Lands which have been inherited from times immemorial must have been lying waste without any value perhaps. The improvement has been made by our forefathers, and that must have cost some money.

Q.—They may have recouped themselves to the extent of the full value of the land from the income?

A.—No.

Q.—You do not want to make any differentiation between the cultivating and non-cultivating class of landlord?

A.—Because the cultivating class of to-day becomes the non-cultivating class to-morrow.

Q.—Would you make any differentiation between the middleman who leases out the land and the agriculturist who actually ploughs the land?

A.—No Sir, because in Surat there are very few non-agricultural landlords, not more than 5 per cent. and they are all cultivating.

Q.—Questions 7, 8 and 9. You say "provided the whole period of revision settlement immediately preceding, excluding the years of abnormal price be taken."

A.—In the first instance, I do not take rental basis as the basis for assessment. If you want to take the rental value at all, if you take ten years' average, I would not mind. I understand in some districts revision settlement is being done, and there the land 10 years, being abnormal, should not be considered.

Q.—Therefore, you have said excluding years of abnormal prices?

A.—Yes.

Q.—If you would refer to the questionnaire, we have said "excluding years of abnormal prices."

A.—If you exclude the last 10 years, I would be content with the ten years previous to that.

Q.—Nos. 10 and 11. You say no.

A.—No means.....

Q.—No limit fixed?

A.—I would have it fixed for ever. I would fix a certain percentage as Government share or tax, of the net profits of agriculture. The maximum would be 20 per cent. of the net income.

Q.—Twenty per cent. of the net profits of agriculture?

A.—Yes.

Q.—As regards question No. 12, can you suggest any way of making the scheme more practicable?

A.—It is very laborious. You have to move from field to field, and one field grows three kinds of crops, jowari, cotton and val. It is very difficult to fix it.

Q.—As regards the maximum limits, you do not accept the present maximum limits of enhancement, but you want to fix them at 20, 30 and 50?

A.—If it is to be applied in the interest of the agriculturist. In some talukas it has been stated that revisions were made on faulty calculations. Under these circumstances, it should not go beyond these limits.

Q.—20 for a taluka, 30 for a village and 50 for the individual holding?

A.—Yes; the maximum limit should never be more than that.

Q.—No. 15?

A.—I am rather for the permanent settlement.

Q.—If the permanent settlement is introduced, have you no fear that the peasant proprietor class will disappear, that the land will pass into the hands of money-lenders, or big landlords, that there will be very big landlords who come between the actual tillers of the soil and the Government and the tillers will have to be protected, which would lead to ill-feeling between the tenants and the landlords? Is not there that danger in a permanent settlement? In Bengal it has led to feuds.

A.—I believe the result will be quite contrary to what has been suggested in the question, because in Surat they are not big landlords there. In the case of Bengal it is different. You will hardly find five per cent. out of the whole district having holdings of 200 acres. Fifteen to 20 acres is the average holding. Practically, at present the real agriculturists are the owners.

Q.—If you make it a permanent settlement, is it not possible that the investing class—not the village moneylender—the capitalist from outside towns will come and buy the land, be a big landlord, and lease it out to others? Is not there that danger?

A.—No, Sir. It will not happen.

Q.—Why not? The soil is rich cotton soil?

A.—Because it does not pay people from outside to invest their money. If you take a few examples in Surat, you will find that they are selling out.

Q.—But somebody buys?

A.—The villagers are buying.

Q.—You want non-official members elected by the Council on the standing advisory committee?

A.—A majority of the non-official members. I do not mind if there are Government officials on the committee.

Q.—Do you want a non-official advisory body? In the question we have said "officials and non-officials." I take your reply to mean that you want non-official members to form a committee. Do you want officials to work on the committee?

A.—I do want some officials to work on the committee. What I mean is that the majority of the number should be the non-officials and they must be elected by the Council.

On this question I have to add one thing. Even this advisory committee elected by the Council will not do any good unless that committee is advised or supported by local village, district or taluka committees.

Q.—You want to form village or taluka committees?

A.—Yes.

Q.—You suggest that in the case of a taluka where revision work is going on, the taluka committee or the village committees should be consulted before the settlement officer fixes his rates?

A.—That is what I mean.

Q.—These committees of the agriculturists of each village should be consulted before the rate is fixed?

A.—Yes.

Q.—Is not there the danger that self-interest will come in?

A.—Some member of the taluka local board or taluka association is what I suggest and then one or two prominent men, agriculturists, who understand something about agriculture from the taluka. I do not mean men necessarily from the same village.

Q.—In the first place, is it feasible that the settlement officer consults them to get the facts and have them attested and checked by them?

A.—Of course the settlement officer submits his report in consultation with the committee.

Q.—It is not merely that he consults them for arriving at correct data, but even after he has come to a decision, you think he should take their opinion on it?

A.—Yes.

Q.—Do you think that there will be capable, selfless, honest, efficient men in the taluka to do this kind of work?

A.—For this purpose, I think they will get.

Q.—Selfless, honest, efficient and expert men who have the time to do it?

A.—As far as Gujarat is concerned, they will find one or two such men in a taluka.

Q.—I am glad it is so in Gujarat. I had my doubts.

With regard to question No. 19, you want the whole thing to be definitely fixed, so that there will be no suggestion of Government ownership. But we do believe in Government ownership. From the days of old it belonged to Government?

A.—It is a matter of opinion.

To Mr. G. W. Hatch :—

Q.—Question No. 4: you wish to base assessments on the net profits of agriculture. You have considered the difficulties, I suppose, in the way?

A.—There will not be any difficulty.

Q.—Would not you want to make enquiries in regard to the outturn of each plot or holding?

A.—Not necessarily. In a village, the different kinds of soil are known in the different directions. If you go to a particular village, you will be able to find out what is the soil on the northern side, etc. You can take one from the best, one from the medium and one from the lowest quality on that side, and then you can go to the other side and do it there.

Q.—You would not go into the question of the different kinds of cultivation, whether one man cultivated it carefully and another man did not?

A.—That will come automatically, Sir, because for the man who is careless in cultivation we will take his crop also. That will come in the average.

Q.—You will have to take a good many to take that average? One of black soil and one of red will not be sufficient. You will have to take a number of different kinds of cultivators?

A.—Yes.

Q.—A large number of crop experiments will have to be made in each village?

A.—I do not know about other districts, but in Surat district one man will not have all his holdings in one direction; he will have them in different directions. Out of the dozen fields I have suggested, the careless cultivator will also come in. They do not hold their fields in one direction only.

Q.—In answer to questions 7, 8 and 9 you say " Yes, provided the average of the whole period of revision settlement immediately preceding, excluding the years of abnormal price be taken." Don't you think it rather difficult to ascertain the real rents paid 20 and 25 years ago?

A.—I have said just now to the Chairman that if you exclude the last 10 years which were abnormal on account of the war, I do not mind if you take the average of the preceding 10 years.

To Rao Saheb D. P. Desai :—

Q.—Will you give me the incidence of taxation to the gross produce in the cotton tract of your district? That is perhaps the best cotton tract in the Presidency so far as I am aware. Will you please give the incidence of assessment to the gross produce per acre?

A.—About Rs. 72 gross out-turn from an acre of a comparatively best soil.

Q.—What proportion does the assessment bear to the gross income. What is the valuation of gross produce of an acre in your part?

A.—Rs. 72 per acre of a comparatively best land.

Q.—What is the assessment?

A.—Rs. 6 to Rs. 7.

Q.—For dry crop?

A.—Yes.

Q.—In Chorasi, Olpad, Bardoli where cotton is grown, what is the value of the net produce. Deduct all the cost which you have mentioned to the President and arrive at the net produce.

A.—The items of expenditure which I read out to you come to Rs. 32. The balance remains at Rs. 40. Out of that deduct Rs. 18 which is the supervising charge of one man at the rate of Rs. 30 a month. Taking an economic holding of 20 acres per family, we have to keep one man to take care of our cultivation and we pay him Rs. 360 per year. If you deduct that Rs. 18 the balance that remains is Rs. 22. If you deduct the interest on the capitalised value, Rs. 16 at the rate of four per cent., the balance remains at Rs. 6 and the assessment has to be paid out of that.

Q.—Out of Rs. 6 you pay Rs. 6 to Government?
A.—Yes.

Q.—If you do not deduct that Rs. 18?
A.—We shall have to do the supervising ourselves and that Rs. 18 would be saved.

Q.—Deducting that Rs. 18, what is the incidence?
A.—About 30 per cent.

Q —Put the value of the land at Rs. 400. You consider that the land does not give you any return?
A —You cannot go by the value of the land.

Q.—The cultivator generally rests satisfied with supervision charges that are put down in published statements.
A.—Yes.

Q.—It has been stated that if permanent settlement were introduced the land would pass on to money-lenders and to capitalists. You said it was not possible in Gujarat. May I know your reasons for saying so?
A.—At present first of all there is uncertainty about agriculture on account of periodical revision settlements. By having a permanent settlement the man will be certain about his tenure and he will improve the land and he will give more attention to the land and consequently the land will yield more.

25th June 1925.

EXAMINATION OF RAO BAHADUR BHIMBHAI R. NAIK—contd.

To Rao Saheb D. P. Desai:—

Q.—You said that the net income was Rs. 22?
A.—Rs. 21-4-0.

Q.—Net income of the best cotton land?
A.—Yes, of comparatively best land and at to-day's value of Rs. 530 per khandi, which is an abnormal price.

Q.—You do not take into consideration the years of scarcity?
A.—No; the present year is the best year of production for cotton, and I have taken the present year and for the best field.

Q.—Am I right in saying that the Government estimate of 80 lbs. per acre average, is the average of your district—lint cotton I mean? It is $80 \times 3 = 240$?
A.—About 200 lbs.

Q.—Coming to kyari lands, may I know what is the rice rate in your district?
A.—Rs. 5 for the soil and Rs. 5 for the water. The water is not supplied by Government; they charge for rain water. The kyaris are made at the expense of the cultivator, and I would call it an improvement.

Q.—That means that Rs. 5 are charged for the improvement of your land?
A.—Yes.

Q.—The levelling is done by you and not by Government. Do Government contribute anything towards the expense?
A.—No.

Q.—On kyari lands you have to pay an average of Rs. 10 per acre?
A.—Yes.

Q.—May I know whether kyari land fetches higher value in the market than dry crop land?
A.—In some places it fetches higher value than dry crop land.

Q.—Generally speaking, what is the condition over there as regards rice lands?
A.—As regards crops, I do not see much difference between rice and dry crop land.

Q.—The net profits are the same?
A.—Yes, if you take the average of 15 years.

Q.—There will be no net profit left as Rs. 10 will have to be given to Government?
A.—No.

Q.—Do you work rice lands at a dead loss?
A.—Some of the villages are. They are not growing rice, and they pay for it.

Q.—You were one of the members of the committee for the enquiry of the economic conditions in Pardi taluka?
A.—Yes.

Q.—Agriculture was mostly rice land there?
A.—Yes.

Q.—What did you find was the condition of the cultivators there?
A.—Most miserable.

Q.—You arrived at a sort of net profit earned by the rice growers. May I know what it was?
A.—About Rs. 3 an acre.

Q.—Deducting these rice assessments, as you say?
A.—Not in all cases. In some cases I think there was a loss also. There was a balance on the debit side.

Q.—I believe you conducted enquiries in a good number of villages?
A.—More than a dozen.

Q.—You had access to all the official papers?
A.—Yes.

Q.—You told the Chairman that when permanent settlement was introduced in this Presidency it was not possible for the cultivators to sell away the lands to the capitalists. What are your reasons for it?
A.—I understood the Chairman to ask if by a permanent settlement all the lands will not pass into the hands of the money-lenders, and he cited the instance of Bengal. But there is a difference between Bengal and Bombay. In Bengal the tenure is zamindari, while here it is ryotwari. There is no likelihood of the lands passing from the cultivator. On the contrary, their position will be better.

Q.—Do you think they would get money at a cheaper rate of interest?
A.—Decidedly, if the permanent settlement is introduced.

Q.—Are the present rates of interest high?
A.—Yes.

Q.—What is the rate at which money is advanced by the bankers to the cultivators?
A.—Nine to 12 per cent.

Q.—Nine to 12 is the co-operative rate?
A.—There is no uniformity about the rates. Some charge 1½ per month, that is 18 per cent. per annum.

Q.—What would be the average?
A.—We may safely take it at 10 to 12 per cent.

Q.—Do you consider landed security as one of the best securities?
A.—Yes.

Q.—And yet higher rates of interest are charged by the bankers. What is the reason for charging higher rates on security which is one of the best securities?
A.—On account of the uncertainty of the tenure.

Q.—Why have you advocated a period of 99 years?
A.—Something is better than nothing. In the absence of a permanent settlement, I would prefer this long period. I still consider that permanent settlement is the best.

Q.—Regarding your reply to question 19, what are the tests by which you judge that the property belongs to Government and not to yourself? How can you say that the land in Surat belongs to Government and not to the cultivator?
A.—The very system of land assessment says that the cultivators are only tenants and the land belongs to Government. The Land Revenue Code says that.

Q.—Do you think the ownership should be restored to the agriculturist?
A.—Yes.

Q.—Can you build any structure on your land now?
A.—No; on agricultural land not without paying extra assessment.

Q.—Is it in the power of the Collector to give you permission or not to give it?
A.—Yes.

Q.—He can prevent you from building?
A.—Yes.

Q.—Do you wish the right to be restored?
A.—Yes.

To Mr. D. R. Patil:—

Q.—Don't you think that the fairest method of arriving at the basis of assessment is to ascertain the net income of agriculture?
A.—Yes.

Q.—Don't you think that the rental system will be ruinous to the agriculturists?
A.—I do not know, because I do not approve of that system at all. It is not a safe data to work upon.

Q.—Don't you think that the rental system will be ruinous to the interests of the agriculturists?
A.—Of course it is.

Q.—Do you hold that the landlord exacts under the name of rent economic rent *plus* uncertain and abnormal interest on capital outlay?
A.—Sometimes they do; not abnormal interest. They of course count the interest in reckoning rent—interest on capitalised value.

Q.—Are you aware of the various vitiating factors, if we base assessments on the basis of rental value?
A.—The rental value depends on supply and demand. If a village has a big area of cultivable land and the population is small, it would not fetch as much rent as a village where the area is small and the population is proportionately larger and the cultivator has got nothing to do except to fall back on the land. So, they will give any price demanded by the landlord. Marketing facilities and communications, all these factors do weigh. But the chief difficulty is that there is no cash rent in advance system in my district. They will agree to pay so much rent, but next year if there is no crop they will pay nothing. Whatever may be shown in the patta is not the real rent.

Q.—Do you think that a flourishing peasantry is the backbone of Government?
A.—Yes.

Q.—Can agriculture be described as a key industry?
A.—Yes.

Q.—Will you therefore admit that it is necessary for the State to pursue a policy which will permit of the economic well-being of the cultivating classes?

A.—Yes.

Q.—Is it not a fact that some of the artisans and craftsmen who formerly could make a living by their traditional callings have been driven to the soil by the decay of their industries caused by the competition of foreign manufacturers?

A.—Yes.

Q.—Do you think that farming by itself is insufficient to maintain a large number of cultivators' families who have to supplement their earnings by selling their labour to others in different ways?

A.—It is so generally.

Q.—What is the state of the agriculturist so far as his monetary position is concerned?

A.—Not good.

Q.—Can you say that if we take into consideration the income agriculturists derive from agriculture and the expenses they have to incur for cultivating the lands, the expenditure is more than the income, if we take into consideration the cost of cultivation?

A.—Of course if we include the interest on borrowed money or on the capitalised value of land.

Q.—If we take into consideration the cost of cultivation, that is if we take into consideration the charges that we shall have to pay for the labour that is bestowed by the members of an agricultural family and all costs in the matter of cultivation, if we calculate all these things, on that basis, don't you think that the expenditure will be more than the income?

A.—I am not quite sure about it. If you take the labour charges of the family of the cultivator, then it will go to the debit side. In bad years there will be a loss, but in good years it might square up.

Q.—According to you, what is the maximum rate of assessment per acre for the best sort of land in Surat?

A.—About Rs. 6 to Rs. 7 for dry crop land and Rs. 11 to Rs. 12 for kyari land.

Q.—Do you think the settlement proposals should be ultimately submitted to the Council for final sanction?

A.—Yes.

Q.—Do you favour the idea that these settlement proposals should be first submitted to the Cabinet for consideration, and if there is any difference of opinion in the Cabinet, then alone they should be submitted to the Legislative Council?

A.—I think in any case these matters should come before the legislature.

Q.—Do you accept the idea that these proposals should be first submitted to the Cabinet?

A.—I do not lose anything by their submission to the Cabinet.

Q.—Do you approve of the idea?

A.—Finally it must be decided by the legislature.

Q.—You do not want them to be first submitted to the Cabinet because they are to go to the Council?

A.—If it goes to the Cabinet I do not see any harm in it.

Q.—Would you like the idea that besides the members of the Council some other members outside the Council should be appointed to consider the settlement proposals?

A.—I said yesterday that I want to form village committees, and that the settlement officer should send his proposals in consultation with that committee. If the committee differs from the settlement officer, it must have the right to send a minute of dissent together with the proposals of the settlement officer, and all these papers, whether they go to the Cabinet or not, must come before the Legislative Council.

Q.—During the time of the Peshwas, the Moghul rulers or the Marathas, was there anything which would suggest that the ownership of the land vested in Government?

A.—Not that I know of. On the contrary, during the time of the ancient Hindu kings, they did not claim any right to the ownership of the land.

Q.—Do you admit that the fertility of land is exhausted by continued cultivation?

A.—Yes.

Q.—Is it a fact that because of the poverty of the people they cannot put manure into the lands to increase their fertility?

A.—To a great extent.

Q.—Therefore, is it not a fact that the natural consequence is that the lands are deteriorating?

Q.—Does not this deterioration lead to the poverty of the people?

A.—Yes.

To Sardar G. N. Mujumdar :—

I am one of the inamdars of the Surat district. I am not the owner of the soil in my inam village in the sense that Government or the State is the owner.

If in khalsa villages Government were willing to give up the ownership of the soil, I would willingly do so in the case of my inam land. The right, title and interest of the State devolved on the inamdars and if the State relinquishes its right, those of the inamdars should automatically cease.

There might be a representative of the inamdars on the standing committee or advisory board.

In unsurveyed inam villages the inamdars generally fix the revenue in proportion to the surrounding khalsa villages.

Q.—Are there any surveyed inam villages in which the present rate of assessment is far below the level of the surrounding Government villages?

A.—There may be one or two. I do not know much about it.

To Mr. R. D. Shinde :—

Q.—You are in agreement with the present provision of section 107 of the Land Revenue Code, provided that profit means net profit?

A.—Yes.

Q.—Do you first accept the view that in the case of agricultural lands only the profits of agriculture, that is net profits, should be considered and nothing else?

A.—Yes.

Q.—Will you accept an interpretation of the section under which even the value of land is taken into account?

A.—That is for non-agricultural lands, I understand.

Q.—If there is one, do you accept that interpretation in the case of agricultural lands also?

A.—No, I do not.

Q.—Do you realise that it would be extremely difficult to arrive at the net profits of agriculture?

A.—I think it will not be more laborious than the present system. At present they have to find out the fertility of the soil, the capacity of the land and so they have to survey the fields in the village. In the same way, they shall have to find out this thing too.

Q.—How is that to be done?

A.—As I said yesterday, excluding the last 10 years, 1914—1924, which were abnormal years, you may take the prices for the 10 years preceding, the average yield, the cost of labour and all these things, and then come to the net profit. Take the average prices of cereals as well as cotton for the 10 years preceding 1914.

Q.—There will be a number of items on the debit side which will have to be taken into account; and is it not likely that there would be considerable dispute about fixing what in each case ought to be put on the debit side?

A.—If you will take one or two men from every village the difficulty will be avoided.

Q.—Am I correct that you mean that you do not want to leave this work to be done by Government machinery alone?

A.—Yes. I said that a member of the taluka local board and one or two men from the village of which the survey is to be made might be co-opted with the settlement officer. There may be one member from the taluka local board and one Government member, who might be the Deputy Director of Agriculture or the Prant Officer. But these are matters of detail.

Q.—In case of disagreement between the Government officer and the elected members, what would you propose?

A.—They can also submit their report.

Q.—As regards Mr. Shivdasani's scheme, you say that you agree with the principle, but it will have to be made more practicable. What are your suggestions?

A.—I have not given much thought to it. I think it is not practicable.

Q.—With regard to your reply to question No. 19, will you mean by that that in the case of those lands in which there is no net profit, there should be no assessment altogether?

A.—Of course not.

To Mr. A. W. W. Mackie :—

Q.—About the subject of net profits, do you include in the debit side any remuneration to yourself?

A.—I have put down one servant Rs. 360.

Q.—Nothing for your labour?

A.—No.

Q.—You put an item 'interest on the capitalised value'.

A.—I have not put that. If I put that, it will not leave anything. I gave the Rs. 21 of the present year. I have not included even the assessment. If you deduct the capitalised value, there is a debit.

Q.—Do you regard the interest on the capitalised value of the land as an expense of cultivation?

A.—Yes.

Q.—If it is an expense of cultivation, in arriving at the net profit, you must deduct that?

A.—Yes.

Q.—You have got your gross produce; you deduct your interest on capitalised value, and you deduct your other expenses, and you deduct the assessment, and the remainder is your net profit?

A.—Yes, except assessment.

Q.—Interest on capitalised value of the land: capitalised value at what time?

A.—The period for which we take the account of the net yield. For the net produce if we take '14 to '24, take the average value of the land for the 10 years.

Q.—Suppose you are about to introduce this new settlement that you advocate, you take your data for the last 10 years?.

A.—Ten years of the pre-war period.

Q.—Let us suppose the net profits are Rs. 60 and that the rate of interest which you would be content with is 6 per cent. What would be the capitalised value of the land? How would you find it? You have got net profit Rs. 60.

The Chairman :—He said yesterday net profit 20 to 22, multiplied by 20 which gives 400, and he wanted a return of Rs. 24, which is 6 per cent.

Q.—You want 6 per cent. of what you pay for the land? You admit that?

A.—Yes.

Q.—What were the net profits?

A.—20 multiplied by 20 years is the capitalised value that is Rs. 400 per acre.

Q.—Take interest on capitalised value at 5 per cent. which is Rs. 20 and put it in your account.

A.—I have to pay interest to my sowcars. About 80 per cent. borrow money.

Q.—You put this 400 into the land. Out of that you get as your interest Rs. 20, and you get your net profits of Rs. 20; that is to say you get Rs. 40. What is the percentage of 40 and 400?

A.—10.

Q.—Double the market rate of interest?

A.—The balance is nothing. When you allow a man 20 for capitalised interest, the balance is nothing.

Q.—There is never any net profits?

A.—Net profits is impossible. It is impossible to have net profits if you allow interest on capitalised value.

Q.—I admit there is nothing, but that is only if he puts interest on capitalised value at Rs. 40.

The Chairman :—Net profit is 20 after deducting all expenditure. Rs 20 includes interest; it is not after deducting interest.

Q.—In arriving at the net profits you do not propose deducting interest on capitalised value. You want to put all the net profits into your own pockets?

A.—I stated the bare facts. After deducting interest nothing will remain.

Q.—If you take interest on capitalised value, nothing will remain.

The Chairman :—As a matter of fact assessment will have to be paid out of his pocket. It is a dead loss. Rs. 21 are arrived at after deducting the cost; deducting Rs. 18 per acre he calculated at the rate of Rs. 360 per annum as the salary of superviser on 20 acres holding and Rs. 32-12-0 for other items of cost and arrived at the figure of 21-4-0. Out of 21 which is his net profits he wants 24 for interest and 6 for assessment, so that there is a debit of Rs. 9.

Mr. Mackie :—So long as he admits that he takes the interest on capital value and deducts that as cost of cultivation, there is no net profits. I fully admit there cannot possibly be.

The Chairman :—If the money has not been borrowed, then the profit goes into his pocket as net profit.

A.—With due deference I may say that you are taxing improvements. We are given waste land. Then we have to spend about Rs. 1,600 on 20 acres for cultivating them.

Mr. Mackie :—I will leave that point.

To Mr. Mackie :—

Q.—Does the pitch of assessment affect the tenant?

A.—It does.

Q.—How?

A.—The indebtedness of the cultivators and the condition in which they live is clear proof that it is due to the pitch of assessment.

Q.—Can you explain how the pitch of assessment affects the tenants?

A.—Between the landlords and the tenants?

Q.—I am just talking about Government villages in which there are landlords and tenants.

A.—As far as my district is concerned, there are only about 5 per cent. non-cultivating landlords. The landlord of to-day becomes the cultivator of to-morrow.

Q.—But there are many thousands of tenants in the Presidency. The question is general. Does the pitch of assessment affect the tenants?

A.—Supposing I am the landlord, my tenant will have to pay the assessment. If he does not pay, next year he will not get the land, as I will have to pay it, and I will snatch at the land given on lease to the tenant and give it to somebody else, because he did not pay the Government dues.

Q.—That is really exchanging one tenant for another?

A.—Yes.

Q.—If one tenant will not pay the assessment, why should another? I think your answer does not answer the question. The tenant pays you rent; you pay assessment out of the rent. Suppose that assessment is lowered, how does it affect the tenant?

A.—He has to pay so much less rent to the landlord.

Q.—If the assessment is lowered, the landlords will reduce the assessment to the extent to which it is lowered?

A.—Yes.

Q.—Suppose the assessment is increased, what will happen?

A.—The rent will be increased.

Q.—So, rent does not depend on the economic conditions of the taluka and bargaining between the landlords and tenants?

A.—It does not.

Q.—How is the rental system ruinous to the agriculturists?

A.—Because generally the landlords always consider the interest on the capitalised value of the land, and then lease out the land at that rate *plus* the Government dues. A man returning from Mauritius with his coffers full may purchase land paying even Rs. 1,000 per acre, because he finds land a good security. He will lease it out on the basis I have stated, and in that sense it is ruinous to the tenants.

Q.—There are a good many tenants in the Presidency?

A.—Only 5 per cent. in my district.

Q.—So, it is simply bargaining between the landlords and tenants as to how much the man will pay. Does it not depend on the general standard of living which is possible in the community? If there is a lot of tenants they will pay a high rent, but if the tenants are scarce, the rents would be lowered?

A.—Yes.

Q.—Would you agree that these factors determine the rent? (No Answer).

To Mr. R. G. Pradhan :—

Q.—Do landlords keep accounts in Gujarat?

A.—Very few.

Q.—In ascertaining the net profits of agriculture, you take into account the cost of ploughing the land, cost of manuring, cost of sowing, weeding operations, cost of watering the crops, cost of watching the crops, cost of cutting them.....

A.—I have given you the average of cotton field. If you consider jowari and bajri you will have to include it.

Q.—Cost of husking, cost of taking the produce to the market. Do you include any sums for the depreciation of instruments of husbandry?
A.—I should.

Q.—I do not understand why you include assessments in the cost of cultivation?
A.—I do not include them.

Q.—You said that the condition of agriculturists in Gujarat is not improving. Do you hold that that is due to high assessments?
A.—It is one of the causes.

Q.—You think Gujarat is over-assessed?
A.—Yes, especially Surat and Kaira are heavily assessed.

Q.—By what percentage is it over-assessed?
A.—100 per cent.

Q.—What is it due to? Is it due to the fact that the assessment is based on the rental value?
A.—I do not know on what basis the last revision settlement was based, but I am informed that the value of the land was among the factors considered. I can only say they are heavily assessed.

Q.—Have you studied the working of the permanent settlement in Bengal?
A.—No.

Q.—You do not know what the evils of the permanent settlement are supposed to be in Bengal?
A.—I do not know what the evils are, but there is a difference between Bengal and Bombay, because it is zamindari tenure in Bengal while in Bombay it is ryotwari.

Q.—If you have not studied the working of the permanent settlement in Bengal, how can you say that at all events all the evils which are supposed to have resulted from the permanent settlement in Bengal would not result from a permanent settlement if it is established in the ryotwari tracts?
A.—I cannot say that.

Q.—*A priori*, without making a comparative study of the permanent settlement in Bengal, should such a settlement be established here, you still think that the good results of such a settlement will preponderate?
A.—Yes.

Q.—In your reply to the last question you have stated " The principles of assessment should be so clearly laid out that they would definitely exclude any suggestion as to Government ownership ".
Is that because your view is that Government are not the owners of land?
A.—Yes.

Q.—You have studied that question theoretically and historically also, and your opinion that Government are not the owners of the soil is arrived at after a careful study of the subject?
A.—Yes.

Q.—You therefore hold the view that the people are the owners of the soil?
A.—Yes.

Q.—You said something about the capitalised value of land. May I know whether capitalised value of land includes the improvements that may have been made say, by former generations?
A.—Yes.

Q.—In that case, is it possible to find out the capitalised value of land?
A.—It is not possible to find out the exact amount.

Q.—How will you find it out?
A.—You can take an average for some years.

To Mr. R. G. Soman :—

Q.—You have stated with regard to the Gujarat water cess that though Government do not spend anything on the supply of water, still they levy a water cess. Are there any dams or pats or bandharas in your parts?
A.—In Surat there are not many, but in Kaira you may find some.

Q.—So far as the bandharas and natural streams are concerned, do Government spend anything on it?
A.—No.

Q.—Are you aware that even those bandharas are separately taxed for water cess?
A.—I am told so.

Q.—You hold the view that this water cess is a tax on improvements, because the kacha bandharas have to be repaired every year by the agriculturists?
A.—It is a tax on improvement and nature.

Q.—So it should not be taxed?
A.—No, it should not.

Q.—You said in your replies to Rao Saheb Dadubhai that the cost of cultivation of jowari would be more than for cotton?
A.—Yes.

Q.—So, staple crop cultivation requires more?
A.—In my part of the country jowari and cotton are both staple, in alternate years.

Q.—The cost of cultivating jowari is a little more?
A.—Yes.

To Mr. H. B. Shivdasani :—

Q.—You have told us that the outturn of cottons per acre would be Rs. 72. At what prices?
A.—This year's prices.

Q.—So far you have told us that we should exclude the last 10 years' prices. If you do that, what would be the outturn?
A.—Not more than 35 to 40 from a comparatively best land.

Q.—If you deduct the expenses of cultivation?
A.—I would put it down at about Rs. 10 to 12 profit of agriculture.

Q.—Can you grow cotton in the same field every year?
A.—No, alternate years.

Q.—For jowari, how much would it be?
A.—Rs. 25 less than for cotton : about Rs. 9 net produce.

Q.—What would be the cost per acre?
A.—I have to get it. It is net. Rs. 8 or 9 per acre net profit.

Q.—Without deducting the cost, how much will it be?
A.—At the most a maximum of Rs. 12.

Q.—What will be the cost of cultivation?
A.—In those days Rs. 5 to 6.

Q.—You won't take into account assessment or interest?
A.—No.

Q.—You are in favour of basing assessments on net profits, and you think it is quite practicable to estimate net profits?
A.—We should make it practicable.

Q.—Why do you consider my scheme not practicable? You can at once convert net profit into cash and then fix the assessment at once. The difficulty about my scheme is the difficulty of finding out net profits. The essentials of the scheme are the fixing of a permanent assessment in kind and that is to be a portion of the net profits.
A.—So far I agree with you.

Q.—If you ascertain the net profits you can fix a permanent settlement. You can take it for 50 or 100 years. That is not an essential part of the scheme. I thought that as prices vary so much 10 would be fair. You can make it 25. It is not an essential part of the scheme that you should convert it into cash for 10 years.
A.—For generations they are accustomed to pay in cash.

Q.—What would be fair?
A.—It is all the same.

Q.—Why do you say it is not practicable if it is possible to ascertain the net profits?
The Chairman :—Both are probably impracticable.

To Mr. Shivdasani :—

Q.—In Surat about 5 per cent. of the lands are given out on rent?
A.—Yes.

Q.—Would it be possible to find out how much of the rent was due to improvements by the cultivator and how much is due for unimproved lands? He may have built a wall, he may have converted jowari into rice.
A.—It would be difficult.

Q.—Would the settlement officer be able to make allowance for every improvement?
A.—No.

Q.—If you take the rental value, it would be taxing improvements, because it would be impossible to exclude the part of the land due to improvements?

A.—Yes.

Q.—So the State, though pretending or making it out that improvements are not being taxed, will be taxing improvements?

A.—Yes.

Q.—Would it be fair to assess 100 per cent. of the lands on the basis of what you find out for 5 per cent.?

A.—No.

To Mr. Lalji Naranji :—

Q.—What are the factors to determine the value of land in your district?

A.—The present factor is that sometimes fields pass from one hand to another, and then of course there is no other factor.

Q.—What has been the variation in value during the last 10 years, upward or downward?

A.—Upward.

Q.—What is the reason for it?

A.—Surplus money came from other parts.

Q.—What is the percentage of the upward?

A.—It varies in various talukas from 20 to 100 per cent.

Q.—Agriculture is also an industry. If that industry is not paying, you think the people will invest in it?

A.—These people are investing for the sake of safety and not as a trade. Just as they are investing money in a bank, they are investing in agriculture.

The Chairman :—But the banks pay interest.

Q.—If it is not paying how have the prices gone up 100 per cent. as you say?

A.—The prices depend on demand and supply.

Mr. Lalji :—

Q.—That land which did not fetch anything three years before brought Rs. 75,000?

A.—That was agricultural land?

Mr. Lalji :—

Q.—Yes.

A.—How many acres?

Q.—(*By Mr. Lalji*) I do not remember.

A.—(By the witness)* But I should like to explain that most of these people have gone to and returned from foreign countries such as Mauritius, Burma, South Africa, East Africa and other countries. Being from the agriculturist class they go in for purchasing agricultural land as they consider the profession of agriculture as a safe profession and they do not care for banks or other industrial concerns, whether they get any interest from land or not they prefer that to investing their savings in any other lines of commercial enterprise. That has mainly led to rise in the value of land in Surat and other districts such as Kaira in Gujarat.

To Moulvi Rafiuddin Ahmad :—

Q.—Are you an elected president of the District local board of Surat?

A.—Yes.

Q.—You do not consider yourself in any way inferior in expert knowledge to a Government official of the Revenue Department?

A.—I would prefer not to answer that question as it is so very personal.

Q.—Do you admit that your knowledge of these matters compares favourably with that of revenue officers?

A.—The same reply to this question as to the previous one.

Q.—You have lands?

A.—I have.

Q.—Have you in your vicinity any lands of the Gaekwar?

A.—Yes.

Q.—Is it true that land assessment in Gaekwar's territory is less than in British territory?

A.—No, it is not less.

The Chairman :—If anything, it is a little higher.

---

*This was the explanation of the witness from the words "But I should like to ..... Kaira in Gujarat".

Moulvi R. Ahmad:—

Q.—Do you know that in Baroda territory they have revisions of assessment every 30 years?

A.—I think they do.

Q.—Is there the same degree of discontent there as in British India?

A.—Yes. There they generally follow the lines of the British revision settlements.

The Chairman:—The people also follow the same lines of agitation there.

Moulvi R. Ahmad:—Your reply to question 19. You say the principles of assessment should be so clearly laid out that they would definitely exclude any suggestion as to Government ownership of land or profiteering on their part. How can that be done?

A.—By legislation.

Q.—By the Government or by the Legislative Council?

A.—Government, if they can do it gracefully.

Q.—You want the legislature or the Government to lay down the general principles?

A.—At present the executive says that it is the owner of the land, but the legislature should lay down the principles.

Q.—Do you think the Government would agree to this suggestion?

A.—I do not think they would agree.

Q.—You come to the conclusion that these principles should be laid down by the legislature?

A.—Yes, if not gracefully by Government, that is the ultimate thing.

Q.—You consider this principal item in the revenue scheme?

A.—Yes, I do.

To Mr. L. J. Mountford:—

Q.—Do you consider that dry crop and wet crop lands fetch the same prices?

A.—Yes, in certain places, not in all talukas of my district.

Q.—Is that very exceptional or is that ordinary?

A.—Not exceptional but ordinary in some talukas.

Q.—Would bagait land fetch no more than dry crop?

A.—It would and does.

Q.—Does sugar-cane land fetch no more than dry crop?

A.—It does fetch more price.

Q.—What kind of wet crops you allude to?

A.—Rice land in some parts of my district.

Q.—Rice crops as a rule do fetch more?

A.—Not all, there are some rice fields which get water from tanks and on account of failure of crops for want of rain people abandon rice and sow jowari, kapas, etc.

Q.—You consider as a whole for the Presidency there is no difference in price between rice crop lands and dry crop lands?

A.—No, I do not mean to say so. I have no knowledge of other parts of the Presidency.

Q.—You think it is exceptional altogether that rice crop lands should fetch no more than dry crop lands?

A.—It is an exception.

Q.—You say that if you capitalise the value of land paid for that land there is no profit made from agriculture. Is that the idea?

A.—Yes, there is no profit.

Q.—Land would therefore, if it yields no profit, be a very bad security.

A.—Yes for the regular investors, not for the agriculturists; even if it is a bad thing for them but what could they do?

Q.—If a bania who has lent money to a man cannot get back his money *plus* interest, will he foreclose that land?

A.—Yes, but the man (debtor) agrees to it not willingly or voluntarily.

Q.—Why does he lend the money on the security of land?

A.—Because it is immoveable property.

Q.—If he knows that land is a very bad security and that it will not bring back his money why does he lend on that security instead of investing his money at 6 per cent. Government of India paper or bonds?

A.—That is the tendency of the Indian agriculturist who always manages to pay debts. The money-lender usually does not lose his money as he can recover it in many other ways.

The Chairman:—You had said previously that landed security is the best security and now you say landed security is a bad security. Which is correct?

A.—I mean, safe security for return of principal and interest whether it be more interest or less interest.

The Chairman:—A shrewd bania will not advance money on 4 or 5 or 6 per cent. if he knows that he can get 9 to 12 per cent. from investing money in industrial concerns.

A.—It happens this way. He advances Rs. 2,000 on land valued at about Rs. 5,000 or Rs. 6,000 and sometimes Rs. 10,000. He adds on his interest every year and even if for five years he does not get interest, his capital *plus* the interest will be covered because the cover was so large as when advancing he would take mortgage for Rs. 10,000.

Mr. Mountford:—How is the cover so big if he takes no interest whatever for five years when he could get 6 per cent. or more from company stock which often stands at 101 per cent.?

A.—His interest will be compounded once again.

Q.—Do you think that it is a paying proposition to lend money on land?

A.—I think it is a safe proposition.

Q.—You say that although that land would be a losing concern to the man that lends the money and although it is a bad security .....

A.—I do not say it is a bad security.

Q.—Supposing we have shares in a company that pays nothing and never can and will pay anything, would you call that a good investment as security? Would you lend money to a man on the security of stocks in that company which never will pay and never can pay any dividend?

A.—But I will look to the value of the property in that case.

Q.—The value of such stocks would be nothing as they never can and will pay any interest. How would they stand in the share market?

A.—They would have no demand but in this case the cultivator always tries to pay his debt with interest.

Q.—He cannot pay because he is making no money on his land.

A.—I do not say that. I say that if you deduct the interest he does not make anything.

Q.—If you take the capitalised value and what he has paid for his land you would take the interest thereon and that man could never make it pay?

A.—No, it means nothing for the man.

Q.—Do you say that a bania will never lend anything to a man who has purchased his land?

A.—He does lend.

Q.—Or advance money to a man to buy land with?

A.—He does advance but he takes a cover.

Q.—Can you tell me why it is that we can sell our lands at very high prices in the open market and why people are willing to pay high prices although they know that they will not be able to make any money at all, that they will lose, that they won't get interest back upon the money they have paid?

A.—That is the charm of the Indian agriculturist. It is a natural instinct with the Indian agriculturist that he goes in for land even at a loss as he has no other profession or means to fall upon.

Q.—Where do they get money from?

A.—From sowkars.

Q.—Where do the sowkars get the money from if they are losing all these years? Where is the money to come from if the sowkars have been losing money all these hundred years?

A.—I do not say that they lose their capital or interest. I say after paying interest the average agriculturist gets nothing. It does not leave any margin for the agriculturist after paying the interest on the capitalised value of land.

Q.—When that man forecloses and gets hold of the land for the Rs. 5,000 which he has advanced, how is the man to get his money back out of that very land?

A.—It depends on the circumstances and on the locality also.

Q.—Would he make 12 per cent.?

A.—No.

Q.—Nine per cent.?

A.—No.

Q.—Six per cent.?

A.—About 6 per cent.

Q.—Therefore the man can advance Rs. 5,000 and yet make 6 per cent. on it. If a man paid money on land, you say he could not possibly make it pay. You say there is no profit on land?

A.—That is the margin of profit. I say after allowing interest on the capital invested on the land no profit remains for the agriculturist.

Q.—If a man pays Rs. 5,000 for such land he can get 6 per cent. .....

A.—Not always 6 per cent. as it depends on the circumstances and the locality.

Q.—On an average?

A.—Three to 4 and 6 per cent.

Q.—Between 3 and 6 per cent. and much more if the man has not purchased the land or inherited it from his forefathers?

A.—Yes. Between 3 to 6 per cent. only.

Q.—It is not as paying a concern as investment in stocks?

A.—It is not.

Q.—Why, if he can only get from 3 to 6 per cent., should a bania wish to advance money on land when he can make a clear six per cent. and a great deal more in industrials?

A.—It is a matter of choice.

Q.—You are aware that we often sell land for Rs. 660 an acre. We paid in Mulshi Rs. 670 an acre for rice land. We paid too high a price?

A.—It depends upon the locality and the circumstances.

Q.—Not so very long ago when I was Collector of Poona I sold sugarcane land, 18 acres, for Rs. 10,200. You admit that it is exceptionally good investment?

A.—Yes. Sugarcane land is considered to be most valuable and important in every part of the Presidency.

Q.—But we sell every dry-crop land at 100 and 200 times the assessment always and now as we were selling it ten years ago, we are selling it for more. Why should a man be prepared to pay, even in a bad taluka like Sangola, 80 times more for dry crops land where rains always fail?

A.—Have you sold to agriculturists?

Q.—We have over 5,000 leases. This is so in spite of the fact the people know that they can make much more from post office, cash certificates or savings banks.

A.—The villagers do not know post office certificates.

Q.—Post office savings bank investments have gone up by ten times during the last six years, though not as much as we would like.

A.—Savings not of agriculturists, though.

Q.—Will the agriculturists on their strips of land be able to make a living out of it?

A.—In some cases.

Q.—On the average would he make a living out of it?

A.—For the last ten years I should say they are making their living, not living in the real sense, but before ten years I am doubtful if they were able to make a living.

Q.—I take this taluka of Sangola for a special reason. Do you consider the agriculturist would make more by going to Bombay and working in mills?

A.—I do not know anything about Sangola taluka.

Q.—I know how many people go to Bombay from Sangola. Do you consider they can make more in mills than they can on land? They must be making something more in mills and that is why they must be going to Bombay to work in mills.

A.—Perhaps it is so.

Q.—Why don't more go to Bombay and work in mills?

A.—There is no field for all in Bombay or Calcutta.

Q.—Why do these people hang on to a losing business if land is a losing business? Do they like starving?

A.—They go to mills because they get good comforts there. If you want 80 per cent. of the population to go and work in mills, then I have got no question to argue with you.

Q.—Why do you say 80 per cent.?

A.—Eighty per cent. of the population depend upon agriculture.

Q.—If agriculture does not pay why does 80 per cent. of the population live on agriculture?

A.—By " starvation " I mean they are not living a better life. They may be getting a loaf of bread twice a day but they want to give education to their children, they want to live in the twentieth century. You have imparted western education, you have shown them a new standard of life.

Q.—Why do you think they prefer to live in their villages on their lands rather than go to Bombay where they can make more money?

A.—That is conservatism.

Q.—That shows that agriculturists are certainly able to maintain themselves. Is mortality higher in the districts than in Bombay?

A.—I do not think it is.

Q.—Those people are therefore maintaining themselves and leading healthy lives?

A.—Yes, in open air.

Q.—You were asked a question about the period of land tenure. Do you know anything about the land tenure in Kathiawar which is very near Gujarat?

A.—I do not know.

Q.—Do you know that there the highest form of occupancy a man can rise to is that of a tenant?

A.—I do not know anything about Kathiawar.

Q.—You said in reply to Rao Saheb Desai's question that you were conducting an economic enquiry in Pardi taluka. In which year was it, in the last year?

A.—It was undertaken at the request of the Bombay Co-operative Institute.

Q.—Were you assisted by anybody?

A.—By Rao Saheb Dadubhai Desai himself and Professor C. N. Vakil of the Elphinstone College.

Q.—How did you conduct the enquiry?

A.—We went from one village to another, we collected the people, we prepared the questionnaire before-hand. We sent it to all the villages, we put certain questions, we sat with them, we chatted with them, we spent a day in each village and took the average crop of rice and average cost of production, we took family budget.

Q.—Have you written any report?

A.—It will soon be ready.

Q.—Do you intend submitting it to the Co-operative Institute?

A.—It is under preparation and will be sent to them.

Q.—You said that in many cases rice land was not cultivated. Why is it not cultivated?

A.—The rice land was Akasia and depended on rain.

Q.—If it was not cultivated, had it to pay assessment or not?

A.—It was cultivated not with rice but with other crop and yet it had to pay assessment as for rice land.

Q.—What is Akasia?

A.—Depending on rain water.

Q.—Is Government charging water rate for water which they cannot supply you or will not supply you?

A.—Yes.

Q.—Has any representation been made for removal of that water rate?

A.—I think it has been done so often.

Q.—You have represented?

A.—Not myself but it has been represented by the general public.

Q.—Do you know whether there have been any remissions from the Akasia or water rate?

A.—When we were in Pardi we enquired and were told that they were still paying that rate.

Q.—Did you make any enquiries from the local officers who were there?

A.—The talatis were with us. We got our information about Pardi from the Record of Rights.

Q.—You said that on dry crop land and even on rice land people were working at a loss, at a dead loss, in Pardi taluka, and as a result lands must have changed hands because people cannot go on paying losses from year's end to year's end. Did you in your enquiry take up this subject as to how often has land changed hands during one year?

A.—We have taken up that subject.

Q.—Do you remember anything whether lands have changed hands very often in a year?

A.—I do not remember.

Q.—If lands have not so often changed, that means that either the people are not suffering losses or that the figures of losses which they showed you may not be correct figures. Has it ever struck you that villagers will not give you correct figures?

A.—Sometimes.

Q.—Did it strike you that if the villagers find that the enquiring officer is very sympathetic and is likely to assess them lightly that they will give you such figures as will mislead you?

A.—By allowing for all kinds of exaggerations we have come to our conclusions.

Q.—In 1902 there were remissions amounting to 50 per cent. on each land in Gujarat.

A.—I am talking of Pardi taluka.

Q.—Has there been any migration from Pardi taluka to outside districts or to the other parts of your district?

A.—No.

Q.—So that the people are still living there and in debt?

A.—Yes.

Q.—You say there has always been a dead loss to agriculturists according to your figures, that they cannot even live and yet people manage somehow or other to live and the mortality is not high?

A.—From Pardi taluka about 200 people have gone to Bombay. There are 50 schoolmasters. We have got all figures in our report collected from the taluka Katcheri records.

Q.—When is your report likely to be published?

A.—It is ready but Rao Saheb Dadubhai Desai is revising it at present.

Q.—Is it in English?

A.—Yes.

Q.—Do you know that in Bengal where zamindars have permanent settlement the zamindars are not owners of the land, that they have, at least many of them have, bought land and are of the same class as would be the landholders in Bombay?

A.—There is great difference between Bombay and Bengal. In Bombay there are not large holdings, while in Bengal the holdings stretch miles and miles.

Q.—You said that people returning from foreign countries such as Mauritius, South and East Africa bring back savings and that these savings they put into lands. Are they all foolish in doing so?

A.—They are not foolish but they do not care for interest.

Q.—Is it not possible that these people will buy up the poor agriculturists, the present-day proprietors, and become landlords later on?

A.—They are welcome to do that.

Q.—In Mauritius do they take to agriculture only or do they do any other business?

A.—90 per cent. of them go from Surat; they are fruit-sellers, know something of agriculture and even after coming back they stick to agriculture and do not care for facilities of earning more interest by investments in company stocks, and they are satisfied with even 1½ or 2 per cent. return on land. Most of them are illiterate and do not know anything about savings banks and cash certificates issued by the post office.

Q.—Is it not possible that they are taking investments in land with their eyes open and that they know they will make money out of it and not go blindfold into it?

A.—But they have a peculiar charm for land.

Q.—People who know what investment means are likely to go blindfold and attempt anything which they know would be fruitless?

A.—They are satisfied even with 2 per cent. Even in my own village I would invest money on land rather than go outside and get four per cent., even if I were to get only two per cent. or even less. It is quite natural.

Q.—In post office cash certificates they can make more money.

A.—Even literate persons do not take so much to cash certificates and it is a matter of opinion.

Q.—From Government of India figures, you will see that purchases of cash certificates from postal department are increasing like anything.

A.—If the names of post office cash certificate holders are published you will see that mostly they are from urban areas and not from villages.

Q.—The rate of interest which the Bengal zamindar has to pay, in spite of the permanent settlement, is higher than even the rate of interest which you said obtains in the ryotwari tracts in Bombay Presidency, 9 to 12 per cent. If that is a fact which you can take it from me is a fact, is it correct to say that if you have permanent settlement the ryot will get money at a cheaper rate of interest?

A.—Yes.

Q.—Now-a-days even banks have to pay as much as 8 to 9 per cent. Can you then say it is a high rate of interest for agriculturists?

A.—Yes, for agriculturists it is a high rate of interest.

Q.—Do you then say that an agriculturist's land is good security when it brings only 2 to 3 per cent. according to you? Do you think that it is a better security than a mill share which brings anything from 8 to 10 per cent.?

A.—What I mean to say is that land industry, if it has to pay 9 per cent., will never pay.

Q.—And yet people have been paying 30 per cent. as you know in the Deccan and yet they stick on to land?

A.—They have been forced to pay.

Q.—And yet living on it not dying out?

A.—That is now the last thing that we have come to.

Q.—What are the pattas?

A.—They are printed forms. If a man owns land in a particular village and lets it out to another man, the patta shows how many acres have been so let out and to whom, the period for which it is let, and they are signed by those people.

Q.—They show the amount which the man is to get?

A.—Yes.

25th June 1925.

EXAMINATION OF MR. KANAIALAL N. DESAI, GOPIPURA, SURAT.

To Mr. H. B. Shivdasani:—

Q.—Do you accept the general principles contained in question No. 1?

A.—My opinion is this, that once an area is settled and that settlement is once revised taking into consideration all the developments of that area, no revision should take place. And if at all revision is made its object should be only to revise the measurements or to decrease the rates for the deterioration of land.

Q.—And not for increasing?

A.—No.

Q.—Do you want permanent settlement?

A.—Yes.

Q.—All the lands have been settled and revised.

A.—If the section is logically followed, it comes to the same thing, because it is a well known fact that lands are deteriorating. Nothing is being done to improve the fertility of the land. Where it has improved it has been by the efforts of the cultivators and they have to be exempted according to the proviso of the section. If Government has done anything for improving the fertility of the land, they can tax for the extra facility they provide. If they provide water, then they tax for that water. What I say is that there is no room for increasing the rates. I agree that net profits of agriculture should be taken into consideration in fixing the assessment but I fail to understand how value can be taken into account at all. At present if land is used for purposes other than agriculture, extra sums have got to be paid to Government. So the only value of land is agricultural and if net profits are made taxable why should the value be taken into consideration? You cannot tax both. If you take into account the value of non-agricultural land, I have no objection. As regards net profits also it should be distinctly laid down in the section that net profits only should be made the basis of the tax and nothing else. In counting net profits some allowance must be given for interest on the capitalised value of land for the cultivators pay for the occupancy right and also spend more money on improving the land. The supervision charges of the cultivator should also be allowed for and something must be allowed for keeping the land up to a particular level of fertility. Other expenses of cultivation should be taken into consideration and what percentage of the net profits should be taken as tax should be decided by the legislature.

Q.—You say that Government should charge only for improvements made by Government effort?

A.—Yes.

Q.—There are certain world conditions. Prices go up throughout the country. Railways may be constructed, private companies and not Government may construct railways.

A.—I do not believe that there is any reason to suppose that mere construction of railways helps cultivators to prosper, and therefore I say that construction of railways should be never considered as a reason for increase of assessment until and unless it is proved that the cultivator has actually prospered as a result of that railway. Along with the rise in prices the rise in the cost of living and of cultivation tend to keep the agriculturist's net profits down.

Q.—Do you think it is practicable to find out net profits?

A.—I think so.

As regards question 3, I am entirely opposed to taking rental value as the basis of assessment. It will be merely a clever device to find a justification for increase of assessment.

Q.—Why do you think assessment will be increased and not decreased?

A.—Because I know rents are high compared with assessment. It is very dangerous to arrive at any conclusion as regards rental value of land from the average rent of two or three years or a few fields that are generally rented in ryotwari tracts. Only a very small percentage of the total area of land is given on rent. From this to come to a conclusion as to the average for a whole village is dangerous. In villages where the percentage of rented lands is high it is because lands have passed to sowkars to whom the villagers are usually indebted. In every village there is a landless population which considers it more honourable to be called a cultivator of land than a mere labourer and this class it is which gives high rents. In all cases rents are only speculative. Lands are taken for one year or for short periods. They are so tilled as to get exhausted in a short time and have either to be kept fallow for some time or recouped by digging. In many cases the rental is only nominal. The rent note being passed for interest.

Q.—Do you think that rents are high because there is a large number of landless people who want to live on land and the number of plots is comparatively small?

A.—Yes.

Q.—Would taking long leases for determining assessment be all right?

A.—I do not think so.

Q.—*Question 4.*—You want the basis to be the net profits of agriculture?

A.—Yes.

Q.—*Question 5.*—You say " no " to this question.

A.—And besides the percentage of cultivating landlords to non-cultivating landlords at present is very small.

Q.—*Question 7.*—Have you any further remarks to make?

A.—I do not believe that we can arrive at the rate of rental value in ryotwari tracts. It is not possible to arrive at rental value in ryotwari tracts, where lands are held by a number of peasant proprietors.

Q.—You do not know how much is due for improvements. Would rental include rental for improvements also? If a landlord has improved a land, when he gives it on rent, the rent would also include rent for improvements.

A.—Of course.

Q.—Will it be possible to make allowance for the cost of improvements? Suppose the rent is Rs. 50. Rs. 20 is due to improvements made by the landlord and Rs. 30 is rental of the land unimproved.

A.—I fail to understand how the rent of land can be arrived at.

Q.—What is paid to the landlord is considered as rent.

A.—That is not the real rent, because in our tracts these lands are practically the means of cultivators to engage their labour on and nothing more than that.

Q.—Rents are payable in cash?

A.—They are payable in cash, mostly in cash.

Q.—*Question 8.*—Why is it not possible?

A.—In our parts there are not competitive rents.

Q.—There must be too much competition because you say they are landless people.

A.—I mean merely that there is no competitive rent.

Q.—What do you mean by competitive rents? The lands are being rented on auction. It may not be quite an auction but there may be several people wishing to take the same plot of land and they will offer to bid more than one another. That is called competition.

A.—Even if there is too much competition, it is not the business of Government to take advantage of these competitive rents, the people must live.

Q.—And other people who cultivate their own lands would have to suffer?

A.—Yes.

Q.—Suppose rent is taken as the basis, how many years should be taken into consideration?

A.—I am not in favour of taking rent as the basis even for the whole period of the previous settlement.

Q.—Will it be practicable to find out rent paid before the date of revision?

A.—I cannot say.

Q.—We are here to find out a practical way of fixing assessments. Will 10 years do?

A.—No.

Q.—Do you consider that the maximum percentage of the rental should be fixed as assessment to which the State is entitled?

A.—I am against taking rent as the basis of assessment.

Q.—Suppose Government or the legislature decides to take rental as the basis?

A.—When that is not my opinion how can I answer any hypothetical question like that.

Q.—*Question 12.*—I agree with the principles underlying your scheme and also that the principle should be that assessment should be based on productivity rather than on capacity, but I am not in favour of revising it every ten years.

Q.—You want permanent settlement in cash and not in kind?

A.—Yes.

Q.—Do you like Bengal Permanent Settlement system?

A.—I do not know how that system works in Bengal but I prefer permanent settlement in cash.

Q.—Do you consider the present limits of enhancements of revision should be adhered to?

A.—I consider this rule is arbitrary.

Q.—They are the maximum which should not be exceeded. If the settlement officer thinks the assessment should be raised 100 per cent. he cannot do it, but can raise it by 33 or some such per cent. within the maximum?

A.—If a limit has got to be put, then I would not put it higher than 25 per cent.

Q.—For all?

A.—For individual holdings.

Q.—For a village?

A.—I am not concerned with it. It is the condition of an individual cultivator with which we are concerned.

Q.—Suppose there are two neighbouring fields and that in one field the assessment is very low and in the other it is very high but the lands are almost alike. In that case you do not want the assessment in one to be higher than in the other?

A.—I have not seen such an instance.

Q.—Suppose there is such a case, would you restrict it to 25 per cent.?

A.—Yes.

Q.—*Question 15.*—Do you consider the present period of 30 years in the Presidency and 20 years in Sind a reasonable period?

A.—I have already said I am in favour of permanent settlement.

Q.—But suppose permanent settlement is not given, would you be satisfied with 30 years?

A.—I will have to be satisfied with it, under compulsion.

Q.—*Question 17.*—You know that land revenue assessment is the only tax where the legislatures are not consulted as in the case of other taxes?

A.—I consider that to be most unjust. I am of opinion that Government should first place before the Legislative Council the principles on which they propose to carry out revision, in the form of resolutions. The Council should have the power to move amendments and resolutions passed by the Council must have the force of law in these settlement revision matters. The settlement officer should then proceed to make the revision for each field. As soon as he has finished his work a notice must be posted in the village chowky of every village announcing the new rates. It should include a statement showing a percentage table of enhancements to be made in respect of different kinds of lands. Against this the occupant must be given a right of appeal for which a tribunal must be set up. I want the Council to lay down the basis on which revision settlements should be made.

Q.—They are already so based. The Land Revenue Code itself was passed by the legislature?

A.—But I am not satisfied that it does not require to be amended.

Q.—Suppose the Land Revenue Code is amended so as to satisfy you, then you do not want that in the case of every particular settlement the principles should be laid down by the Legislative Council?

A.—I have already said I want judicial control.

Q.—You do not want these things to come before the Council every time because principles will be included in the amended Land Revenue Code?

A.—I think principles ought to be laid down in detail with regard to every area because the taxation burden will be governed by particular conditions of the periods when the settlements are being made.

Q.—Are you aware that at present also objections are invited from cultivators before settlements are put in force, notices are put up in every village and so on?

A.—I do not know it. I do not think that that is the procedure adopted with regard to revision settlements.

Q.—Do you think the tribunal of appeal which you want would be a practicable thing?

A.—I think so. In the case of municipal areas where property is taxed some such procedure is followed. Civil Courts may be given summary powers as is done in election cases.

Q.—Do you think that would be practicable?

A.—Yes.

Q.—How long would a tribunal take to dispose of one case?

A.—It should be made practicable if we want justice to be done to the people.

Q.—How will the tribunal decide one case?

A.—One case will decide the whole group which includes that one case.

Q.—How long do you think it would take?

A.—Six months at the most and if, need be, you can employ more judges if there is more work.

Q.—*Question 18.*—You say improvements should be perpetually exempted?
A.—Yes.

Q.—*Question 19.*
A.—The chief grievance of the people against the administration of the Land Revenue system is that the State considers itself to be the proprietor of the land. I think that the time has now come when this controversy should cease both in the interests of the people and the Government. Agriculture is the main industry of the people, at least 80 per cent. of the people live on it. The policy of Government therefore should be based not on how far the people can pay but on how they (the people) can thrive. It should not be that the cultured and civilized portions of the community should concentrate in towns while the people in villages remain only rustics. The Government should aim at creating a cultured middle class from the peasants. This is possible only if a decent livelihood is possible from land.

There is another factor which should not be forgotton. Like all other industries agriculture depends on labour. The Government policy should be such that agricultural labour would find it paying not to migrate to big cities and towns in search of work on which work the agricultural industry depends.

Taking all these things into account I wish the Government to invest by law the right of proprietorship in land in the present occupants. I know the feeling of agriculturists in this respect is very keen. At present they feel they have no confidence of their present occupancy continuing undisturbed. If my suggestion be accepted, it will increase the man's self-respect and it will make him feel that he is a man of property. At present it is humiliating to the cultivator to be told that the land belongs to the State now although from time immemorial it has been the property of his ancestors, and that he is only a tenant.

The system of executing decrees at present should be altered. Movable goods should be first attached and then the immovable. I fail to see why an exception should be made in the case of land revenue arrears. The system of giving lands on what are called new tenures must cease and where they are so given they must be brought on par with other lands on payment of nominal price.

Q.—How much do you think should be taken out of net profits?
A.—The most equitable basis will be of course the basis of the income tax failing that I propose 1/10th to 1/6th. There are two things I should like to draw to the Committee's special attention. One is that agricultural prosperity has a great bearing on live stock. My impression is that live stock is decreasing as well as deteriorating. The tendency of cultivators has been now to cultivate all grass lands and of the revenue authorities to give away fallow lands for cultivation. That tendency must be checked. It must be ruled that a certain percentage of the lands in every village must be reserved for pasture and that cultivators should be given five per cent. of their holdings for grass lands. My suggestion is that a certain percentage of lands of every village should be reserved for grazing.

My second suggestion is this that like the system of land revenue the system of giving remissions and suspensions also must be made more elaborate and legalised. At present there is scope for getting suspensions or remissions only in times of wide-spread calamities. There are so many other factors to be taken into consideration that even though there is no wide-spread calamity it often happens that a crop of a particular village or a group of fields in a particular village suffers. Provision must be made to give relief in such cases also.

Mr. Shivdasani.—To whom does the land belong at present?
A.—I think it belongs to the proprietor.

Q.—You want it to belong to the cultivators?
A.—Even at present it belongs to the cultivators.

Q.—Suppose there is a plot of Khalsa Government land, and ten people make offers for it but Government generally gives it to some one of them?
A.—Government generally sells it by auction.

Q.—Suppose it is sold by auction. Does the purchaser become the owner of the land?
A.—Of course he must become the owner.

Q.—Does not Government keep its right of ownership in that plot?
A.—That is merely a sort of fiction.

Q.—While selling Government puts that condition down and the sale is made subject to that condition?
A.—When making a sale Government can put in any conditions it likes.

Q.—Suppose a plot of land lies vacant in Government possession but when that is sold to any man that man ought to be made the proprietor, that is what you say?

A.—Yes. From times immemorial the cultivators owned their lands, they have been putting in their own labour in reclaiming jungle lands and when you remember all this you will see the justice of my proposition.

Q.—Suppose these lands are given out or sold out by auction, would they not fetch more price and would not the purchaser be made their proprietor? Government has given out lands on leases charging occupancy price. Suppose the produce is Rs. 500 on any piece of land. Its owner should pay nothing to Government by way of assessment and there should be no revision settlement for that land? Would it not be equivalent to giving the owner a blank cheque?

A.—I do not think so.

Q.—He would have paid Rs. 1,000 for the same plot of land if he had known that he would be the sole proprietor in a case where he pays only Rs. 500 knowing that Government is the proprietor and that his land is liable to be revised as regards its assessment?

A.—I believe people have spent more on labour than Government have done for the people by giving land.

Q.—He would have paid more if he had known that he would be the proprietor. Do you want to give away public funds?

A.—There is no question of giving away public funds.

Q.—Because a man who pays Rs. 500 would willingly pay Rs. 1,000?

A.—You are taking a hypothetical instance.

Q.—The State would thus be making the man a free gift of Rs. 500?

A.—How?

Q.—At present the man pays only Rs. 500 to Government for that plot of land. If the man knows beforehand that Government will make him full owner and proprietor of that plot of land and that he will not be subject to revision settlements, he would say he would like to pay even Rs. 1,000, *i.e.*, Rs. 500 more for the privilege of being made an undisputed owner of that plot of land. As the man however now pays only Rs. 500 Government loses the balance of Rs. 500 which thus becomes practically a free gift from Government to the man?

A.—The Government will sell land by auction and get the highest possible price.

Q.—You yourself said that the man would feel that he was a landlord and owner of property, which he does not feel now. Does not the cultivator at present say that the land belonged to his ancestors and that it has come down to him through inheritance?

A.—At present most of the cultivators do know that they are being treated as tenants in spite of the fact that their ancestors owned the land. They do not feel a sense of real ownership.

To Mr. A. W. W. Mackie :—

Q.—Can you give us an idea what proportion of the gross produce the assessment is?

A.—I have not worked out the figures. I do not think it will be less than one-fifth.

To Sardar G. N. Mujumdar :—

Q.—You are in favour of a special advisory committee for revision settlements?

A.—I have no objection to the committee proposed.

Q.—Would you like to have a representative of the inamdars on such a committee in order to safeguard their interests?

A.—I do not know anything about inamdars. In assessed villages, they are entitled to take the assessment and to pay quit rent to Government.

Q.—Do you know any cases where Government have revised the rates in khalsa villages and some inam villages in which the rates have not been revised?

A.—I think Government revise the rates if they are asked to do so.

Q.—In such cases, would it not be advisable, in order to safeguard their interests, that there should be a representative of the inamdars on the standing advisory committee?

A.—As regards arriving at the rate of assessment, if we take it that the net profits of agriculture should be the basis, where is the question of safeguarding anybody's interests? The inamdars' interests are safeguarded by the sanad inasmuch as they have merely to pay quit rent to Government. If we lay down certain particular principles to arrive at the net profits, where is the question of safeguarding their interests? Government could not increase their quit rent.

Q.—About revision of assessment?
A.—That is true, but revision of assessments is to be arrived at upon a certain basis. How are they going to assist Government? Their interests merely appertain to one village, whereas the interests of Government appertain to 100 villages.

To Mr. D. R. Patil:—

Q.—Having regard to question No. 19, do you think that this committee can consider the question whether land assessment is a tax or rent?
A.—It is within the scope of the committee to consider whether land assessment is rent or tax.

Q.—You have stated it is a tax and not rent?
A.—Yes.

Q.—During the time of the Moghuls and the Marathas, was it regarded as a tax?
A.—A proportion of the demand was fixed, and therefore it was tax.

Q.—Was it in the nature of a tax or rent?
A.—Tax.

Q.—Are you of opinion that even taking into consideration the rise in prices of agricultural products, the cost of cultivation has gone so high that the time has now come when we must have a permanent settlement, and there is no scope for further increase of tax?
A.—I am of that opinion. At present agriculture is not a profitable industry.

Q.—Don't you think that the time might come when prices might rise to such an extent that the agriculturists will be the gainers and the State will suffer?
A.—I do not think such a time will come, but if such a time comes, an economic enquiry can be undertaken.

To Rao Saheb D. P. Desai:—

Q.—You say rents are high compared with the assessment. Is it the practice in your district to rent only those lands which are improved lands, manured lands, and is it not that only those lands in which some capital is sunk are taken at a high rental?
A.—Yes.
Q.—That is, the bare land, without any improvement whatsoever, without any capital being spent on it in manuring, and other improvements does not fetch high rent?
A.—It is only good and improved lands which fetch high rents, or lands reclaimed from virginity.
Q.—In both cases capital is sunk?
A.—Yes.
Q.—And the land recently reclaimed from virginity is occupied by the occupant at a heavy occupancy price paid to the Government?
A.—Yes.
Q.—You say the demand was fixed at the time of the Marathas. That is the land assessment was permanent?
A.—Yes.
Q.—The demand was in lump?
A.—Yes.
Q —A particular village was to pay so much?
A.—Yes.
Q.—Have you come across cases in which that demand was increased owing to abnormal circumstances such as a war or other things, especially during the closing period?
A.—I have not.
Q.—Have you any reason to believe that before the war the value of land was not such as to attract capitalists from outside to purchase land?
A.—Yes. Even now I believe it would not be practicable for capitalists to buy land and cultivate it at a profit.

To the Chairman:—

Q.—You said that Government should, except for improvements which they have effected, never increase the assessments.
A.—Yes.
Q.—You know improved cotton seed has been given in Surat?
A.—Yes.

Q.—You know that Sir Purshotamdas said that on that account the increase to the cultivators is Rs. 32 lakhs?

A.—Yes.

Q.—Will Government be entitled to share that profit?

A.—I think Government has done its duty.

Q.—As you say, if they have made an improvement, they are entitled to tax it?

A.—I say land revenue must be based on the principle of taxation and the people ought to get the benefit of the tax which they pay.

Q —Though they have made Rs. 32 lakhs more, Government should not share in it?

A.—I do not think people have made so much.

Q.—The figures are there. They are open for enquiry. Whatever the amount is, the increase has been due to the trouble that Government have taken. After all Government means the general tax payer. If Government starts an Agricultural College and makes experiments and spends money over it, it is the money of the general tax payer. Why should the cultivators of the Surat district who benefit by that class of cotton seed get all the advantage, and why should not part of the advantage go to the coffers of the State for agricultural education, etc.?

A.—I do not believe the advantages are proportionately so high as to warrant any revision of revenue. It may be 2 per cent., 5 per cent., or 10 per cent.

Q.—Even if it is 2 per cent., part of it must go to the people who paid for the improvement?

A.—I would only go in for increasing assessment if, upon an economic enquiry, it is found that the people are prospering. Prosperity ought to be the basis.

Q.—You said that whenever any new taxation is levied, the people have an opportunity of protesting against it, that they are consulted in the first instance. Do you know that in the Government of India Budget, nobody is given any chance of saying anything except the representatives of the people?

A.—That is as regards indirect tax. The Government of Bombay recently brought forward a taxation bill as regards Stamps. It was published in the *Gazette*.

The Chairman:—It is on the 1st of March that the Finance Bill is introduced in the House, and even in regard to the salt tax nobody knows anything about it.

To Mr. L. J. Mountford:—

Q.—You say that lands are deteriorating in value. You mean as regards produce?

A.—Yes.

Q.—Whose fault is that? If land is properly treated, the tendency is to go up in production.

A.—Whose fault it is, it is very difficult to say. Lands are deteriorating in production also because the cultivators have not the means to improve them.

Q.—Is it the fault of the cultivators?

A.—They have not the means.

Q.—It is the natural result of the cultivators taking from the soil each year certain chemicals which they are not putting back into the soil.

A —If it is the fault of the cultivators, it is because they have not got the money.

Q.—You know that experiments in England in manuring a field show that the yield of wheat is bigger if they burn the stalks instead of putting in potash?

A.—No. I am for rotation of crops.

Q —I think you will find Government agrees with you. Have you ever read a revision settlement report?

A.—I asked for it, but I could not get it.

Q.—Are you aware of the procedure that is undertaken by Government before it introduces a revision settlement, that is, that before it raises or diminishes the assessment, a notice is given to the villages?

A.—I have got some idea of it.

Q.—Have you got a copy of the Land Revenue Code? That will show you that exactly 3 months' notice is given of the intention of Government to start operations with a view to revision survey. It is published in every village. Later on.....

A.—The people have not got any right of appeal.

Q.—They have the right of raising their objections for a period of two months, once higher rates have been fixed, either through the taluka association or in any other way that they like, and that is taken into consideration. Under Government Resolution No. 7447, dated 24th October 1886, they will be taken into consideration by Government before final sanction is given.

You say that you look upon rental value as a very bad indication of the assessment. Are you aware that Government have used it to reduce assessment?

A.—I fail to understand how rental value can at all be taken into consideration in ryotwari tracts where the percentage of rented lands is almost negligible.

Q.—You do not realise the very large number of rents and leases that are enquired into by the settlement officer?

A.—No.

Q.—I hope you will be present when Mr. Gordon gives evidence.

You said they were fallacious. Have you any idea what attention is paid by the officer to these leases, and how he excludes all leases which do not show a fair indication of the value of the land itself? Each case is enquired into locally and great care is taken to exclude all except genuine leases between independent parties.

A.—I do not think Government had any data of knowing these leases before the record of rights was prepared. But after the record of rights was prepared, this is the first revision.

Q.—That was many years ago?

A.—1905.

25th June 1925.

EXAMINATION OF MR. R. G. GORDON, I.C.S., COLLECTOR OF BIJAPUR.

To the Chairman :—

Q.—In your reply to question 1 you say that " value of land " and the " profits of agriculture " may mean anything or nothing. If that is so, wouldn't you like to make it definite? Would you prefer to leave it as it is, or would you, on re-consideration, be prepared to make it more definite which people can understand?

A.—I do not see how it is possible to make it definite.

Q.—You say that any attempt to introduce more detailed principles is likely to lead to trouble in application. Would it not be possible to put in something in the section which would mean what we want it to mean and will not lead to trouble in application?

A.—I do not think it is; I think it must be left vague.

Q.—Could you make it a little less vague?

A.—I would not.

Q.—Is it that you cannot, or would not?

A.—I have not thought it out in great detail.

Q.—You would not like to make it less vague—not cannot, but would not?

A.—No; I should not like to.

Q.—In the last of your reply to question 3 you say that the assessment should be based upon the rental values subject to such modifications as may be necessary in view of special conditions in any particular case. What are the special conditions on which you would lay stress and what are the modifications that you suggest?

A.—Rental value might not be satisfactory.

Q.—In some cases there may be an excess. But you say, certain modifications as special cases may require. What are those modifications that you would suggest and what are the special cases to which they would apply?

A.—The tract may be visited by plague, or there may be bad years, or a bad famine might come, which might make it necessary to give special consideration to the tract, as was done in the case of one of the talukas in Nagar district lately by Government, in which though Government could have put up the assessment, they reduced it in order to allow for the special circumstances.

Q.—By special circumstances you mean scarcity and famine conditions?

A.—Yes, which necessitates the giving of time to the taluka to recover.

Q.—As regards modifications, what sort of modifications? Merely on general lines, that these factors should be taken into consideration, or are there any special suggestions?

A.—No special suggestions. The circumstances of the taluka as a whole, the past history, and so on.

Q.—In your reply to question 5 you say that any such distinction would render a land assessment quite impracticable for obvious reasons. What are those obvious reasons?

A.—It would not be a land tax, but a tax on persons. It would cease to be land assessment. The assessment would vary with the person and not with the land. At present it is on land, quite irrespective of who holds it.

Q.—The idea underlying the question is this, that the man who labours himself and puts his heart and soul and body into the work of growing more produce should have some concession shown to him as compared with the absentee landlord who merely leases his land and makes a profit out of it. Would you differentiate it from that viewpoint?

A.—It cannot be done.

Q.—We all realise it. Is it advisable in theory?

A.—You cannot divide persons into these two classes, because there are so many cultivators owing lands who cultivate them themselves and also lease out to others. It is impossible to make such a division at all.

Q.—In reply to question 7 you say that the only way of arriving at the rental value is to collect the facts from the record of rights. I believe that is what you are doing at present?

A.—Yes.

Q.—It means you stick to the present system?

A.—Certainly.

Q.—That is what you mean by referring to the record of rights, that the present system is the only possible one?

A.—Yes, it is the only possible one.

Q.—In reply to question No. 9 you say that in the Kolaba district the system of rent is one of so many maunds of rice per acre. Then it would not be possible to find out the price. You say the landlord gets his enhanced profit by the increase in price of the produce.

A.—I do not quite mean that. In cash rents you have to get the average rents in cash for a series of years. Here you get one year's rental in kind and then you work out the cash rates on the average of prices for a series of years. I am talking about the collection of statistics.

Q.—You know the actual maunds in kind; then you have figures to show what the price of that particular commodity is and that is put up as the rental value?

A.—That is what is done. In this case one year's figures of rent in kind would give us a sufficient basis, because the cash rates can be worked out from the prices over a number of years. If you deal with cash rents you have got to get a series of years and then you average out those rates in cash. In the case of Kolaba district where you have so many maunds of rice, you take one year's rental in rice, so many maunds, you then take the average of prices for several years.

Q.—The prices would be average?

A.—Yes.

Q.—In that case, the average for how many years would you take?

A.—I had to do one settlement in Kolaba a short time ago, and it was very difficult at that time to decide, because it was just after the war and the whole thing was in a state of confusion. I think 5 years' prices would be sufficient. It depends on various conditions.

Q.—Question No. 10 is " Do you consider that a maximum percentage of the rental value should be fixed as the assessment the State is entitled to take? " And your reply is " I see no objection as no harm will be done." I am not able to follow it. What do you mean? What is the reason?

A.—I cannot give any, I am afraid.

Q.—Question No. 13. In your reply you recognise that in Gujarat the assessment is very high and in Khandesh it is low?

A.—Yes.

Q.—You cannot increase them beyond the limits of 33 and 66 per cent.?

A.—Yes.

Q.—I take it you feel that it is unfair to Gujarat and generous to Khandesh?

A.—Comparatively.

Q.—As a practical man do you want to make any alterations in it or would you allow it to stand?

A.—With shorter settlements.

Q.—You do not want to make any alteration in this 33 per cent.?

A.—With shorter settlements I would keep it as it is.

Q.—In your reply to question 15 you say " So far as the main object is concerned, that of renovating the dilapidated resources of the country, it may be said that the 30 years' period has fulfilled its functions but as for the rest, we have found the resultant success somewhat bitter fruit in the transfer of the land from the cultivators to the sawkar, and are now trying to repair our error." In the taluka in which you recently carried out a revision settlement, has the land passed out of the hands of the cultivator to the sawkar? If so, what per cent.?

A.—In the Karjat taluka, which I was specially referring to, 40 per cent. of the land is in the hands of the landlords. I am referring to the Karjat of Kolaba district.

Q.—Do they lease out their lands?

A.—Yes.

Q.—On cash basis?

A.—In kind.

Q.—Something like *batai*?

A.—So many maunds per acre.

Q.—Not actual division?

A.—No.

Q.—What tenure are you referring to?

A.—I am speaking of the new tenure.

Q.—Has it been introduced in Kolaba? It is tried in Gujarat chiefly and Khandesh.

A.—I am not sure of the Kolaba district.

Q.—Would you restrict the tenure now? People want a permanent settlement. Are you prepared to say that land tenure should be restricted?

A.—I think there is something to be said on both sides. It is a difficult question. I think the tenure should be restricted; inalienable.

Q.—Make it perfectly inalienable or make it inalienable for agriculturists?

A.—In that connection the Punjab Act has proved a failure.

Q.—If you do not accept it, would you make it inalienable?

A.—Certainly.

Q.—In that case, will the agriculturist get the money required for agricultural operations? You know most of them are stated to be in an indebted condition. We do not know what percentage. People have an exaggerated idea. But even if it be 50 per cent. or 40 per cent., under this tenure will they be able to get the requisite money advanced by the sawkar for their agricultural operations?

A.—I think they would get it on the security of the crops.

Q.—That is my experience in States. What is your experience here?

A.—I have no experience of Khandesh.

Q.—I am talking of Native States. There the people do not find it difficult to get money.

A.—That is my opinion. I have not enquired particularly in this matter.

Q.—In your reply to question 15 you say " As for the question of improvements, what Wingate wrote was obviously set down in anticipation that improvements would be taxed at revision, as in fact was actually done at the first revision settlements;... " Were improvements taxed in the first revision settlements?

A.—Not in all cases, but in most cases they were.

Q.—When you say that you wanted to give the cultivator a fair profit, you meant that remuneration was to be obtained within the period of settlement?

A.—Yes.

Q.—In the case of industries, when they raise the income tax, there is always a grumble. But Government need not care for the industries, because they are few in number. But the agriculturists are 80 per cent., and if they really feel the burden you think it is worth while making shorter settlements?

A.—These are political considerations which as an executive officer I cannot answer.

Q.—Generally, you think that is a question which ought to be considered by our committee, that there is that danger. Whenever there is any rumour about any increase in the cess or any manipulation in the exchange, you know how they go in for the Government?

A.—Yes.

Q.—In another part of your reply to question 15 you say: " This is especially the case with the landlords who do not work themselves, but merely batten on the toil of the cultivators whose land they have often obtained by devious means." What are the devious means?

A.—By the usual methods of piling up interest and foreclosing.

Q.—You think by low assessments people become lazy, and by raising assessments we will make them work more? That argument has often been used. Do you think that the people, so long as they can get sufficient to maintain themselves will not work, and the best way to make them work is to make them pay more?

A.—In Gujarat the Koli is allowed to hold the land on quit rent.

Q.—You know that the Kaira patidar is pronounced to be the best cultivator in the world?

A.—Yes.

Q.—Their assessment is not light?

A.—I have not seen the figures for some time, but it is not light.

Q.—Leaving aside political reasons, in reply to question 17 you come to the actual, practical reasons that you have suggested for not having a standing committee.

A.—May I say political reasons are very important.

Q.—I thought you were afraid.

A.—In this case my opinion is that it is not desirable; that political considerations are likely to enter into this question of the consideration of details. The legislature should lay down the principles and the Executive Government should be left to carry out the execution of the details. There will be a very large number of settlements coming up, and if they are to be discussed before committees of this kind, it might lead to political considerations entering into the question of the details of taxation which would lead to confusion and unsatisfactory compromises.

Q.—Political considerations, that means to say parties which help each other in reducing assessments?

A.—That is it. It is possible that there may be some day a tug of war between the agriculturists and the commercial interests, and there again you will have a fight of the same kind.

Q.—Will you not give them the credit of being honest and having at heart more the interests of the general taxpayers?

A.—It is quite possible to be honest and at the same time to press for reductions in taxation.

Q.—They are honestly working not for the interest of their own class but for the whole Presidency or the whole country. When they are put on such an onerous duty, will they not forget all other considerations and restrict themselves to their own duty and see that the general conditions of the country should be their first consideration?

A.—It is possible to be honest; at the same time to have opinions.

Q.—You think that people would not know anything of the details of the tax, because the conditions vary? You think that the people from Gujarat will not know anything about the Deccan and Sind?

A.—Yes.

Q.—You say that the details of taxation are not the business of the legislature, whose function it is to lay down the principles. You are not against the legislature laying down the principles?

A.—Certainly not.

Q.—Can you tell us whether in the last taluka that you settled you have exempted all improvements?

A.—The system is this: first the kulkarni or talati is told to collect instances of sales and rents from the record of rights. He is told to enter only what we call true sales or true rents. The settlement officer then goes into the villages and scrutinises each case, that is the landlord and the tenant are called in front of him; and those cases which are in the least way doubtful are cut out and only those which represent so far as can be humanly discovered unimproved rents are taken into account.

Q.—Those which represent improvements are cut out?

A.—Yes.

Q.—In your reply to question 19, you refer to the need for far more economic inquiry as to the actual incidence of the assessment and its economic effect. How would you conduct that enquiry? Would it be on the same lines as Dr. Mann has done in the case of one village in Poona?

A.—Enquiries into how the land is held; on the same lines as that of Dr. Mann, but somewhat less elaborate perhaps.

Q.—Would you undertake that enquiry in typical villages?

A.—Yes.

Q.—Or in each and every village?

A.—Typical villages for a group or taluka.

To Mr. L. J. Mountford:—

Q.—In your answer to question 17 you said that members of the standing advisory committee would be influenced by political considerations. Had you in your mind a member who had been returned on the rural vote?

A.—Yes, quite so.

Q.—If returned on the rural vote, and there was discussion as to whether the taluka that returned him should have their assessment raised, would he not feel in a difficult position when he has to decide between the interests of Government and the interests of his own constituents?

A.—That is what I mean.

Q.—Wouldn't he feel that if he agreed to a revision which meant an increase of assessment, when his time was up and he went back to the hustings, his rival would say "Here is the man who increased the assessment; if I am returned to the Council, I will lower it"?

A.—Yes, I think it was so in Belgaum.

Q.—Therefore, it would be an unfair position to put him in?

A.—Quite so.

Q.—You made certain allowances for improvements made in Karjat taluka in its recent revision settlement?

A.—I should not like to refer to Karjat taluka because the actual statistics for that taluka were collected by some one who went there before me.

Q.—In other settlements?
A.—Certainly, I have.

Q.—You know they were made?
A.—Certainly.

Q.—And you observed section 107 of the Land Revenue Code?
A.—Yes, I could give you an example. I did a settlement last year in Khed taluka in Ratnagiri district. There I found in some villages that 60 per cent. of the land was being converted into rice lands while in others 40 per cent.

Q.—Did you charge that land the full rice rate?
A.—The Warkas rate was charged only; no extra was charged whatever.

Q.—As regards wells?
A.—No extra assessment was charged on any well.

Q.—You say the only way of arriving at rental value is to go by the record of rights. Do you mean " merely collecting these facts " and going no further or would you call up the parties and ascertain additional facts?
A.—I think I have explained already.

Q.—You would accept this definition which was put forward by the Commissioners while revising the existing section 107 of the Land Revenue Code that revision of assessment of land should be based upon the rental value but regard should also be had to the general economic conditions and the history of the tract. Do you agree with that? Take into consideration bad famines in bad years? What the Committee has to find out is how far it is necessary to revise the Land Revenue Code and improve it?
A.—I should have no objection to that definition.

Q.—The proviso to that section reads " provided that if any improvement has been effected in any land during the currency of any previous settlement made under this Act or under Bombay Act I of 1865, by or at the cost of the holder thereof, the increase in the value of such land or in the profit of cultivating the same, due to the said improvement, shall not be taken into account in fixing the revised assessment thereof." That would apply to all questions of revisions in future.
A.—That implies that a settlement officer is to collect statistics about land which has been improved.

Q.—Do you consider that improvements effected during a man's tenancy should get permanent exemption from any increase of assessment?
A.—In view of the practical difficulties, they should.

Q.—Do you think it would encourage them to improve their lands?
A.—Yes, it would stimulate holders to change warkas land into rice land.

Q.—Do you think it would be easy to find out just exactly what amount has been invested on improvements?
A.—It is exceedingly difficult to discover what the cost of improving a particular plot of land has been but I suppose a rough idea could be got. By law, if changed so as to allow taxation of improvements, you could actually assess those improvements which are made in future while you could not assess those which have been made in the past because they have already been exempted by law, during the last two settlements. Land which could most easily be converted has been converted now.

Q.—In future if warkas land has been converted into rice you think it should never pay the rice rate?
A.—Yes.

To Mr. G. A. Thomas:—

Q.—In your settlement work have you gone into the question of net profits of cultivation?
A.—No.
Q.—Do you consider it is possible to ascertain net profits of agriculture?
A.—I do not.

Q.—Have you ever estimated what the cost of cultivation in any particular village is?
A.—No, I have not.

Q.—Is it possible to ascertain it?
A.—No.
Q.—Would it be possible to ascertain what percentage the assessment is of the cost of cultivation? You first take the gross cost of cultivating. It would be exceedingly difficult what percentage the assessment is to the cost of cultivating land, to find out whether the assessment is five per cent. or 10 per cent. of the cost of cultivation.
A.—I cannot say what the percentage would be, I am afraid.

To Moulvi Rafiuddin Ahmed:—

Q.—These opinions which you have given are shared by the members of the I.C.S. generally?

A.—I cannot say. They are purely my personal views.

Q.—Question 17. There seems to be some confusion in your answer to this question. The question refers to a standing advisory committee, consisting of officials and non-official members of the Legislative Council but in your answer you say that it is not the business of the legislature whose function is to lay down the principles leaving the actual working to the executive. Do you think that even such a committee would be incompetent or not competent enough to discuss these expert affairs which only members of the revenue department would be able to discuss?

A.—There is a danger of political considerations entering into the details of taxation.

Q.—Are you aware that the present committee also is a committee of the Legislative Council?

A.—Yes.

Q.—And do you think there is danger of our mixing up political affairs with the questions at issue in this enquiry?

A.—We are not entering into details but principles.

Q.—We are discussing this questionnaire and its question 17 refers to a committee of the Legislative Council and you state that there is always a danger wherever there is a committee of the Legislative Council that political affairs will come in.

A.—I was referring to this particular case, not in a general way.

Q.—We are also discussing details of taxation.

A.—We are discussing principles of taxation I presume.

Q.—How do you say there would be this danger in the case of future committees similarly constituted?

A.—Because they would have before them special questions such as the assessment of particular talukas or particular areas, and, I may quote the Commissioner, Southern Division, who put the case of a member who had been returned from that place.

Mr. Mountford:—I said a member who had been returned by his constituents of that place would bear his responsibility to those constituents.

Mr. Gordon:—If he was doubtful about his seat he would naturally be interested (and honestly interested it may be) in not having that taxation raised.

Moulvi Rafiuddin Ahmed:—

Q.—I draw your attention to the question of advice to Government and that the ultimate decision would rest with Government. Do you think that members of the Legislative Council who would be appointed members of such a committee would not be even able to give advice to Government? Will there be danger in the advice given to Government being based upon political considerations? Supposing the committee has to have five non-official members of the Legislative Council and four official members on it. Don't you think that a legislative council consisting of 110 members cannot produce five members so disinterested as to give good advice to Government upon this subject? Is it your opinion that the Legislative Council would be unable to find even five members of this kind?

A.—I say there is a danger.

Q.—Even five members will not be found without danger?

No answer.

Q.—Am I to understand that in this committee there is danger of political considerations?

A.—I cannct criticise this committee.

The Chairman:—There is a difference between the work of a committee of this type which has to deal with principles and the work to be done by a committee which has to decide details.

Moulvi Rafiuddin Ahmed:—You have no objection to the legislature dealing with questions of assessments on principle?

A.—Not the least; it is its business.

Q.—That is to say that you agree that the legislature in future, if it was so minded, could lay down certain rules for the guidance of the executive and change the whole Code, the present Land Revenue Code.

A.—I suppose it can do anything.

Q.—You have no objection on principle that the legislature should do it?

No answer.

Q.—Don't you think that as you are suspicious of non-officials so also non-officials may be suspicious of the bureaucracy?

A.—Quite so.

Q.—In that case there would be no good in appointing any committee? We shall question you and you will question us and there will be no committee and the state of affairs will go on as it is.

A.—I suppose it will.

To Mr. H. B. Shivadasani :—

Q.—Question 3. Are you aware of any instance where it might have resulted in injustice?

A.—Karjat taluka of Ahmednagar district.

Q.—Is there danger or not? If you take only rental as the basis is there danger that there will be injustice or not?

A.—There might be possibly.

Q.—Could you find out how much of the rental was due to improvements and how much to unimproved land?

A.—No, I should find it very difficult.

Q.—Would you not be taxing improvements if you took rent into consideration? A landlord has got a field, he has converted it from warkas into rice land, and because he has converted that warkas land into rice land he will get more rent when he rents it out. Would you still take rent as the basis?

A.—We exclude those converted areas altogether from the rent at the time of settlements.

Q.—Another man has got a well and has made other improvements. Is the settlement officer going to inspect everything? How will he know?

A.—He asks the cultivator individually. He enquires into rental or sale price during the previous five years.

Q.—In Gujarat there may be 500 or a lakh of rentals and he would have to go and examine each of these people?

A.—Every one which he puts down in his settlement report he enquires into personally; he does not enquire into every single case of rental in the taluka because he has no time but he enquires into as many as possible and uses these alone as statistics.

Q.—What proportion of lands are given on rent?

A.—They vary a great deal.

Q.—What is the figure given in the Settlement Manual?

A.—I have only a rough idea, but I have got the settlement report for the Karjat taluka.

Q.—What is it for the Presidency?

A.—Probably it varies from 10 to 80 per cent.

Q.—What would be for a Division?

A.—I cannot say.

Q.—How much would the settlement officer select out of this?

A.—As much as he could possibly do.

Q.—What percentage?

A.—I cannot say.

Q.—On what principle would he select?

A.—He would select those which in his opinion would be reasonable average rents. He would go into a village, he would have a statement prepared for him by the Kulkarni, he would then select this agenda.

Q.—Do you think all these people would be present when you examine these?

A.—All who were present would be asked.

Q.—Would he fix assessment for all?

A.—You remember that assessment is based on groups.

Q.—How does he put a village in a group?

A.—When he goes into his settlement work he finds that it is already arranged in groups. Unless he finds anything which leads him to consider that a particular village should not belong to a particular group, that village remains where it is.

Q.—Has he not to regroup the villages?

A.—We do not do that very much.

Q.—Do you think that the record of rights is perfectly right record and that it gives proper rents? Have you checked record of rights in any village?

A.—In thousands.

Q.—Have you found rents correctly stated in that?
A.—Very fairly correctly.

Q.—What should be the proper rent that should be taken as the basis? It may be fictitious rent, some lands may have higher rents shown against them and some lands lower rents shown against their names.
A.—On the whole you find about the same standard of rents.

Q.—Would you take even one year's rental for taxing assessment?
A.—I would.

Q.—Do you think it fair for fixing assessment for 30 years?
A.—On lands for which we have got figures. In the present case I have got figures for 30 per cent. of the land in the case of this taluka; this is not one year's assessment. I ventured to state to the Chairman that these rents are crop rents, so many maunds per acre, and these rents are fixed; a landlord gets his increase by the change in prices, not by change in the amount of cash rent which he takes.

Q.—Fixed for what period?
A.—They are practically permanent.

Q.—Would it be possible to find out gross outturn in fact?
A.—In the case of rice lands it would be more possible than in others.

Q.—In what other lands?
A.—In lands other than the rice lands of Konkan.

Q.—Is it not easier to find out gross produce, then deduct all his expenses? Would it not simplify matters?
A.—I think you have gone a bit wrong. The point is this that the Bombay Settlement has to deal with thousands and thousands of fields. You have to fix an assessment rate for each one of those fields. In order to do this you have to adopt a system which is quick and at the same time cheap, that is the present system; but if you are going to try and assess or to find out the amount of crop on each of these small fields and then base the assessment on that you would take centuries. That is why it is not easier.

Q.—Is it a simple thing to dig and find out the texture, sand, clay, and to make allowance for slopes, etc.?
A.—It is simple to dig holes in a field.

Q.—Is it much simpler to dig holes and find out texture, sand, clay and so on?
A.—Much simpler.

Q.—How long did the present system take?
A.—The present system began in 1836. It took about 50 years altogether, taking one taluka after the other.

Q.—Is it possible to find out cost of cultivation?
A.—I do not think so; no.

Q.—Have you read Dr. Mann's Book about Deccan Villages?
A.—I believe I have.

Q.—Do you think it difficult to find out gross outturn of a field?
A.—Very difficult.

Q.—How do you get your annewari at present? What are the principles? Is the gross valuation taken into consideration at the time of fixing annewari?
A.—We try to make very rough enquiries.

Q.—How do you take annewari valuations?
A.—The mamlatdar makes enquiries in the village as to the rainfall and he goes and sees the crop.

Q.—For doing the annewari has he to know the rainfall?
A.—Certainly; he has to know the rainfall. We have rainfall figures which show us whether the situation in a taluka is likely to be good or bad.

Q.—But then how does he perform the annewari of a particular field?
A.—He does not perform annewari of a particular field.

Q.—On what does he base his calculations?
A.—He makes general enquiries in the village, he looks at the crops, he makes rough estimates as to what the outturn will be; exceedingly rough estimates; he cannot do anything else.

Q.—He has to know the gross outturn in order to know the normal crop?
A.—Very roughly.

Q.—Question 18. You say that with shorter settlements the present limits of enhancements namely. 33 per cent., 66 per cent. and 100 per cent., might be maintained, but for present settlements what limits would you have?

A.—I have not thought about it. I should not like to say anything definite. I cannot answer that question.

Q.—Are you prepared to answer that question?

A.—I am not prepared to answer it.

Q.—Do you think it is a practicable proposition to decrease the period of settlement? Is it likely to be carried in the legislature?

A.—I do not know.

Q.—If the period of settlement were raised to 50 or 100 years, what limits of enhancements would you suggest?

A.—I cannot think that they will be raised.

Q.—Are you in favour of having limits of enhancements?

A.—I think there should be a limit.

Q.—In reply to question 17, you say political considerations are likely to enter and that the legislature should not consider details of taxation. According to that you would not like the Legislative Assembly to consider the details of the salt tax. Would you?

A.—That is a general tax which does not go into details.

Q.—It is a detail, whether it should be raised from Re. 1 to Rs. 1/4.

A.—In that no local considerations can enter into a consideration of a tax of that kind.

Q.—Is it not possible that in amending the Land Revenue Code political considerations might influence members of the Legislative Council?

A.—I do not mean that, that is a general question of the budget.

Q.—So many questions concern the details. Suppose the Council amends the Land Revenue Code and the majority fixes the rates of revision settlements, would it not be influenced by political considerations? On that ground you may give no power to the people's representatives at all if you are afraid of political considerations. You have to face these things when you want people to have and to exercise certain rights through their representatives, you have to trust them. Apart from political considerations do you think it would be a good thing to have an advisory committee?

A.—No, I do not.

Q.—What are your reasons?

A.—My view is that the principle should be that the legislature should lay down the principles and the executive should carry out the details. That is my objection.

Q.—There is a finance committee appointed by Government. It is a small committee of the Council, it considers details of Government proposals.

A.—I cannot say any more than that.

Q.—For what reasons you do not like a committee even if you exclude political considerations?

A.—The principle in my opinion should be (it may be wrong completely and I dare say it is a wrong opinion but my view is) that the legislature should lay down principles and leave the details to the executive.

Q.—From a practical point of view it would lead to delay and trouble. Would it inspire some confidence? Don't you think they may be able to assist officers if people know that there are some representatives to advise Government?

A.—I have got nothing to say on the point.

Q.—You say that sub-soil water assessment is an indirect tax on assessments.

A.—Yes.

Q.—You think therefore it is desirable to remove it?

A.—No. Government have laid down a method to be adopted for not taxing improvements. On wells we tax nothing but instead of wells sub-soil water is taxed and that is considered as a tax on possible improvements.

Q.—When you do not tax these actual improvements, is it right to tax possible improvements?

A.—It is strictly in accordance with the Bombay Survey. The principle of the Bombay Survey is that you find out the advantages of a field and you put the possible advantages which should enhance the value of that field and you tax those, leaving the man to use them or not as he likes. In this case the position of the water sub-stratum which can be utilised for purposes of building a well is an advantage to that field. What we do in anna classification is to put an anna classification or two annas classification on to that field and the assessment is raised accordingly say by 10 per cent.

Q.—How do you find out this sub-soil water facility?
A.—By neighbouring wells, on examining the soil.

Q.—Don't you have borings?
A.—No.

Q.—You would be very much against taking out all that sub-soil water because the cultivator does not get any benefit out of it?
A.—Quite so.

Q.—You consider it right and proper to tax water which the cultivator is not using?
A.—Certainly.

Q.—On that ground you are in favour of taxing the capacity of land?
A.—Quite so. It is the principle of the Bombay Survey right through.

Q.—You consider the methods of husbandry to mean capacity of the people to utilise their land, the poor cultivator gets less. A good cultivator gets more because he is a good cultivator and similar land will pay more in the neighbourhood than in a backward taluka. That principle is not always followed in the Bombay Survey, you do not always tax future or full capacity of the land. You also look to the ability of the man to take advantage of the capacity of the land. Why should you not follow that principle?
A.—It is not done now. That was a heritage from the old days of 1850.

Q.—You would be giving up your present system of land assessment. Now it is based on capacity of the land, rental is never based on capacity, it is based on all the actual advantages of the land; if there are two fields, one has got sub-soil water and the other has got no sub-soil water, the rent would be the same. You will take different assessment or the same?
A.—Different.

Q.—If you base it on the rental, you must take the same assessment because the tenant is not going to pay more because his land has got water but it is below the surface.
A.—On the rental we fix the rates to be applied along the general tract. The extra capacity of the land on account of the sub-soil water is taken into account when it is classified.

To Mr. G. Wiles :—

Q.—I do not think that you made it clear in reply to my friend's question that rent is only used for fixing the general rate of a tract?
A.—General rate for a group of villages.

Q.—In fixing assessment for a field where improvements have been effected, the improvements remain exempted?
A.—Quite so.

Q.—What difference do those improvements make in the rate of assessment?
A.—No difference at all.

To Mr. R. G. Soman :—

Q.—Have you worked in any districts where patbandharas exist?
A.—I have not.

Q.—Are you aware that patbandharas have to pay separate water cess?
A.—They do as it is provided for specially in the Land Revenue Code.

Q.—But in the case of patbandharas does Government incur any expense?
A.—No.

Q.—And the cultivator has to repair and construct a dam or bund every year at his own expense?
A.—Yes.

Q.—The general principle of taxing improvements is not observed in this case in your opinion?
A.—Government claims a right to all running water and so, in charging for patbandharas, Government charges for that use of the water which they say belongs to Government.

Q.—Quite right, but where the cultivator has to expend money from his own pockets so far as patbandharas are concerned, the principle is that unless a cultivator spends money or unless he constructs a dam he will not have the water. The same might be running all the while by the side of his field but if he does not construct a pat or a bund he will not get the water. Unless he spends from his own pocket he will not get advantage of that water. So is it not taxing improvements effected at his own expense?
A.—No, it is taxing for the use of the water. The Government do not charge the full amount, the cultivator gets the interest on his capital by the difference between extra crops which he grows.

Q.—Are you aware that even at the time of revisions this water cess is liable to be increased along with the lands as reports of settlement officers show and so this water cess is also increased in the same proportion in which the land assessment is increased?

A.—Yes.

Q.—And if so, what are the grounds which you assign from your experience of settlement work for the purpose of increasing the cess along with the revision settlement rates?

A.—The reason is that money is only a token coinage. It has decreased in value and prices have gone up and you have to pay more.

Q.—Has the price of water gone up?

A.—Yes.

Q.—So the natural advantages which an agriculturist has are to be taxed. Is that the principle? The natural advantages of the position of his field?

A.—Quite so.

Q.—Is that to be taxed according to the present provisions of the Land Revenue Code?

A.—Certainly, if a cultivator's field is in a more favourable position than other fields. In Satara you have some fields on the hill and some at the bottom and those at the bottom get all the drainage of water which runs down the hill.

Q.—But you fix the assessment taking into consideration the position of the area?

A.—A field might be adjacent to a stream and assessment on that field would be more than on dry crop field which is far away from running water. When the assessment is fixed at a higher rate the reason for taking an extra charge is that he gets water from his adjacent position to the running stream. As regards the levy of higher assessment when prices have gone up the value is money has decreased, so the price of water goes up. The value of the water is converted into cash. It is a question of cash: if the value of money is changed then the price of water naturally changed and the rate which Government charges changes also.

Q.—Is the change in the value of money ever assigned as a reason for the purpose of increasing water cess?

A.—Certainly.

Q.—Do you know any instances of settlement reports where this reason is ever assigned?

A.—In Mr. Anderson's settlement reports you find a great deal about it.

Q.—Do they give this reason so far as water cess is concerned?

A.—The same principles apply right through as regards water cess.

Q.—Do they give it in any settlement report as a reason for increase of water cess?

A.—If the assessment of land goes up then the assessment on water too must go up.

Q.—You know of instances of several talukas and particularly the policy of Government in giving permanent remissions for those parts where water cannot be had in sufficient quantity?

A.—Yes, as in Bijapur district and in other precarious tracts.

Q.—You know this system is observed?

A.—Yes.

Q.—What is the motive of Government in laying down the policy of permanent remissions?

A.—So as to encourage in every possible way the cultivation of fodder for the preservation and use of cattle.

Q.—Would not the total abolition of water cess on the borders of natural streams achieve the same object?

A.—I presume it would.

To Mr. R. G. Pradhan :—

Q.—Do you think that the profits of agriculture cannot be ascertained?

A.—It is exceedingly difficult to do so.

Q.—Even approximately can they not be ascertained?

A.—Very difficult indeed.

Q.—In that case would you turn to section 107 of the Land Revenue Code? Where is the use of laying down in this section that regard should be had to the profits of agriculture in case such profits cannot be ascertained even approximately?

A.—By profits in the sense of the section I mean rent.

Q.—No gross profits can be ascertained even approximately?

A.—Rent is supposed to represent profits.

Q.—Refer to the phraseology of section 107 which says regard shall be had to the "profits of agriculture". You have told us that it is impossible to ascertain profits of agriculture, either gross or net, even approximately. Then in that case where is the use of retaining this phraseology in the section?

A.—What I meant was that it is difficult to find out by calculating what the net produce is, but you can find out approximately through the medium of the rental value.

Q.—You mean to say that the profits of agriculture cannot be ascertained otherwise than by rental value. Is that your view?

A.—Yes.

Q.—In other words you hold the view that rental value represents the profits of agriculture?

A.—No, not entirely, because the tenant who pays the rent also gets some profit for himself. Therefore the rent represents the two profits.

Q.—Do they represent approximately the rental value? Do they represent profits of agriculture approximately?

A.—Approximately.

Q.—In lieu of the expression "profits of agriculture", if we put the words "rental value", have you any objection to put those words in the section?

A.—I have no objection.

Q.—Not only that but would you rather prefer that the expression "rental value" should be substituted for the expression "profits of agriculture"?

A.—I really do not care which way it is, one way or the other.

Q.—How many revision settlements have you made till now?

A.—Five.

Q.—In making all these five revision settlements have you been guided entirely by the rental value?

A.—Not entirely, no.

Q.—You have taken into consideration the rental value and other factors also?

A.—Yes.

Q.—What other factors have you taken into consideration?

A.—I have taken into consideration the general economic condition of the people, the past history of the tract as regards rainfall and so on, the revenue history of the tract as regards remissions, etc.

Q.—I ask you, suppose in these revision settlements you had not taken into consideration these other factors but you had based your revisions entirely on the rental value, would the revenue in this case have increased or decreased? Would it have been more or less than what you actually arrived at?

A.—I have done four settlements in the Konkan and one in Gujarat. In the case of the Konkan revision the matter was a very simple one and therefore the rental value alone would have given and should have given the same result. In Gujarat (in Dhandhuka taluka) in which the rentals available were considered to be somewhat small, I had to go for other considerations. In the case of the village of Dhandhuka itself I made a reduction. I had to go largely by other considerations but whether I should have reduced or increased it, I am afraid I cannot tell you.

Q.—My point is, I understand that in one assessment in Konkan there would have been no difference even if rental value had been taken as the guide. But take the other cases. If you had taken the rental value as your sole guide, would the revenue in those cases have increased or would it have gone down more or less? Suppose you had based this revision settlement only on the basis of the rental value, would the revenue have been greater or less?

A.—I cannot say.

Q.—But don't you think, apart from this individual case, that if assessments are based entirely on rental value the land revenue will increase?

A.—Yes.

Q.—The test of rental value would give you greater revenue than the test of rental value coupled with the other considerations to which you have referred?

A.—I do not like to answer that question. It is so general.

Q.—You cannot give any information on that point from your experience as a settlement officer?

A.—No, I cannot.

Q.—In reply to question 13 you have stated that some parts of the Presidency are bearing far more than their fair share of the cost of administration. Now suppose that the conditions are evened up, don't you think that the land revenue would be greater?

A.—Certainly it would.

Q.—By how much would it be greater?

A.—I cannot give you any idea. It would mean a very great deal of detailed enquiry to find out the difference.

Q.—There is an impression that in some districts such as Khandesh (East and West) there is an under-assessment of lands. Supposing that all these conditions are evened up, we are at present having five crores of rupees as land revenue, you have already stated it would be more than five crores of rupees can you not give any idea as to what would be the excess amount if these conditions were evened up?

A.—I am afraid I cannot.

Q.—When did you make the first revision settlement?

A.—In 1920.

Q.—Before that you had no experience of revision settlement work?

A.—I had not done any myself.

Q.—You secured experience of revision settlements, of their methods and so on by and by when you actually did the work?

A.—Yes, but I had already written the Settlement Manual before that.

Q.—You had gained theoretical knowledge?

A.—Yes.

Q.—Arrived at by the study of the subject by reading books?

A.—I had been Superintendent of Land Records of two divisions and I had done settlements of individual inam villages.

Q.—But before you made your first settlement of inam villages, you had no experience of settlement work?

A.—No.

Q.—And your knowledge, such as it was, was obtained from books relating to the subject?

A.—Yes.

Q.—As regards your reply to question No. 17, don't you think that you have been rather hard upon the members of the Legislative Council in saying that they would be guided by political considerations? Don't you think that in saying so you were very dogmatic?

A.—Quite so.

Q.—The Legislative Council members are also doing their duty by their country?

A.—Quite so.

Q.—I am glad to note you have already stated that in considering the principles of assessment the question may be referred to the legislature.

A.—Certainly, it must be settled by the legislature.

Q.—You are sure that in considering that question they will not be swayed by political considerations?

A.—Again I must repeat that I referred to the question of detail when I referred to that question.

Q.—You have been good enough to concede to them this privilege of considering the principles of assessment. All that I want to know is, have you any fear that in considering the principles of assessment they might also be swayed by political considerations.

A.—Possibly they might be.

Q.—They might be or they might not be?

A.—They might be.

Q.—There is that danger also?

A.—They might be, but whether it is a danger or not is another matter. Every proposal for a tax is a political matter.

Q.—In considering principles of land assessment policy have you any fear that they would be swayed by political considerations?

A.—I think they might be swayed by political considerations.

Q.—Probably you may be thinking that it was not a wise act on the part of Government that this question should have been referred to a committee of the members of the Legislative Council at all.

The Chairman :—I cannot allow that question.

Mr. Pradhan:—I quite appreciate your point of view about the appointment of a standing committee that an individual settlement is a matter of detail and you think that it is primarily the function of the executive and you are of opinion that the function of the legislature should be kept distinct from the function of the executive.

A.—So far as possible.

Q.—And that I suppose is your main objection to this question of detail being decided or being considered by a committee consisting of some members of the Legislative Council?

A.—That and the political danger.

Q.—Equally important do you think?

A.—Yes.

Q.—That is one of your objections?

A.—Quite so.

Q.—But you must have noticed that it is going to be an advisory committee, but the decision will rest with Government.

A.—Yes.

Q.—And very likely the proceedings of the standing committee will not be published?

A.—Yes.

Q.—The proceedings of the standing committee will not take place in the presence of the gallery or the Press?

A.—Yes.

Q.—Under those circumstances don't you think that there is less danger of members of the Legislative Council being swayed by political considerations, of their being prevented from giving their proper views?

A.—I think probably it will lead to less of that kind of thing.

Q.—But in this particular case there will not be publicity. Let us take it for granted that there is no publicity, then you have no objection?

A.—I have the same objections.

Q.—Have you found from your experience as an experienced and I believe, a very sympathetic district officer (as I am told you are) that co-operation of officials with non-officials produces among the non-officials a sense of responsibility?

A.—Quite so.

26th June 1925.

EXAMINATION OF MR. R. G. GORDON, I.C.S., COLLECTOR OF BIJAPUR— contd.

To Mr. R. G. Pradhan :—

Q.—Do you accept the definition of rental value given by the Commissioners in their confidential report?

A.—Yes.

Q.—Do you also accept the proviso given there?

A.—Yes.

Q.—If all the lands were given on lease to tenants for cultivation, then would the average rental value be less than what it is at present?

A.—I can hardly answer that question.

Q.—Can you tell me whether it is possible to ascertain that portion of the rental value which is due to improvements made?

A.—I doubt it. For that reason, when the settlement officer collects statistics for the purpose of writing his report, he excludes so far as possible those lands on which improvements have been effected.

Q.—Is it possible to ascertain that portion of the rental value which is due to improvements?

A.—Not with any accuracy.

Q.—I do not understand how you accept this proviso?

A.—If a proviso of this kind is to be entered at all it should be as drafted by the Commissioners, but as a practical man, in collecting my statistics, I should exclude lands in which an improvement has been effected from my statistics.

Q.—Is it possible to ascertain the portion of the rental value due to improvements?

A.—Not with any approach to accuracy in the time given.

Q.—Towards the end of your evidence you have made a suggestion that a popular book on the subject of land revenue may be brought out in order to dispel ignorance on the subject. Do you think the Government should bring out such a book as that?

A.—Yes.

Q.—Are you aware that the Government have recently brought out a book on Forests?

A.—Yes.

Q.—Do you mean to say that the book which you want should be on the same lines as that book?

A.—Something of that kind.

Q.—Suppose the committee request you to undertake the work, would you be pleased to accept it?

A.—For a suitable remuneration.

Q.—I believe Government will pay you sufficient remuneration. Don't you think such books should also be translated into the vernacular for the information of those who cannot read English books?

A.—Certainly.

Q.—You talk about the ignorance among the educated classes on the subject. Probably, you also think that there is ignorance about the subject among the masses?

A.—Certainly.

Q.—For their benefit, it is desirable to have books on the subject in the vernaculars?

A.—Yes.

To Mr. A. W. W. Mackie :—

Q.—Is it a fact that an attempt was made to introduce in this Presidency a system of settlement based on ascertaining the net profits in the way which has been discussed several times in your presence, that is, by discovering the gross produce and deducting the cost of cultivation, and if such an attempt has been made what was the result, why was not that method adopted, and why was the present method adopted in preference?

A.—A system of that kind was adopted in 1827 by Mr. Pringle who made the first settlement for the Deccan. It is described in this Manual in some detail. He first found the gross produce, tried to find the gross produce for various classes of land. He tried to deduct the expenses of cultivation, and framed his rates accordingly. The result was a failure because the assessments arrived at by that means were inaccurate and far too high. I think I am correct in saying that the assessment of the Indapur taluka made by that method came to a good deal over Rs. 2 lakhs whereas when the present system was introduced by Goldsmid the assessment was Rs. 86,000, about one-third of what it was before.

Q.—Do you believe that the pitch of assessment as it has been during the past 30 or 50 years has in any way materially affected the prosperity or lack of prosperity of the occupants of land?

A.—I do not think it has. I think it is comparatively a minor item in their economy.

Q.—Is the present pitch of assessment higher or lower than the pitch of assessment from 100 to 120 years ago? By the pitch of assessment I mean the part of either gross produce or net produce, whichever you please,—the contribution which goes to defray the assessment.

A.—It is very much lower indeed. In Gujarat, under the Marathas the assessment in Broach was half the crop and in Kaira it was more than half of the gross crop. In the Konkan during the time of the Angrias it was 30 lakhs and it was reduced by the Collector to 17 lakhs. My figures about Gujarat are taken from Mr. Elphinstone's report of 1821. The condition of the cultivators, he says, in Surat is depressed because of the inequality of assessment. Akbar took one-third of the gross produce and reduced it to money on the cash basis of 10 years' prices.

Q.—You know of course that the seasons vary greatly generally. When a taluka is being settled, is the pitch of assessment deduced on the average crop? If not, on what crop is it fixed?

A.—It is not fixed on the crop; it is fixed on the rent, the assessment in cash. It is not safe to take rents for more than one or two years. It is very difficult to get the true facts. The cultivators cannot remember what the rents were, and it is very difficult to get rent notes for any long period.

Q.—Are suspensions and remissions taken into account in fixing the assessment? That is to say, do you consider that a taluka will get suspensions and remissions when the season is bad, and do you for that reason say that the assessment may be put a little higher than it would otherwise be?

A.—No, it has been specially ruled out by Government.

Q.—There are occupants, tenants, and field labourers. Which of these classes is affected by the pitch of assessment? Supposing the assessment is reduced or increased, who gains by the reduction, or who has an extra burden by the increase?

A.—The landlord benefits if it is lowered.

Q.—If the assessment is increased, who suffers, the landlord, the tenant or the labourer?

A.—The tenant.

To Mr. M. S. Khuhro :—

Q.—Have you any experience of Sind?

A.—No, I have never been in Sind in any capacity.

To Mr. R. D. Shinde :—

Q.—You say that properly speaking no principles are laid down in the Land Revenue Code as regards assessments, and everything done up to now was left to the discretion of the executive officers as to the pitch of assessment or as to the principles on which assessment should be based.

A.—Yes.

Q.—In reply to a question by Mr. Pradhan you gave a number of considerations. Am I right that those considerations were there because the value of land was to be ascertained, that those considerations were necessary for ascertaining the value of land and for nothing else?

A.—They were necessary in order that I might discover what the economic condition of the population is.

Q.—Had those instructions anything to do with ascertaining the value of land and the profits of agriculture?

A.—Yes.

Q.—In reply to question 17 you say that what the legislature should do is to enact some general principles, and leave everything else to be done by the executive. According to your book has the legislature done anything in the way of laying down the principles?

A.—It is going to do so now, I understand. It is laid down that it is based on the profits of agriculture, that no improvements are to be taxed, that the maximum period for revision settlement is to be 30 years, and so on. Those principles are laid down.

Q.—But the pitch has never been laid down?

A.—No.

Q.—You suggest that there should be some machinery to take economic statistics. What machinery would you suggest?

A.—It must be done by trained men trained in economics, with a knowledge of agriculture so far as possible.

Q.—Would you advise crop tests to be done by the Agricultural Department?

A.—Yes.

To Mr. D. R. Patil :—

Q.—From the Survey and Settlement Manual I find that at the time of revision settlements the prosperity of the people is to be taken into consideration. Do you hold that the prosperity of the peasantry is the real prosperity of the country?

A.—Yes.

Q.—I believe you will admit that the agriculturists contribute a large amount of revenue to Government in the form of land assessment. In the light of your answer to my previous question, would you like to agree with me when I say that in revising assessments Government should pay regard to the welfare of the voiceless and ignorant agriculturists?

A.—Quite so.

Q.—Then, if I were to say that the present section 107 of the Land Revenue Code should be modified in the following way, will you please tell me whether you agree with it:

"In revising assessments of land revenue, in the case of non-agricultural lands regard shall be had to the value of land, and in the case of land used for purposes of agriculture to the material wealth and prosperity of the agriculturist and to the profits of agriculture."

Would you like this modification of the section in the light of your previous replies?

A.—It strikes me as being vague, too vague to be entered into a legal enactment.

Q.—You say you do not like that these modifications should be effected on the ground that they are very vague?

A.—They appear to be unnecessary too.

Q.—You object to them on the ground that there is no necessity for them and they are vague? In the Manual you have laid down a rule that, at the time of revision settlements the prosperity of the people should be taken into consideration. Is that not vague, or is it very definite?

A.—We are talking about law. One is law and the other is an executive instruction.

Q.—Do you mean to say that those instructions were vague?

A.—Yes.

Q.—Vagueness is allowed in rules and not in law?

A.—Yes.

Q.—Would you, in the interest of the agriculturist, suggest in what way that section should be framed so as to remove any sort of vagueness?

A.—I have not had time to think over it.

Q.—I believe the idea that the welfare of the agriculturists should be taken into consideration while revising assessments is very clear to your mind?

A.—Yes.

Q.—Then the only thing that remains to be done is to use certain words that will translate this idea into practical things?

A.—I think it is unnecessary, because all legislative schemes are *ipso facto* directed towards the welfare of the people.

Q.—But it is the vagueness about which we complain.

A.—In the Income-tax Act it is not laid down that the income-tax should be based for the benefit and welfare of the country.

Q.—Land revenue stands on a different footing, and I will tell you how. In the case of income-tax the rules are very clear, that the income should be ascertained and that can be very easily ascertained. So there is no necessity to lay down a rule that the prosperity of the country should be taken into consideration. Here everything is indefinite and vague. Therefore, don't you think that some sort of words should be put in in the section which will safeguard the interests of the agriculturists?

A.—I think they are quite unnecessary. I think it is understood.

Q.—If it is understood, why should we not have those words in the section itself? Why not be more definite and clear?

A.—I see no reasons for loading laws with unnecessary words.

Q.—The words in regard to prosperity are unnecessary?

A.—Yes.

Q.—Will you agree with me when I say that it will be very just and quite proper to base assessments on the net income from agriculture?

A.—What do you mean by net profits?

Q.—Deduct all expenses that are required for the cultivation of the land and other expenses and ascertain what remains.

A.—In cash?

Q.—If you have got crops you sell them, and you get the cash price, and you calculate the expenses; after deducting them you arrive at a particular figure which goes to show the net income. Would you agree to that?

A.—I do not know to how many classes of land that is to be applied. There are 40 to 50 classes of dry crop land. Would you work it out for all these classes separately? There is not one class of land, but there are many classes.

Q.—Do you mean to say that it would be impossible to ascertain the net income in certain classes and it will be possible in other classes?

A.—What I did not understand was whether you wanted to find out the net produce and also the net expenditure on all these different classes of land separately.

Q.—Of course for different classes. In that case would you agree?

A.—For dry crop in the Bombay classification there are 40 different classes. You wish us to ascertain the net profits separately for all these different classes.

Q.—Will you tell me whether will be difficult to ascertain net profits in particular classes?

A.—Not particular classes.

Q.—According to you, what classes will allow us to ascertain the net income, or are there no classes for which the net income can be ascertained?

A.—It is one and the same thing. But some land is full of stones, and some land may have other defects. There are all sorts of different classes of land.

Q.—Suppose we class them this way that some lands are first class, some second and some third class. Now, take the case of first class lands: is it not possible to ascertain the net profits in respect of first class lands?

A.—First class lands would be composed of many different sub-classes. You have got to find the net profits of all these, add them together and strike an average.

Q.—Supposing in a particular taluka there is some tract consisting of first class lands.

A.—There are no such tracts.

Q.—I call first class lands as lands which pay an assessment of Rs. 5 an acre.

A.—In Bijapur it is Re. 1-4-0.

Q.—Take Bijapur. We will call that land as first class land. The lands might differ or the classification might differ according to different districts. Take any district.

A.—The classification is on the same scale.

Q.—What is the highest percentage of assessment in any of the districts? I believe it is Rs. 5 per acre?

A.—In Surat for dry crop land it is very much higher. In Surat, Kaira and Broach it is higher.

Q.—Take any district where you can get the highest assessment. Take that classification, and in respect of those lands can you not ascertain the net income of agriculture?

A.—The classification scale covers 20 classes of land. Each of these classes is divided into two sub-classes. That means that there are 40 classes of dry crop land. If you want to divide these 40 classes into only 3 classes, there will be 13 sub-classes in each of these. Do you wish to find out the maximum produce for all these, add them together and divide them?

Q.—Classify the lands in any way you like, but adopt such a measure that will enable you to arrive at the net profit of the income from agriculture.

A.—That means, as I say, finding out the produce of 13 classes of land, adding them together and dividing the total by 13. You will thus arrive at an average. Thus you have 13 classes lumped together, to be assessed at the same rate.

Q.—Classify the lands according to the fertility. Call the black soil your best soil.

A.—We cannot do it. Because, according to the Bombay scale, some kinds of black soil come into the low kinds of soil. You cannot divide them by colours.

Q.—Then it is not possible to arrive at the net profits?

A.—No.

Q.—If that is so, how is it that since the enactment of this section regard was had to the profits of agriculture? How were the profits ascertained then?

A.—The old Bombay system was this. At the beginning of the Bombay settlement they had no statistics at all except the income of any particular taluka. They arranged the assessment so that it should bring that income or less, or if the taluka was impoverished they would reduce the amount, but they arranged their system so that it should bring in that income. When the time of revision came and the record of rights was introduced, they made inquiries as to the condition of the people and as to whether those rates were fair according to the statistics which they had, and they increased them usually on account of the increase of prices, the value of land and so on. When the record of rights was introduced, then for the first time there was a measure by which we could judge this measure all round, that is something fixed and definite. So, not until the record of rights came into operation could we really have what we might call a good system. The system was empirical before.

Q.—Leaving aside this question, you stated some time ago that Mr. Pringle found it very difficult and many complications arose though he tried his best to arrive at the net income. Do you mean that there are so many complications and therefore it is not advisable to follow the system?

A.—It would mean the introduction of a new survey. You will have to revise the Survey Department, and even to try it would cost Bombay crores of rupees, I should think. It is impossible.

Q.—There are so many complications. I call those complications Gordian knots. So would not Mr. Gordon like to cut those knots?

A.—He is prepared to do the best he can, but he is not prepared to face impossibilities.

Q.—Is it impossible to arrive at the net income or is it very difficult?

A.—From a practical point of view it is impossible. Take the Bijapur district, where the rents vary so much, from village to village, and where the crops vary, and so on. I do not quite see how you are going to arrive at the very starting point, that is the gross produce of the land.

Q.—I think science has progressed to such an extent that persons more competent than yourself might solve that question.

A.—I profess no competency at all in the matter.

Q.—Don't you think that under the British rule there may be certain competent persons who will be able to solve this question in the interest of the agriculturists?

A.—So far as is practicable, Government is bound to safeguard the interests of the agriculturists, but it is not possible to solve this question.

Q.—You have answered a question put by Mr. Pradhan that the rental should be the only basis.

A.—I did not say so. I was quite definite in saying that the rental should not be the only basis. I said I was myself taking other things into consideration.

Q.—That should be one of the considerations? The main consideration? What other considerations would you suggest along with the rental basis?

A.—The condition of the people, the past revenue history of the tract. Those are the main considerations.

Q.—I think that you would like to add these words in the modification of the section, so that what you intend should be inserted in the section itself. Would you like that idea?

A.—I see no objection to it.

Q.—There is another difficulty. You say "the condition of the people". That is also a vague term. Can you give me a term which will be very definite?

A.—I cannot now. I will think about it and let you know later on.

Q.—You say in your replies "As for the argument that short-term settlements prevent the undertaking of improvements it is clear that so long as the present policy of basing enhancements solely upon general considerations which practically come down to a rise in prices, and so long as individual improvements are not taxed, short settlements can have no influence whatever in discouraging improvements—rather the other way in fact, as an assessment which is too low often has the effect of encouraging laziness in the cultivator when he can live off the land by paying merely a quit rent". Are you prepared to say that the agriculturists are lazy in their work?

A.—Certainly they are.

Q.—How do you come to know that. You have seen them working in the fields?

A.—Ask Rao Bahadur Kembhavi when he gives evidence.

Q.—They work like machines, and you call them lazy?

A.—Yes.

Q.—Do you mean to say that they do not work properly in their fields?

A.—I think they might do far more work in their fields than they do. When I ride out in the morning, I see very few cultivators in the fields.

Q.—You have again stated in your replies:

"It will be seen that the reasons urged by Wingate upon Government were 'to afford time for the renovation of the dilapidated resources of the country and hold out to the cultivator a fair prospect of obtaining an adequate remuneration for any outlay he may feel inclined to make in the improvement of his estate'," and also that "it may be said that the thirty years' period has fulfilled its functions". From these words of yours am I to understand that this period of 30 years was a sufficient period to improve the condition of the agriculturists?

A.—Yes.

Q.—Do you think that the agriculturists are prospering really?

A.—I have stated there that the 30 years' period had those effects. Apart from the question of to-day, certainly the result of that 30 years period was enormously to increase the prosperity of the agriculturist.

Q.—You are talking of the second revision?

A.—Yes.

Q.—What is the state of things now? Are the agriculturists prospering, or are they drowned into the ocean of debts?

A.—That is a statistical question which I am not prepared to answer.

Q.—You say that settlement proposals should not be submitted to the Council at all for consideration, because the members of the committee would be utterly at sea about the simplest facts. Do you mean to say that they will be drowned in the sea about the complicated facts?

The Chairman:—Each of us has asked that question.

Q.—I am really sorry to observe that Mr. Gordon is so unkind to us that he thinks that the members would be utterly at sea about the simplest facts.

A.—I am talking about facts of technical matters. I have just submitted a settlement report about the Khed taluka of the Ratnagiri district, that is full of technical details which I think members who have not been there would be at sea about.

Q.—I agree with you, Mr. Gordon, that many of the members would be utterly at sea about complicated facts. But I do not see how they can be at sea about the simplest facts.

A.—The simplest facts of technical knowledge. If I were asked to build a bridge, I should be at sea about the simplest facts in engineering, but an engineer would not be. So also members of the Legislative Council would be at sea about the simplest facts of such a technical matter as a revision settlement.

Q.—You are talking about scientific knowledge?

A.—Yes.

Q.—If the members would be at sea about the simplest facts, then about complicated facts they would be drowned in the sea.

A.—Yes.

Q.—You said something about the manual prepared by Dr. Mann. Do you approve of his method?

A.—Yes.

Q.—You are of opinion that Government should undertake some sort of investigation which will help towards the right solution of the problem of net income?

A.—I think so.

Q.—In the interest of the agriculturists, to ascertain net income from agriculture?

A.—I do not say that.

Q.—What did Dr. Mann do? He went to a particular village, ascertained the gross income and the expense and in this way he ascertained the net income, and you approve of that idea?

A.—Yes.

Q.—Then you approve of the idea that Government should not lose time to investigate the question of arriving at the net income in the interest of the agriculturist and also in the interest of the State?

A.—Yes.

To Rao Saheb D. P. Desai:—

Q.—What is the chief design of a revenue survey? Has it ever been defined anywhere. Has it been defined in the Revision Survey and Settlement Manual? Has it been defined in any of the official books?

A.—I do not think so. But the object of a land revenue survey is to fix assessment upon land.

Q.—May I know whether it is true that in the Survey and Settlement Manual, Part I, not the one that you have published but its predecessor, on page 2, the following words occur:

"The chief design of a revenue survey may be defined to be the regulation of the customary land tax, so that it shall at once secure adequate revenue to Government, the progress and development of the agricultural resources of the country and the observation of all proprietary and other rights connected with the soil."

Are you prepared to accept this view now?

A.—No. The Land Revenue Code defines what the objects of a survey are, and that is enough for me. It is in section 95.

Q.—That was the law. But of course your Manual does not put down what the law is. It puts down rules, instructions and other things. Isn't it?

A.—It first gives the history and then the details.

Q.—While giving the history and the details you have got to show to your survey officers or instruct them what they are about?

A.—Yes.

Q.—For that of course, so far as I can understand, these manuals are written?

A.—Yes.

Q.—Then, was not this paragraph which I have quoted in the former editions of the Survey and Settlement Manual?

A.—As you say so, it must be.

Q.—The words "land tax" show that the proprietary rights of the cultivators had been taken into account, and for that reason the word "tax" occurs there. Are you prepared to believe that up to 1882 at least when that Survey and Settlement Manual was written, the Government did acknowledge the proprietary right of the cultivator, and land revenue was regarded as a tax on the lands belonging to them?

A.—The Land Revenue Code is of the year 1879, and it says that all the land belongs to the Government.

Q.—You may be referring to the Survey and Settlement Manual written after the Land Revenue Code came into existence. Is it not a fact that up to the year 1882, when the Manual was written, Government did acknowledge the rights of the cultivators to the land, and did say that land revenue was a tax and not a rent?

A.—I cannot say.

Q.—It is there in the definition of the survey.

A.—Is it copies from a Government resolution?

Q.—The Survey and Settlement Manual was a Government publication and meant for the instruction of the survey and settlement and other revenue officers?

A.—Yes.

Q.—So, if we accept that as the publication of Government meant for the instruction of officers, have we any reason to believe that it is not part and parcel of a Government Resolution?

A.—I do not know. This matter was not taken into consideration at that time.

Q.—May I know of any subsequent Act after 1882 which takes away these proprietary rights?

A.—The Land Revenue Code says that all land belongs to Government. That is of 1879.

Q.—Over which no private right exists. That is the provision there in the Code itself. Land which is not occupied by any?

A.—Which is not used .....

Q.—Over which there are no other rights belonging to the Government?

A.—All land which is not the property of individuals belongs to Government. The burden of proof lies on the persons who say they are proprietors.

Q.—All land, except that as regards which people can prove that they are proprietors, belongs to Government.

A.—Yes.

Q.—But if Government in their Manuals have acknowledged their right and if the people believe that the Government have ignored those rights?

A.—I do not suppose the Manual is an authoritative pronouncement made by Government as a whole upon a matter of this kind. I do not suppose my manual was scrutinised by the Government as a whole but I think it was just read by the Settlement Commissioner.

Q.—Did you issue those orders or instructions to settlement officers on your own responsibility without referring the matter to the Government?

A.—The manual contains quotations from Government Resolutions themselves.

Q.—The book as a whole is published by Government at their own cost?

A.—Quite so.

Q.—But did the Government approve of your book or did they not approve of it?

A.—They approved of it in general; it was read by the Settlement Commissioner and was approved in general by the Government, but I do not suppose that Government would take any sentence of mine in that book as an authoritative pronouncement on the part of Government.

Q.—Are not the survey officers who conduct their operations throughout the Presidency bound to follow the instructions contained in that book?

A.—So far as they might have been modified by subsequent orders.

Q.—If there are no subsequent orders, then do they follow or are they bound to follow the instructions contained in that book?

A.—They are bound to do so.

Q.—Generally, of course, in the instructions which you issue to survey officers there are two lines laid out for their guidance, called direct and indirect lines of arriving at the pitch of assessment.

A.—Yes.

Q.—Which is the direct method?

A.—I am afraid I do not know.

Q.—Perhaps you will find it on page 394 in "Instructions to Survey Officers". Are those instructions given in accordance with Government Resolutions?

A.—Yes.

Q.—There are two lines of enquiry enjoined on survey officers. Only on those lines they are to proceed, as I understand it.

A.—Yes.

Q.—May I know what is the direct line of enquiry?

A.—Finding out prevailing rents and the ratio of assessment based upon them.

Q.—What is the indirect line?

A.—General effect on the economic and agricultural condition of the tract, the revenue history of the taluka, etc., the area under cultivation.

Q.—Do you take into consideration the prosperity of the particular tract?

A.—Yes, certainly.

Q.—Supposing that prosperity were attained by some other means than cultivation, do you take that factor into account? Suppose an agriculturist family has a son serving somewhere in Bombay. From there he brings a lot of money with which he erects a house for that agriculturist. Is that factor to be taken into consideration at the time of arriving at the assessment of that tract.

A.—The result upon rent and the general conditions of that kind.

Q.—From the outward appearance you may think that the general condition has improved but do you care to investigate whether that condition has improved solely on account of the pursuit of agriculture and nothing else?

A.—I should enquire into that certainly. I did so in the case of Ratnagiri.

Q.—Do the other survey officers generally when they go to settle a tract ever enquire whether the prosperity that is apparent is due to the agricultural operations or to any other cause?

A.—Most certainly they do.

Q.—I asked that question because the instructions therein are very vague.

A.—Quite so, they have got to be.

Q.—Are there instructions to survey officers to take other factors into consideration?

A.—Quite so because the factors vary so much from district to district.

Q.—But supposing I were the settlement officer and if I were to visit certain tracts and find people prosperous over there and if I take that prosperity into consideration without entering into the fact whether that prosperity was obtained by the pursuit of agriculture or not and then enhance the assessment of that tract, would I not be acting exactly up to the instructions contained in that book?

A.—Certainly you would have to go into all the factors and the instructions are meant to be used with commonsense by settlement officers; they are not to be followed mechanically.

Q.—Supposing a settlement officer were to follow the instructions quite literally and mechanically?

A.—He would get into a mess to a certainty.

Q.—Then of course I think he is the most arbitrary officer without anything to guide him; he is not bound to follow instructions, he is not bound to follow the Act, he is not bound to follow the Government circulars and so on, then he is practically the Raja so far as land revenue settlement is concerned.

A.—Not at all. We have got settlement reports of hundreds of talukas prepared by other officers before, which he can take as a guide. There is no reason why he should purposely go astray and purposely mislead Government. His work is scrutinised by the Collector, by the Settlement Commissioner and by the Commissioner and if he makes a fool of himself he gets dropped on: several have.

Q.—You have referred to Pringle Settlement, and I see from that that you have gone rather very closely into the Pringle affair.

A.—Quite so.

Q.—It brought poverty to the tract in which these Pringle settlements were introduced?

A.—Yes.

Q.—To what fact did Government attribute in those reports the failure of Pringle settlements?

A.—The fact that assessment was too high.

Q.—May I know whether this is not a fact that Government attributed the poverty of that tract to the imperfections of the staff that carried out the instructions of Mr. Pringle?

A.—Not so much to that extent.

Q.—Are you now prepared to say that it was due to the fact of the ignorance and imperfections of the staff maintained or rather entertained by Mr. Pringle to carry out his own instructions and his own policy?

A.—Yes, very largely it was.

Q.—If those people had succeeded and if there had been no imperfections on the part of his staff, then I think the Pringle Settlements should have succeeded?

A —That is a hypothetical question which I cannot answer.

Q.—I think Government says certain things against the staff's ignorance in that report. I have gone into that report myself and the Government says I think that the native staff that was employed under Mr. Pringle did not know a good many things pertaining to survey operations and so on, and in fact it was due to their failure rather than to the enhancement policy laid down by Mr. Pringle that there was all that misery that came about in Deccan .....

A.—Not in the Deccan but only in one taluka, for a few years.

Q.—That is, 20 years?

A.—No, no; Mr. Pringle's settlement was made in 1827. Wingate settlement was made in 1836.

Q.—That is, 9 years?

A.—Yes.

Q.—Mr. Wingate was sent to correct the mistakes of Mr. Pringle?

A.—Yes, that was the original survey.

Q.—When Mr. Wingate first submitted his revision report for Indapur taluka, did he or did he not recommend permanent settlement for that taluka?

A.—I forget.

Q.—Please refer to page 42 of your book and you will find that Mr. Wingate said so.

A.—Have you read his recantation upon the second settlement of Indapur? He made a special report on the question of permanent settlement.

Q.—He did not make a report about permanent settlement in submitting a report on the Indapur settlement.

A.—Yes, he did at that time.

Q.—While recommending permanent settlement he said that the only and the best way of bringing prosperity to agricultural industry lay in permanent settlement but that if Government were not disposed owing to financial considerations to give permanent settlement .....

A.—That would be the best way ' to *create* private property '; he said .....

Q.—But if Government were not prepared to give permanent settlement he would at least recommend 30 years. In the original report submitted by Mr. Wingate so far as I remember Mr. Wingate as well as Government in their Act of 1865 also have acknowledged the existence of proprietary right of the cultivators to the land.

A.—He said you would have to *create* private property which did not exist.

Q.—He said that in order to be on the safe side, but at the same time Government while introducing the Act of 1865 did say what I quote from Sathe's Survey Manual, page 82:—

"There can be no doubt as to the existence of proprietary rights in the lands in the Deccan in former years, but they had been so impaired by years of misgovernment and other factors that their very extent was made the subject of a former enquiry during the early years after our conquest of the country."

And Mr. Mountstuart Elphinstone acknowledges the fact that the people had proprietary rights in the land. Have you gone through Mr. Mountstuart Elphinstone's report?

A.—Several times. It does not acknowledge the existence of proprietary rights of cultivators over the land, but of mirasdars, not the upri tenants.

Q.—Does it not say at the same time that mirasdars were the original holders on the co-partnership basis?

A.—I forget.

Q.—That every mirasdar was responsible for the payment of land tax just as narwadars are at present in Gujarat?

A.—It may be so, I forget.

Q.—That they had proprietary rights and even if they did not pay Government assessment their lands were not confiscated for a number of years, for 30 or 40 years?

A.—That is so.

Q.—Do you know that rental value is composed of two elements, one is the improvement of the land and the other is the price of that land. Supposing I have grown a number of mango trees, constructed a fence costing about 100 or 200 rupees, having trees of the value of about 200 rupees or so, manured it for a number of years from generation to generation and not only kept up the land up to a certain level but tried always to increase the fertility of that land. That constitutes a permanent improvement as I should call it. Don't you think that this rental value contains these elements?

A.—Quite so.

Q.—Are you prepared to reduce or deduct from that rental value these improvements?

A.—Impossible.

Q.—The only possible way according to you would be to take rental value as the bare fact?

A.—Mostly but after making enquiries about improvements made. I have already said that.

Q.—You approve of the idea that if all these were deducted then that would be of course a proper course to take rental value into consideration? Take the question of manure. The landlord lays out something for the land, he cannot let the land go to waste by doing nothing for it. Government have neither purchased the manure nor have they put manure into the soil. Why should Government claim a part of the manure in that case I cannot understand, because manure is the chief thing and all else is subsidiary in fixing rents of land.

A.—Government may not spend in the case of private companies from which income tax is taken.

Q.—So you say the land should be assessed on income tax basis?

A.—No, I did not say that at all. I gave that as an illustration.

Q.—But in reply to my friend Mr. Mountford's question I think you stated that you were for eliminating the element of improvements altogether from the land.

A.—So far as possible, yes.

Q.—That "so far as possible" would leave the settlement officer a wide margin?

A.—Yes. Some latitude must be allowed.

Q.—But the change in rent must decide the question?

A.—Yes, it may be a difference of a rupee or two.

Q.—A settlement officer has got to fix the assessment for two talukas in three months. Would it be possible for him to go into all these details?

A.—Their operations have got to be conducted in a hurry.

Q.—Two talukas in three months?

A.—Yes, unless you want to treble the cost of settlement; the idea is cheapness.

Q.—The idea is of net profit for Government. That is they want to reduce the expenditure on land revenue as much as possible.

A.—As a matter of fact I took five months for a taluka and a mahal.

Q.—Are you aware that in Gujarat the system of caste assessments has been prevalent under this very Code?

A.—It is true that there was in Gujarat a different assessment for the Kolis and the Patidars.

Q.—Under the same Code?

A.—Yes.

Q.—When it was found at the time of the original settlement that to even up the rents would mean such an enormous increase in the assessment of the Kolis that it was necessary to distribute?

A.—Yes.

Q.—Have you evened up by bringing the assessment of the Patidars lower down or by raising that of Kolis?

A.—I do not know the exact details, I have forgotten them.

Q.—In any case you say that the intelligent class was taxed heavier than the class that possessed rather less intelligence?

A.—It was.

Q.—That is, the intelligence was taxed, that you are prepared to say I suppose.

A.—Or the unintelligent was not taxed: which is which I forget.

Q.—I think in your historical research you may have come across section 107 as this is the revised section but the former section 107 read like this "nothing in the last preceding section shall be held to prevent revision assessments being fixed with reference to any improvement effected at the cost of Government or with reference to the value of natural advantage when the improvement effected by private capital and resources consists only in having created the means of utilising such disadvantage with reference to any improvement which is the result only of the ordinary operations of husbandry". At the time the people agitated and said that the consideration of manure as well as the erection of wells was left out of account and compelled Government to amend the section in the present form in order to include these elements. Did Government or did they not in pursuance of the clear indication of section 107 cease taxing wells?

A.—They did.

Q.—But have they not circumvented the whole Act by putting in sub-soil water charge?

A.—No.

Q.—You say "the latter found a way out of the difficulty" which I would interpret to mean that that section was circumvented in this form.

A.—Not at all.

Q.—You say on page 415 of the summary of replies to the questionnaire, under Wells, 3rd paragraph, as follows:—

> "The latter found a way out of the difficulty by the indirect taxation of wells through the sub-soil water assessment system".

Here in the preceding section, in the predecessor of this section 107, in the old section 107 where taxation of wells was clearly laid down, the manure of land was clearly laid down because it was an ordinary operation of husbandry but when people opposed and when people agitated Government, in order to meet their wishes, framed the present section in the Land Revenue Code. Now, that clearly shows that these two factors, that Government are not on any account entitled to tax wells and ordinary operations of husbandry, and in order to include these factors Government introduced this section. The Government introduced this section in order to meet the wishes of the people as regards the taxation of wells and taxation of ordinary operations of husbandry such as manure and other things, and of course you do allude to that fact in your statement also when you say "the latter found a way out of the difficulty". That is the way out of the difficulty, how to get round this section, how to cricumvent it?

A.—Not at all, no. I did not mean that.

Q.—What is the difficulty underlying it?

A.—It was this that Government had a large amount of revenue which was derived from taxation of wells. They did not want to lose that revenue and at the same time they wanted to abolish the taxation of wells so that they adopted the system of sub-soil water assessment which is in harmony with the whole principle of the Bombay Survey Settlement by saying that if underneath a dry tract of soil there lies a sub-stratum of water which could be used by the expenditure of labour and capital by the occupant that fact is an advantage to that land. We would therefore put a small extra classification of one or two annas so that the taxation of the individual wells would be abolished. In the Satara district there are lands which lie up the slopes and those at the bottom of the slopes. What the settlement officer did was that he charged a small extra additional tax of one or two annas for the extra drainage which the lands at the bottom got but which the lands on the top did not get.

Q.—Has water been considered to be a mineral in any of the Government Resolutions?

A.—I think it is. Is it not?

Q.—Did it come under the Mines Act or some such Act?

A.—No, not at all.

Q.—If the water is a mineral as you say and as Government officials said once, if the water were a mineral what is the procedure adopted in the case of minerals? Are they not taxed when they are brought out of the soil? Are they ever taxed prospectively, is the Indian population at present taxed with so much for gold lying below the soil and so much for silver lying underneath the soil?

A.—As far as I know, no.

Q.—Is this principle, according to your point of view, not circumventing the section 107 in this indirect way?

A.—I do not think it circumvents.

Q.—Removing or getting over this difficulty was sound or unsound?

A.—I think it is quite reasonable. It took away the original system of taxing individual wells which taxed directly capital and industry, the man to build a well had to pay more heavily for it. Now the people pay very small extra taxes and have to pay nothing for wells as Government have abolished the tax.

Q.—Suppose a poor cultivator has no capital to sink a well and still he is charged for a speculative matter because to tap water or not is after all a speculation as has been declared by the well experts maintained by Government just as Government maintains survey experts. They say that well-digging is indeed a speculative affair. For a supposed speculative gain, it may or may not fructify after all, it is lying hidden in the soil, even that is at present taxed. That water is now taxed even though it is not used and though it is a speculative affair, the water may be salty or may be good. This principle do you call a sound one? Is it an economic one? Is it a reasonable one?

A.—I think so in the circumstances of the case. If you want to lose land revenue you can do so, but according to age-long custom of the country Government had a right to the full rate which was levied always ever since Government existed in Gujarat, but they decided to abolish that system and substituted the present system in its place.

Q.—I now come to the conversions of dry crop lands into rice lands. Do you think this sort of improvement has not been allowed for in Gujarat?

A.—Not in the second revisions, in the first it was.

Q.—How many cesses have there been on rice lands since the time of the Peshwas?

A.—The position class, sub-soil water, himayat, etc.

Q.—They circumvented the improvement into rice lands by paying any position class and other things?

A.—No.

Q.—The rice land improvements were not taxed by Government?

A.—No.

Q.—To maintain the revenue or go on increasing the revenue on rice lands you have just put in that position class in that Dholka report when it was done for the first time.

A.—Yes.

Q.—That was a new innovation in Sanand report?

A.—Yes.

Q.—Don't you think that the settlement officers should be prevented from making such sort of innovations of circumventing the Act?

A.—They are prevented. Rice land which is now converted is never taxed.

Q.—Have you remitted the tax on the lands which are already taxed as rice lands?

A.—No.

Q.—Why is that sort of injustice allowed to go on?

A.—The basis upon which this position class was added was that the fact that the land was low-lying represented an additional advantage. The land was peculiarly well situated for conversion into rice land. These advantages are now covered in survey settlements by the addition of one or two annas to the land which possessed those advantages. Himayat is for the use of water. Himayat is not extra taxation; it is for the use of the water which comes under it.

Q.—Do you know that water of two wells in the same neighbourhood is not exactly alike?

A.—In Gujarat, it is not, it is very different.

Q.—Why should these two fields be taxed equally?

A.—Because we cannot find out what the water below is before it is tapped.

Q.—You also tax things about which you do not know even?

A.—Yes. We have to make as good a start as we can from the existence of wells and sub-stratum line of water.

Q.—Land revenue, so far as the water cess is concerned, is a mere guess work?
A.—Yes.
Q.—Is it a fact that if you have miscalculated the water cess for assessment the percentage increase at every revision settlement may affect that water cess?
A.—Certainly it will.
Q.—Does the water cess increase in that locality?
A.—Certainly.
Q.—Even the worst water in the neighbouring field?
A.—There is more than one class of sub-soil water. If the sub-soil water is of a certain quality then it has a higher classification. If it is according to the statistics of wells, if the sub-soil water is of another quality you find there is a different classification of the cess.
Q.—Did you dig bores in order to find out the quality of the sub-soil water?
A.—It was taken from the existence of the actual wells.

To Mr. G. W. Hatch :—
Q.—There was a reference to Indapur. I find in Mr. Keatinge's book " Rural Economy in the Bombay Deccan " some figures about " Kasba Indapur ". He collected certain figures showing what the assessment levied in the past was. In 1732-33 the average rate per acre for dry crop land was 15 annas.
A.—Yes.
Q.—Whereas under our settlement in 1909-10 the average rate was $5\frac{3}{4}$ annas.
A.—Yes.
Q.—That gives you the exact figures for Kasba Indapur.
A.—Yes.
Q.—My other question refers to the period allotted to revision settlements. What period does Government usually allow to the officer doing revision settlement? You referred to settlements being done in a hurry.
A.—A year.
Q.— Has it come to your notice that an officer has asked you for an extension of that period because he does not have the time to complete it in that period?
A.—Yes.
Q.—Did he get it when he asked for it?
A.—Certainly.

To Rao Saheb D. P. Desai :—
Q.—Did you come across circumstances by which Government were obliged to grant remissions owing to the poverty of cultivators in seven talukas in the Deccan which had grown very very poor since the introduction of the revenue survey according to your present policy?
A.—That is not quite correct. The fact was that there was a series of very bad years; it was not the revenue policy.
Q.—There were great decreases in prices and the Government, at the same time in their resolutions which remitted the land revenue in those talukas, stated that " the cultivators are represented to be heavily in debt and callous, *i.e.*, lazy, and notwithstanding the results of their labours, feeling sure that good harvests will only benefit their creditors and not themselves ". So I think that two things come out of it, one is that the present revenue policy, that is the survey policy of Government was not good enough to prevent the cultivators from entering into debt.
A.—Impossible, you cannot say it is due to the revenue policy.
Q.—From the Karmala revision report it does appear from the Government Resolution that the cultivators were as under debt as ever, that is, their debts were not reduced at all.
A.—No.
Q.—And at the same time they were very callous?
A.—Quite so.
Q.—And consequently they had to reduce the assessment.
A.—Yes.
Q.—And remembering all the seven talukas which were revised according to this survey system, was the original survey as introduced by Mr. Wingate and Mr. Goldsmith in those talukas of benefit?
A.—I think it was at the revision settlement 30 years afterwards. It has got no connection with the original Wingate settlement.
Q.—These talukas had to be revised not after 30 years but the original revision did not prove successful or was hard on the cultivators and as they had grown very poor and callous and were in debt the Government were compelled or obliged owing to the agitation in that connection to revise within 30 years the assessments of those talukas.
A.—Yes.

Q.—Of course they reduced the assessment on account of those reasons. That shows that the revenue survey policy (of course the same policy that is being followed even at present) did not make the people prosperous, but on the contrary it did make them very poor.

A.—I do not agree to that.

Q.—This is what the Government Resolution says.

The Chairman:—The witness said there was a series of very bad years, it had nothing to do with the revenue survey system.

Rao Saheb Desai:—It had. There was no famine continuously for seven years but my point is that they were assessed at the time of original survey when the prices were very high and subsequently steadily the prices had fallen, and owing to the fall in prices the cultivators had become very poor and had incurred debts to an enormous extent, and the point is that the present Government policy of fixing the assessments by taking price measures and all sorts of things does of course impoverish the people to some extent.

A.—The settlement was upset by the fall in price which could not possibly be seen beforehand.

Q.—Then do you think it is advisable to take prices as the basis?

A.—It must be; at the time we do not know what prices may rule.

Q.—You have got to wait till the people get very poor and till the whole country suffers an economic disaster?

A.—Certainly not.

Q.—What is a sound principle under these considerations? If you take price measures for enhancements, even then of course which could not be foreseen beforehand, and the people grow very poor after the fall in prices, then you have to wait till the people show any signs of poverty in order to revise this assessment.

A.—Certainly. We have to wait till we find out what the facts are before you make any revision. What else can you do?

Q.—Do you call that a very sound principle?

A.—Certainly, we must go on facts.

Q.—A principle that waits till the people have grown very poor and waits for the practical impoverishment for reduction of assessment?

A.—I make no such allegation at all. You must have some facts before you.

The Chairman:—From what Rao Saheb Desai asked you it seems that when prices have gone down cultivators suffer and therefore there should be short time settlements. In the same way when prices have gone up would you utilise that opportunity to raise the settlements also? Would it not be equally justifiable if there is a claim that there should be revisions when prices have gone down? Would Government not be justified in raising the land revenue if prices go up?

A.—They should be more cautious in raising assessments when prices go up than when reducing them when they go down, considering that in the former case the State benefits directly and in the latter it does not.

The Chairman:—Did I understand you right that you said that the rental value is practically equivalent to the profits of agriculture as put down under question 7? At present the profits of agriculture are measured by the rental value of land.

A.—Net profits ought to be more than the rental value because the tenant has to pay rent to the landlord and has to live himself and therefore the net profits should be more than the rental value.

Q.—When you take rental value you take a lower figure in a way?

A.—Yes.

Q.—So it does not work against the cultivator?

A.—Certainly not.

Q.—By assessing water you are assessing the potential capacity of land for being irrigated? Do you mean sub-soil water?

A.—Yes.

Q.—Rao Saheb Desai said that even when a man has no capacity of digging a well he is charged water cess. In the same way, if he does not cultivate his field, would you say that he has not been able to utilise his land and therefore there should be no land revenue charged?

A.—It comes to the same thing.

Q.—So the potential power of land and the potential power of water when it is irrigated practically fall on the same level?

A.—Quite so. That is a principle of the survey.

Q.—So that there is no injustice done in charging potential water if Government is charging for potential capacity of land also.

A.—Exactly, quite so.

26th June 1925.

EXAMINATION OF MR. R. K. KEMBHAVI.

To the Chairman :—

Q.—You do not accept the principles underlying section 107?

A.—No.

Q.—You want instead of that, the nature of the soil, certainty or otherwise of rainfall, area of the holding, distance from a big town or market place?

A.—Yes.

Q.—Do not all these factors fall within the term " profits of land " because the profits of land will depend upon them?

A.—Profits of land may change, that is a fluctuating circumstance.

Q.—So will rainfall change.

A.—But the nature of the soil and the area of the holding do not change.

Q.—The nature of the soil will change if a man puts in manure?

A.—But the existing nature will not change.

Q.—All profits of land depend upon these things. These are the only factors upon which profits depend. They are practically the same everywhere but you go a step further and instead of showing actual profits of land you give four other factors upon which profits of land depend.

A.—To a certain extent.

Q.—So far as I see there is not much difference. Is there any difference?

A.—The difference is this, if there are three good seasons immediately before the revision, the profits of land might increase and the assessment of the land will naturally increase, but if there are bad seasons the assessment in revision may not be increased, so the profits of land depend naturally upon the good or bad seasons and therefore they are fluctuating.

Q.—Have you a cycle of good and bad seasons?

A.—Yes.

Q.—If you take bad years, 10 or 15 years, can you calculate for the whole period? Do you think you will be able to get at correct figures?

A.—It is very difficult to ascertain profits of land correctly.

Q.—In reply to question 4 you say that assessment should be based on the average production in the land for the last five years. By " average production in the land " you mean net profits or gross profits?

A.—Net profits. Prices should be taken for the last five years and an average struck.

Q.—In reply to question 7 you want that instead of finding rental value you want cash rent minus ..... You want the average of cash rent for five years. That is the period you will take. You think that will be sufficient for the purpose and you deduct whatever the landlord has spent for improvements. What would you include in the term " improvement "?

A.—The construction of a well, putting in mechanical power, putting in manure.

Q.—By " improvement " you mean permanent improvement?

A.—All that is necessary for cultivation.

Q.—And not the annual manuring?

A.—In Bijapur district manure is very hardly used.

Q.—Permanent or semi-permanent improvement you mean?

A.—Yes.

Q.—In reply to question 14 you say " I consider the following would be the fit maximum :—

20 per cent. for a group or a taluka,
30 per cent. for a village,
40 per cent. for each individual."

Is there any reason why you should reduce the present maximum limits to the limits you have suggested?

A.—No, I cannot give you specific data but I believe the present maximum is too high and therefore I practically halved it.

Q.—You want an advisory committee of officials?

A.—Yes.

Q.—Non-officials, you would like to have two big local landholders with agricultural experience.

A.—By " local " I mean " landholders of the taluka in which settlement work is carried on ".

Q.—Is it not possible that these two gentlemen being interested in the settlement may be prejudiced one way or the other and not be able to take impartial view of things?

A.—Why should we make presumptions against them?

Q.—Do you think it would be possible?

A.—Yes.

Q.—You say in reply to question 18 that improvements effected since the introduction of the first settlement should be exempted from assessment?

A.—Yes.

To Mr. D. R. Patil:—

Q.—Don't you think that there are many vitiating factors if we base assessment on ascertaining rental value?

A.—I think so.

Q.—Do you admit that generally in the Bombay Presidency out of 100 agriculturists there are nearly 10 per cent. of landlords and 90 per cent. tenants?

A.—Yes.

Q.—There is a very small percentage of landlords?

A.—So far as my district is concerned, I think the number is not so small as you say.

Q.—What is the percentage in your district?

A.—I cannot give you the exact percentage.

Q.—Is it not a large proportion?

A.—No, it is not.

Q.—Do you agree with me when I say that the rental basis would not be the proper basis when out of 100 persons 80 or 90 persons actually cultivate the land?

A.—Yes.

Q.—So you would like to base assessment by applying the test of net income?

A.—Yes.

Q.—In revising assessment do you admit this principle that the officers should take into consideration the prosperity or the adversity of the agriculturist?

A.—I do not know what the rules are but it is far wisdom to take prosperity of the agriculturist into account.

Q.—Are you of the opinion that while revising assessment you ought to take into consideration the net income of the agriculturist?

A.—I am.

Q.—And in addition to that the prosperity or adversity of the agriculturist must be necessarily taken into consideration?

A.—I cannot say " necessarily " but it is very prudent to take into consideration that factor.

Q.—You make a distinction between prudence and necessity?

A.—I cannot say " necessarily " because there are several other factors which must be taken into consideration.

Q.—In addition to other factors don't you think it necessary, in fairness to the State as well as to the agriculturist, that the monetary condition of the agriculturist must be taken into consideration?

A.—I am not inclined to put the word " necessary ", but in the interest of the State as well as of the population it is " prudent " that these words should be there in the section.

Q.—Don't you think that if we look to the present state of the agriculturists, that if we take into consideration their net incomes, it is necessary that we should ask for a permanent settlement because the income is practically equal to expenditure or the income is practically a minus quantity, looking to the cost of cultivation and many other things? So if we take all these factors into consideration don't you think in the interests of the agriculturists and the State, if we want to be fair to both, we should ask for permanent settlement?

A.—Yes, I think so.

Q.—Do you regard land revenue as tax or rent?

A.—That depends: if the persons who cultivate lands are the proprietors of the soil what they pay is a tax, but if there is no proprietorship in the soil, what they pay is land revenue.

Q.—What is your opinion—whether the ownership of the land should be vested in Government or in people?

A.—I cannot give that opinion.

Q.—What are your reasons for not giving your opinion?
A.—It is a complicated question.

Q.—What are the complications?
A.—That I cannot say, it is too complicated a question whether Government is the owner of the soil or whether the persons cultivating lands are owners. It has a long history and I have not studied it much.

Q.—Are you not of the opinion that the Government should be entitled only to take some share of the net income of the agricultural land?
A.—Yes, that was the rule in olden times.

Q.—According to the present practice you know that the agriculturists are entitled to transfer lands to others. Are they not owners in a sense?
A.—No.

Q.—Do you mean to say that the present tenure is perpetual?
A.—Because of the transfer it does not follow that they have permanent ownership in the soil.

Q.—Would you call that a perpetual lease?
A.—I cannot say that.

Q.—You want to be enlightened on that matter?
A.—Yes, because I have not studied the question.

Q.—Are you of the opinion that improvements should always be exempted?
A.—Yes. Improvements made at the cost of the landlord should always be excluded from taxation.

Q.—And you are of opinion that improvements should be taxed only when Government spends money on them and not otherwise?
A.—Yes.

To Sardar G. N. Mujumdar :—

Q.—How many inam villages there are in Bijapur district?
A.—About two dozen.

Q.—Are all of them surveyed?
A.—A few; there has been no settlement in all the villages.

Q.—Are they recently surveyed?
A.—No, no, they were surveyed at the original survey.

Q.—Has new revision settlement taken place in all these?
A.—I do not think so.

Q.—As regards question 17, are you in favour of appointing an advisory committee consisting of officials, non-officials and two big landholders?
A.—Yes.

Q.—Would you like one representative of the inamdars to be on the committee to safeguard their interests?
A.—The local landholders may include one.

Q.—They should include?
A.—May include.

Q.—Do you mean by " landholders " inamdars?
A.—Big landholders include the inamdars as well.

To Mr. A. W. W. Mackie :—

Q.—I think you have just said that owing to income being practically equal to expenditure you think there ought to be permanent settlement?
A.—Yes.

Q.—In the case of your own land, is the income practically equal to expenditure? Do you own land?
A.—I own land.

Q.—Do you take a crop share as rent?
A.—Yes.

Q.—What is the highest share of crop that you get as rent?
A.—In some places I take $\frac{3}{4}$th and $\frac{1}{4}$ goes to the tenants, and in some half and half.

Q.—The highest coming to you is $\frac{3}{4}$th and the lowest which goes to the tenants is $\frac{1}{4}$th?
A.—Yes, but they are the very best lands though they are not giving good profit on account of bad rainfall.

To Mr. R. G. Pradhan :—

Q.—In reply to question 4, you mean net profit?
A.—Yes.

Q.—How do you ascertain net profit?
A.—That is difficult but I think if Government is inclined to revise assessment I think this statement should be kept by Government.

Q.—Do you think it is difficult to ascertain net profits?
A.—I do not think it is so difficult for Government if Government are inclined to keep records of that.

Q.—What are your views?
A.—I do not think it is impossible though it will be a little difficult.

Q.—In other words your opinion is that net profits can be ascertained though some difficulty will be experienced.
A.—Yes.

Q.—Question 14. Don't you think that these restrictions or these maxima are artificial?
A.—Yes.

Q.—Suppose in an individual case the assessment is levied on a certain proportion of net profits. If that assessment is above 40 per cent., why should you object to having it more than 40 per cent. in that case? Suppose following the principles that are laid down for revision of assessment, if in any individual case more than forty per cent. can be legitimately taken without prejudice to those principles of assessment, why should not more than forty per cent. be taken?
A.—There ought to be some limit to it.

Q.—What is the reason for it?
A.—I have shown the maximum beyond which Government should not tax the individuals.

Q.—If those fundamental principles are not contravened, why should not this maximum be exceeded? Where is the injustice?
A.—My view is that there ought to be some limit to the enhancement of assessment. I cannot give any reasons.

To Mr. R. G. Soman :—

Q.—I would like to put questions so far as your own district is concerned. Is the agriculturist getting wages out of the land more than an agricultural labourer?
A.—The petty cultivators might be getting less, but cultivators who cultivate about 25 to 50 acres get more; their case is different.

Q.—Are you of opinion that small holdings should be more lightly taxed than larger ones?
A.—Yes.

To Mr. H. B. Shivdasani :—

Q.—You say small holdings should be lightly taxed. What do you mean by a small holding? One or 10 fields?
A.—I refer to the acreage of the holding, say 5 acres. I call it a small holding, and I am sure that the man who cultivates it gets far less than what a labourer does.

Q.—Five acres in one place or distributed? If a man had 7 acres distributed and another man had 5 acres in one place, would you make any distinction?
A.—I won't make any distinction between 7 and 5.

Q.—People are buying and selling. So assessment will have to be varied.
A.—Not necessarily.

Q.—A man owns 25 acres; he has got 5 children; if you reduce the assessment on a holding of 5 acres he may distribute the land among his children?
A.—The state of things that prevails after the revision settlement should be considered.

Q.—Will not people do that when settlement operations are going on?
A.—I do not think so.

Q.—They will transfer after the settlement?
A.—To my mind the people in my district are not so skilful or intelligent to adopt this measure.

Q.—They will do it in course of time?
A.—I cannot say.

Q.—He may have 5 acres in one and 5 in another and not 10 in the same place. He may have the land in three different talukas.
A.—It does not matter.

Q.—It will be difficult to determine that if you bring in such a factor. He may have 5 acres in one taluka and 5 in another taluka.
A.—The settlement officer makes enquiries.

Q.—Is the idea to give him some form like the income tax form?
A.—If the settlement officer is inclined to raise the assessment, he ought to make all enquiries.

Q.—In answer to question 7, you have referred to the average of the cash rent for the last five years. What proportion of the lands are given on rent?
A.—Many of the lands are given on kind only. 80 per cent. might be on crop share basis.

Q.—How much percentage is given on rent, and how much is cultivated by the owners?
A.—Seventy-five per cent. is cultivated by the owners themselves and 25 per cent. is leased out.

Q.—Out of 25 per cent. how much would be paying in cash and how much in kind?
A.—About 20 per cent. in kind and 5 per cent. only in cash.

Q.—So you will have data for only 5 per cent. of the lands. Would you like to fix assessments for the whole area on the basis of data collected for 5 per cent. of the lands?
A.—I do not think it would be proper.

Q.—Would it be possible to make allowance for improvements? A tenant pays rent to the landlord. Part of it is due to the improvements made by the landlord. When he gives land on rent, the rent is not only for unimproved land, but it is also for improvements. Would it be possible to make allowance for it?
A.—No; you cannot say how much of the increase in the produce is by virtue of the improvements and how much of it for the capacity of the land.

Q.—If you take the rental as a basis, we will be taxing improvements?
A.—Yes.

Q.—Mr. Pradhan asked you whether limits of enhancements were not artificial. Would it not be unsettling if a man's assessment was raised too much at once?
A.—Yes.

The Chairman:—It is not more than 100 per cent. in any case?

Mr. Shivdasani:—Mr. Pradhan said it should be done without limit.

Q.—It will create distrust also?
A.—They will be taken by surprise.

To Moulvi Rafiuddin Ahmad:—

Q.—In reply to question 17 you say there should be an advisory committee, and you say two big local landholders should be on the committee. Is it mutually exclusive? There may be some members of the Legislative Council who are landholders?
A.—In that case, the local landlords may be omitted. If they are members with agricultural experience, if they are members who cultivate their own lands, the local men may be omitted.

Q.—In any case, you would like to have non-official members of the Council as members of the committee. Do you know anything of the past history of the Bijapur lands at the time of the Mahomedan kings of Bijapur?
A.—No.

To Mr. L. J. Mountford:—

Q.—You say that you want landlords on the advisory committee. Who is interested in the question of assessment, the landlord or the tenant?
A.—Both.

Q.—In what way is the tenant interested as regards assessments?
A.—If the assessment is increased the rent will also be increased and the crop share will be increased.

Q.—On account of influenza and plague, is not the tenant class very much reduced?
A.—Yes.

Q.—Is it a fact that the tenant can, to some extent, bargain with the landlord nowadays?

A.—No. It sometimes occurs in this way. The landlord wants to get the same income which he got in previous years, but the tenants dictate their own terms, and the landlord is helpless because there are no other tenants to cultivate the land.

Q.—If the landlord were to raise his rent too much, the tenants would go somewhere else?
A.—Yes.

Q.—Won't you like to have some of the tenants on the advisory board? You say they are poor people?

A.—The two big landholders that I have suggested will have some intelligence and know the ways of Government. These poor people cannot know it.

Q.—On the other hand the landlord is interested in the question of assessment. I thought there was no law according to which a man should judge his own case?

A.—He simply gives his advice.

Q.—The advice would be based upon general considerations and not on his interest?

A.—Yes.

Q.—As regards the portion of the tenants that you had on 100 acres who were paying rent to the owner of the land, what is the proportion per cent.?

A.—I believe the major class of persons cultivate their own lands.

Q.—You say those who pay rent in cash or kind are 25 per cent. Of them how many pay in cash and how many in kind?

A.—Those who pay in kind are 20 per cent. and those who pay in cash are 5 per cent.

Q.—Do you consider that improvements are made by the landlord or the tenant?

A.—It depends on the agreement between the two parties. Sometimes the land is let for a number of years, and the tenant has to improve the land.

Q.—A Thal is put up by the tenant?

A.—Yes.

Q.—That is the chief method of improving the land in Bijapur?

A.—Yes.

To the Chairman :—

Q.—If Thals are put up by tenants, don't you think their interest should be protected as well?

A.—Their agreement is limited to a certain number of years. Beyond that they have no interest in the land.

Q.—Therefore the greater the reason why their interests should be protected. They have spent money, and they can be driven out?

A.—They cannot be driven out, because there is a document.

Q.—What would happen in the case of short term leases?

A.—Under such leases the tenants never put up embankments.

Q.—You said tenants did so?

A.—In the case of long leases only. It depends also on the nature of the embankment that is to be raised.

Q.—What is the usual period of a long lease?

A.—10 years.

Q.—In that case that man is interested in the land for 10 years and he has put money in it by putting up a Thal. Is he not entitled to have his say as much as the landlord who does not do any work, on the advisory committee?

A.—I do not think so, because he has to pay the assessment that is prevailing at the time. If the assessment is increased it is the landlord's duty to pay it.

Q.—Will not the landlord pass it on to him?

A.—No; it is in the agreement that any extra assessment will have to be paid by the landlord, and only the prevailing assessment should be paid by the tenant.

Q.—If the tenants are not educated enough to take interest in these matters, cannot they elect, if that right is given to them, somebody who will do it for them?

A.—He will again be a big landholder.

Q.—He might be a good lawyer?

A.—I think it is not a lawyer's business. We want men who have experience of agriculture, of agricultural prosperity, adversity and other circumstances connected with agriculture.

Q.—An ordinary lawyer cannot understand it?

A.—No. There are somethings in regard to which it is better that the members should have some experience of agriculture, and the landholders will give them that.

26th June 1925.

EXAMINATION OF PRINCIPAL S. C. SHAHANI, PRINCIPAL, D. J. SIND COLLEGE.

To the Chairman :—

Question No. 1.—I do.

Question No. 2.—Does not arise.

Q.—Do you agree that agricultural assessments should be based on the rental value of lands?

A.—No profits would, I suppose, be included in the rental value. Rental value will depend on the profit that arose from agriculture.

Q.—Some of my honourable colleagues in this committee do not quite agree.

A.—I would like very much to understand the difference. There are very few leases in Sind, and a safe guide, so far as we go, would be the profit that arises in each case. There is no other distinction so far as I can see.

Q.—Will it be possible to get correct rental value of lands?

A.—There is no special difficulty in the case of rental value—should be none. However, all depends on the imagination that you possess. If you are able to assume the profits of agriculture, you will be able to assume rental value. It all depends upon selecting representative expenses and basing the thing generally upon it.

Question No. 5.— I would make reference to my own experience. I have yet to see a cultivator that is to say a man who owns 8 acres of land and employs a labourer. Though I own thousands of acres of land, I exercise my brain and I participate in the labour that is involved in cultivating my lands. So that I am a cultivator in the truest sense of the word. A hari who takes up a number for cultivation has two labourers under him to help him. He may or may not do manual labour. It is the *Thari* labourer that does manual labour. Any man can take up the plough and do it, I have done it myself.

Q.—How many zamindars do it?

A.—How many labourers would do all the labour that is involved in agricultural operations?

Q.—Are there any absentee landlords?

A.—Many who live on the profit that arises—usurious zamindars.

Q.—Would you differentiate between them?

A.—At once. I would not care for a landlord such as this. I think the sooner he is swept the better. An absentee zamindar ought not to be encouraged.

Q.—How do you arrive at the rental value of the lands? What is the best means?

A.—If I had to estimate the rental value of a survey number, I would take up a particular crop and make an experiment—I mean rightly, that is to say, I would have not the yield that arises from a bit, but I would take a rate of yield and then ascertain for myself as to what the cost of cultivation is. It is all a question of there and thereabouts. I would not be very exact, and roughly I shall be able to understand what the net profit is.

Q.—It would not be very difficult to do so?

A.—I have never found it difficult in my own case.

Q.—Is all the land of the same kind in one group?

A.—It varies.

Q.—Would you take typical lands?

A.—The best lands, mediocre lands and bad lands. I will take three yields and then strike an average. If I have got to take a group of these into consideration, it is a very unsatisfactory thing. As a matter of fact, all survey numbers ought to be classified, but it cannot be done. So you have got to employ men of the right type, men not leaning unnecessarily towards Government and not leaning unnecessarily towards the people. You have got difficulties undoubtedly, but everything is difficult in life.

Q.—You think it would be possible, if Government employ the right kind of agency, to arrive at the rental value of land by taking the gross produce and deducting the cost of cultivation from it?

A.—Yes.

Q.—What percentage of your tenants pay cash rents?

A.—I want to make it clear that I know the conditions prevailing on the Jamrao best. I do not pretend to know so well the conditions prevailing elsewhere. I have not got even one man who pays me cash.

Q.—Under that canal area do the people whom you know lease out their land on cash?

A.—It is batai. If it is lift land, one-third goes to the zamindar and two-thirds to the hari; if it is flow land, it is divided half and half, and certain expenses are incurred by the zamindar and others by the hari.

Q.—All the expenditure in agricultural operations—seed, manure, sowing, weeding—is all that borne by the hari?

A.—No, not in the case of the land that I own, lift or flow. Supposing the hari wants to make some improvement, he will come to me and say "Will you stand the expense?". I say "I will share it with you, half to half" and then he is stimulated to do his best. Similarly, with regard to seed, if I want to buy it from the seed farm, or if I want to send for it from Egypt and in some cases from America, then the extra cost is shared by myself as also by the hari. The cost of clearance is borne entirely by myself. Not only that. I raise a cotton crop, and I see that two years hence I shall give that set of numbers to some other cultivators; then I incur the cost of removing the cotton stalks; it is shared between me and the hari.

Q.—What is the usual period of leases with the haris? Are they tenants at will?

A.—Of course they are tenants at will undoubtedly, but goodwill prevailing between the parties they are continual.

Q.—They can be evicted at any moment?

A.—Yes.

Q.—As a rule they are not?

A.—They are not.

Q.—As regards lift land, all the expenditure of lifting the water is borne by the hari?

A.—Yes.

Q.—That is why they get one-sixth more?

A.—Yes. It is difficult to work a wheel, animals are required, and on that account it is felt they are entitled to more.

Q.—As no cash rents are paid, you suggest that net profits should be arrived at in the manner that you have suggested in reply to question 7. For how many years would you like the profit to be taken?

A.—I do not like the system of cash payments.

Q.—You said that Government might employ an agency and calculate net profits on the lines you have laid down. Would you, for the purposes of a revision settlement, like that to be done only for the preceding year to that in which the work began, or the preceding 5 years or 10 years?

A.—I think it should be 10.

Q.—I do not think question 10 arises, because there is no rental value as such in Sind.

A.—I do not make any difference. The one is convertible into the other. I think questions 10 and 13 are connected.

Q.—No. 13 is quite different. 10 is followed by 11 which is consequential. 10 and 11 refer to the actual incidence of the Government assessment.

A.—Government share is fixed at one time and raised at another.

Q.—The reason comes in Nos. 13 and 14. Here it is fixing, whether it should be 40 or 50 or 30 per cent.

A.—Historically it has been one-third. It should be something less; not more.

Q.—The Saharanpur rules lay down 50 per cent.

A.—I have yet to understand it.

Q.—Do you think in your part of the country usually it is one-third?

A.—That would be the maximum limit.

Question No. 12.—I have generally studied Mr. Shivdasani's scheme. I do not think things would become easy if we fix assessments in kind, and I have not yet been able to understand why this rent should be fixed permanently at a particular figure: that is to say, changes might be made in accordance with the improvements effected by the State.

Q.—You won't put it as a practicable proposition?

A.—At any rate not for Sind. I am not conversant with the conditions that prevail in Gujarat.

Question No. 13.—I have always felt that the limits of enhancement should be low, because the condition of the peasantry in Sind is very poor. They do not at present get even two meals a day.

To Rao Saheb D. P. Desai :—

Q.—The land owner or the hari?

A.—Take the two together, except in tracts which were at one time perennial. But there is hardly a tract in Sind with the exception I suppose of some tract that is fed by the Fuleli, in which it is different. In the whole of Sind, I think the cultivator and the zamindar both fare badly, and I therefore wish that the limits of enhancement should be low, not 33, 66 and 100. To be reasonable to both sides, I would say 20, 40 and 60.

Question No. 15.—As regards the period of settlement: once again I am referring to my experience on the Jamrao. On the Jamrao it is not possible to have more than 7 crops on your land in 20 years, whether it is lift or flow. In that case, I really do not understand how 7 crops can give you the requisite data. I think, as the period in the Presidency is 30 years, in the case of Sind it ought to be 60 years. Twenty crops are necessary for the purposes of proper data.

Q.—It has been suggested to us by one Sindhi witness that the period may be separated for the lift and the flow in Sind; that for the lift land it may be 60 years and for flow land it may be 30. Do you agree with that view?

A.—I have failed to understand it.

Q.—That witness told us that in flow lands they had annual crops.

A.—I have not known it. I would be much interested if any one is able to point to any tract in Sind which is cultivated annually.

To Khan Bahadur Bhutto :—

Q.—Flow means rice land; the witness means dry crop?

A.—We have no rice on the Jamrao.

To the Chairman :—

Q.—You would put it at 60 years for both in tracts such as the Jamrao?

A.—Yes.

Q.—Would you like to have the advisory committee as suggested?

A.—Most certainly.

Q.—Officials and non-Officials both to be on the committee?

A.—That is a suggestion which ought to be adopted. No one can discard it. Any one discarding it will not be able to improve the land revenue system. It is difficult to have a good standing committee, but there will be initial difficulties. People will, however, come to be educated and it will have an educative effect. I would propose district committees in the first instance.

Q.—Also, or in the first instance?

A.—In the first instance.

Q.—Then, when the districts are sufficiently educated?

A.—Then a standing committee for the whole province.

Q.—As regards the improvements mentioned in question 18, should they be exempted permanently?

A.—The word ought to be understood to mean special and radical improvements, material improvements. I do not mean minor improvements should be exempted. But supposing a particular piece of land remained unculturable, and was unculturable and would have remained so but for the fact that I levelled it at an enormous cost, or that it would never have been irrigated but for the fact that I struck a kariya, or sunk a well, and but for which it would not have had the character it possesses, then I do not know why it should be taxed at all. At enhanced rates the exemptions should be permanent.

Question No. 19.—I have got several suggestions to offer. Rebates are not allowed either in the case of certain survey numbers or in the case of kariyas on the Jamrao. If I go in for clearance and if I spend a large sum of money on it, then from the assessment a certain amount should be refunded to me. That is called a rebate, and the system of rebates is not properly enforced.

Q.—What is the system of rebate?

A.—If I spend Rs. 1,000 for instance on clearance, then I get a certain proportion of assessment remitted to me.

Q.—Is there any fixed rule about it?

A.—I have not examined the figures; I could not give you the calculation.

Q.—Is not the rent land revenue?

A.—Two annas, 3 annas in the rupee that is paid is given back to you.

Q.—Nine-tenths is supposed to be for water and one-tenth as land revenue. If you want a rebate of 2 annas, do you want it from the total or the land portion of the assessment?

A.—The two cannot be separated.

Q.—For accounts system, do you separate them?
A.—Not in the case of Sind.

Q.—One-tenth is for land and nine-tenths goes to the P. W. D. You want remissions from the nine-tenths?

A.—Yes. Then, I find that the entire culturable land is divided into a small number of groups, and it is, I think, idle to expect that such a classification could prove satisfactory. There is a proverb in Sindhi which means that the land varies in its quality every step of the pigeon. So, if the variation is so pronounced, I cannot understand how two or three kinds of groups can represent them all. It should be, at any rate, 10 instead of 3 or 4.

Q.—You would go in for a regular classification?
A.—A larger classification.

Q.—Some modified form of the Presidency proper system?
A.—The Presidency system, I understand, is much too detailed. But instead of having 3 groups you could have 10, which will be more satisfactory.

Q.—I see that fallow-forfeited land is not given back to the zamindar. Two questions arise: to whom did the land originally belong and has the zamindar any proprietary right in it, and secondly is Government justified in ignoring the promises that have been tacitly or expressly given to the people? What is your understanding of the situation? Does it belong to the zamindar or to the Government?

A.—Now of course, on the Jamrao, I cannot say it belongs to the people. But I am a hereditary zamindar; in Karachi 10,000 acres belong to my family, and we hold it under a putta from the representatives of the British Government.

Q.—What does it say?
A.—It says that we are the proprietors.

Q.—Could you send us a copy of it?
A.—I shall do my best. I looked for it before I came. I will try and send you a copy of it.

But for one moment let us imagine that the zamindar was not the proprietor, then too, the lien of the occupant upon the land that is forfeited has been recognised by Government.

Q.—Was recognised? Now it is not?
A.—Was recognised, and it is only recently I think that it came to be circumscribed; it was 10 years at first, then reduced to 5, and in some tracts no land is to be given out. I trust the committee will take this into consideration and make a distinct recommendation.

I have to say something with regard to remissions. Now, the Sind revenue system has been sanctioned on the understanding that if the crop fails remission would be granted. Now, some remissions are due to me. My manager goes to enquire about them, and the mukhtiarkar invariably tells him " Tell the Dewan not to press for the remissions ". I say " Very well, if that be the wish of the mukhtiarkar I do not wish to press for the remissions ". What does it mean?

Q.—It means that he is a weak man. But that is a different thing. It is not the same as saying " It is done ".
A.—During the last 25 years I have had I suppose the misfortune of encountering many of them.

Q.—If you could make out a case for remission without referring to this matter, we would like to have it.
A.—It could not for a moment be imagined that I am not eager to have remissions. If you look up my own history, in any year have I been granted any remissions? What does it mean?

Q.—You would lay down any rules for remission?
A.—I am going to explain it.

Q.—Can you send us your written suggestions about remissions?
A.—I shall be very glad to do it.

To Mr. L. J. Mountford:—

Q.—On the Jamrao, is not the land held on lease?
A.—Yes.

Q.—Was it given to you on the block system on the Jamrao—compartments and squares?
A.—Yes.

Q.—Was any special condition attached to any square?
A.—Not each square but each holding.

Q.—Is that the case for the rest of Sind, or is it special on the Jamrao?
A.—It is special to Jamrao, but practically it operates everywhere else because the water does not suffice for the whole.

Q.—During the last 20 years is the Sind zamindar more prosperous or less?
A.—On the whole, I think he is more prosperous and not less.

Q.—Is that confined to the Jamrao or the Fuleli?
A.—I have always said that I have had no time to study the conditions as a whole.

Q.—Do you know the conditions in Tando Bago and Nawabshah?
A.—Not as I ought to know them. But I would not base any statements on the general experience that I have of the agricultural conditions in Sind. My answers apply most in detail to the land on the Jamrao.

Q.—Is it not a fact that water supply on the Jamrao has been falling off in recent years?
A.—Very badly and sadly; so that we do not understand if experts are presiding over the tract. A layman can do things very much better than things have been done during the past 10 or 15 years.

Q.—Would you put a layman in place of the Principal of the D. J. Sind College?
A.—From that point of view, I would not. Therefore an advisory committee is an essential thing.

Q.—Your district committees would, I suppose, be made up of landlords? Or of tenants?
A.—The tenants are not educated enough to contemplate their appointment to these district committees.

Q.—The landlord is very intimately connected with the assessment?
A.—Why could not he be expected to rise above personal considerations?

Q.—Would you advise district committees of tenants to decide what rent they shall pay to the landlords?
A.—In order that the relations between the two should be so amiable, they should come into existence. They are sure to form them very soon.

Q.—Do you think it is practicable?
A.—Quite practicable; these are democratic days.

To Moulvi Rafiuddin Ahmad :—

Q.—Have you any system of takavi and himayat in Sind?
A.—We have to pay to the haris large sums of money in the shape of takavi, and the law does not help us to recover them. It is my personal experience.

Q.—I am talking about Government takavi.
A.—That is surely recovered by distress warrants.

Q.—You made a remark that as an outsider or as a layman you personally and perhaps you meant several others, would understand some things better. What did you mean?
A.—There has been a misunderstanding. Now, I expect that no one on the side of Government will be able to make a reply as to why the narrow supply channel has continued in the condition in which it has been for the last so many years. You regulate the Jamrao, you do not regulate the narrow supply channel. What is the earthly use of regulating the Jamrao under those circumstances? Can any one suggest any way out of it? I confidently say no one will be able to do it.

Q.—I may take it that you are of opinion that members of the Legislative Council, if they studied the subject, would be quite able to deal with these matters?
A.—I would very much like that the members of the Legislative Council should step in.

Q.—You think that the principles of assessment should come before the Legislative Council for decision eventually?
A.—Yes.

Q.—What do you think assessment is? Is it rent or is it tax?
A.—It is tax, not rent; paid for carrying on the administration of the country.

To Mr. H. B. Shirdasani :—

Q.—Under the hari system a zamindar is supposed to cultivate his land?
A.—Intended, but how many zamindars do really take care of the lands is a different matter.

Q.—Some people give out the land to contractors?
A.—Yes.

Q.—That is real rent?
A.—Yes.

Q.—Would you advocate that assessments should be based on net profits and not rental?
A.—Yes. It is net profit and I exempt the share of the cultivator.

Q.—That is the cost of cultivation?
A.—Yes. But that is included again in the share which is given to the zamindar.

Q.—You want assessments to be based on net profits and not on rents?
A.—Yes.

Q.—Net profit would include something for improvements, for levelling, etc.?
A.—Yes. But then I would be entitled to a rebate on account of improvements.

Q.—Allowance should be made for improvements?
A.—Yes.

Q.—As regards grouping, you say you do not like the present grouping system. What is the system in Sind. Is the soil classified? How are the lands grouped?
A.—They are only generally inspected, but the inspection ought to be more detailed.

Q.—Every field has to be examined?
A.—Oh no; not at all.

Q.—One witness told us that lands are classified according to the distance from the canal and nothing else. Is that so?
A.—That cannot apply to the Jamrao tract, because there are distributaries and minors. The water courses take off the distributaries and minors. The real quality of the soil is not taken into account at all, except generally.

Q.—In grouping they ought to take the quality of the soil into account?
A.—Yes.

Q.—As regards remissions, you told us that Government officers requested people not to press for them. You have yourself asked for remissions several times?
A.—I have given up asking for remissions.

Q.—You have never got remissions?
A.—Seldom. I do not say never.

Q.—You have been asked not to press?
A.—Yes.

Q.—You have been asked to do so by the mukhtiarkar through your clerk?
A.—A message has been sent to me to that effect, either directly or through the supervising tapedar.

Q.—The experience of other zamindars has also been similar?
A.—I could not authoritatively say it is so. I take it is similar.

Q.—Can you assign any reason why you are requested not to press for remissions?
A.—Because, naturally Government revenue should not suffer, and in a tract such as the Jamrao, if remissions are to be rightly given, they should be given most liberally.

Q.—The mukhtiarkars are not keen on doing justice to the zamindars but are keen on securing Government revenues?
The Chairman (Mr. Thomas):—I cannot allow that question. It is an insinuation.

Q.—They are keen that Government revenue should not suffer?
A.—Yes.

To Mr. R. G. Soman:—

Q.—You have stated that you accept the principle laid down in section 107 of the Land Revenue Code, but would change the wording of the section. Instead of the words " regard shall be had to the profits of land " if the words " regard shall be had to the rental value of land " are substituted, I believe that would not suit the conditions in Sind at all, because the rental value cannot be ascertained, as rent has never been paid.
A.—The meaning has to be closely contemplated. If Government is to be considered as the proprietor of the land, then there is no difference between net profits and the words rental value. But if the assessment is to be taken as a tax, I would not use the words ' rental value '.

Q.—According to you, assessment is a tax?
A.—Yes. Net profit is better than rental value.

To Mr. R. G. Pradhan:—

Q.—You know the conditions in the Deccan?
A.—I could not be said to be a student of the conditions in the Deccan. I am student of Indian history, and from that point of view I know something of the Deccan.

Q.—Are you aware that in the Deccan a small percentage of lands is given out for cultivation on leases?

A.—I know.

Q.—Do you know that in the leases a certain amount is fixed as the amount which the lessee—the tenant has to pay to the lessor—the owner?

A.—Yes.

Q.—That is considered as the rental value of those lands?

A.—Yes.

Q.—Now, can you say that this rental value, as specified in such a small number of lands given out on lease, should be taken as a criterion for fixing the assessment for all lands?

A.—Should not; because there are other considerations that might intervene.

Q.—You are a student of Economics?

A.—Yes.

Q.—Have you considered this question which is sometimes suggested by some that land assessment should be considered on the same lines as income tax?

A.—I have considered it.

Q.—Do you advocate that land assessment should be levied, broadly speaking, on the same principles as income tax?

A.—Same principles—it is very difficult to understand what is meant by principles. But if any broad principle is instanced, I will be able to say whether or not it should be allowed.

Q.—In the levy of income tax, an exemption up to Rs. 2,000 is made.

A.—I would be disposed to exempt a very small holding, the yield of which would not suffice for the maintenance of an average family.

Q.—Can you give me any definite figure which you would exempt or up to which you would make an exemption?

A.—The irrigational facility that the land commands. In the case of Jamrao I would exempt two blocks.

Q.—What would be the net income of those two blocks?

A.—It would depend upon two factors, fertility of the soil and water supply made by Government, but ordinarily 20 acres make one individual holding and if Rs. 2,000 are exempted from income tax then 20 acres should be exempted from payment of assessment.

Q.—On the Jamrao area?

A.—Yes, but not on the Barrage.

Q.—Suppose in the Deccan let us say income is not more than Rs. 500. Should it be exempted?

A.—Yes.

Q.—Are you of opinion that the rates of assessment should be more or less the same as the rates of income tax?

A.—It is very difficult to say because I have not got the rates of income tax and I have not compared them.

Q.—There is super income tax. Should there be any super land tax?

A.—I do not see why there should not be super land tax if people are earning much but there is one other question which needs to be considered. That is the amount of assessment already paid.

Q.—You do not mean that they should be taxed twice over?

A.—No, no. As regards the highest tax possible I have not considered that question.

Q.—Have you considered this question that the principles applying to income tax should be applied to land assessment?

A.—I think ordinarily higher sums should be taxed.

Q.—Don't you think in that case land revenue would be decreased? We have got five crores revenue from land now and that would become less.

A.—Why should it be decreased? It is impossible. My own idea is that people are famished and therefore they do not work and by exempting small incomes you would put more life and more vigour and you would have larger population and greater prosperity.

Q.—You do not think that land revenue would be decreased?

A.—No, on the contrary there is every possibility that it may be increased. It is sure to be increased.

Q.—Have you considered this possibility that in case land assessment is made on the same lines as income tax that people would be tempted to so split up their holdings at least in the Deccan and Gujarat as to bring them within the limits which are exempted?

A.—I have not considered that but I am prepared to consider it just now. To a certain extent no doubt there would be divisions and sub-divisions but not to any large extent.

Q.—So substantially land revenue would not suffer, on the contrary it would increase.
A.—Yes.

Q.—Are you in favour of permanent settlement?
A.—I am not.

Q.—You do not want permanent settlement in Sind?
A.—I do not want it for this simple reason that the country has to be administered. Who would then bear the expense?

Q.—You think with permanent settlement some of the evils which are supposed by some to have resulted from the Bengal Permanent Settlement would come into Sind also?
A.—I have not gone into the merits of the Bengal Permanent Settlement.

Q.—But you do not want permanent settlement in Sind?
A.—No.

(*To Mr. Mahomed A. Khuhro*):—

Q.—You hold lands on the Jamrao tracts?
A.—Yes.

Q.—What is the main crop on the Jamrao tract?
A.—Cotton.

Q.—You grow cotton mostly?
A.—Yes.

Q.—How much assessment per acre you pay?
A.—About Rs. 4/12.

Q.—Is it capable of expansion?
A.—In fairness, it ought to be reduced, as we stand now.

Q.—As regards section 107, which improvements would you suggest for exemption in Sind?

A.—All improvements worthy to be called as such. Land is to be levelled, it is badly cut up and I do it at a considerable outlay or I sink a well or construct a karia or I sow one kind of wheat grown in the land, D——, I do not know the English name for it, it has got to be killed with a lot of manure. Ordinarily manuring of land should not be considered an improvement but when you kill the weed D—— in the proper sense of the term it is a permanent improvement and ought to be exempted.

Q.—Would you exempt land which grows jowari or bajri now but is turned into rice land after an expenditure of money?
A.—I certainly would, because then it would be better land and would yield more. Cereal crops such as bajri or jowari do not pay much.

Q.—Judging by the past settlements in Sind do you think that this section 107 is rightly followed by settlement officers?
A.—I do not think so. My honest conviction is the idea is to enhance.

Q.—Are you also aware that people sink wells at their own expense and still they are charged the same rate, whichever crop they grow?
A.—I know they are.

Q.—As regards rental value are you aware that there is the batai system?
A.—Yes.

Q.—What do you recommend the assessment should be based on the net profit of the zamindar or some other method should be suggested?
A.—Net profits so far as I see.

Q.—What does the zamindar spend in cultivation out of his share?
A.—It depends on the crop he raises and upon other conditions. If he happens to possess land which is fertile then he spends little; otherwise he spends much.

Q.—In Jamrao what is the proportion, how much you think per acre should be spent by a zamindar?

A.—I have not worked out percentages, they would not be reliable. But generally I would describe it. Take for instance the cotton crop. I get it hoed, cultured. There is rainfall and if it is more than the average I shall have to pay about ten rupees an acre to have it hoed again and if I am a careful zamindar I may have to get it hoed a third time and all these expenses should be borne in mind if it is a late crop then, then certain other things have to be borne in mind if it is an early crop. On the whole the cotton crop is an expensive crop.

Q.—Can you suggest some items which you would exclude in arriving at net profit to a zamindar?

A.—Clearance and any share that is contributed by the zamindar on cultivation; selection of seed, if it has to be sent from elsewhere it will cost more. That will increase cost of production. Then culture and hoeing add to the cost of production. It may have to be hoed twice which may have to be done with a spade and not with an old——. That would all mean more money to produce. Another item called " *Badai Khurch* ".

Q.—You sometimes go to supervise the land yourself?
A.—Every week end.

Q.—Most zamindars are doing it?
A.—They are doing it now.

Q.—Don't they deserve remuneration for the trouble they personally take?
A.—My cost of cultivation does include it. If I travel 20 times then my land pays for it, for my breeches, for my horses, etc.

Q.—The income that you spend in improving land or in purchase land, do you think pays you a fair interest?
A.—There was a time when my income was large and there have been years in which my income has been negative so that I have encountered some very bad years. In spite of devoting 25 years I have not had much to save out of land.

Q.—You say you are not satisfied with the present methods of settlement. Would you suggest some practical methods as to how to make them more proper?
A.—The most practical method is to appoint committees on which you can place some reliance and you can always select your men.

Q.—That committee should be a local committee in the first place?
A.—A local committee with the settlement officer to help them.

Q.—Do you think it should be nominated by the Collector or should be elected by local bodies?
A.—I like election, I do not like nomination.

Q.—Do you think that if these Mashirs, if they differ in opinion from the opinion of settlement officer, any weight should be paid to their opinion?
A.—It is no use otherwise appointing a committee.

Q.—It should not be purely advisory.
A.—Even if it is advisory their report must be obtained and the report of the settlement officer should be considered alongside.

Q.—Then it should be sent direct to the executive or should it be given to the Legislative Council standing committee?
A.—Of course to the committee consisting of Legislative Council members.

Q.—You have proposed that 1/3rd should be the maximum enhancement that Government should charge.
A.—Government share should never exceed one-third of the net profits.

Q.—But you have also complained about the classifications, that there are only a few classifications in each taluka, and you recommend that there should be more classes of land.
A.—Yes, at least 10.

Q.—Do you think there should be sufficient latitude to separate inferior land from superior land?
A.—Yes.

Q.—Don't you think if we fix individual holdings and maximum enhancements on each individual holding, the settlement officer would be able to judge it rightly and would be fair?
A.—Quite right, but that can only be an ideal at this stage. There must be men able to find out the general character of a village, of a holding, able to judge the capacity of yield, able to undertake very careful classifications, etc.

Q.—You hold about 5,000 acres of land but in three or four villages, not in one village.
A.—Yes, each deh in a separate group, with its own rate.

Q.—You pay a different rate for each piece of land. Suppose all your land is formed into one individual land and take together your best crop, the mediocre and the bad crop, then find out the average and on that average the settlement officer could work out how much should be paid.
A.—That is what he should do and is required to do at this time.

Q.—Therefore the individual holdings should be judged separately.
A.—Otherwise they cannot be classified.

Q.—Would you then limit maximum enhancements on individual holdings to certain percentages?
A.—The maximum should be fixed low, 50 per cent. for individual holding; 33 per cent. for villages and 20 per cent. for talukas.

Q.—How much would you fix for individual cases?
A.—It all depends upon individual conditions.

Q.—Suppose you pay Rs. 4/8 or Rs. 5 an acre, how much you think would be a reasonable increase at one time.
A.—No considerable increase unless something abnormal happens. Only to a very small extent.

Q.—If the rates increase, then would you like enhancement?
A.—I will wait and see. I would take prices of ten years.

Q.—Supposing rates increase 50 per cent. To-day you pay Rs. 4 per maund and it goes up to Rs. 6 per maund and it keeps steady at Rs. 6?
A.—I would certainly charge more.

Q.—You mean according to the rise in rates?
A.—The rate should be considered as a consolidated rate.

Q.—And other circumstances also should be taken into consideration?
A.—Yes.

Q.—Do you think a local committee will be best able to advise on these matters?
A.—Certainly, if not at once, after some time.

Q.—You are in favour of settlement period of at least 30 years?
A.—No, I want a 60 years' period.

To Khan Bahadur S. N. Bhutto :—

Q.—In spite of Government's efforts to disown and deprive zamindars of their ownership, what is the belief of the people? Do they consider themselves owners?
A.—They do.

Q.—As regards poverty of the people, do you know that every year hundreds and hundreds of estates pass into the hands of the Manager of Encumbered Estates?
A.—I do.

Q.—And there are hundreds and hundreds of civil court decrees?
A.—I know there are.

Q.—Is not that state of affairs chiefly due to the high enhancements of assessments in Sind?
A.—I cannot honestly make an answer to it because I have not considered the matter.

To Sardar G. N. Mujumdar :—

Q.—Do the zamindars in Sind who have got pattas from the British Government stand on the same footing on which the Jahagirdars stand?
A.—There are classes of pattas. Pattas of jahagirdars would be distinguishable from pattas of ordinary people who are required to pay assessment.

Q.—Have jahagirdars got sanads?
A.—They are also called pattas.

Q.—Sanads and pattas are different from each other?
A.—I have not examined carefully the meaning of the two terms and so I cannot say. I use the two words indiscriminately. I know that the patta of a jahagirdar would make his holding rent-free, and these are again classified as some pay only small sums and some are entirely free.

Q.—Are these jahagirdars owners of the soil in their jahagir lands?
A.—Certainly, otherwise why are they jahagirdars?

To Mr. D. R. Patil :—

Q.—Don't you think that the policy of Government should be moderation in assessment at the time of revision?
A.—The principle and policy, both.

Q.—Because agriculturists must prosper as they form the majority of the people?
A.—Yes.

Q.—What should be the minimum increase in individual holdings?
A.—Zero.

Q.—There should be increases only if there is an improvement in the monetary condition of the agriculturists?
A.—Yes.
Q.—Would you like to amend section 107 in the way I suggest?
A.—Yes.

Q.—I want a modification only because I want that the principles of revision settlement should be made very definite. I want the modification in the following way:—

"In revising assessments of land revenue in the case of non-agricultural lands regard shall be had to the value of land only and in the case of land used for purposes of agriculture, to the prosperity of the agriculturist and to the net profits of agriculture and to nothing else".

Would you accept this modification of section 107?

A.—I think the prosperity of agriculturist then becomes unnecessary because it is the net profits that will be an index to the prosperity of the people.

Q.—But you have already suggested that unless you find agriculturists prosperous you would not like to see the assessment revised.

A.—Yes, but my idea is that net profits will not be larger if all things are taken into consideration. Looking to the agricultural community of Sind I find that on the whole there is some small change in the net profits that they realise but it is not a considerable change. Therefore enhancements of rates are not justified.

Q.—In the Deccan agriculturists are poor.
A.—In their case I would never enhance their rates.

Q.—In their case would you like to advocate that the prosperity of the agriculturists must be taken into consideration at the time of revision?
A.—Yes.

Q.—In that case would you object to the words which I have suggested for a modification of the section 107?

A.—Any section has got to be exact and the words "regard shall be had to the prosperity" would make the section a dead letter as it could not be easily enforced.

Q.—Why? You can consider the state of the agriculturist.

A.—How are you to determine? It has been made out that agriculturists on the Jamrao have realised large sums of money from their cotton they have grown. Look into their huts and you will find on the whole there has been little change. People are in a bad condition. So the index would be the net profits that are estimated. There can be nothing else to show.

Q.—Don't you know the state of the Deccan?
A.—Yes but generally.

Q.—Agriculturists in the Deccan are greatly indebted and if income and expenditure are compared, practically nothing remains, the net income becomes a minus quantity. Their poverty prevents them from putting manure into their fields and from increasing the fertility of their lands and so their land has deteriorated. At the time of cultivating lands they have to go to sowkars and moneylenders, borrow money at high rates of interest, and even at the time of assessment, if they are not in a position to get more than what they spend they are bound to pay the assessment to Government because in case of failure to pay, their lands are forfeited. Therefore, would it not be advisable to add those words about prosperity of agriculturists in that section?

A.—The law of inheritance is partly responsible for that. The holdings are divided and sub-divided and small holdings do not yield much and the people are not therefore able to manure their lands. I am therefore opposed to the suggested amendment.

Q.—What wording would you suggest to safeguard the interests of the poor agriculturists?
A.—I need time to answer that question.

Q.—Will you kindly send your suggestions afterwards?
A.—Yes.
Q.—Do you think that the proviso to section 107 should be retained as it is?
A.—It should be retained but should be carefully enforced.

Q.—In ascertaining net profits you consider items of expenditure. Would you like to calculate interest on the market value of the field assessed as an item of expenditure?

A.—Most certainly.

Q.—Do you think that the Legislative Council should have the final word on settlement proposals and if it does not sanction such proposals they should not be allowed?

A.—Yes, it will be a healthy rule on the whole.

Q.—Will it make any difference if land assessment is regarded as tax or as rent?

A.—Only this, that if it is regarded as rent then Government becomes the proprietor and if it is regarded as a tax then Government are an executive committee of the people and the people must pay out of their money for the purpose of administration.

Q.—Who should be the owners of land, people or the Government?

A.—People are the proprietors, Government cannot be, it is wrong.

Q.—There are certain sections in the Land Revenue Code which make Government the owners of the soil. Do you like them?

A.—They should be altered and amended.

Q.—You think that those sections should be repealed and the ownership of the land should be vested in the people?

A.—Not vested, it ought not to be taken away from them.

Q.—As the rights are for the time being vested in Government according to some sections you are of opinion that those sections should be repealed and the people should be the proprietors of the land?

A.—The people are the proprietors and these sections should be amended accordingly.

Q.—There are certain rules in the Survey Manuals which are very vague in their nature. Are you of opinion that those rules should be made more definite?

A.—Any rule that is vaguely worded ought to be done away with.

Q.—Should any rules that are made receive the sanction of the legislature?

A.—Certainly, not only that every Act that is passed should not state, as the Land Revenue Code does, " rules to be framed under sections 213 or 214 ". The legislature must take the trouble of framing those rules, properly discuss them at a meeting or meetings of the Legislative Council. This is one of the greatest defects of the legislation of the country.

To Rao Saheb D. P. Desai:—

Q.—Are you charged full assessment for rice which you say you were prevented from growing on the Jamrao?

A.—Yes.

Q.—Is there any law in the Land Revenue Code or elsewhere under which you can be prevented from growing the crop you like?

A.—I think it is in the small Act which they have passed with regard to Jamrao tract.

Q.—Is it a special law with regard to Jamrao?

A.—Yes, and it should be done away with.

Q.—Are lands on the Jamrao tract deteriorating gradually?

A.—I do not believe in gradual deterioration. It depends upon the manner in which they have been cultivated. If I drain my land there should be no assessment on that drainage which is an improvement. It is one of the greatest defects in agriculture of Sind.

Q.—If there is deterioration on the Jamrao tract it is due to want of drainage?

A.—I said no deterioration because more than two-thirds of the lands lie fallow and in course of time three or four years after, the land is renovated and as intensive cultivation comes to operate on the Jamrao then undoubtedly deterioration will result.

Q.—What is " Badai Khurch "?

A.—Payments made by zamindars or cultivators to free themselves from molestation.

Q.—Who molests?

A.—The Abdars, men who look after distribution of water. They must be propitiated first as otherwise they would not do justice to you.

Q.—You thought your assessment of Rs. 4/12 ought to be reduced.

A.—Yes, looking to general conditions.

Q.—Recently is revision assessment increased?

A.—Yes, it is extremely unjust because the water supply has deteriorated.

Q.—What is the percentage of indebtedness in Sind?

A.—Almost all are indebted.

Q.—How many?

A.—Many, almost all.

Q.—Are agriculturists indebted to a greater extent than in other professions such as doctors, lawyers or merchants?

A.—I cannot answer such a large question.

Q.—Do you believe that indebtedness is greater among the smaller zamindars than in the larger ones?

A.—My real belief is that payment of assessment would not matter if other conditions were improved, such as water supply.

Q.—Does land vary from field to field in Sind?

A.—Considerably. If agriculture is not mismanaged, it can be made to pay.

Q.—And still it is not classed from field to field by the survey officers according to relative classification of the soil?

A.—That is so.

Q.—Is the present tendency of the Survey department to decrease the number of groups in your talukas?

A.—Not to decrease, but they have to keep to the number that is prescribed, 3 or 4 but the number ought to be larger.

Q.—15 villages to a group?

A.—They ought to be larger groups.

Q.—That is the number of groups should be larger so that you may classify more exactly the survey numbers?

A.—Yes.

27th June 1925.

EXAMINATION OF SARDAR K. V. JOSHI, RETIRED HUZUR DEPUTY COLLECTOR AND JAHAGIRDAR.

To the Chairman :—

Q.—In reply to question 3 you say " I came to know that a good deal of lands in villages round Shirpur town have passed into the hands of money-lenders at Shirpur ". Then you go on and say " taking advantage of this sentiment money-lenders are in the habit of enhancing rents at the expiration of each lease ". You noticed the same state of things in Khandesh. Then you say that rent *alone* should not be the basis. Does it mean that in the case even of these money-lenders who are taking money and rack-renting tenants they should get the advantage of low assessment and that assessment should not be raised on that basis? If they take all the advantage and the money remains with them, should the Government as representing the general tax-payer share in it?

A.—They do get advantage but their number is insignificant, not very large.

Q.—On referring to census figures you will find it is 8 per cent. Do you think that the census figures are very accurate? Do people class themselves as landlords or tenants and are the figures quite correct?

A.—They are roughly correct.

Q.—In reply to question 4 you say " In a word, the aim before the settlement officer in fixing the assessments should be that after deducting the assessment there should be left to the proprietor or the cultivator of the soil that margin of profit that will enable him to save in ordinary seasons and to meet the strain of exceptional misfortune ". Have you any idea as to what that margin should be? How would you calculate whether it is sufficient margin or not?

A.—I cannot tell.

Q.—You think the settlement officer would be able to find out what the margin should be?

A.—I think so.

Q.—You are in favour of renewing crop experiments?

A.—Yes.

Q.—Do crop experiments give sufficient data and information to be useful to the settlement officers?

A.—I think so.

Q.—How many such experiments can he make?

A.—The prant officer should do them as he used to do them before.

Q.—Would you go by selection?

A.—He has to take different plots in different places.

Q.—You do not want proper experiments made in each and every village at each and every survey number?

A.—No, it is not possible.

Q.—In reply to question 7 you say you would like the history for the past five years?

A.—Yes.

Q.—Do you think that would give sufficient information on the subject?

A.—Yes. While examining it the cases of tenants who were owners formerly and some other cases will have to be excluded.

Q.—In this case do you think five years would be quite sufficient?

A.—You can take more, there is no harm, but not less than five years should be taken.

Q.—On page 19 of the Book " Land Revenue Policy of the Government of India " there is a statement that the assessment of land revenue is subject to so many complicated and varying conditions that any attempt to reduce it to an exact mathematical proportion, etc."....,...Do you agree with that?

A.—Yes.

Q.—Because you have approved of what is stated in this book at page 19?

A.—Yes.

Q.—If the whole thing is complicated and cannot be fixed with mathematical proportion, then as you say it would be impracticable to fix percentage of rental value, of gross or net produce?

A.—Yes.

Q.—And you want settlement officers to take into consideration other factors. You think the settlement officer has sufficient knowledge and sufficient information at his disposal to arrive at these figures?

A.—Yes.

Q.—Question 14. You say you would like to reduce the percentage of increase to 10, 20 and 30 per cent. What are your reasons for saying that?

A.—My reason is that we have already had two or three settlements in many of the talukas and so the rates are already increased twice or thrice and there is not much now left for increase. We have already had 33 per cent. increase twice or thrice.

Q.—You say that permanent settlement was asked for in Congress meetings and resolutions were passed every year. Do you know that in later years the Congress has never pressed that point?

A.—I do not know of recent resolutions but I read about them some years back.

Q.—Although on theoretical or academical grounds you would like permanent settlement, yet you think that people are satisfied with 30 years' period as it is?

A.—Yes.

Q.—You want non-official members of the district to represent their views before the settlement officer?

A.—Yes.

Q.—What do you want the settlement officer to do? Supposing if he differs from them, would you give him freedom to report as he thinks fit?

A.—They (non-official members) will advise him which he should take into consideration while reporting.

Q.—You mean in an advisory capacity?

A.—Yes, because they know the conditions of the place better.

Q.—You want them to be co-opted on the standing committee.

A.—Yes, if they are not already on the standing committee they should be taken.

To Mr. G. W. Hatch :—

Q.—There is a reference to Shirpur taluka in your reply to question 3. You are aware that settlement officers, when they make their enquiries in a village into the rents shown in the Record of Rights, are careful to omit from their analysis rents in which the interest forms a portion? You are aware that when he finds that in a particular case it is a question of sowkar and his client and an addition has been made to the rent on account of interest on debts due, he leaves that out of his rents which he takes for calculation?

A.—Yes, I am aware of that.

To Rao Saheb D. P. Desai :—

Q.—I gather from your reply to question 1 that these improvements were considered by the settlement officer when fixing his assessment.

A.—No. When they are working according to the section they are not to take them into consideration.

Q.—You mean to say that though the section provides for allowing for improvements, in actual practice the settlement officers do not take these improvements into consideration.

A.—I think so.

Q.—You again say there are only two kinds of main improvements.

A.—Yes.

Q.—What are the other kinds of improvements on your side?

A.—I know only of two. Reclamation of land I have noticed and wells and tals.

Q.—For rice lands on your side are there no improvements such as levelling, bunding, etc.?

A.—There are no rice lands on my side.

Q.—Are the tals on your side assessed, the use of water by bunding that is, pats?

A.—These bandharas are not water bandharas. They are only for preventing the washing of the lands.

Q.—Are these bunds taxed on your side?

A.—I do not know. According to the section they are not to be taxed and so the settlement officers must not be taxing them.

Q.—Have you any reason to believe that the fields which are improved by building these tals are being assessed higher than other fields.

A.—I do not know.

Q.—You have mentioned the time of Malik Amber. I think he made the Tankha assessment on your side. Was that fixed or temporary assessment?

A.—I do not know. I only read about it in the Settlement Manual. That is the only knowledge I have derived.

Q.—Was not the assessment arrived at by Malik Amber permanently for all time?
A.—You will find all about it in the Settlement Manual.

Q.—In answer to question 3 you say that much land has passed into the hands of money-lenders. You say " I came to know that a good deal of lands in villages round Shirpur town ", and necessarily their rents are higher?
A.—I thought so. I do not know the present condition. My information goes back to about 12 years.

Q.—Necessarily the value of those foreclosed lands is higher than the intrinsic value of the land?
A.—I do not know about their value because there is no possibility of those lands being sold because the owners are rich merchants.

Q.—You know that book rentals at least are inflated by these sowkars?
A.—Yes.

Q.—They do not represent the real, correct rents?
A.—They do not.

Q.—From your experience as Deputy Collector can you say whether these lands can be separated from the others?
A.—How is it possible? Sometimes sowkars may sell them to their former owners if they get bigger sums. So it is not possible.

Q.—Has the cultivator on your side been able to save and free himself from the clutches of the sowkar at present?
A.—If the season is normal then he can save something.

Q.—Is that saving taken up by the abnormal seasons, that is, famine seasons?
A.—Yes.

Q.—Is your cultivator free from the clutches of the sowkar?
A.—No, he is indebted.

Q.—Do you mean to say that the majority of the cultivators on your side are in debt?
A.—Yes.

Q.—*Question 13.* Do you know that these maximum limits that are put down are enhanced by settlement officers at revision times?
A.—They are, not to the full extent.

Q.—Do they confine themselves within the limits fixed by the rules, *i.e.*, 33 per cent. and so on?
A.—I think so, they must be doing that.

Q.—Do you think that these maximum limits should not be adhered to?
A.—I propose only ten per cent.

Q.—*Question 15.* You are in principle in favour of permanent settlement.
A.—No, I am not because the conditions change from time to time.

Q.—But you already said that it is the desire of the people from a very, very long time.
A.—It is the desire of people in general. It is not my personal opinion. My personal view is that it should not be adhered to though the people desire, because conditions change so much.

Q.—But do you think the desire of the people is founded on some economic law or not?
A.—I do not know on what it is based.

Q.—Can you tell me if there is permanent settlement, people will be better able to discharge all their liabilities to sowkars?
A.—I do not think so.

Q.—Do you think that they will be still in debt even if there be permanent settlement?
A.—I think so.

Q.—Will it not bring higher value to their lands?
A.—We do not know what the conditions will be after some 30 years. If conditions become worse then, I think, these rates (assessment) will be found heavier by the people and so no possibility of higher value.

Q.—Do you think that permanently settled land is mortgaged for a higher mortgage value than Sarkari land?
A.—There is no permanently settled land on my side and I am unable to say anything about it.

Q.—Have you any inam lands on your side?
A.—There are some.

Q.—Have you any reason to believe that these inam lands would mortgage for a higher value than other Sarkari land?
A.—Only those lands which carry a fixed Judi would.

Q.—Do you think that if there were permanent settlement the land would fetch higher mortgage value?

A.—I cannot say because it would depend on the condition of the agriculturist being prosperous or not, but if conditions go worse they will not bring so much money.

Q.—It would depend on other extraneous considerations as you say?

A.—Yes.

Q.—But do you think that simple land by itself, if it is stopped from other recurring liabilities such as revision settlements (land assessment is liable to be revised every 30 years), and if that land were freed from this liability, would fetch a higher value that would at least be one of the factors according to you for raising this value?

A.—How can we know that after some 30 or 40 years conditions will be better or worse?

Q.—It has nothing to do in your opinion?

A.—If we assume that conditions will go on progressing or improving, then of course it will bring a higher value, but I think if the conditions go worse, people will perhaps find it difficult to pay the present assessment even.

Q.—Have you any reason to suppose that under permanent settlement conditions will go worse?

A.—We cannot say now anything as regards scarcity of rains and other calamities of the future.

Q.—Supposing other calamities were to remain the same as they are now and that the rate of progress is to be the same as now, then what do you think the condition would be of the agriculturists if the permanent settlement is introduced.

A.—Then lands would fetch more value.

Q.—When lands fetch more value, then naturally they have a higher mortgage value?

A.—Yes.

Q.—A higher mortgage value would enable cultivators to put their fields to far better use than at present?

A.—Yes.

Q.—To make permanent improvements also?

A.—Yes.

Q.—Supposing permanent settlements were not introduced by Government as you say, would you like, under the conditions or views you just now expressed, to increase the period from 30 years?

A.—It may be increased.

Q.—To what extent should it be increased?

A.—I cannot give that figure.

Q.—Do you think that 99 years would do?

A.—It would be too long. I just put down 30 because the period of one generation is taken as 30 years.

Q.—In view of what you say in all these answers would you not like to extend the period of 30 years?

A.—No, it should be 30 years, not more.

To Mr. D. R. Patil:—

Q.—You have said that rental should be taken as one of the factors while revising assessment. What are the other factors according to you?

A.—Prices, communications, facilities of markets, rents, selling and letting, mortgage value, changes of season.

Q.—You say rise in prices should be taken as a factor.

A.—Yes.

Q.—Don't you think that along with the rise in prices of agricultural produce the cost of living and other cost of cultivation also have gone higher?

A.—I think so.

Q.—In the light of this fact don't you think that the rise in prices has practically been nullified by the rise in the cost of cultivation and of living?

A.—We have to take into consideration the profits of land and taking the profits of land we have to make an allowance for the cost of production.

Q.—Leave aside that question.

A.—Because that is the main factor—produce of land. So it cannot be left aside.

Q.—We are dealing with the rise in prices. You say that you will not agree with me if I say that this rise in prices is practically nullified by the fact that the cost of cultivation has also equally risen.

A.—Not nullified because if we get normal crops we can make the two ends meet.

Q.—Was Khandesh benefited by communications when you were working there as Deputy Collector?
A.—What do you mean by communications, roads and railways?

Q.—Were any railways opened during your time?
A.—A railway was opened in my time.

Q.—What railway?
A.—Surat Tapty Valley Railway.

Q.—Did it benefit Khandesh?
A.—To some extent.

Q.—In the matter of travelling?
A.—Not this alone. But they (agriculturists) could send their cotton to long distances; there were more gins opened on the railway line and so there were more facilities for cotton business.

Q.—What kind of more facilities?
A.—Formerly they had to send cotton to Dhulia. West Khandesh people used to send their cotton to Dhulia. They have got now markets at Dondaicha, Nardana and Nundurbar and now there are many gins and presses.

Q.—How many markets there are in West Khandesh?
A.—Dhulia is the principal market and those that are the principal places at which they deal in cotton, are Nundurbar, Dondaicha and Nardana.

Q.—Out of the population of West Khandesh how many persons actually take advantage of these markets?
A.—All the agriculturists take their produce to those markets.

Q.—One and all?
A.—Generally they take their cotton to those markets for sale when the quantity is a cart load or more.

Q.—Are you aware that many of the villagers sell their agricultural produce in their own villages when purchasers go there to make purchases of cotton?
A.—No.

Q.—You are not aware of any instance?
A.—Small quantities they may be selling on the spot in their own villages but when they have got cartload or cartloads they go to those markets.

Q.—You also do not regard rental value as the sole index?
A.—Not the sole.

Q.—Is it a safe index?
A.—Not by itself.

Q.—By "safe" you mean that it should be excluded totally.
A.—I do not mean to say so.

Q.—Out of 100 agriculturists how many can you find as tenants?
A.—Between 7 and 8.

Q.—Out of these 7 and 8 what in your opinion is the number of agriculturists whose dealings with their landlords are in the nature of mortgages? What must be the percentage?
A.—I cannot give that percentage but generally a number of them are of that nature.

Q.—Out of this 8 per cent. a larger portion relates to mortgage transactions which are effected between sowkars and debtors?
A.—Yes.

Q.—So then practically it becomes a negligible factor for consideration that rental should be taken as one of the safest factors?
A.—Not negligible, I cannot say it is negligible.

Q.—Will you admit it will be of very much less importance?
A.—We have to consider it along with other factors. As we are confining ourselves to the number of these leases I think it should not be totally neglected.

Q.—Do you know that there is keen competition for taking lands on leases in the moffusil?
A.—No, in some places only, not in all places. Where the lands which are let out on lease are few, then there is competition. When there are cultivators in a village who have not got enough lands of their own, they have to get some lands for themselves.

Q.—You mean to say that tenants are generally some cultivating landlords who have got some lands of their own?
A.—They are not landlords, they are cultivators who have not got enough land.

Q.—And in some places there are labourers who want land for cultivation. These are the only classes of persons who generally take lands on leases.

A.—Yes.

Q.—Are not these two classes practically deep in debts?

A.—That cannot be said because at present in these days we find these labourers are now in better condition than those who own small holdings. When the cotton weeding is in progress the former get from 8 to 10 annas per day.

Q.—I am talking of those who work different fields for themselves.

A.—No, I am talking of labourers who take land. They also work and get some land for cultivation as well.

Q.—Have you got statistics for that?

A.—No.

Q.—On what did you base your conclusions?

A.—On what I actually saw in villages

Q.—On any sound basis?

A.—On what I saw.

Q.—What did you see?

A.—What I saw in the villages.

Q.—You give your opinion from vague ideas?

A.—No, no, but from personal observations.

Q.—Is it your personal observation that agriculturists are prospering?

A.—I cannot say that.

Q.—Are agriculturists prospering on account of the rise in prices of cotton?

(No reply).

Q.—In referring to the Congress resolutions on permanent settlement in your replies what was your object, whether people should or should not get permanent settlement?

A.—I think the Congress was for permanent settlement.

Q.—What was in your mind when you mentioned something about these Congress resolutions on permanent settlement in your reply to question 15? Did you or did you not desire permanent settlement?

A.—As far as my opinion goes, I do not desire it.

Q.—Then where was the propriety of inserting that in the reply? What was the object which actuated you to refer to Congress resolution about permanent settlement?

A.—While writing the reply I just referred to it.

Q.—It occurred to you and you referred to it?

A.—Yes, but not from any very particular motive.

Q.—The Congress resolutions occurred to you while replying and you referred to them in your replies?

A.—Yes.

Q.—All these tests which you have given about ascertaining agricultural produce, namely, prices, communications, markets, rents, are all vague things?

A.—No. For prices, etc., we have statistics and other records.

Q.—For prices you have got statistics?

A.—Yes.

Q.—Do settlement officers keep any record of statistics?

A.—I think they have got their notes. I myself have not done that work but so far as I can see I think they do keep notes.

Q.—You have never done work of a settlement officer?

A.—No.

Q.—And all these views of yours are from your personal observations?

A.—Yes.

To Sardar G. N. Mujumdar:—

Q.—Was this questionnaire referred to you as a representative of jahagirdars in Ahmednagar district?

A.—I believe it was.

Q.—How many inam villages are there in that district?

A.—138 villages.

Q.—How many Khalsa?

A.—1,200 Khalsa villages.

Q.—Are all these inam villages surveyed?

A.—Many are.

Q.—Has revision taken place in all the surveyed inam villages?
A.—I do not know exactly but as regards my own village it is surveyed twice.

Q.—Is it not a fact that inamdars want increased assessments as Government wish?
A.—Yes, every one wants.

Q.—If they (assessments) are reduced, how would you make up the loss?
A.—I want to be fair because I do not wish to profit by taxing heavily my tenants.

Q.—Would you like to include among the non-official members of the advisory committee one representative of inamdars?
A.—Yes.

Q.—Is it necessary?
A.—Yes. He will be very useful as regards inam settlements.

To Khan Bahadur Bedrekar:—

Q.—You were in Bijapur for a long time?
A.—Yes.

Q.—You know the condition of the agriculturists there?
A.—Yes, more than 12 years back I was District Deputy Collector in Bijapur district.

Q.—What do you think: is the condition of the agriculturists prosperous?
A.—Not very prosperous.

Q.—What is the reason?
A.—On account of frequency of famines.

Q.—Do they get rain every year?
A.—No.

To Mr. R. G. Pradhan:—

Q.—You are not in favour of permanent settlement?
A.—No.

Q.—What are your reasons?
A.—The conditions are not likely to remain the same; they are likely to change. So we should have assessment according to the conditions then prevailing.

Q.—The assessment is not based at present on rental value alone?
A.—I think so.

Q.—Can you tell me whether the land revenue would be increased if it was based on rental value exclusively?
A.—Yes.

Q.—Our land revenue is now 5 or 6 crores of rupees a year. By how much will it be increased?
A.—I cannot say by how much but increased it will be.

To Mr. R. G. Soman:—

Q.—In the case of rental value you say that transactions of sawkari nature should be excluded from consideration?
A.—Yes.

Q.—But do you know that transactions with regard to lands as between agriculturists themselves are increasing?
A.—I do not know it.

Q.—Where the land is purchased, is the interest on that purchase money taken into account and deducted from rental value? Suppose you have purchased some land and you have rented it to tenants, is the interest on your purchase money deducted from the rental value?
A.—For what purpose?

Q.—For the purpose of revision.
A.—I think such rents are excluded and they should be excluded.

Q.—You are yourself a landholder?
A.—Yes.

Q:—What is the assessment on your land?

The Chairman:—If the witness does not wish to answer this personal question he need not do so.

Mr. Soman:—From your experience you find that unless the year is normal there is nothing like profits, deducting the cost of cultivation, that unless the year is normal nothing goes into your hands?
A.—Very little.

Q.—Are there pats and bandharas on your side?
A.—No.

Q.—*Question 13.* You say that enhancements that have been made during the last revision or two must have brought the assessments to a reasonable level.

A.—Yes.

Q.—Are you of opinion that so far as the present revisions or the contemplated revisions are concerned, they should not take place at present, at least for some years?

A.—They should go according to the terms for which they are. If any expire, I think they should be revised.

Q.—But you say the level of assessment is now reasonable?

A.—I have said that in such cases the increase may be by 10 per cent.

Q.—If at all there is to be an increase of such a nature it should be very limited?

A.—Yes.

To Mr. H. B. Shivdasani:—

Q.—You say that only about 8 per cent. of the lands are cultivated by tenants or is the number 8?

A.—You mean non-cultivating landlords who are not cultivating their lands themselves?

Q.—What percentage is given as rent on your side?

A.—I have not got any idea about it.

Q.—Is rent payable in cash or in kind?

A.—Generally in kind, very few cases in cash.

Q.—You would have very few cases to go upon if you took rental value as the basis?

A.—Yes.

Q.—You say there are several vitiating factors such as new land, etc. If you exclude all these there will be nothing left.

A.—Very few cases there are in which cash rents are paid.

Q.—Would it be possible to make allowance for improvements? Can you decide how much rent is due to improvements and how much to unimproved lands?

A.—I cannot.

Q.—Mostly cultivators make such improvements as digging wells and so on and so it would not be possible.

A.—No, it is not possible.

Q.—Mostly a settlement officer considers sale prices and these sale prices would include.....

A.—Because the value of the land is more if there is a well.

Q.—If you take sale price in rental it will not be possible to make allowance for improvements.

A.—It will be difficult to make a distinction between them.

Q.—Does a settlement officer go to every village?

A.—I do not know, I have no personal experience.

Q.—In a taluka there are about 150 villages?

A.—Above 100.

Q.—He does not tour over the taluka to make proper enquiries? If he were to do so in each village it would take him two or three days in one village?

A.—He moves about for four or five or six months and he may be going over a number of villages.

Q.—To make proper enquiry in a single village in all the cases where rentals are paid would take two or three days.

A.—No, only three or four hours because there are very few cases and if he sends intimation of his arrival beforehand he will be able to see those people.

Q.—If he examines figures for the past five years and if he also wants to see whether there are improvements and if he wants to make allowance for these things and if he wants, to enquire into cases where there are improvements, and if he wants to make allowance for all these and other factors, then?

A.—That will depend upon the number of cases.

Q.—Ordinarily how long would he take?

A.—I think about one morning is enough.

Q.—To make enquiries?

A.—Yes, there are very few cases where cash rent is paid.

Q.—If there are few cases there will not be sufficient data to go upon, you cannot take one per cent. of the cases and then fix assessment. As regards net profits, if there are communications, the net profits will be more, and so will be the case if there are markets near by.

A.—Yes.

Q.—If you take net profit as the basis?
A.—It will include all these.

Q.—Would you be quite satisfied if land revenue assessment were based on net profits?
A.—I think so.

Q.—You think it a good basis?
A.—Yes.

Q.—Would it be possible to ascertain net profits?
A.—Yes, roughly speaking.

Q.—Sufficient for our purpose?
A.—Yes.

Q.—If you can ascertain net profits, why do you consider the scheme as outlined by me as impracticable?
A.—Because these net profits apply only to a few cases.

Q.—How is anna valuation prepared?
A.—According to the state of the crops we see.

Q.—Field by field?
A.—No, in all directions.

Q.—Do you know what Akasia is?
A.—No.

Q.—There are no rice lands in your part of the country?
A.—No.

Q.—Have you never worked as District Deputy Collector in rice lands district?
A.—Only for a short time.

Q.—You worked only as Huzur Deputy Collector?
A.—I was District Deputy Collector in Ratnagiri for some time.

Q.—There are no rice lands in Ratnagiri?
A.—There are.

Q.—Is there himayat—water rate in the Konkan?
A.—There are rice lands called Gaddi lands. There is no separate water rate there.

To Moulvi Rafiuddin Ahmed :—

Q.—In your reply 3 you refer to Malik Amber. What books do you refer to?
A.—I refer to the Settlement Manual.

Q.—Have you read any original books?
A.—No.

Q.—Do you know the system introduced by the Moguls?
A.—No.

Q.—Do you know Aurungzeb's system?
A.—No.

Q.—Then the Manual is your only source of information?
A.—Yes.

Q.—In your experience of Khandesh or Nagar, are you aware what Wakf lands belonging to Mahomedans have passed into sowkars' hands?
A.—I have no idea, in any case there are not many, there may be a few cases.

Q.—What has been the reason?
A.—On account of the poverty of inamdars.

Q.—Are they not cultivating them or was it on account of the incidence of taxation?
A.—On account of the poverty, not on account of famine years.

Q.—Household poverty?
A.—Generally it may be due to the indebtedness of the family.

Q.—With regard to the sentiment prevailing in Khandesh and Sholapur, have you noticed the same thing in other parts of the Deccan?
A.—I do not know Sholapur. There were some cases where sowkars were taking higher rent but those rents were in the shape of instalments and interest.

Q.—*Question 17.* You say that Legislative Council members should be associated with the settlement officer? You say he should merely consult them.
A.—Yes.

Q.—If the members disagree, can they or can they not write their own objections?
A.—What they say should be in the form of advice, and they may do it in writing.

Q.—Supposing the settlement officer takes no notice of their advice?
A.—The settlement officer should send whatever they say to the higher authorities along with his own report.

Q.—Are you in favour of these people writing their own report, and should the same be forwarded to Government?

A.—Yes. It should go with the report to the higher authorities.

Q.—Are you of opinion that all these things should come before the legislature?

A.—I do not think it is necessary, when we have got an advisory committee. In my opinion, the legislature should fix the principles on which the assessment should be fixed.

Q.—Are you in favour of it going before the legislature or not on the principles?

A.—On principles only it should be before the Legislative Council.

To Mr. L. J. Mountford :—

Q.—To go back to the time of the Moghuls is going rather far back. I suppose the Moulvi Saheb was alluding to Raja Todarmull's settlement in the days of Akbar. Are you aware that the principle of that settlement, first of all, was that all the land belonged to the State, and secondly that the State was entitled to half the gross outturn?

A.—I think the principle was as stated in the Manual that the land belonged to the village community—page 6.

Q.—Therefore, we may say that the position is not so clear as regards what happened over 350 years ago.

You say in your answer to question 5 " Lands leased on cash rent or crop share are neglected by tenants ". If they are paying a high rental, how can they neglect the land?

A.—The rental is not high.

Q.—You know Shirpur?

A.—Yes.

Q.—The cotton soils of Shirpur are very valuable, aren't they?

A.—On the Tapti side.

Q.—A very large number of cultivators from Sindkheda try and get lands in Shirpur?

A.—When I was there in Shirpur such was not the case.

Q.—Are you aware that 16 families are waiting in Shirpur with money in their pockets to purchase land there?

A.—They might have gone to the hill tracts, northern Shirpur, because in other parts there are very few lands left. There is a great demand for land in the northern part of the taluka.

Q.—Do you know that in Khandesh in the 30 years previous to 1916, up to 1916, a very large area came under cotton?

A.—Yes.

Q.—Are you aware that in 1918 in Khandesh half the cultivated area was under cotton—46 per cent. of the total of the agricultural area was under cotton, leaving 50 per cent. as cultivable area for other crops?

A.—There is that tendency in that district, to bring large areas under cotton.

Q.—Where land is under cotton, isn't there a great demand for agricultural land?

A.—That is not the case.

Q.—Will you explain why 16 families are waiting in Shirpur with money in their pockets to purchase land?

A.—Perhaps they may not have lands in Sindkheda; so they might be going to the northern part of Shirpur.

Q.—Though it is a long way?

A.—Yes.

Q.—Cannot they buy lands in any other talukas?

A.—No.

Q.—Is it so valuable?

A.—No one will sell it.

Q.—There are purchasers who cannot get land which is so valuable?

A.—They (existing owners) will not sell it.

Q.—You were cross-examined at some length over the value of communications in revision settlements. It was suggested that the agriculturist does not take his produce to the market. Do you agree?

A.—Generally when he has got enough, he never sells it in his village, but takes it to the market.

Q.—If there are good communications, a cotton dealer who wants to buy cotton, can take the Tapti Valley Railway and come up to Shirpur or Nandurbar and deal in cotton there?

A.—Yes.

Q.—If he had to walk the whole way, he would not come and deal there?

A.—No. Communications facilitate marketing and they must get better prices.

Q.—Are you aware that in the revision settlement of the Khanapur taluka in Belgaum district we found that we could trace without any map where the roads and markets were merely by the value of land? We put the values of land on the map, and we could see from the higher values how the roads were running. Would you therefore consider that communications are an important factor?

A.—Yes. They bring more money.

Q.—Can you tell me what was paid 30 years ago roughly, or 20 years ago to a man for weeding a field?

A.—About 2 or 3 annas a day.

Q.—What would you pay now?

A.—8 to 10 annas.

Q.—Were cattle cheaper 30 years ago?

A.—Yes. The prices have now gone up by 50 per cent. Formerly a bullock could be had for 20 rupees.

Q.—Did you hear Rao Bahadur Chitale say that cattle were no more expensive now than they were 30 years ago in Ahmednagar? Did not most of your cattle in Nagar die in the famine of 1918-19?

A.—Yes. The number is now considerably decreased. They have to pay more for a bullock now.

Q.—In other words, the agriculturist cannot now get as much for one rupee as he could get 30 years ago. If he hired people or cattle, he would have to pay more. Do you agree?

A.—Yes.

Q.—Does not that point to the diminishing value of the rupee?

A.—It is a difficult question.

Q.—Can you get as much for a rupee now as you did 30 years ago?

A.—No. We have to pay more.

Q.—If a permanent settlement is introduced, and the rupee continues to fall in value, is it not possible that the State may be taking a very depreciated rupee in assessment, compared with what it was taking 50 years ago. Would it be fair to the State? Would it be fair to bind down the State for all time in that way?

A.—It would not be fair.

Q.—In other words, why should the State be bound down as the only person who should lose? You know that the rents have risen considerably? In Nagar you know that the rental values have risen in the last 30 years?

A.—I do not think, at least on my side of the taluka.

Q.—The tenant pays the same rent as he paid 30 years ago in cash?

A.—Generally there are very few people who pay in cash. They pay in kind, but it is the same. It is half. Sometimes we do not get tenants to cultivate.

Q.—Most of your rent is not in cash?

A.—No, it is not.

Q.—Is not the high cost of food a very great factor in making the cost of living so high?

A.—Yes.

Q.—Does not the cultivator raise his own food?

A.—Yes, normally.

Q.—Is not he in the same position as the man who is feeding upon what he raises himself? He has not got to pay for his food?

A.—Yes.

Q.—Do not the high prices benefit him, when he has a surplus?

A.—He has to meet his other expenses from this surplus.

Q.—At the same time he is not equally in the same position as the man who has to pay for his food? He raises his food himself? How much do you consider the expenses of living have increased in the last 20 years?

A.—Up to three times.

Q.—Is the man who is making a living from selling cloth, selling it for three times as much?

A.—The prices have gone up to that extent. Formerly saries used to be sold for Rs. 2; you cannot get them below Rs. 6 now.

Q.—Are saris a necessity or a luxury? And the dhotis, have they too gone up three times?

A.—Saris are a necessity. Dhotis prices have also gone up.....

The Chairman :—Double would be alright.

Q.—Do you know that cotton in the last 20 years has risen 300 per cent.? Do you know that Broach cotton in 1901 was 100 and now it is 293?

A.—No, I do not know.

Q.—You know Khandesh. You have served in Khandesh. Were you in Raver and Yawal?

A.—I was not in Yaval, but I have visited it when I was Chitnis.

Q.—The rental value has risen there during the last 30 years. Would you be surprised to hear that the rents have doubled themselves? Do you know Dhulia? It is stated that the rents have doubled themselves there.

A.—I cannot say one way or the other now that I left this district 12 years ago.

Q.—The cash rents have not increased during the last 30 years?

A.—As regards Khandesh I cannot say anything now for the above reason.

Q.—What about Ahmednagar?

A.—In the country on my side, the cash rents have not increased.

Q.—Do you consider that land has increased in value in Nagar during the last 30 years?

A.—I have no experience. I do not think there is much demand for land in Nagar.

Q.—Would you be surprised to hear that in the Parner taluka of Ahmednagar district the land values have trebled themselves in 30 years previous to 1916?

A.—I have no idea.

Q.—Do you know Shevgaon?

A.—Yes, I was there 23 years back. It was at the time of the most severe famine, and it was the most affected part of the district.

Q.—As regards your crop experiments, you told us in crop experiments the officer has to deduct the cost of production?

A.—Yes, Sir.

Q.—But are you aware that one of the distinct instructions given was that he was on no account to ascertain the net produce?

A.—I do not now recollect the instructions.

Q.—Have you ever seen any crop experiments?

A.—I have myself done two or three, but I do not now recollect the instructions.

Q.—There is no attempt there to ascertain net produce on account of the difficulties involved. When you come to net produce you will have to find out many other things, the actual depreciation for every bullock in the tract year by year. That is a factor. You would have to ascertain whether the man was industrious, whether he was skilled or not. Side by side there may be two fields in charge of two persons. One man may plough it and the other may not.

In Nagar do you find that they plough the land every year?

A.—No.

Q.—If they did, would they not get better crops?

A.—Yes.

27th June 1925.

EXAMINATION OF MR. MAGANBHAI C. PATEL, PRESIDENT, GUJARAT LANDHOLDERS' ASSOCIATION.

To the Chairman :—

Q.—You send your replies on behalf of the Gujarat Landholders Association of the Kaira district?

A.—Yes.

Q.—Will you please tell us what position you hold there?

A.—As President.

Q.—What is the constitution of the Gujarat Landholders Association? You say of the Kaira district. You have no representatives of Surat or Broach or Ahmedabad?

A.—Those people attend our conferences.

Q.—The members belong only to the Kaira district?

A.—Yes.

Q.—How many members are there?

A.—We have got 113 branches in Kaira district, and the working members alone come to about 565, that is to say, on the committees. Other members' list is kept with the branches.

Q.—Are the members elected?

A.—They make certain payments and enrol themselves as members. The amount of payment is left to their own choice.

Q.—Is there a regular constitution?

A.—Yes.

Q.—No rules as to the payment?

A.—The rule is what payment should be fixed for membership is left to the branch itself.

Q.—The franchise is open to any one?

A.—Yes.

Q.—These views are the views of your association in Kaira district?

A.—Yes. It is more or less a Kaira district association.

Q.—The latter portion of part (*b*) of your reply to question No. 1: Is it merely rhetorical language or do you want to insinuate that the present system has turned the man into a serf who would be dragging a miserable life?

A.—It is not a question of insinuation. That is the impression of all the people in Kaira district. The reason is very clear. Every year the population of the Kaira agriculturists is falling, and even in these times when the prices have gone high it is getting down.

Q.—You think that the present system is turning them into serfs?

A.—It is like that. I do not want to make any insinuation. The system is such that we cannot but describe it in that way.

Q.—Do you mean to say that they become labourers and the land passes into other hands?

A.—In some villages the lands are passing into the hands of the sawkars, and in others they are not, because there is no other occupation for those persons to follow.

Q.—They keep the lands in their hands and pay the assessment?

A.—Yes.

Q.—If their condition has become so bad as you describe it, then naturally it is expected that they would give up the land and take to some other profession.

A.—I agree, but there is no such profession which he could follow.

Q.—What does an agricultural labourer get?

A.—As a labourer he gets 12 annas a day.

Q.—Twelve annas a day: and he can get fixed labour all the year round?

A.—No, that is the worst of it. He can get work only so far as the season is concerned. It would be for two to three months and not for all the days in the month even.

Q.—In Kaira the agricultural work lasts for two to three months?

A.—Yes, the active operations only.

Q.—After three months?

A.—They have little to do.

Q.—They do not want to migrate?

A.—Where should they go? The Ahmedabad mills are full, and even there strikes are going on on account of wages, etc.

Q.—That is the time to go.

A.—The strikes occur because less wages are offered.

Q.—But would not those wages be better than nothing? According to your statement, the people have nothing to live upon; they are living on borrowed capital from year's end to year's end?

A.—There are unions to be reckoned with. They won't allow others to peep in.

Q.—In the whole of Gujarat there is no other place to migrate to?

A.—No, unfortunately not.

Q.—In part (c) of your reply to question No. 1 you refer to the gradual falling off in the normal growth of the Kaira population. I would like to know whether there were not any other causes which contributed towards that end. Was there anything like influenza?

A.—Yes, there was influenza.

Q.—The people might have died on that account?

A.—These statistics are for periods before the influenza.

Q.—In 1900-01 was not there a severe famine, considered to be the greatest in the century?

A.—Yes.

Q.—It was so severe that people died like flies.

A.—Yes.

Q.—Did not that reduce the population?

A.—Yes, but our statistics are also for years previous to 1901. We have taken statistics of 40 years prior to 1901 and thereafter.

Q.—According to those figures the population was increasing by 1¼ per cent. per year, and it has now gone down. It averages to 1¼ per cent. up to 1872. In your reply to question 11 you say that from 1863 to 1872 the figures are not available. But between the years 1873 and 1893 there were two famines, one was the dry famine and the other was the red famine.

A.—I had no idea of that.

Q.—It is my personal knowledge.

A.—I do not want to demur to that, but.....

Q.—If you say that the increase has not been what it ought to have been, there may be other factors. The year 1897 was a bad year, and 1899-1900 was one of the worst years. And then we had plague. I believe you had your quota?

A.—Yes.

Q.—It is rather unfair to Government to say that all the reduction in population is merely due to the assessment and the people not having sufficient to live upon?

A.—I won't say that. That question also I have examined in my letters, and there I have found that even if I were to make allowance for all these factors, still the population is going down because of increase of assessment. I have made a tabular statement and compared it with other districts. It leaves no loophole, so far as argument is concerned that the falling off in the population is due undoubtedly to the rise in assessments.

Q.—In reply to question 2 you say " After making appreciable reductions in the prevailing high rates of assessment on the principles shown in replies Nos. 1 and 7, the settlement should be, by enactment, made permanent. ". But you yourself later on say, when you refer to abnormal years that during the 10 years 1914—24 the prices have gone up. Evidently, you consider them abnormal years. In those years the agriculturists got better prices, and you want the assessment now to be reduced when they have saved money.

A.—I may tell you one thing about it. What they have saved has been spent only to keep themselves alive. In 1901 they died like flies. Notwithstanding the high prices, they could manage to live during the abnormal years, but now they are entirely as they were before.

Q.—By making the settlement permanent, is not there the danger of creating a class between the tillers of the soil and the Government, that might become absentee landlords?

A.—I do not think it is possible in Gujarat, because it is ryotwari land there, and the holdings are very small. They could not pass into the hands of one man, because every one is dependent upon agriculture himself.

Q.—A little later on you say " Interest on the market value of the field assessed ". If you go forward to page 325, paragraph 11 (c) of your replies, you put that down at Rs. 60, at 6 per cent. on Rs. 1,000 market price. Do you want the committee to believe that land which can be sold for Rs. 1,000 per acre in any village has no margin left, and people pay that money although they have afterwards to bear heavy losses in maintaining themselves. Are we to understand that people who invest money in land are so unbusiness like or such fools that

they would pay Rs. 1,000 for one acre, buy 10 acres, and, according to your calculation, lose Rs. 450 every year? Do you think that moneyed people especially would invest Rs. 10,000 on the purchase of 10 acres and lose Rs. 600 which they can easily get by investing the money in Government paper? Is it not rather the other way round that the land which fetches 166 times the assessment is one of the least taxed lands in the country?

A.—I think not. The reason is this. The purchase price of agricultural land could not be a criterion, because the purchase price depends on (1) the productive capacity of the soil, (*a*) intrinsic and (*b*) cultural in normal seasons; (2) the vicinity of it to the village or convenience of carrying labour and implements of husbandry to cultivate it and (3) any extraneous use to which it can be put over and above agriculture; (4) the money available to those who are out to invest in land and the fancy of the purchaser, modified by business considerations; (5) if at all the sheer necessity to maintain oneself in the absence of any other occupation. No. 1-(*a*) was paid for when land was first occupied. 1-(*b*)—The cultural productive capacity could not be taxed, as it would be taxing capital and labour both, labour and capital which he and his forefathers have bestowed upon the piece of land. That is what makes it worth Rs. 500 or Rs. 1,000. If every man were to sell his holding, then the difficulty that you suggest might be created. Here is a village: if one wants land and if one man were to sell it, it would realise Rs. 1,000 an acre, because every one puts his own value on the land and takes into consideration the fancy of the purchaser. The person who holds land, to him it is worth Rs. 1,000 because it contains the improvements that he has made for generations which ought to be exempted from taxation under the law.

Q.—Supposing he wanted to sell in the market, would he realise Rs. 1,000.

A.—Yes, but if all the lands were to be sold, then it won't fetch that price.

As regards the vicinity of the land to the village, etc., which will go towards lessening the cost of cultivation, etc., that will be fully reflected in arriving at the net profits. The other factors that I have mentioned could not obviously form items of consideration in the settlement of assessment either permanently or for a time. The wealth of the man pays a separate tax to the State, and the sheer necessity to save one's life cannot be made a source of income to the State. Those are my reasons why the price of land should not enter into the consideration of assessment.

Q.—In your reply 2 (*b*) you say " the debit items of costs shall always be ascertained by a survey officer with the help and consent of a village committee elected for the purpose in each village under settlement ". How would you have your committee elected?

A.—The committee elected from the village.

Q.—By whom?

A.—By the people.

Q.—All agriculturists?

A.—All agriculturists.

Q.—Isn't there just the possibility that the men who are elected would naturally resent any increase in assessment? They would look to the safeguarding of their own interest and not to the other side as an officer would do?

A.—Those who do not know the villagers themselves would have that doubt, and it is as reasonable as an officer would be safeguarding only Government interest. But I myself do not believe that they would be so dishonest. I have also had a talk on this point with certain revenue officers, and they also agree with me that people will not be so dishonest.

Q.—You say help and ' consent '. What is consent?

A.—We have put in that word only to emphasise that their opinion should not be thrown away.

Q.—You say that any holder who is dissatisfied with the settlement made by the survey officer may appeal against the decision to the District Court whose decision shall be final. Is it a practical proposition? You are a lawyer, and you know the very long delays that take place in the disposal of civil suits. It will not be possible for the existing courts to hear all these cases which may be 100 to 200 for each taluka and in which intricate questions are involved. What do you think?

A.—I would not press for a particular court. The impression upon the people is that they have been done a great injustice by the survey officers. Therefore, whenever there is any difference of opinion on this point it should be referred to a person who is quite independent. That is the meaning of putting in this provision.

Q.—Have not the people the right to relinquish their holdings?
A.—Yes.

Q.—How many have exercised that right on account of the present assessment?
(Witness tendered two statements* in vernacular of relinquished holdings).

Q.—Can you give us some further information as to what happened to the relinquished land? Was it put to auction?
A.—I have no information. Even if it were put to auction, I do not think anybody will take it up.

Q.—In your reply to question 8, you want the land to be considered as belonging to the people?
A.—Yes.

Q.—We have an idea that it is the only industry which we have nationalised, and as democrats we ought to support it.
A.—I think in ryotwari tracts all the land is long long before nationalised. We have paid for it, and we have put our labour and capital into it.

Q.—Does it belong to the individuals?
A.—Yes.

Q.—It is not a wrong idea possessed by the subordinate officers only that the State is the owner of the land. It is held even by the highest officers.
A.—I am sorry for it. It is quite contrary to the facts.

Q.—You say: "The social fabric in any country is vitally affected in its income by the growth of its population, and if according to this theory the people or their representative-State could claim all the profits of an individual due to the growth in population, it would hardly be different from a Bolshevic State where no one is entitled to claim as his own beyond what is barely sufficient to maintain himself". Do you know the condition of the agriculturists in a Bolshevic State?
A.—I have not lived in Russia. From what I have learnt from newspapers I think it is awful for both the State and the agriculturists.

Q.—You say "We are opposed to have the agricultural assessment based on actual rents paid on lands, because most of such actual rents paid in competition do not represent real economic rents at all". You use the words "actual rents" and then say they are not economic. How is that?
A.—Actual means the money that has been actually paid. I do not call that an economic rent.

Q.—What would be the economic rent?
A.—Net profits only and nothing else.

Q.—In your reply to question 14 you say "It will be noticed that in this account we have not shown on the debit side the items of costs to insure the crops of the seasons from the vicissitudes of weather". Can crops be insured?
A.—As soon as people begin to insure their crops, insurance societies will spring up in all places. They are not doing it now. In the account it must be put down.

Q.—In part (*d*) of your reply to question 14, you refer to various rates such as Bagayat, Himayat, etc. For what purpose are these charged?
A.—Bagayat is called the subsoil water tax.

Q.—We were told by a settlement officer that it is the potential value of the water. As the land is rented in accordance with its potential value to give crops, water is taxed for its capacity to irrigate the land. So if you accept the principle that land is taxed because it has some value to give crops, then the land which has water can give better crops if the man worked it. So, is not the principle the same in both cases?
A.—It would be a very good principle in a country like England where the peasantry is well educated, and the peasantry has got enough of means to bring all their abilities to bear upon the soil. In a country like India to tax potential value of land is to my mind cruel, because the person who has to bring his ability to bear upon it is awfully ignorant and awfully poor. Without the means the potential value is to him nil.

Q.—What is the Himayat? Is not that also water tax?
A.—Yes; Himayat is water tax on small pits. and they are dry. There is no water, and all along we have to pay for it. That is the injustice.

Q.—Have they approached the revenue officers?
A.—I myself once applied.

*Printed at pages 195 and 196.

Q.—You did not get anything?
A.—No.

Q.—I think there have been remissions.
A.—It is only this year that I have heard they are going to remit.

Q.—In your reply to question No. 8 you say " Such rents again include in them the landlord's share of manure that he gives to his tenant for the farm." What is the arrangement?
A.—The arrangement is that the farmer purchases manure; and he shares the cost of it, half and half.

Q.—The farmer and landlord, do they share the crops? Is it the batai system?
A.—Cash, even in rents. When the rents are to be paid in cash in very many cases the landlord pays for the manure; otherwise for tobacco and such other crops, there would be no tenant.

Q.—You think that the years 1914—24 should be excluded because of the War. Do you know that the War ended in 1918? If you are taking the war period, why do you want to take the years after 1918?
A.—The after-effects of the war were much worse.

Q.—Was it the same in the earlier periods of the War?
A.—Yes, because Government began to draw upon Indian resources very early, so far as raw materials were concerned.

Q.—You accept Lord Curzon's Saharanpur principle?
A.—No. It has worked havoc. Even with such a resolution and rule when Gujarat has come to such a pass, the whole system must be rotten.

Q.—You consider Gujarat to be much more highly taxed?
A.—Yes, indeed.

Q.—You say the system has played havoc in Gujarat, but you acknowledge that other districts are slightly taxed?
A.—There might be other circumstances too. The system is so bad that the wrongs that have been done to us must have been done to other people. Government are not partial to one district.

Q.—How long is a man occupied on the field?
A.—A farmer for about 6 months.

Q.—In your reply 11 (*b*), you have taken Rs. 30 per year for the farmer's remuneration on an acre of land. That means Rs. 300 on 10 acres per year. Really speaking, it is for six months work.
A.—For the other part of the year what is he to do? I think Government should provide for him.

Q.—The man gets Rs. 50 per month to do this kind of work for six months. Do you think that would quite suffice?
A.—No. I think democratic rule means that Government is bound to provide work for a man throughout the year, so far as possible.

Q.—Coming to item No. (8) " Rs. 15 for watching crops ", the servant is not required while the landlord himself works for six months.
A.—You do require one still.

Q.—For the whole year?
A.—Yes, because he keeps the cattle, and over and above the active operations in the field he has to collect manure and all sorts of things for the preparation of the coming season. So they are more or less kept engaged for the rest of the six months too.

Q.—You have put down that the total cost will come to Rs. 174, and as you say the price of kharif crops would come to Rs. 125 or Rs. 130. If the Rs. 60 on account of interest and Rs. 30 for the farmer's own remuneration, on which there is a difference of opinion, are deducted, then out of Rs. 174, the total cost of agricultural operations would be Rs. 84 including the luxury of a servant. Out of Rs. 130 if you deduct Rs. 84, you get Rs. 46, and the land assessment is Rs. 6-12-0. It works up to 15 per cent. on the net profits.
A.—They are not net profits according to me. I do not dispute about the correctness of the figures arithmetically. My submission is that the two items which you have excluded are the most important items in arriving at the net profits. Otherwise the farmer has to starve himself and his family.

Q.—According to my figures, out of Rs. 46 he pays Rs. 6-12-0 for the assessment, leaving a balance of Rs. 39-4-0 per acre, which gives him for 10 acres about Rs. 400 which ought to suffice.
A.—That is what we contest. That has brought about his downfall, as shown in my statement at paragraph 11 (*c*).

Q.—The man has something to live upon according to your figures?
A.—Yes, something! Although he is mostly robbed of the fruits of his labour and capital which under the present law exempts from taxations.

Q.—I think then the cattle won't live?
A.—Not in quite a good condition.

Q.—What about conditions in Kaira?
A.—What I say relates to Kaira and not to other parts of the country.

Q.—Answer 13. You say " our policy being based on entirely different considerations ", that is, the policy is that of your association?
A.—Yes.

Q.—Then you say " namely, no assessment that would not be just and equitable in its incidence in comparison with the tax on other incomes ". What is your view as to the rent, would you compare it with that tax? Would you compare it with income tax?
A.—Yes. The net profits arrived at as shown by us may be put on basis of an income tax gradation.

Q.—Answer 14. You say " there is no need for fixing any such maximums, because the net profits worked out as we have shown will furnish us a complete index to fully determine the justifiable share of the State ". So, if we decide to take a certain percentage of the net profit, then it does not matter whether the increase on individual holdings in some cases goes up to 200 per cent. You do not think it is rather large?
A. No. Let the net profits be first determined and then we will not mind it on such net profits.

Q.—You say if Government are not going to give permanent settlement the settlement should be for 100 years. Why 100 and not 30?
A.—Because we want to extend the period as far as possible.

Q.—Any figure larger than 30 years, 60 years?
A.—According as it is considered approaching our ideal.

Q.—But there is no special charm about 100 years?
A.—Only one charm is that it is a longer period than yours.

Q.—40 years is a long period also?
A.—Certainly, but not so approaching our ideal.

Q.—Reply 17. Would you like the cooption to be made by members of the advisory committee or should they be sent by some of the district bodies?
A.—District bodies would be much better because they would know the persons whom they would nominate rather than persons who come from Bombay who would have to depend upon other people's advice.

To Mr. L. J. Mountford :—

Q.—Can we take the statement you have submitted as an absolute, serious and reasoned statement of conditions in Gujarat?
A.—It is a serious and reasoned statement.

Q.—It is not made as a general attack on any one in particular?
A.—No.

Q.—Not even on Mr. Shivdasani?
A.—No, upon nobody.

Q.—You accuse the scheme outlined by Mr. Shivdasani of being likely to make the agriculturists' condition worse?
A.—Yes, I do.

Q.—That is rather a harsh word, you know.
A.—It may be so but it is truth.

Q.—Do you really believe that Government supplies untrustworthy information?
A.—I do not want to answer that question because I do not want to make any insinuations.

Q.—But you do accuse Government of supplying untrustworthy information.
A.—I do not wish to answer that question.

Q.—You quote Captain Prescott largely. He has been dead some time now.
A.—I do not know.

Q.—Do you know when he wrote his report?
A.—I do not know, but I know from records (in his report of 1860 on South Daskroi).

Q.—Do you know when he wrote his report which you allude to, so freely?
A.—I do not know exactly the date. My data I have taken from my notes of the studies I made.

Q.—You studied his report?
A.—Certainly.

Q.—You were not interested to see when it was written?
A.—I did not note down the date.

Q.—It was written in 1890?
A.—Probably. (The report bears the date 1860.)

Q.—But you previously said it was in 1860 that Captain Prescott wrote his report and so you are wrong by 30 years.
A.—That does not matter.

Q.—Why does it not matter?
A.—Because I was tracing the history of land revenue and the State, when this assessment was raised bit by bit and I was comparing it with the original population. Therefore I did not mind when it was written but when the data are taken from comparative rate of population, then of course it has got certain historical value.

Q.—You were studying history?
A.—Yes.
Q.—Is not history concerned with dates?
A.—Rather, the stages.

Q.—In your opinion it does not matter very much whether what you have studied was written as a matter of fact 65 years ago and it does not matter if you compare populations without knowing the date factors, when they were written and so on?
A.—I believe that the persons who compiled those data must have taken all the factors into consideration.

Q.—If you want to compare the population of the present day you will want to know all the data of the population before the Great War?
A.—Yes.
Q.—When you want to compare populations in different periods you take as your datum figures for a certain year and then compare them with figures for another year?
A.—Yes.

Q.—So you took Captain Prescott's report to go by?
A.—Yes.

Q.—If I were to examine what were the populations on that particular date?
A.—Which date?

Q.—When Prescott wrote his report.
A.—Yes.
Q.—But you do not know the date.
A.—He has himself cited it.

Q.—Were you satisfied with the results of comparison of population today with Captain Prescott's time?
A.—That is what I am comparing.

Q.—Although you do not know the date when Captain Prescott wrote his report?
A.—That does not matter as he puts down that such was the population on a particular date in a particular year.

Q.—What year has he mentioned?
A.—When it was written I do not know, probably 1865.

Q.—You seem to hold the opinion that settlement officers have been rather hard on Gujarat as regards assessments which you say are heavy.
A.—It seems so.

Q.—Have they always put heavy assessments on Gujarat, have they never reduced assessments in Gujarat?
A.—In individual cases or villages they may have done so.

Q.—Is it in any settlement report?
A.—I do not know that but this is the result as a whole.

Q.—Have you read the settlement report on South Daskroi?
A.—Yes.
Q.—And yet you think that Government have not reduced assessment?
A.—Do you refer to Matar taluka?

Q.—You have read the report for South Daskroi?
A.—Because in that report Matar which is now in Kaira district was included in South Daskroi. The settlement officer said that it was not possible to increase the assessment even by a farthing as the population was falling away.

Q.—My point is that it was decreased there?
A.—I do admit that in certain cases they have decreased.

Q.—Then they are not quite as harsh as you would like us to believe?

A.—No, no. It is not a question whether they are harsh or not. I have complained not against the harshness of the settlement officers but against the policy of the Government, wherein he has complained that Government want him to increase the assessment and he cannot but do it.

Q.—That policy then does not quite seem to work because in the case of Daskroi South it failed?

A.—In that particular instance, yes. Government policy is always to increase.

Q.—Is it always to increase and never to decrease?

A.—To increase the revenue.

Q.—Always to increase assessment or revenue settlements?

A.—Total assessment. I am talking of revenue.

Q.—I can give you instances where Government has not increased?

A.—In individual cases.

Q.—I quite agree. Are you aware that for South Daskroi the Commissioner recommended a large reduction in assessment and that that proposal was sanctioned by Government?

A.—I have not read the Commissioner's proposals, but I have read the report of the settlement officer.

Q.—Are you aware that during the previous settlement Government, on account of the very hard seasons which it had to pass, made very large concessions by remission of fifty per cent. of the previous enhancements for 26 villages and for others still more?

A.—After Gujarat Satyagraha they reduced.

Q.—Fifty per cent. was reduced?

A.—Only remissions and suspensions.

Q.—Government actually remitted 50 per cent.

A.—Because Gujarat had passed through very very bad years. What was in the mind of Government I do not know but I know this much that it was reduced immediately after the Satyagraha was launched in Kaira district.

Q.—The year was so bad that when we took 33 years we found that in 11 of those 33 years the kharif fell unfortunately and in those years the rice also fell completely and in those 33 years they had only 10 good years. So Gujarat passed through very bad time. But do you remember that in the olden days Gujarat had a very good time so much so it was at one time stated that Gujarat according to legend had silver wheels on their bullock carts?

A.—It was Bhavnagar rather than Gujarat. It was because the agriculturists were very industrious.

Q.—Don't seasons rather work in cycles? Are we always to go through bad years?

A.—So far as my memory goes we have had very bad years.

Q.—And so your permanent settlement would be based on those good years of the American Civil War or the bad years you have just gone through. We may have again good cycles in your 100 years. There would it not happen like this, that even if there are good years and a long term of them Government would not be able to increase the assessment?

A.—My recommendation is that except for the expressed purpose of reducing it no revision of settlement should be allowed.

Q.—Heads I win, tails you lose?

A.—Quite right.

Q.—That means we shall have to wait for a hundred years before attempting any revision?

A.—Our experience is that almost every revision has brought on an increase generally.

Q.—Has South Daskroi got an increase?

A.—They are only a few villages I know. They are Kalambandi villages.

Q.—Don't you see there is that danger in permanent settlement?

A.—I do not think any.

Q.—A rupee a hundred years was worth much more than it is now?

A.—Some people argue that as the rupee has depreciated in value therefore the farmer must pay more rupees as tax now. In such a statement, depreciation of money means its cheapness in the market and it must be cause of the abundance of its supply to the people and the abundance may be due either (1) to the general prosperity of the community raising cost of living and therefore the costs of production or (2) to inflation of currency by various devices of Government. But .....

Q.—Say " Yes " or " No ".

A.—Money depreciates or appreciates according to the policy of Government.

Q.—If you had a servant who was receiving pay from you, say at the rate of Rs. 10 fifteen years ago, and he came to you and said " money has fallen in value ", would you raise his pay to Rs. 20 or you would not do so but ask him to read him that statement? Would he be satisfied with it?

A.—I am sure he would be satisfied if Government were to explain to him the reasons, *viz.*, the currency manipulation made by themselves.

Q.—If a Government clerk who used to get a pittance of fifteen rupees a month were to come to Government and say that as there has been depreciation in the purchasing power of the money all over the world he should get an increase of pay, then according to you Government could read him that statement and he would not want any more pay?

Q.—I would read my statement to the Finance Committee and not this committee where it would be irrelevant?

Q.—Do you know anything of the ancient history of England?

A.—No.

Q.—Do you know that there was a King named King Edward the First?

A.—I know.

Q.—Do you know that a penny then was worth five pounds?

A.—I do not know that.

Q.—It has gone down since?

A.—It has.

Q.—To take you to more domestic areas, what were you paying for wheat twenty years ago?

A.—Very much less than at present.

Q.—If the purchasing power of the rupee has gone down so much already and may still go down in the next hundred years and if the assessment now fixed is not to be revised during the next hundred years, how will it be possible for Government to manage its various departments of administration?

A.—My point is this, that the depreciation of money has absolutely nothing to do with the land assessment and if you want to have the reasons from me I am ready to give them to you.

Q.—If the rupee still depreciates further in the next 100 years you do not think that the ryot should pay anything more to Government by way of land assessment?

A.—No.

Q.—Don't you think that it will be impossible in that case for any Government to carry on the administration of the country?

A.—Government can raise other taxes.

Q.—You would make up the fall in land revenue by adding burdens on other articles?

A.—This is a matter for the Finance Committee to whom I am quite prepared to submit my views.

Q.—Would the other section of the population submit, without protest, to being compelled to bear a burden which in their opinion ought to fall on the agriculturists themselves on account of their light assessment?

A.—I think it is a wider question, the financial question.

Q.—I think it is a human question?

A.—But this is much more human to me.

Q.—Would you rather preserve the agriculturists at the risk of loss to the interests of the other classes of the population?

A.—Eighty per cent. of the population are agriculturists. They have the first claim to preservation.

Q.—You do not believe we should bear each other's burdens?

A.—The agriculturists do it most.

Q.—You mean the farmer, not the tenant?

A.—So far as the ryotwari tracts of land are concerned, almost all are holders and only a very small percentage is not tilling its own lands.

Q.—On account of these very arduous circumstances in Gujarat (which I am not disputing at all as I think they are entirely right) will Patidars reduce their rents to tenants to make their burden lighter?

A.—I could not say that.

Q.—Do you think they will?

A.—Many will, because they are on good relations—very good relations with their tenants.

Q.—As regards the question of sub-soil water, you consider that even though there are potentialities in land which could be taken advantage of by an agriculturist to irrigate his land, because he is poor and ignorant he should not learn how to work those potentialities up? You would like him to remain indifferent to those potentialities?

A.—I think it is a novel way of teaching him by taxation.

Q.—Are we not taught taxation by nature? When it is wet, don't we build houses to get out of the wet? When we feel cold don't we put on clothes?

A.—I should rather like to make them wise first and then to tax them?

Q.—You have an association?

A.—Yes.

Q.—Have you tried to go and teach these people how to improve their cultivation, how to go and use sub-soil water?

A.—My cultivators are not lazy, they are trying their best to make the two ends meet and still they are not able to do it.

Q.—Are they using sub-soil water?

A.—Yes, they are trying to, but I see a number of wells quite empty.

Q.—Because certain classes are lazy, are we to encourage their laziness or are we to stimulate those classes into action?

A.—I do not think by taxing a lazy man will be stimulated in Gujarat. I quite agree that if a man has got brains to understand he may be stimulated into action by better means.

Q.—Is the cultivator an industrious man who understands his job?

A.—So far as Gujarat goes, he is, and does understand his job.

Q.—Yet he will not use sub-soil water?

A.—He has got no means to do it with. To sink one well means an expenditure of Rs. 2,000 or more.

Q.—Rs. 2,000? Is not the soil soft in Gujarat?

A.—Yes, but we meet with all kinds.

Q.—What is the diameter of a well?

A.—Six to eight feet.

Q.—Why do you need Rs. 2,000 for a well of that diameter?

A.—Cement has to be used all round and unless that is done the well will not stand.

Q.—The average cost of sinking and building a well is Rs. 2,000?

A.—Yes, it may also be more than that sometimes.

Q.—You say you would compare assessment as a tax: something like the income tax?

A.—Yes.

Q.—The income tax is liable to be raised any year according to the exigencies of the State. You would therefore allow your land to be taxed every year, if necessary, according to the exigencies of the State?

A.—You must not leave it to the sweet will and pleasure of a troublesome tax officer who may say "I do not mind if you have no net profits you must pay so much". If net profits are once fixed, then on that the assessment should be based.

Q.—If assessment is a tax, you would make it liable to be raised every year?

A.—It would be a very great trouble both to officers and to the people concerned to find out net profits every year. The tax may be raised say by five per cent. of the net profits.

Q.—I am afraid that if land tax were to be as susceptible as income tax is to being raised arbitrarily by Government the people concerned might not relish it?

A.—Not arbitrarily by Government, the net profits must be fixed and on that condition I would say "Yes".

Q.—In income tax there are different grades. There is an assessment of six pies in the rupee, eight pies in the rupee next year, if necessary, just as in England income tax was raised considerably from 2 shillings in the pound of profit to 6*s*. 2*d*. per pound of profit.

A.—It won't be unfair.

Q.—You would not mind it if the land tax were to be raised or not as Government wished?

A.—I accept that as a principal standard and therefore if it is applied to me I cannot grudge it.

Q.—Don't you think that a 30 years' guarantee of not raising at all is better?

A.—It has not proved to be better.

Q.—You would not mind a shorter settlement? If 30 years is no good you would not mind ten?

A.—No, on this condition only that net profits should be ascertained.

Q.—Suppose for the first year we charge six pies in the rupee, and next year we need more money for education, sanitation, medical and other departments and in that case we may increase it to seven pies in the rupee?

A.—For all incomes over Rs. 2,000 agriculturists would then have no objection to do that.

Q.—That seems to me rather upsetting your whole plea for permanent settlement if there is to be a change in the tax every year?

A.—The change is not in the net profits; the proportion of the net profits ought to be determined by the legislature, that is my point; and if the legislature is to say "No, six pies is not enough, raise it to eight" then we are bound. If the net profits are ascertained once for all, then the proportion of that may be altered by legislation for the purposes of levying the tax.

Q.—Like income tax?

A.—Yes.

Q.—You can raise assessment from 6 to 7 or 8 pies and so on?

A.—On net profits which are permanently fixed. Then I will claim exemption also.

To Moulvi Rafiuddin Ahmad :—

Q.—What books have you read on Bolshevism?

A.—No books, but newspapers.

Q.—Have you studied something authoritative about Bolshevism?

A.—Nothing, but only the newspaper accounts.

Q.—Which cannot always be relied upon?

A.—That may or may not be so.

Q.—I suppose you know the history of land revenue in Gujarat?

A.—I cannot claim that knowledge.

Q.—Do you know what was the system of land revenue in the times of the Mahomedan Kings of Gujarat?

A.—I only know something of Toder Mull's system.

Q.—Those two are different systems?

A.—May be.

Q.—Toder Mull's system prevailed in Gujarat?

A.—It was a farming system in Gujarat.

Q.—Our present system can perhaps be called a better system than that?

A.—May be.

Q.—In the Gaekwar's territory is Toder Mull's system in force?

A.—They have copied the British system.

Q.—How would your system of permanent settlement harmonise, if land were to be legislated upon by the legislature because I am not aware of a single tax being permanently made by the legislature, it is always liable to change. If you once give power to the legislature and if you consider this as a land tax and not as rent, then it is always liable to be changed by the Legislative Council?

A.—Perhaps you have misunderstood my permanent system. Net profits are to be fixed once for all and on the basis of such permanently settled net profits the legislature levies its tax by fixing a proportion.

Q.—A general question. Do you or do you not know that the legislature has always power to change taxation?

A.—It has.

Q.—But if a system were permanently settled would you still wish the legislature to change it at its will?

A.—No. The net profits would be permanently settled definitely. The proportion only is left entirely to the legislature and its alteration would come within the powers of the legislature.

Q.—The net profits are a fixture for all time?

A.—Yes, that is what I mean.

Q.—Net profits would never change?

A.—So far as we are able to understand that is the only best thing to be done in the circumstances.

Q.—You know the permanent settlement of Bengal?

A.—I have heard of it.

Q.—Do you think that if your system as a whole were adopted the people of Gujarat would be satisfied?
A.—Yes.

Q.—People in the whole of Gujarat and not merely Kaira from which this representation comes?
A.—I think so as the representation holds good in the case of the whole country.

Q.—What position in your association does my friend Rao Saheb Desai occupy?
A.—He is a member of it.

Q.—Is he an officer of the association?
A.—No.

Q.—Was he consulted while drawing up this representation?
A.—All the people were called in for a meeting, a committee was formed and the whole committee was consulted and the principles were discussed and then it was drafted by me.

Q.—Was our friend present?
A.—Yes.

Q.—Then may I take it that these are the views of Rao Saheb Desai also?
A.—Not necessarily, these are the views of the committee.

Q.—He was present?
A.—Yes.

To Mr. R. G. Pradhan:—

Q.—At page 321, you want judicial control over assessment?
A.—Yes.

Q.—Do you remember the late Mr. Romesh Chunder Dutt made the same suggestion?
A.—I do.

Q.—And you approve of his view?
A.—Surely I do.

Q.—If you are asked to make a choice between a permanent settlement and considering land tax or assessment as income tax, which would you choose?
A.—I would choose the latter.

Q.—You would then have no objection to raising the land tax on the principles of income tax every year should the needs of the State demand it?
A.—My people are very patriotic, and they will not have any objection in times of urgent necessity.

Q.—You want an exemption up to Rs. 2,000?
A.—Assuredly I want, if I am put on the basis of income tax.

Q.—Would not the land revenue then be decreased?
A.—It would.

Q.—You do not mind that result?
A.—The first question is of my life, I must live first before I could pay the tax.

Q.—Do you hold that the whole fiscal system should be revised?
A.—I think so.

Q.—In case of loss resulting from principles of income tax being applied to land assessment, is it not possible to make good that loss from some other means?
A.—I think it is possible.

Q.—In case the exemption were allowed would not people be inclined to split up their lands so as to bring their agricultural income within the exempted limit?
A.—The holdings are already so small that they could not bear further breaking up.

Q.—I believe you speak for the whole of Gujarat?
A.—I speak for the association of the Kaira district particularly.

Q.—In Kaira district how many holdings bring a net profit of Rs. 2,000?
A.—Very few.

Q.—How many, could you mention any figure?
A.—I think very few.

Q.—How many instances are there in Kaira of lands which make more than Rs. 2,000 as net agricultural income?
A.—I do not believe a single holding does that.

Q.—If income tax principles are applied to Kaira, possibly there will be no land tax at all from Kaira?
A.—Certainly not.

Q.—But you don't mind that?

A.—I mind it and therefore my suggestion is different altogether. I suggested that net profits should be ascertained and items 1 and 2 on the debit side should be exempted and should be put down as cost of agriculture and then I would not have an exemption of Rs. 2,000. That is fair and justifiable.

Q.—Do you know by how much our present land revenue of five crores of rupees will be decreased by the application of your system and the principles of income tax?

A.—No.

Q.—Will it be decreased by half?

A.—I do not know.

Q.—If you find it is not a possible or a practicable proposition, then you would like to have a permanent settlement.

A.—So far as net profits are concerned, I would like a permanent settlement of them.

Q.—Do you know that some people think that in Bengal evils have resulted from permanent settlement?

A.—Opinions differ; though some may think that.

Q.—Do you know what the evil results are?

A.—Relations between landlords and tenants are not cordial.

Q.—Would not similar evil results follow here?

A.—No.

Q.—Mr. Mountford stated that lazy people ought to be stimulated by taxation. Is it possible to do so?

A.—Certainly not, in India at any rate.

Q.—Are there not much better and other different ways of stimulating lazy people?

A.—There are, educate them.

Q.—Does not Mr. Mountford's argument mean that because some people are lazy Government should take extra money from them?

A.—It does.

Q.—Is there not a general impression among the public that every settlement results in increase of assessment?

A.—Most assuredly yes.

Q.—It is a very wide-spread belief?

A.—It is the fact.

Q.—It is a universal belief?

A.—Yes. That is why people do not like revision settlements.

Q.—Why do you include Government assessment in the cost of cultivating?

A.—Because it is to go out of the pockets of the agriculturist. I have tried to exempt the 14th item because invariably it goes out of the second item.

Q.—Otherwise it comes to this, you do not want to include it.

A.—No, no, certainly not. I mean 1 to 13. I would not like to include it.

To Mr. A. W. W. Mackie:—

Q.—Reply 2. Do you think that reducing the assessment by half in Gujarat would make the position in Gujarat satisfactory?

A.—Upon the principle that we have accepted of net profits, I cannot be sure what might be the result of reduction. I am not sure what would be the result if the whole thing were to be worked out on the basis we have given but any reduction in Gujarat would be welcome.

Q.—You have discussed with the President this item of interest on the market value of the field assessed. Do you mean the purchase price of a particular time?

A.—What I mean is this, suppose you are ascertaining net profit now, you would take into consideration the purchase prices now.

Q.—And ten years hence if you want to ascertain net profit then you would take into account the purchase price of that time?

A.—Because our suggestion is that the net profits will be made permanent: no question of revising it after 10 years arises.

Q.—I want just to know whether you take into consideration a particular time, to know what the man gave for his land at some particular time.

A.—You can take it even after ten years.

Q.—If a man has no capital, he works for a living, he gets remuneration for his work.

A.—He must.

Q.—And suppose a man cannot work but has capital, he gets a return on his capital.

A.—Yes, on capital and his supervision.

Q.—I have taken the case of the man who has no capital but can work. He gets paid for his work his remuneration consisting of pay for his work. If a man cannot work but has capital, he gets a return on his capital.

A.—If he be a farmer invariably in Gujarat he also supervises, otherwise his man does the work.

Q.—I am not considering whether he is a farmer or not. I am simply considering the case where a man cannot work but has got money.

A.—Then you are right.

Q.—He gets interest on his capital.

A.—Yes.

Q.—For instance, a government servant may have capital and is able to work. He can invest his capital and gets a return on that and he works for Government and he gets his remuneration for that work by way of pay. It seems to me on reading your items that you seem to think that the farmer should get something more than that. You put down item 1, interest on purchase price, *i.e.*, on his capital; remuneration for his own supervision and organisation, that is for his work; and yet you expect him to get something else which you call net profits.

A.—Yes.

Q.—How is that?

A.—Remuneration for his own supervision and organisation is something like the wages for his labour.

Q.—And the interest on the purchase price of the land?

A.—That he has borrowed from the sowkar and purchased his field with it.

Q.—That seems to introduce a somewhat irrelevant complication. I should like to get your answer to my question.

A.—I will answer your question.

Q.—You seem to think that a man who puts his money into land and manages it, should get something more. You propose that he should get interest on purchase price, that is the return on his capital, remuneration for his own supervision and organisation which is his pay for his work, and then you want to give him something else which you call net profits. I do not understand that.

Q.—Is it something extra or not? He gets a return on his capital and pay for his work. This is something extra.

A.—Certainly, it is something extra.

Q.—And only on that something extra is the tax to be put?

A.—Yes.

Q.—Take the government servant again. He gets interest on his capital and remuneration for his work and the income tax goes on these two things, and he does not get the extra thing at all.

A.—No. This extra thing is mixed up in his salary.

Q.—In the farmer's case nothing is to be put on either of these two things, but only on this curious thing which you call " net profits " something of that is to be taken by Government.

A.—He, *viz.*, government servant or a merchant gets exemption up to Rs. 2,000 income. This exclusion is exempting from taxation his remuneration for supervision mixed up in his salary.

Q.—There again you are introducing something which is really irrelevant. The limit of exemption and the pitch of tax or what tax is to be put on, are all different matters.

A.—What I submit is this that these two items are to be quite apart from net profits, because in every occupation after paying for all working costs and interest on capital you get some profit. You may estimate all these regular charges and this net profit, which is in excess over these regular wages for supervision, etc., may be made taxable. In cases of others, the remuneration of their supervision and organisation is really excluded from taxation in this exemption limit.

Q.—Is ownership an indivisible entity?

A.—I think it may be made divisible. There is something in it which has the appearance of not being divisible also.

Q.—Do you think it is an indivisible entity?

A.—I cannot give a definite answer.

Q.—Please refer to part (*d*) of your reply to question 3, is the view of your association this that there is no fundamental and vital difference between agricultural profits and profits from other business, trades, manufactures or professions?

A.—My association wants that our agricultural profession should be treated like others and no distinction should be made whereas of course the distinction is made in assessing the agricultural profits.

Q.—May I infer from that, that the answer to my question is " No, my association does not consider that there is any vital and fundamental distinction between agricultural profit and the profits from other business, trades, manufactures and professions ".

A.—No, for the purpose of tax the association wish that they should be on a level.

Q.—On page 323 you give certain figures as regards Patidar farmers.

A.—Yes.

Q.—Are they typical of Gujarat?

A.—Of Kaira certainly, but of other districts I do not know.

Q.—This amount then is a clear loss to him.

A.—It is. If I were to consider item by item there is no net profit indeed.

Q.—From what you would advocate that he should pay his assessment?

A.—Out of the net profits only and not from the portion that he claims as first and second item.

Q.—There is no net profit in this case?

A.—Net profit there is none.

Q.—If this is typical, then there should be no assessment on rice lands in Kaira district?

A.—Certainly not. That is what I would say.

Q.—Suppose this assessment were abolished, would the position be satisfactory? Would every one be prosperous?

A.—He would be relieved by that much.

Q.—You are not sure even then whether he would be prosperous?

A.—There may be other things coming in, but so far as the relief is concerned, our contention is that Government ought to give us the first relief.

Q.—I have taken down a statement of yours that there is no other profession more paying than agriculture. Why then should the agriculturist get the first?

A.—I never made that statement.

Q.—When the President was asking you why the people were not going to other professions you made that statement.

A.—There being no other occupation, he had to stick to agriculture, not that agriculture was prosperous.

Q.—Can he not get any other occupation?

A.—He has got none and therefore out of necessity he has to stick to it.

Q.—There is agriculture and there are other industries which are not agricultural. If the pressure of people wanting work is greater in one than in the other, surely there will be migration from one to the other.

A.—Hypothetically there will be.

Q.—I quite agree with this statement. I think it is perfectly true that where as in Gujarat, the remuneration of the actual worker must stand to be levelled, he will certainly go from one to the other. Here is a case: this man must be just as well off as the industrial workers or any other workers. Why do you say his assessment should be abolished and that he should get that relief?

A.—Because it is a State and we have a first claim upon them when we cannot possibly bear its burden looking to the outturn of agriculture.

Q.—The assessment amounts to 1/20th of the gross produce. That is to say you tell me it is typical of the Kaira district. Therefore if the assessment were abolished, the average agricultural income in Kaira district would be raised by five per cent.?

A.—Yes, of course. But this gross produce is of a good year only, which is only one on an average of five or two in ten.

Q.—The average agricultural income would be raised by five per cent.?

A.—Yes; the agricultural savings in the hand of the rayats will be so increased.

To Sardar G. N. Mujumdar:—

Q.—Have you considered the conditions of inam villages while discussing this questionnaire?

A.—I have.

Q.—What is the proportion of inam villages to Government villages in Kaira district?

A.—In Kaira district I think there are only 2 or 3 inam villages.

Q.—Are there talukdars?

A.—Some.

Q.—You know their number?

A.—Not exactly.

Q.—Would you like to add one inamdars' representative to the advisory board?

A.—I have no objection.

To Mr. D. R. Patil :—

Q.—To Mr. Mackie you said something about the abolition of assessment. May I understand thereby that what you meant was this that the assessment should be based only on the net income and if it was a *minus* quantity then it must be abolished. Is that your view of the subject?

A.—Certainly. That is my view. It was his question and I said " Yes ".

Q.—Do you agree with me if I say that the general question before us is—what is our net income and what proportion out of it should be taken by Government? That is the relevant and most relevant question before us.

A.—That is the only question so far as I understand the whole case.

Q.—Would you kindly give us an idea of ascertaining net profits because I put you this question for the simple reason that it is the Government's argument that it is very difficult to ascertain net profits.

A.—To my mind it is not at all.

Q.—Kindly give us a clear idea of how to ascertain net profits.

A.—If the settlement officer is appointed for making settlements he goes to the village with a committee as I suggested and certain persons from that very village in the committee are co-opted. Those are the persons who are conversant with every number of the village and they would make groups of these numbers according to the fertility and their own knowledge and they would at once ascertain what the actual costs out of pocket are. Then it would be easy for the farmer who has to work as an independent labourer to claim so much for his labour and the items are at once put down with the consent of the committee and with their help the settlement officer will check them. For that group the net profits are at once made out so far as I understand and it will not take a long time and it will not be a difficult job.

Q.—Do you know the working of the model farms started by Government?

A.—I have no personal experience but from what I have heard I think they are working at a loss.

Q.—With their expert knowledge and expert instructions?

The Chairman :—That has nothing to do with this.

Q.—In the items of expenditure would you not like to add one more item, namely, saving margin? My own view is that the net income must be ascertained and the assessment should be based upon that. The agriculturist should be allowed to save something every year to provide for famine years or for bad years.

A.—I have already dealt with it. It ought to be done.

Q.—In fairness it ought to be done.

A.—I have put it down.

Q.—I think you are of the opinion that rentals do not represent the real economic profit and therefore are not a safe guide for basing assessment on.

A.—Quite so.

Q.—Will you agree with me if I say that rental does not represent real economic value but on the contrary it must be misleading and chimerical?

A.—I have said that because it includes so many circumstances and therefore my answer to your question is " Yes, I agree with you ".

Q.—You know the system of remissions and suspensions?

A.—A bit.

Q.—Don't you think that time has come that according to the results that obtain now suspensions should be done away with and that remissions should be given?

A.—That is the view of the farmers. Suspensions are more pressing upon them.

Q.—What are your grounds for saying that land assessment is tax and not rent?

A.—First, the land, ever since the days of Manu, has been considered to be a property of the people themselves.

Q.—Can you quote the name of any English officer who is of the opinion that the proprietorship of land is vested in the people and not in the Government?

A.—A suggestion was made from the Government of Bombay that the land assessment should be considered as rent but the Board of Directors from England said that it was wrong and it must be only a tax. Chief Justice Westropp in his judgment in the case " Venkat *versus* Government ".—12 Bom. H. C. R. at page 41 has quoted that dispatch and discussed the question at length and finally decided in favour of the view I take. I might read it to you if you like. See also, Baden Powell, Vol. I, at page 239 and in his smaller edition at page 215. His writings were under orders of Government.

To Rao Saheb D. P. Desai:—

Q.—Have you any instances to show in your district that the land revenue has absorbed the economic rent? Are you aware that in the talukas of Matar, Mehmedabad and Kapadvanj, when Government calculated in the year 1918, they found that the land revenue had not only absorbed the whole economic rent, but exceeded even the economic rent, and the owner was made to pay from his own pocket?

A.—Surely, I know of many instances in Mehmedabad and Matar Talukas.

Q.—Consequently, within the period of 30 years Government were compelled, that is after 25 years Government were compelled to reduce that assessment?

A.—Yes.

Q.—When they were compelled to reduce the assessment, do you know that they reduced it to a very, very small extent?

A.—Certainly, I know that.

Q.—Just to show to the world that Government not only increase the assessment but at the same time decrease it?

The Chairman:—That is an undeserving remark coming from an honourable member who is a member of the legislature.

Q.—Will you tell me when the first original settlements in your district were made? Was it by Captain Prescott about the year 1865?

A.—I think so.

Q.—Was it based on the top prices brought about by the American Civil War?

A.—Yes.

Q.—Didn't Captain Prescott complain that as the prices were high owing to the war he was compelled to make these high assessments?

A.—Yes.

Q.—Was it not contended that the high prices would be maintained and therefore these assessments would be maintained?

A.—That is the argument used by all officers.

Q.—Was it not shown in the Census Report that the whole country was a country of decay?

A.—Yes.

Q.—Do you think that a policy which allows a certain country to grow prosperous and at the same time to grow into decay, and waits till it has decayed is a successful policy?

A.—That should not be the policy of a good government at all.

Q.—A policy which waits till it has decayed, for a reduction of assessment, is it a successful policy?

A.—It is unthinkable.

Q.—Do you know that the Kaira patidar, in order to be free from this land bother, has migrated to East Africa?

A.—I know.

Q.—Do you also know that he has been stopped from entering there by the legislature in that country?

A.—Yes.

Q.—Do you know, at the same time, that the Government has stopped him from entering Government service?

A.—I know it.

Q.—So, he has only this land to fall back upon?

A.—I have reason to complain about it so far as Kaira is concerned.

Q.—Do you know he has no other business to fall back upon?

A.—Yes.

Q.—Do you know that Government has stopped him from entering Government service?

A.—Yes; it is like putting a ban upon improvement.

Q.—Do you also know that since migration is stopped, and at the same time Government service is stopped, he has nothing but the land to fall back upon?

A.—That is what I am saying all along.

Q.—Do you also know that he has been represented as the best cultivator in the whole Presidency?

A.—Throughout the reports of Government it is stated.

Q.—Do you know that the best cultivator population of the cultivating classes is decreasing from day to day?

A.—Yes.

Q.—Do you know that the Government complain about this decrease?

A.—Yes.

Q.—Can you approve of a policy which gradually murders or rather kills the most intelligent class of cultivator in the Presidency?

A.—No human being can.

Q.—You have suggested net profits as the basis of assessment. After all we are practical people, and we have to show to the Council some practical matters. Can you say on what crop it should be based? You know there are a thousand and one crops grown in your own district?

A.—On the staple only.

Q.—What are the crops in your district?

A.—Bajri is the staple.

Q.—Do you mean to say that net profits should not be based on any other special crops?

A.—No, because that would not be the standard.

Q.—Is it because staple crops would require additional capital and much improvement of lands?

A.—Yes.

Q.—You know that Mr. Pedder did the original settlement. Do you know that in the original settlement for Kaira Mr. Pedder has stated that the cultivators are the proprietors of their land?

A.—So far as that is concerned, I know it. Even during the time of the Marathas, it was so.

Q.—Have you read the works of Dr. Russel Wallace, the eminent sociologist of England?

A.—No.

Q.—You do not know the land theory he has advanced and advocated?

A.—No.

Q.—In your district Government claim this to be a very perfect system. Does not in your district the principle of caste assessment still prevail?

A.—Patidars are taxed because they are such good cultivators. A cooli owner of a neighbouring field is highly taxed. Man and not the land is taxed.

Q.—Is it not surely annhilating that community?

A.—What to speak of such a principle as that? It is taxing the man.

Q.—You gave it as your honest opinion that Government are bound to provide every man with work. Do you know that the countries of Europe and especially England are providing their population with work? Has our Government done that?

A.—It means our Government is not the English Government. That is all that I can say.

To The Chairman :—

Q.—Do you want us to believe that with people like Mr. Raojibhai Patel the condition is really going down?

A.—Out of a population of lakhs, if there are only a few such people, do you think it is prosperity? Because we realise that land cannot support us we have fled from it.

Rao Saheb D. P. Desai :—He is a Sardar.

Statements referred to at page 173 (translation).

Khalsa lands.

Number of fields or Survey Nos.	Area.	Assessment.	Village and Taluka.	Remarks.
	A. g.	Rs. a.		
3	15 12	81 14	Porda, Borsad	
30	115 11	489 11	Vatra ,,	
2	2 20	14 0	Singlao ,,	
1	4 34	19 0	Sabhasi ,,	

About thirty villages have submitted their statements. Even these have not filled in all the details asked for. Hence the names of 30 villages do not appear in the list for every detail. It is on this account that there are entries of four villages only in the case of this Taluka. The same remarks apply to Anand.

The lands were forfeited because in all the villages the arrears due to Government were not paid.

Khalsa lands.

Number of Survey Numbers or fields.	Area.	Assessment.	Village and Taluka.	Remarks.
	A. g.	Rs. a. p.		
95	222 20	.....	Kasar, Anand	Forfeited as the arrears for 1902 were not paid.
15	26 20	71 8 0	Khanpur, „	
13	22 19	78 8 0	Thamna „	
60	187 14	311 0 0	Sundalpur „	
64	115 39	466 0 0	Tarpara (near Bhalej)	
39	155 23	437 0 0	Dhuleta	

27th June 1925.

EXAMINATION OF MR. RAOJIBHAI B. PATEL, LATE DIRECTOR OF AGRICULTURE, BARODA.

To the Chairman :—

Q.—You are a landholder in Gujarat and for many years the Director of Agriculture in Baroda State. Baroda has no ban on the patidars of Kaira for service in the State?

A.—No. For the present without the ban the patidars are out of it.

Q.—Who is the Naib Dewan of Baroda?

A.—He got into service 30 years ago, and there is nobody following him.

Q.—You ought to know something about the Baroda system; we would like to have some analogous system. Is it practically like that of Bombay?

A.—It is based on the Bombay system.

Q.—Any alterations?

A.—No material alteration, except the difference in the mental view of the officers. When we started, we started first with Mr. Elliot, the Maharaja's tutor. He worked upon the Bombay system and he started the just settlements. Then came officers from the Bombay Department after him. Mr. Elliot had an idea that the Government should get a good bit. In fact, the present position is that practically the system is the same. The system of compiling reports is also the same; but the difference lies in this, that while the British officers, some of them although they may have an idea that Government wants an increase at every revision, would look into the conditions if they thought that there should not be an increase. Some at least would fight for it. We have got very few of that view. That is the only difference. Otherwise, the thing is the same.

Q.—You think here they are a little more sympathetic than in Baroda?

A.—Not more sympathetic, but they have more character.

Q.—The idea is to bring more money than here. Before the settlement by Elliot what was the state of the agriculturist? Did the Elliot settlement give them any rights which they did not possess? Before that was the land alienable?

A.—Yes, but in some portions where it was only latterly given, the worst lands were latterly given on practically no tenure. In the middle time, after the division with the Peshwa or the British, between that time and further time in certain districts, in the Navsari district.

Q.—What about the Kathiawar parts?

A.—It is part of the old Girasia system. The Government takes *varo* or tax and the Girasia takes vaje or bhag. When the Girasia was removed by the Sarkar in Amreli, Panch Mahals, it was like that.

Q.—The land belonged to the Girasia? So that, the land did not belong to the cultivator in Kathiawar?

A.—No.

Q.—In Navsari what was the condition?

A.—It did, except the Rani Mahals. The thing is that where the land was already occupied it belonged to the people.

Q.—Could they sell it?

A.—Yes, sell, mortgage, or even give it in *dan*.

They gave the land for service also. After this new ideas came in. When waste lands were occupied they were not tenants at will, but they could not part with the land in some parts. They were occupants without the right of transfer, so to speak.

Q.—Can you tell us what is the incidence of assessment in the neighbouring villages to British India? Would it be higher?

A.—The Baroda assessment will be higher.

Q.—Do people come from Baroda to British India on account of the higher assessment in Baroda?

A.—They used to. They do not do it now, because there is no chance anywhere now.

Q.—Has the population in the towns surrounding, for instance Kaira, Surat and Bulsar gone down on account of the pressure of assessments?

A.—On the Kaira side it has; on the Navsari side it has not.

Q.—In Navsari it is higher?

A.—Yes, but nature is much more bountiful, and there has been a rise in the prices of cotton, which is their staple crop.

Q.—What is your staple crop?

A.—In the Kaira district, the export crop, what might be called revenue paying crop is not cotton; only 7 per cent. or so is cotton. In Navsari it is over 50 per cent. Tobacco is the revenue paying crop, and to some extent cotton now. The garden crops are vegetables and that sort of thing. Those are the revenue paying crops. Before that, opium was the revenue paying crop. The ordinary staple is bajri.

Q.—You say in reply to question 1 that it should be assessment of the land tax. I have not been able to follow. Will you please explain?

A.—The settlement officer is assessing or settling not the land revenue. It is called land revenue. I differ from it. It is not land revenue, but it is land tax that is being assessed.

Q.—You refer to some Indian sale deeds in which the formula you mention was included.

A.—Not some, but all. That is the settled formula.

Q.—Does it include these two words '*Akash Patal*'?

A.—Yes; *Akash Patal Sameth.*

Q.—That does not mean the power of permanent occupation?

A.—Power over minerals even.

Q.—But so long as a man is in possession?

A.—"Do what you like with it". That is also in it.

Q.—Take the inam villages. Has not the State a right to charge any quit rent it likes in Baroda?

A.—In inam villages in the Baroda area, the thing is this: when the inam was given for some service or something or other.....

Q.—Who gave?

A.—The State.

Q.—The State is the owner. Nobody can give anything which does not belong to him.

A.—The present idea is that the State gave him so much revenue, and if he is getting more the State wants a share of it. That is the present policy about treating inamdars.

Q.—To whom does the right of reversion belong as regards alienated land? The State?

A.—I suppose so. It must be to the State. If I die to-morrow and I have a factory, it must revert to the State if there is no legal heir.

Q.—You say "Until the principle of taxing property of all kinds is established the taxation on land should not be based on land values". It should not be taken into consideration as a factor in assessments?

A.—Section 107 says that for non-agricultural land, the value will be considered and for agricultural land the profits of agriculture. But on account of its not being quite clear, the settlement officer considers both the value and the profits for agricultural land. He taxes property as well as profits.

Q.—I think there is some misunderstanding. The settlement officer takes that factor into consideration to enable him to arrive at a correct rental value.

A.—He considers different items, and for what purpose it is I will tell you according to my experience.

Q.—Possibly you did it in that way in Baroda.

A.—Take any settlement report of yours, and without exception you will find it this way: the supposed basis are the profits of agriculture; of course he can never calculate net values or even gross averages, it is impossible. I have myself conducted crop experiments for 10 years and they have been given up. Whatever the rule says, this rule is simply never practised. He takes one thing as a guide for the profits of agriculture, and that is prices.

Q.—And rental values?

A.—Yes. Then he forgets the expenditure side. Probably he assumes that just as the prices have increased, the labour charges have increased in proportion. That is his assumption. Now, I would invite attention to the Labour Bureau's book. They have shown the rise in prices as well as the rise in the cost of labour. Those two things are for the profits of agriculture. If during the last revision the prices were higher a percentage is added.

Q.—You did this in Baroda?

A.—Everywhere the same methods are followed. Our reports are the same.

Q.—Did you go to Mysore to study the system there?

A.—No, I could not. Practically the method is the same. There is very little difference. That is the rough method by which the comparative profits during the two periods are ascertained. Then the other thing is the economic condition of the population, and although it is not mentioned here, that is looked into. For that

the increase in the price of land is taken into consideration, the number of cattle, the number of ploughs and that sort of thing, and the officer would take a round of the villages and get an impression of the condition of the people, by the number of new houses built and things of that sort. There is no question of agricultural prosperity or prosperity for any other reasons. Generally, the condition of the people, their ability to pay is considered. That is the thing that is looked into. Then he arrives at some idea whether from these factors the taluka may be expected to bear a little more burden or not. That is how it is done. So that, I say this rule is nowhere. In that connection it is also seen whether during previous settlement they have been able to pay without coercive measures, how many coercive measures had to be adopted, and whether it has pressed heavily on them. Of course they do not consider whether the man sold his standing crop in order to meet the assessment without waiting for a realisation of good prices. He cannot, and he does not consider it.

Q.—Don't you think all these factors are worth considering? All these factors will give him an index?

A.—An index of what should be taken. If you read the reports you will find it. The difficulty for the Bombay Presidency agriculturist has been this. When the Government took up the work, they found certain burdens on the people. What the Marathas did was that they took the customary land tax, and when they wanted more money they said " For a certain thing we take so much, and for certain other things we take so much ". They went on taking these *babats*. They did not interfere with the land assessment. There have been instances which show that when something happened and they wanted more money, a new *babat* was placed on the people. But supposing a war tax was put on the people, it was continued whether there was war or not. When the British Government took it up, they added the whole thing, they added up all the taxes and said " This is the burden on you at present, and we will take a little more or less ". On that basis they distributed the burden fairly according to their lights over the people, and the process is being continued.

Q.—In your reply to question No. 7 you say " The nearest approach to the rental value of unimproved land can be arrived at by taking the actual rents on lands on the borders of village sims ". What are village sims?

A.—Marginal lands.

Q.—In your reply 7 (2) you say " The small landholders of the Presidency and of Gujarat especially, in order to eke out a living from rents, take in hand portions of their holdings in rotation, improve the land by levelling, filling, bunding, etc." What does it usually cost?

A.—My father used to do it. It will cost about Rs. 200 an acre.

Q.—In your reply to question 14 you say " the rates have been pitched so high that revision, if any, should now aim at a reduction ". Do you think that a reduction is absolutely necessary?

A.—Yes.

Q.—You say no periodical revisions are necessary. You want only one revision on the principles you have stated. Thereafter, even if there are large profits, that profit should go to the individual cultivator and not to the general taxpayer; is that your idea?

A.—Up to a few years ago, the main source of revenue to the State was land tax. The State expenses have increased, and more money is wanted. The assessments have been pitched high. Now the time has come when Government have got other sources of revenue. What I say, is, do not tinker with the land tax afterwards, but with the general prosperity, Government must take something. The best way would be to make agricultural incomes which have up to now been exempt from income tax liable to income tax, so that the Government will get something more according to the prosperity in agriculture.

Q.—With regard to your reply to question 18, have you any specific instances of the breaking of the law?

A.—Invariably it is broken. Your law is section 107. Now, there is a proviso, and every time it is broken, because it means individual enquiry.

Q.—It may not be worked up to?

A.—Of course the original idea is that it should be given credit for, while actually, apart from other things, it has not been taken into consideration at all practically in all the settlements. It is really impossible.

To Mr. G. W. Hatch :—

Q.—I take it from the reply you gave to the Chairman just now that, boiled down in a few words, it comes to this: the criterion which is adopted by settlement officers in making their proposals for enhancement is the ability of the ryot to pay?

A.—Yes.

Q.—You make the suggestion that agricultural income may be made liable to income tax?

A.—Only if you fix up the land tax permanently.

Q.—Do you think it is likely to be popular?

A.—If you make the land tax permanent, it will be just to everybody and to the State also. If you bring the land tax to a proper level and make it permanent, then the agricultural income may be taken just like other incomes.

Q.—Do you think it will be agreeable?

A.—It may not be agreeable to start with.

Q.—You do not think it will create any ill-feeling?

A.—When you give me the *Laddus* and do not give me the little vegetables, I do not mind.

To Rao Saheb D. P. Desai:—

Q.—In the division that took place between the Peshwa and the Gaikwad did the best portion go to the Gaikwad?

A.—Naturally; because the landholders of Baroda were on the committee, and they had a leaning towards their own side. Supposing there were two villages, the revenue of which was equal, if they knew that the people of one village were more industrious than in other, it was given to the Gaikwad.

Q.—Were the survey officers that went to Baroda second-rate and third-rate officers of the British Government?

A.—I cannot tell you the rate, but there were several with whom I worked as a young officer. I was in training in different departments.

Q.—Is it true that they were second and third rate officers as mentioned in our reports?

A.—The report is correct.

Q.—You say you grew opium?

A.—Yes.

Q.—Government prevented you from growing opium?

A.—Yes.

Q.—Then you took to tobacco?

A.—Yes.

Q.—In the Kaira district tobacco is grown in about 26,000 acres out of a total of 8,70,000 acres?

A.—Yes. There is also another thing, that if you take the period of 30 years ago, before the great famine, and the present time, you will find that the total acreage of tobacco is less to-day than it was then, because it does not pay as it used to before.

Q.—Do you know that tobacco requires a large amount of capital and improvements for generations?

A.—Yes. In fact, the expenditure portion so far as tobacco is concerned has increased much more in proportion than the return. Therefore, the crop that was at one time a really paying crop is now on the margin.

Q.—Therefore, you cannot base assessments on such a small crop?

A.—No.

Q.—Have you read the report that in the Nadiad and Borsad talukas, as the people were growing tobacco, the assessment was increased?

A.—Yes.

Q.—Does it come under this section to levy assessments on particular staple crops for which people spend a lot of capital?

A.—I have said that the section is always broken.

Q.—They take an economic survey of a particular tract before they arrive at their maximum rate of assessment, and before they decide whether they should increase it to the maximum rate. An economic survey, so to say, a birds-eye-view is taken. May I know in your village how many rupees come from East Africa?

A.—Plenty of money is coming. You may see some big buildings being built. Of course the settlement officer may think that the people are prospering. It is only a few who bring money from outside. They are prosperous. They have practically no land, and those who stick to the land suffer—the short man for going with his tall neighbour.

Q.—In your individual case, what do you receive as rent and what have you to pay to Government in British territory?

A.—It is a peculiar case. So far as my land in Borsad taluka is concerned, the assessment is Rs. 125, and I do not cultivate it; it is rented out. I have to make up about Rs. 18 a year and my father used to pay Rs. 12. I do not know how much my grandfather used to pay from his pocket. I advised my father to give up that land when I was young. He said that he got it from his father and

grandfather and therefore would not give it up, but that when my time came I might do so. The first year after my father died I did not pay. I was served with a notice, and I said I would leave it to my son when he is grown up to give up the land if he wanted. I continue to hold the land in spite of the loss.

Q.—It has absorbed the economic rent?

A.—It has absorbed the income from outside also.

Q.—You have suggested that when once the permanent assessment is fixed, agricultural incomes should be taxed. May I know whether it is a sound principle of law to tax a man double?

A.—Land has been considered at least a peculiar property. Originally it was national property. Then, anybody would take the land, clear it and become proprietors. When the new governments came in, the waste lands which were vested in Government were being assigned on any tenure. I take it this way: Every man born on the land in the country has a right to live by the land, and as I, even by my own labour, have taken this land and am living on it as proprietor, I must pay something simply because I live on the land and deprive somebody of his share of living on the land. That is my theory, and therefore what I say is that the holder of land—call him proprietor or anything else—must pay land tax. That is one thing. The other thing is that all people in all occupations who are making incomes should pay. If you go on tinkering with the land tax every 20 or 30 or 100 years, increase it and decrease it and go on like that then you have no business —you take his income, profits, everything into consideration—you have no business to saddle him with any other tax. But immediately you accept my principle and fix up the land tax once for all, then his income after that should be liable to income tax just like any other income.

Q.—Would you, in that case, exempt agricultural incomes up to Rs. 2,000?

A.—Up to the same standard or any other standard that you may fix for income tax. If in the case of income tax the exemption is for Rs. 100 only, it should be the same for agricultural incomes also.

To Mr. D. R. Patil:—

Q.—You say " Rise or fall in land values can be ascertained from the registration of deeds but the instructions of Government regarding the ascertainment of profits have never been followed by settlement officers, and they are wise in not doing so ". Are you of opinion that if they did inquire into the net profits, the net profits would be a minus quantity and the assessment would be nil?

A.—I think so.

Q.—You think, in the interests of the agriculturists, net profits should be necessarily taken into consideration but they are not taken into consideration?

A.—Even if you settle that net profits alone should be taken into consideration or along with other things, the net profits are unascertainable. I will tell you why. There is the land first; there is the cultivator, there is the financial arrangement, and ability, and labour. Supposing there are two brothers who divide one field equally.....

Q.—I do not want that. Is it not necessary, in the interest of the agriculturist that net profit should be ascertained, and is it not a fact that these officers do not ascertain it?

A.—That is why I say, where is the use of fixing an impossibility? and even after all that, it varies so much; it has nothing to do with the land. On the same piece of land two brothers with their intelligence will produce different profits. If one of them has the facility of getting money exactly when it is wanted for agricultural operations, he will get more profits. If a man has got a good servant, he will get more profits. Then there as so many, a thousand and one crops. Considering all this how can you arrive at the net profit?

Q.—I am surprised to hear this answer from you because you say in your replies that the settlement officers are wise not to ascertain net profits, because if they did, the net profits would be a minus quantity and the assessment would be nil. What is the propriety of making such a statement then in your replies?

A.—I will tell you that. Probably 30 or more than 30 years ago the newly created Agricultural Department used to ascertain what they called the incidence of jamabandi, and they used to put it in a report. But they had crop experiments also and tried to come to some conclusion about the net profits. Of course their results could not be exactly correct, but comparatively they used to do it. When these were published, some of your predecessors took hold of that information and hammered Government.

Q.—May I request you to be short?

The Chairman: I object to it.

A.—The members of the old legislature did that, and those reports were stopped. When I say " they are wise in not doing so ". I have put in ironically. If they did, there would be nothing left.

Q.—I think you are of opinion that if we look to the present state of things, and if we take into consideration the expenses that are required for cultivation, the net income would be a *minus* quantity.

A.—Quite right.

Q.—If you admit it, then naturally the conclusion is that there is not the least room for a further increase in the assessment?

A.—I say there is room for a decrease, and there is necessity for it.

Q.—So far as the present state of things is concerned, do you admit that the rental value shows neither the increased productivity of land nor the prosperity of the agriculturist?

A.—Yes.

Q.—Do you further admit that rental value is merely a matter regulated by extraneous causes such as the increase in population of cultivators, the want of sufficient cultivable land, an acute demand for it and the keen struggle and competition for existence?

A.—Excepting the word ' merely ' I agree.

Q.—Would you like to use the word ' generally '?

A.—You may say generally. There is net value of land, what I call net rental value. There is higher rental value owing to extraneous causes.

Q.—Is your rental value practically a synonymous term for net income?

A.—No. What I say is this: If Government are to exempt improvements and all that, if you want a real and just basis, you should have ascertained the rental value of unimproved land. How to do it is the question. The rental value of unimproved land is the real basis which is fair, whether you call the Government or the cultivator the proprietor. The just basis would be the rental value of unimproved land.

Q.—Even if your basis is accepted, do you think net income would be a minus quantity?

A.—You may call it net income if you like. I hold land and I rent it out. The rent that I receive is my income. You may take that income. Supposing I get Rs. 10 for an acre. On account of the extraneous causes, that should be reduced, and my own improvements also must go out of it. That is what I say is the rent value for unimproved land in the locality. It may come to Rs. 3, 5 or 7. I would say take that as the basis. Now, I suggest that the nearest approach to it—of course it is vitiated to some extent—but the nearest approach to this would be the actual rentals on marginal lands in a village, because nobody covets them and the improvements also are the least there. You may take the actuals of that and make any allowance that you may like about other things. You may have a local committee for that purpose with the president of the district board, and let them fix it. On that rental then you may settle the percentage, 20 or 50 according to the economic condition of the people for different talukas. On that basis do it once.

Q.—The present rental value which is taken as one of the factors into consideration by the settlement officers at the time of revision is not a safe guide?

A.—No.

To Sardar G. N. Mujumdar:—

Q.—Is the inamdar owner of the soil in his inam village?

A.—He is supposed to be, by the Government also, I think. Even under present conditions he is taken to be so by Government.

Q.—What is your view?

A.—He takes the place of the Government, because Government gave him the inam.

Q.—A reference was made by the Chairman to the fact that in the case of a tenant in an inam village dying without heir his property reverts to the State.

A.—Not inam villages. If the inamdar dies without heir the whole thing goes back to the Government.

Q.—When there is an inamdar, and if any of his tenants dies without an heir, to whom would the land revert?

A.—My idea is that it should revert to the inamdar.

Q.—In reply to question No. 17, you say that you favour the idea of a standing committee. Would you like to have a representative of the inamdars on the committee?

A.—Why not? No objection. He will be a fifth wheel in the coach.

To Mr. A. W. W. Mackie :—

Q.—You say that the practice of enquiring into the case of each individual holding is a dead letter. What sort of enquiry, do you mean, is made?

A.—As I said, the general statistics are obtained, and a general view of the economic condition taken, and then the pitch of assessment is fixed.

Q.—Would it satisfy you when the settlement officer went to inquire into the rental value, if he went into the village and took up each rental value in turn and enquired of the tenant and the landlord whether there were any monetary transactions previously between them which might have introduced an element of interest into the rent and enquired whether there is any relationship between them which might affect the rent, and enquired into any circumstance which might render the rent not entirely genuine—the economic rent for the tract—and he enquired also whether the tenant or the landlord had made all these improvements, and he left out of account all cases which might have been vitiated by extraneous considerations, and accepted the remainder which were without flaw? Would you accept such a rental value as the basis?

A.—The rental value is wanted; whether it is comparative between the previous settlement and the present or whether there is a rise or a fall.....

Q.—We want to know the present rental value expressed in terms of the present assessment.

A.—Without any reference to increase or decrease? Then it is no use for the settlement officer, because the fields are different. There are certain people who always rent out their land and in every village you will find certain survey numbers which have been rented out for 30 years together, and if he takes up those survey numbers and sees what was the rent before and what it is now and compares the two, then probably he will be able to come to a just estimate.

Q.—You consider that the number of times that the rent is of the assessment, say 6, 10 or 20, gives no guide at all as to what assessment should be put on the land?

A.—No.

Q.—It is only a matter of increase?

A.—Yes.

Q.—There are neighbouring villages and different crops and in one of them rent is ten times the assessment and the other is five times the assessment. You cannot prove any increase in rents in either of the villages. You say you must still keep the one ten times the assessment and the other five times the assessment.

A.—You have to look to the particular fields. A typical field may not fetch Rs. 30 an acre in the ordinary way. If you take only bajri land in Gujarat or jowari land in other districts—which are the staple crops there—and take the rent value, then it may be all right, then it may be not ten times or two times or even less but taking only a village with two thousand survey numbers, twenty of which are rented out, then rent may be ten times the assessment.

To Mr. L. J. Mountford :—

Q.—You advocate that assessment should be reduced.

A.—Yes.

Q.—Has prosperity declined?

A.—Yes.

Q.—Of which class has the prosperity declined? You have got landlords, tenants and labourers.

A.—Really speaking, excepting the inamdars and big talukdars, there are very few landlords, the percentage of land under them is extremely small. Of course you call them landlords. I must also be called a landlord because I do not cultivate.

Q.—I am only asking of which classes has the prosperity declined?

A.—The cultivating classes, the agriculturists.

Q.—There are owners, tenants, field labourers. Has the prosperity of all the classes declined?

A.—No, not labourers.

To Moulvi Rafiuddin Ahmad :—

Q.—You say you have been a Director of Agriculture. Are revenue officers and settlement officers suspected alike?

A.—I have not been a settlement officer.

Q.—Are settlement officers in Native States suspected in the same way as the settlement officers are suspected in British India?

A.—I said so, it is worse with us.

27th June 1925.

EXAMINATION OF MR. AMBALAL K. PATEL, GIRAS ASSISTANT, BARODA STATE.

To Rao Saheb D. P. Desai:—

Q.—You were called to answer certain questions in regard to the ownership and proprietorship of the land. Are you aware that in your part of the territory at the time when the first settlement was made the British Government levied assessment in lump?

A.—Before British Government it was levied in lump.

Q.—And all the cesses and everything were given by the former Governments to the village communities.

A.—Yes.

Q.—What are your authorities for this statement, whether anybody has referred to these statements?

A.—It is still paid in lump in narwadari and anthada-dari villages and in bhagdari villages it is fixed in lump for the whole village.

Q.—So the present assumption by the State that the property in land belongs to Government is founded on no previous precedent.

A.—That assumption by the State is wrong and incorrect. I can prove that land from the olden times was considered to belong to the people who held it. There was a time when there was more land and less population. In the beginning everybody was free to occupy as much land as possible, *i.e.*, as much as he liked. Before 100 years there was no paucity of land but paucity of hands and they were (everybody was) at liberty to clear a jungle and appropriate land and pay the tax which was levied on other persons following other trades and occupations.

Q.—And the assessment, as you say, was levied in lump for the whole village without making any difference between bagayat and kiari and all kinds of lands because these improvements were not taxed at the time.

A.—That is so.

Q.—That is, the improvements were allowed to the individual man who improved them?

A.—Yes.

Q.—You have no experience of our British system of land revenue?

A.—I have read much about it.

Q.—May I know whether the land revenue policy in your part of the territory, that is in the Kaira district and round about, is being considered by the people to have been adopted simply for increasing the assessments? That is the general impression.

A.—Not only the impression but generally the case.

Q.—Do you know what percentage of the net income the revenue is being taken?

A.—The whole of it, perhaps.

Q.—The whole of the economic rent has been absorbed?

A.—Not only the rent but part of the man's labour and capital.

Q.—Have you seen any of our settlement reports?

A.—Yes, I have read original ones.

Q.—Have you come across reports for Borsad, Nadiad? In them there is a statement " incidence of the tax to the rent.....to the rent ". Do you know that the impression created on the minds of the people is this that only those leases are selected always in which the amount mentioned is more than the land tax?

A.—Yes.

Q.—That the leases in which the land tax exceeds the rent are specifically left out?

A.—Yes. That is the general impression.

Q.—Do you know of cases in Mehmadabad and Matar talukas, when the whole villages were taken into consideration, the average land tax absorbed the whole of the rental value or 70 to 80 per cent.?

A.—The whole rental value plus something more.

Q.—Are you in favour of adopting the policy of basing land revenue on net profits?

A.—Yes, provided you tax the net profits of the agriculturists to the same extent as you tax the net profits of other people, that is, those persons engaged in other occupations and industries. If the percentage you take is 100 or 90 of the agriculturists and only $1\frac{1}{2}$ per cent. of persons in other occupations, then it is unjust. Barring that even, if you think that net profits should be charged without consideration of taxing other people, still I would like it. There is no net profit in the cultivation of land.

Q.—Have you any other remarks to offer in this connection either on land revenue policy or the method of arriving at assessments?

A.—At present the settlement of land revenue for the whole of Presidency on an average is about 25 to 40 per cent. of the rental value.

Q.—That is fictitious rental value, not rental value of the land. Do you accept the theory of taxation to the extent of fifty per cent. of the rental value?

A.—No.

Q.—Why?

A.—The first reason is this that it is not possible to arrive at correct rental value of land by itself which is a factor of diminishing return. Next, if you charge only 1½ per cent. the profits of other persons, that is persons in other trades, why should you charge fifty per cent. from poor cultivators? Here the land is national property, even now it is national property.

Q.—By "National" you mean "Government property"?

A.—No. Everybody was free in the beginning up to a certain time to appropriate as much land as possible. It was not in the hands of a few persons who conquered the land but it was in the hands of persons who have put their own capital and labour on land which was clear jungle. When my forefathers cleared the jungle, braved tigers and other wild beasts and underwent every sort of danger and then appropriated a certain amount of land and some other people's forefathers or some other people took to trade and amassed a lot of wealth, why should the business man be charged only 1½ per cent. and why should I be charged fifty per cent.?

Q.—Have you read about the effect of currency policy on our land assessment? That point has been touched by the President. Do you know that in 1893 when the first revision settlements came out the mints were not closed?

A.—Up to 1893 they were not closed.

Q.—After that they were closed?

A.—Simply to indirectly raise the land revenue.

Q.—To what extent it increased the land revenue?

A.—Perhaps at the official rule it was doubled, I have not exactly calculated.

Q.—I think it was about twenty per cent.

A.—It was more than that, within the last two years it has risen more than that.

Q.—Do you know at the time when mints were closed the pound was worth eighteen rupees?

A.—Yes.

Q.—And after the closure of the mints the pound was worth 15 rupees?

A.—Yes.

Q.—Between 18 and 15 what is the percentage that you work out?

A.—That will come to 20 but I do not take eighteen to be the exact figure, it would have been more had the mints not been closed and it would have gone higher up.

A.—And so you think that the assessments were automatically increased by the closure of the mints?

A.—Yes.

Q.—Subsequently and even now the pound is worth thirteen rupees?

A.—Yes.

Q.—And you think the assessments are still increased?

A.—Yes.

Q.—Now going the other way about, have you any reason to believe that the crop which the cultivator grows is actually decreasing in value by this policy to that extent?

A.—By all means.

Q.—If assessment increases, then automatically the cultivator's debts also increase.

A.—He has not only to pay more Government assessment but also more to his creditors and bankers.

Q.—And at the same time his produce fetches less?

A.—Yes.

Q.—What previously brought him eighteen rupees now brings him thirteen rupees?

A.—Yes.

Q.—What is the percentage of this loss?

A.—I have not calculated.

Q.—The difference is 5 between 18 and 13. I am talking of revenue revision settlements. From the date when the revised rates and assessment were levied in the years 1893 till now, in 1893 a pound was worth 18 rupees and not only now the assessments were raised but immediately after the mints were closed. The pound now is worth 13 rupees and that is why I say that over and above the increases in the assessments.....

A.—It would come to more than 35 per cent.

Q.—So 35 per cent. has been automatically increased by the manipulations in currency?

A.—Yes.

To Mr. D. R. Patil:—

Q.—I believe you have stated in reply to a question put by Rao Saheb Desai that the assessment should be based upon the net income from agriculture.

A.—Net profit.

Q.—Do you think it is very difficult to ascertain net profits?

A.—Certainly not. If we can ascertain profits from other occupations, why not from the agricultural industry?

Q.—I believe you are in favour of permanent settlement?

A.—Provided it is just, that is, not at the present rate.

Q.—You mean to say that unless assessment is decreased the permanent settlement would not be just?

A.—Yes.

Q.—Do you know anything about Akasia, the sky water tax?

A.—Yes.

Q.—Is that in force in Gujarat?

A.—Yes.

Q.—Don't you think that when God made the sky that seems so fair it is not fair on the part of Government to tax sky water?

A.—I am opposed to the whole of the present policy of land revenue settlement, and this Akasia settlement I consider to be most unjust.

To Mr. A. W. W. Mackie:—

Q.—What is ownership?

A.—Just the same thing as ownership of houses, ownership of stables, etc.

Q.—What is ownership of houses?

A.—The owner can deal with the property as he likes subject to legislation.

Q.—A man can deal with his property as he likes subject to legislation. Is ownership divisible?

A.—May be. Yes. It is.

Q.—Into how many parts can you divide ownership?

A.—It depends on what you like.

Q.—Is the mortgagee with possession an owner?

A.—For a time he has all the rights of an owner.

Q.—Is he an owner?

A.—For a time he is the owner practically.

Q.—You spoke about cases in which assessment absorbed the rental value plus something more? How did you know that?

A.—If you put down what labour which he and his forefathers have expended on bringing the land to its present condition, if you take into consideration the personal labour the man has to put into the land in order to produce, the crops plus the expenses on interest he has to pay for the capital he spends on it, if you deduct all these things then you will find that he does not get sufficient remuneration for the labour he puts in.

Q.—Neither absolutely nor relatively?

A.—Neither in proportion to the wages which other people receive from other occupations, nor by itself.

Q.—You state that as a general abstract proposition, the truth of which is evident?

A.—That truth can be proved.

Q.—How do you know that the assessment absorbs the rental value plus something more?

A.—Because I possess land in Mehmadabad taluka and I have also enquired of other people and found it to be so.

Q.—What did you find?

A.—I found that I had got some 200 acres of land in Mehmadabad five years back. I have paid nothing for it, *i.e.*, I have not put in capital for occupancy right. Still I had to spend Rs. 5,000 after it and I do not get even sufficient to pay Government revenue. What I have to pay has got to be paid from my own pocket.

Q.—To whom does unoccupied land belong?

A.—To the Government or the nation, *i.e.*, to whom all the lapses go.

Q.—To whom does unoccupied land belong?

A.—To the Government.

Q.—What proportion of the land do you imagine has been at one time unoccupied?

A.—Before or after the advent of the British Government?

Q.—Since the advent of the British Government.

A.—In the beginning it was a large part in certain tracts while in others there was very little.

Q.—So that all that unoccupied land, even according to your theory, belonged to Government.

A.—Yes, once it did.

Q.—So that there is no question about the fact that what the people who occupy that land hold, hold exactly what they got from Government.

A.—No. It is a question. It is the business of the Government to see whether its subjects get sufficient to live upon, at least bare subsistence or not, and it is the business of the Government to see whether cultivators get subsistence or not.

Q.—This land belonged to Government?

A.—Yes.

Q.—And the persons to whom Government gave it have any right in it except what they got from Government?

A.—No right except what they got from the Government.

To Mr. R. G. Soman :—

Q.—You are at present in the Baroda State?

A.—Yes, but I do not come here as a State Officer.

Q.—You come here in your private capacity?

A.—Yes.

Q.—Have you worked as settlement officer in the Baroda State?

A.—Not as settlement officer but as revenue officer.

Q.—How many years' experience have you got there?

A.—22 years' experience I have got there.

27th June 1925.

EXAMINATION OF MR. R. B. RANSING, HON. SECRETARY, DHULIA TALUKA AGRICULTURAL DEVELOPMENT ASSOCIATION.

To Mr. L. J. Mountford :—

Q.—Are you the Secretary of the Dhulia taluka agricultural association?

A.—Yes.

Q.—As regards your answer to the third question that land revenue should be assessed on the net average income or profits of agricultural land, do you think it would be easy for you to obtain the net average income?

A.—Yes.

Q.—You consider that the maximum percentage of the net average income should be fixed as the assessment?

A.—Yes. I mean that our association is in favour of permanent settlement.

Q.—Have you any idea what should be the maximum of this percentage which you want to be fixed?

A.—We have proposed later on that it should be four pies in a rupee.

Q.—3 per cent.?

A.—Yes.

Q.—Was that fixed with a view to the general requirements of the public or merely as regards the interest of your association?

A.—I do not understand the question.

Q.—Was that fixed with regard to the general interest, that is, of the State or merely in the interest of your association?

A.—In the interest of the agriculturists.

Q.—You propose that lands yielding Rs. 500 should be exempt from land revenue tax?

A.—Yes.

Q.—You mean Rs. 500 net profit?

A.—Yes.

Q.—What acreage would that be in dry crop land? About 2,000 acres?

A.—I do not know.

Q.—Whatever acreage it may represent is there a danger that agriculturists not obtaining the exemption would split up their holdings so as to come under the exemption?

A.—No, because there are already too many sub-divisions and the land cannot bear any further sub-divisions.

Q.—They are so much sub-divided that there is not this danger. Up to what limit are they sub-divided? Can you give me an idea of the acreage of the sub-divisions?

A.—Five acres.

Q.—Are the large majority of your holdings holdings of 5 to 10 acres?

A.—Yes. There are holdings in our taluka of 5 or 10 or 25 acres.

Q.—Would 25 acres represent the maximum number of holdings or would 20 acres represent more holdings?

A.—20 to 25.

Q.—What proportion of the small holdings of 5 to 10 acres would be the proportion of the agricultural area in your taluka?

A.—40 to 50 per cent.

Q.—Then under your scheme 50 per cent. of the agriculturists in your taluka will escape any land revenue altogether?

A.—Yes.

Q.—Do you consider that land revenue is a tax?

A.—Yes, that is my contention.

Q.—Do you know of any tax which has ever been imposed with a guarantee that it shall not be increased, as a tax may be increased or decreased according to the needs of the State? Taxes are liable to be increased year by year according to the exigencies of the State.

A.—They are liable to be increased but should not be increased?

Q.—That is only your pious hope?

A.—If it is a tax in theory, it may be increased or decreased.

Q.—In theory a tax may be increased to meet the necessities of Government.

A.—Yes.

Q.—Do you know that the reason for the 30 years settlement was to give some security and guarantee to the cultivator that the assessment would not be raised during that period and that if it was found necessary he should effect improvements.

A.—Yes.

Q.—Would he effect improvements if he knew his assessment was liable to be raised in any year?

A.—No.

Q.—You favour remissions and not suspensions?

A.—Yes.

Q.—Don't you think that suspensions are useful in so far as when there is a good year agriculturists could pay more and when there is a bad year they could pay less?

A.—No, because even in a good year the agriculturist has no margin to pay two years assessment in one year.

Q.—In a bad year he has even less?

A.—Yes, he incurs debts, so there should not be suspensions but remissions.

Q.—Would you have the remissions at the same rates as the suspensions?

A.—Yes, proportionately.

Q.—If the crop is under six annas you would remit half the assessment?

A.—Yes.

Q.—Would that not mean a very large sacrifice of public revenue?

A.—It would not be a large sacrifice because it affects 90 per cent. of the population.

Q.—Would they be content to do without their schools and their roads?

A.—Government may levy other taxes.

Q.—Are you in favour of other taxes?

A.—Yes.

Q.—Could you propose any other tax to make up for this large sacrifice of land revenue?

A.—Yes.

Q.—If you think taxing is feasible, please suggest what tax you want Government to levy.

A.—Tax on business or tax which the rich can pay.

Q.—In 1904 we suspended 66 lakhs of land revenue. You would have all this wiped off and therefore people would have to find 66 lakhs if they wished to carry on the ordinary nation-building departments?

A.—I have not thought over that subject, the Government can find new sources of taxation.

Q.—In addition to this large sacrifice of land revenue, you would also exempt all holdings up to 10 acres?

A.—Yes.

Q.—Have you calculated what that loss would be? What percentage? Our land revenue is five crores and you wish to give this exemption of five hundred rupees net profits which would cover up a large number of small holdings. That would also reduce our land revenue by 25 per cent. We should then reduce our land revenue very considerably from five crores to 2½ crores and all our suspensions would come also out of remissions without showing an equal sum of 13 to 14 lakhs a year on the average. You would make all this up by additional taxation?

A.—Additional taxation not on the agriculturists but there are many sources with which Government can get extra money.

To Mr. G. A. Thomas :—

Q.—By net profits of agriculture you mean difference between the value of the gross produce and the cost of cultivation?

A.—Net profit to be arrived at by deducting all the expenditure.

Q.—The difference between the value of the gross produce and the cost of cultivation?

A.—Not only the cost of cultivation but the 13 items mentioned in Gujerat Landholders' memorandum sent to the committee.

Q.—And you propose that where these net profits are Rs. 500 there should be a total exemption?

A.—Yes.

Q.—And on the rest there should be a tax or rent of about two per cent.?

A.—Yes, four pies in the rupee.

Q.—Can you tell me what the percentage of net profit to the present assessment comes to?

A.—There is no net profit at present.

Q.—It was at least 100 per cent.?
A.—Yes.

Q.—Therefore your proposal would reduce assessment on other lands from 100 per cent. to 2 per cent. of net profits?
A.—Yes.

Q.—What is going to be the financial effect of your proposals of reduction on our present land revenue of five crores or thereabouts?
A.—I have not calculated that.

Q.—Do you think it is a reasonable proposition for an agricultural association of your standing to put forward any written proposals regarding which you have not considered the financial effect at all?
A.—Why not? Yes, it is reasonable.

To Mr. R. G. Soman :—

Q.—You say on your side 50 per cent. of the holdings are small holdings?
A.—I speak of Dhulia taluka.

Q.—But are you aware that in other parts of the Deccan the smaller holdings even bear a short percentage?
A.—It may be. In the Deccan there are 80 per cent.

Q.—You want the test of income tax to be applied to a certain extent in arriving at assessment, but you have varied the maximum to be fixed to Rs. 500.
A.—Yes.

Q.—And you say that persons deriving income below Rs. 500 should not be taxed at all?
A.—Yes, so far as land revenue is concerned.

Q.—I brought that fact to your notice simply for the same purpose for which Mr. Thomas brought it to your notice, that if 80 per cent. of holdings are smaller than 5 acres or 10 acres, then do you expect that these 80 per cent. holdings would be liable to any land tax at all?
A.—They would not be liable.

Q.—Are there any patbhandaras on your side?
A.—There are patbhandaras in my taluka and these patbhandars are assessed a water cess, Patasthal.

Q.—Do you know of any instances in which permanent remissions of Patasthal are allowed by Government during the last revision period in your taluka?
A.—I know of no instances of that kind.

To Mr. R. G. Pradhan :—

Q.—You are a landowner yourself?
A.—Yes.

Q.—How much land do you own?
A.—30 acres.

Q.—What assessment do you pay?
A.—Rs. 52.

Q.—Have you been able to find out the net profits on your lands?
A.—For the last five years or six years there are no profits at all on my land.

Q.—You have to pay assessment even though there have been no profits from your lands?
A.—Yes.

Q.—Can you say what proportion does it bear to the net profits leaving aside your own individual case, on an average?
A.—There are no profits. My taluka is very poor.

Mr. Mountford as Chairman :—

Q.—Are you from Dhulia?
A.—Yes.

Q.—It is a large cotton taluka but there are no net profits?
A.—Yes.

Mr. Pradhan :—

Q.—Is it possible to arrive at net profits?
A.—Yes.

Q.—To ascertain them precisely?
A.—By enquiry, yes.

Q.—More or less precisely?
A.—Yes.

Q.—Do you accept the suggestion made by Mr. Raojibhai Patel as follows in his answer to question 15 :—

"The best course would therefore be to have only one revision made on the principles stated above and the reduced assessment made permanent. If the Government allow a sufficient reduction so as to render justice as between the landholders and other tax payers, agricultural income may be made liable to income tax in order that the State may benefit in any future increase in profits."

What he means is this. There should be first of all some assessment levied on right, proper and equitable basis. That assessment should be made permanent and the State should take in addition to this assessment income tax levied on agricultural net profits in each individual case over Rs. 2,000. His suggestion is probably aimed at preventing the State from being a loser. Do you approve of this suggestion?

A.—I accept it.

Q.—According to your suggestion it seems to me obvious that Government will lose a very large proportion of the land revenue.

A.—Yes.

Q.—But you think there is no objection in theory to the land tax being levied on the principles of land tax?

A.—That is so, in theory.

Q.—Have you studied the fiscal system of this province?

A.—I have read about it.

Q.—Are you of the opinion that the whole fiscal system should be reconsidered and revised?

A.—Yes, I strongly hold that opinion.

Q.—You think that whatever losses the Government may suffer on account of your suggestion can be recouped otherwise?

A.—Yes, it can be easily recouped.

Q.—I suppose you are a student of economics?

A.—Yes.

Q.—And probably you know that some economists have been propounding this view that land tax should be treated in the same way as income tax?

A.—Yes, and that is also my theory.

Q.—But you have no concrete proposals to make as to how the losses to the State can be recouped?

A.—No. I have not studied that, I cannot say offhand.

Q.—Because you think that Government are in a better position to make these concrete proposals than you can?

A.—Yes.

Q.—I suppose you have read the report of the Excise Committee?

A.—Yes.

Q.—They have also made certain taxation proposals?

A.—Yes.

Q.—You have read also the report of the committee on primary education?

A.—Yes.

Q.—They too have made certain concrete financial proposals?

A.—Yes.

Q.—But hitherto Government have not carried out any of those proposals?

A.—Yes, that is so.

Q.—And it is just possible that non-official individuals, if they are supplied with sufficient data by the Government, will be able to make concrete financial proposals to recoup this loss?

A.—Yes and this injustice will be done away with.

To a question put by Sardar G. N. Mujumdar :—

There are only two inam villages in my taluka. I do not know how many are in my district. These two inam villages I think are surveyed but I am not sure. In thinking over this questionnaire of the committee I have not thought over the matter.

To a question put by Mr. D. R. Patil:—

I think that, if Government do not accept my proposals that the land assessment should be based on the same basis as income tax, having regard to the expenditure side as well as the income side of an agriculturist, the state of things is such that the people should ask for permanent settlement. I am of opinion that improvements should always be exempted from taxation. I am of opinion that the interest on the market value of the field assessed should be taken as an item of expenditure. There ought to be some saving margin for the agriculturist when we consider his items of expenditure, as in the absence of saving margin the state of the agriculturist will not be improved. There are not as many market facilities in West Khandesh as ought to be there. There is no bridge on the Tapti in my district. There is only one market, for cotton at Dhulia, all people come to Dhulia. The merchants generally go to different villages to buy cotton there for want of sufficient market facilities in Dhulia. Because the agriculturists are ignorant, the merchants who go into the villages take undue advantage of their ignorance so far as prices are concerned. The rental system is most mischievous and misleading as regards ascertaining the actual income of the agriculturists and the reason is that rents are not the proper index, nor a safe index, but it is a mischievous index because rents differ. I admit there is a very small proportion of landlords as compared with the population of cultivating agriculturists. The settlement proposals should not be sanctioned unless and until they are presented to and sanctioned by the Legislative Council. In case, my proposals are not accepted as made by me I say the percentage of increase of taxation should not be more than ten per cent. I have been practising as a pleader in Dhulia for fourteen years. I come in touch with many agriculturists as the secretary of my association for the last 12 years. I know that the state of the agriculturist, instead of getting better, is practically getting worse and worse.

To a question put by Rao Saheb D. P. Desai:—

My taluka is a cotton tract. For the last three or four years I have not realised any profits from my land in spite of the fact that these years were of high prices, because even if we grow cotton we get the same prices as we have to pay large sums for buying fodder but there is no fodder crop now and we have to import fodder from outside. The cost of production has increased a great deal in our taluka. Suspensions are recovered in following year and increase the burden on the agriculturist next year. I have observed that when the *hapta* or instalment time comes, there follows a depression of prices because the agriculturist has got to find the money to meet the *hapta* and he takes any offer that is made, and besides there are so many variations in cotton prices that the agriculturists do not know what a cart will fetch to-day and what it will fetch to-morrow. The same is the case with general agricultural produce. Merchants purchase at *hapta* times because the agriculturists are in great need of ready cash. So the present policy of realising the land revenue also is vicious.

Q.—You have stated something about pastasthal land in your territory. May I know whether before the British Government, the patasthal irrigation in Khandesh was on a very large scale?

A.—Yes, but it has now deteriorated.

Q.—Are all the pats silted up?

A.—They grow cotton on patasthal land.

Q.—All the pats are silted up?

A.—Yes.

Q.—Is the facility afforded by these pats taxed to the cultivators? That is patasthal taxation.

A.—It affects them.

Q.—It may be carried on by the cultivators themselves by constructing the pats. They are generally taken into consideration?

A.—Yes.

Q.—Actually the pats are not taken care of by the people?

A.—No, they do not get water from them. The result is that they grow kharif crops.

Q.—Do Government take any measures to improve these pats?

A.—As far as my knowledge goes, they do not.

Q.—You told Mr. Pradhan that you are of opinion that the present assessment should be reduced and those reduced assessments should be made permanent. At the same time you say that agricultural incomes above Rs. 2,000 should be taxed.

A.—I have made it 500.

Q.—If the tax were assessed alone on agricultural incomes, then you say Rs. 500 should be taken?

A.—Yes.

Q.—If the present assessments are reduced and if those reduced assessments are made permanent, then you are of opinion that agricultural income above Rs. 2,000 may be assessed to income tax?

A.—Yes.

Q.—If you look closely into the matter you will find there is some contradiction. As you are a student of economics I suggest that the contradiction lies in this that you have supposed that at present there are substantial agricultural incomes. But the agricultural incomes are nil. Always the incomes are net incomes you know?

A.—In my taluka it is so.

Q.—How is it possible to have any income whatever according to the position assumed by you? You are for reducing the assessments?

A.—There may be some big landlords.

Q.—If the whole business is being worked at a loss, how can there be an income?

A.—There may be big landlords that might be working at a profit.

Q.—So, you mean in case there is a net income?

A.—Yes.

Q.—Are the model farms working at a profit?

A.—No, they have been abolished. They were working at a loss. Our agricultural school has taken over the model farm in our side.

Q.—Has the model farm on your side ever shown any profit?

A.—Never.

29th June 1925.

The Committee met at 11 a.m., Mr. G. W. Hatch, I.C.S., in the chair.

EXAMINATION OF RAO SAHEB A. K. KULKARNI, GOVERNMENT KARBHARI, JAMKHANDI STATE.

To the Chairman :—

Q.—Have you been listening to the evidence recorded here?

A.—No.

Q.—Various witnesses spoke of the difficulty there may be in trying to obtain net profits.

A.—I have stated it later on.

Q.—I am vague as to what your intention is as to the best way of obtaining what we are after. Are you in favour of rental value or are you in favour of ascertaining net profits?

A.—Ascertaining net profits.

Q.—That is to say, in the case of each land owner or in typical cases? In every village you will find out what the cost of cultivation will be?

A.—In typical cases only, not each and every case.

Q.—How are you going to select your typical cases?

A.—They can be found out in the village according to the different soils.

Q.—What about the different methods of cultivation? Some cultivators, we are told, are much more skilful than others.

A.—That is why we want to see what a particular soil will yield with an average agriculturist.

Q.—You will take the average agriculturist and not the one who is too good or too bad?

A.—If we were to take the too good man all his industry will be taxed more and the lazy man will have the better of it.

Q.—You say in your answer that the rental value of land should be one of the principal factors.

A.—Rental value by itself will not be the proper basis, because in certain cases people pay fancy prices. But rent will be the criterion whether our assessment is proper or not, and it is one of the principal factors.

Q.—If you can exclude cases in which specially high rents are paid, then I take it .....

A.—I have explained it in my replies to questions 7, 8 and 9.

Q.—In fact what you say is " This should be done, that should be done, and so on ". that is the present practice?

A.—Yes.

Q.—You are satisfied with the present practice?

A.—I am perfectly satisfied with it.

Q.—The present practice is the practice that satisfies you, I take it?

A.—Yes. Our present practice satisfies the public.

Q.—How can you assert it?

A.—We have got an elaborate procedure.

Q.—How do you know it does satisfy them when their representatives come to the Council and say they are not satisfied?

A.—From my experience in talukas.

Q.—Your experience among the cultivators is that they are satisfied?

A.—Yes.

Q.—You are not attracted by Mr. Shivdasani's scheme?

A.—No; it is unworkable.

Q.—You say that the present maximum limits of enhancement should be maintained. At present we can enhance an individual holding up to 100 per cent.

A.—It is 100 per cent. for an individual holding, 66 per cent. for a village and 33 per cent. for a taluka.

Q.—After all, it is a question of how it hits the individual. Don't you think an enhancement of 100 per cent. might upset his budget?

A.—That is the maximum. It is very rarely done.

Q.—The question is whether we should not fix a lower limit.

A.—No, because 100 is meant to correct errors. There may have been certain errors in the previous settlement, and this limit is required to correct them. Of course such instances are very rare.

Q.—It is required so as to be able to correct errors where a man had been under-assessed?

A.—Yes.

Q.—You say that the present normal period of settlement is a reasonable one in rural tracts, but in the case of land near industrial centres it should be brought down to 25 years.

A.—I would go further and say even to 20.

Q.—What tracts have you in your mind?

A.—Agricultural land round about busy centres, where the demand for land is large, where the finances can be had easily, where the market is near, and where the cost of carriage is not much.

Q.—Like Poona and Satara?

A.—Yes, and such other big places.

Q.—You want to do that in order to bring the assessment up to a proper level quicker?

A.—Yes.

Q.—Regarding your reply to question No. 17, did you hear what some witnesses said about the risk; that members of the Council on such an advisory committee if they had been returned by rural constituencies would find it difficult to make their duty to their constituencies reconcile with their duty to the general tax-payer? A member for East Khandesh would not be able to support proposals for the enhancement of revision settlement coming from East Khandesh, because, if he did so, his constituents would turn upon him and rend him.

A.—I consider it is an idle fear. If he has to do his duty conscientiously he will do it.

Q.—He will go back and be prepared to face anything that they may say about him?

A.—He will be able to correct their views. He will also be able to place before the advisory body the right views of his constituents, not fanciful views. He can, when he goes back, convince them that what has been done is but fair. He need not be afraid, because he cannot meet with their wishes wholesale. He will also be able to place before the body what their views are.

Q.—Have you served in Khandesh?

A.—Yes.

Q.—You know it is generally recognised among revenue officers that the Khandesh assessments are low in connection with the outturn when you compare them with the other districts?

A.—Yes.

Q.—It is conceivable that the representatives from other districts will say that Khandesh must have its full enhancement. Is it not to be expected that the Khandesh representative will fight against that?

A.—He may, but he will tell his constituents that other districts are paying more, and there is no reason why they should pay less.

Q.—Is it not to be expected that if he comes to the Council or to this advisory committee he will fight against that enhancement? Should we not expect him to fight against it?

A.—He should not, if he was a man of conscience.

To Mr. G. A. Thomas :—

Q.—Can you give any idea as to what proportion the assessment bears to the cost of cultivation? Say the cost of cultivation is Rs. 100. What would be the proportion of assessment? Many witnesses have suggested, and I think you are one of them, that assessment should be based on the net profits of cultivation. To obtain the net profits we have to find out what is the value of the gross produce and what is the cost of cultivation, and the difference represents the net profits. How much of the cost of cultivation is the assessment? 5 per cent.? 10 per cent.?

A.—10 per cent.

Q.—If the maximum increase now allowed is imposed, namely 33 per cent., it would rise from 10 to 13?

A.—Yes.

Q.—If the maximum was allowed, 3 per cent. would be added to the cost of cultivation?

A.—Yes.

Q.—If we limited the increase to 10 or 12, it would add 1 per cent.?

A.—Yes.

Q.—The difference is almost negligible?

A.—Yes.

Q.—As regards the advisory committeee, what, in your opinion, should be the number of members of that committee? Should it be a large committee?

A.—Not a large committee. The members may not be more than 7.

Q.—Of whom how many should be officials and how many non-officials?

A.—Four officials and three non-officials.

Q.—If it is to be a standing committee, we would have the same committee for the examination of all revision settlement proposals in the whole of the Presidency including Sind?

A.—Yes.

Q.—Therefore, the non-officials would only in rare cases have any local knowledge regarding any individual revision settlements, the conditions being so dissimilar in the Deccan, Konkan, Gujarat and Sind?

A.—They will get the information from the district committees.

Q.—What is your idea about these district committees? Of how many members will they consist of?

A.—The district committees would consist of one member from each taluka. There will be about 7 or 8 members on each committee.

Q.—What are they going to do?

A.—They have to find out what the people want.

Q.—I do not understand how they are going to be related to the settlement officer. Are they going to work with him or independently? He takes six months in examining a taluka. Is the committee to go about with him?

A.—No.

Q.—So, he first prepares the report, and shows the report to the district committee, discusses it with them, and modifies it or not as he considers necessary. If he is not inclined to modify and they wish to make suggestions, I presume they will make their suggestions which will be submitted by him to the Collector with his own report. Then the district committee ceases to function?

A.—Yes.

Q.—When is the advisory committee of the Legislative Council to sit?

A.—After the proposals have been reviewed by the Commissioner and the Settlement Commissioner.

Q.—When they are complete, before they go to Government, the committee will sit and examine the written proposals?

A.—Yes.

Q.—Will they take evidence?

A.—No.

Q.—They will simply examine the proposals and examine the minutes of dissent, and then they will put up their own proposals?

A.—Yes.

Q.—On the committee, who will be the officials? Will they be the officials actually concerned with the revision settlement proposals, or will it be a standing committee?

A.—The officials will be the officers concerned with the proposals.

Q.—Then it will vary according to the district?

A.—Yes.

Q.—Will the settlement officer be on the committee?

A.—No.

Q.—The Collector, the Commissioner and the Settlement Commissioner, and presumably the Revenue Secretary?

A.—Yes.

Q.—So, two of the members, the Settlement Commissioner and the Revenue Secretary will be permanent and the other two will vary according to the district?

A.—Yes.

Q.—They will make their recommendations either as a whole committee, or else as a majority or as a minority, and those of course will be submitted to Government without any further reference back?

A.—Yes.

To Moulvi Rafiuddin Ahmad :—

Q.—You say upon this committee there ought to be 4 officials and 3 non-officials. This is an advisory body, and no votes are to be taken, I suppose, in the meeting. Will the decision be arrived at by the counting of votes in the committee?

A.—When the advisory committee makes its report, it will have to view every proposal that comes before it.

Q.—Will the decision be arrived at according to the ordinary means followed, of counting votes?

A.—Yes.

Q.—You prefer that votes should be counted and then the decision should be arrived at?

A.—Yes.

Q.—But there is always a permanent majority of officials.
A.—The four officials are needed, because the committee will have to deal with extremely technical matters.

Q.—You say that the decision is to be arrived at by the counting of votes and you give the officials a permanent majority on the committee?
A.—Yes.

Q.—And the non-officials a permanent minority?
A.—Yes.

Q.—If the decision is to be arrived at by majority, then naturally it follows, human nature being what it is, that the opinion of the officials will prevail. Don't you think so?
A.—Why should you take it like that, that in each and every question the officials will combine and outvote the non-officials?

Q.—They have the power to outvote?
A.—Yes.
Q.—Still you give them a majority?
A.—Yes.
Q.—And not to the non-officials even in advisory matters?
A.—No.
Q.—That is your idea of fairness to the people?
A.—I think it is quite fair.

Q.—You say your experience is that the masses are satisfied with the present assessment, and even when the Chairman who is an official said that the representatives of the people in the Council say that the people are not satisfied, you still think that the representatives do not represent the people and you represent them better. From what you say, you have met the people. The people, you say, are satisfied; the non-official members say the people are not satisfied. Then you think that the report which is given to you by the people should be believed more than the representatives of the people?
A.—I think I have got closer knowledge of the people. They go to them only once in a way. I move about in every village every time. When the collection is going on I am there, and I see no complaints. That is my reason.

Q.—In what districts have you served?
A.—Khandesh, Nagar, Poona.
Q.—The opinion of the masses never differs in any of these districts? It is just the same?
A.—Yes.

Q.—Shall I take it that there is not much substantial strength in the complaint made by the non-official members here?
A.—I am not prepared to say that. I cannot give my opinion on that. I have to give my own experience.

Q.—Throughout your experience you have never met any people who said that they were dissatisfied?
A.—No.

Q.—With regard to this advisory committee, you say that it is an idle fear that the non-official members on the committee will be carried away by prejudice or sentiment and so on and will not do justice.
A.—I have never said it.

Q.—The Chairman put to you a question whether you did not think that there was a likelihood of the non-official members being carried away by the wishes of their own constituents, and you said no; it was an idle fear.
A.—Yes.

Q.—When you say that they will not be carried away by such considerations, why do you say that the report should be submitted to Government and Government should take action on it without reference to the representatives of the people in the legislature? When you say it is an idle fear that the representatives of the people would be prejudiced, then why do you stop short there? Why don't you go further and say that the report ought to go to the Legislative Council?
A.—That will be an endless business. It will take a lot of time, and I do not think it will serve any useful purpose, because the persons who are well versed in the technical details have scrutinised the scheme, and it has passed through three distillations. The settlement officer sends the report to the Collector, then it goes to the Commissioner, then to the Settlement Commissioner, and finally the opinion of the standing committee is taken.

Q.—In case of conflict of opinion between the official and non-official members of the committee, would you send the proposals to the legislature?

A.—No.

Q.—Supposing all the non-officials disagreed and all the officials agreed, and then Government takes action upon the decision of the officials, and supposing the non-official members wish that the matter should be referred to the legislature, would you allow it?

A.—No. It is an advisory committee.

Q.—You say that the average man should be taken for assessment. What do you mean by an average man?

A.—The average man will be the one who works in his field at stated times, and exerts thereon in the ordinary way. If a field requires 8 hours' labour and if the man bestows that amount of labour on it, that man I want to be taken as the average man. I do not want the man who is there from morning to sunset or the man who is too lazy to be considered. Take the instance of the Nagar agriculturist: when the rain comes he simply scratches the ground, puts in his seed and reaps whatever he can get. Such an agriculturist will not be able to grow more crops. Therefore, an average agriculturist should be taken.

Q.—With regard to the district committees, you say the report should be prepared by the settlement officer, and then these two non-official members should be consulted about it. If the committee disagrees he may be allowed to forward their report?

A.—Yes, with his remarks.

Q.—You do not want to associate with him any members to enable him to arrive at conclusions and before he writes his report?

A.—That will take a lot of time. For every minute thing there will be something or other which will delay the proposals unnecessarily.

Q.—Should the committee be consulted after the report is written or before?

A.—It is always better to have things cut and dry. Let him write out the proposals and give them to the committee, and the committee can then make their suggestions.

Q.—Would you make it compulsory that the settlement officer should send every suggestion or objection that is made by the two non-officials along with his report?

A.—That will depend upon the nature of the objections. If there are hundred objections for every paltry thing, he need not send them. Such things need have no consideration. Where there is a material difference of opinion which will affect the settlement proposals one way or the other, the objections may be sent.

Q.—The judge of the reasonableness or otherwise of the opinions of the non-official members would be the settlement officer himself?

A.—Yes.

Q.—Whatever he considers reasonable he should forward and whatever he does not consider reasonable he should not forward?

A.—He may say so many objections were raised, and I consider them so and so. He may make a note about them.

Q.—Even upon those objections his remarks should be made?

A.—Yes.

To Mr. R. G. Soman :—

Q.—You have probably seen Lord Curzon's resolution and the accompaniment to that resolution of the Bombay Government as published?

A.—Yes.

Q.—I wish to know from you as to what is your experience about this rental value generally in the Deccan. What proportion does the rental value bear to the assessment?

A.—In the case of dry crop lands it may be 5 to 6 times.

Q.—Do you know that in many of the talukas settled between the years 1895 and 1900 of which a table is given, the rental value in the majority of cases is stated to be twice or three times or four times?

A.—You may be referring to very bad tracts. We are talking of the Presidency. I have just mentioned one. You may be referring to Malsiras where the soil is very poor.

Q.—I did not select any bad tract. I am talking to you about an average thing, and you say it is 5 to 7 times?

A.—Five to six times.

Q.—What do you think would be the proportion between the cost of cultivation and the gross income?

A.—In certain cases it is one-third.

Q.—The average cost of cultivation is one-third?
A.—One-third or one-fourth. That depends on the crops grown. If you take wheat and other crops .....

Q.—What would it be for an average dry crop?
A.—One-fourth.

Q.—What do you think to be the percentage of the gross produce which is levied at present as the assessment?
A.—One-tenth.

Q.—Of the gross produce?
A.—Yes.

Q.—You have probably seen the note by Mr. Anderson in his compilation of "Rules nnder the Land Revenue Code".

The Chairman:—

Q.—The assessment is a tenth of the gross produce?
A.—Net produce. After the costs of cultivation are taken away whatever remains there.

Q.—The present assessment is one-tenth of the cost of cultivation?
A.—I said that.

Q.—Ten per cent. of the cost of cultivation is represented by the assessment?
A.—Yes.

To Mr. R. G. Soman:—

Q.—I was referring to the note of Mr. Anderson in his compilation of the Rules under the Land Revenue Code. Do you agree with Mr. Anderson when he says that the present assessment usually ranges from 35 to 45 per cent. inclusive of the rental value?
A.—I think it is 25 per cent.

Q.—You think it is 25 per cent. of the rental value?
A.—Yes.

Q.—You probably know that over and above land assessment proper, 5 per cent. of the rental value has to be paid for local fund cess and boundary marks?
A.—I do not think it is 5 per cent.

Q.—You do not agree with Mr. Anderson even there?
A.—It is not 5 per cent.

To Mr. R. G. Pradhan:—

Q.—You have had much experience as a revenue officer. For the present you are in Native State Service. For how many years have you been there? Have you done any settlement work there?
A.—I have been there 13 months, and I have not done any settlement work there.

Q.—You say that you approve of the principles laid down in section 107?
A.—Yes.

Q.—You remember that in that section it has been laid down that regard shall be had to the profits of agriculture?
A.—Yes.

Q.—Do you believe that in all settlements regard is paid to the profits of agriculture?
A.—I believe so.

Q.—You say that the profits of agriculture can be ascertained?
A.—Not very accurately; approximately.

Q.—You are satisfied with the present system?
A.—Perfectly satisfied.

Q.—You say that in several places the land revenues are under-assessed?
A.—Not under-assessed. I only mean to say that compared with other tracts it is under-assessed; for instance, East and West Khandesh.

Q.—It is under-assessed relatively with other districts?
A.—Yes.

Q.—What do you think absolutely, regard being had to the principles which are at present followed in revision settlements?
A.—It is under-assessed.

Q.—Suppose East and West Khandesh are properly and rightly assessed, what would be the increase in the total revenue?
A.—About 4 lakhs.

To the Chairman :—

Q —What does East Khandesh give at present?
A.—37 or 38 lakhs.

Q.—It will be increased by how much?
A.—For East Khandesh it may go up to 46 lakhs.

Q.—And how much for West Khandesh?
A.—Rs. 42 lakhs. Compared with East Khandesh, West Khandesh is not so very well off.

Q.—In both the increase may come up to Rs. 10 lakhs?
A.—Yes, very roughly.

Q.—On examination you may find it necessary to modify it.

To Mr. R. G. Pradhan :—

Q.—You think the present system is a very satisfactory system?
A.—Yes.

Q.—You do not want any change?
A.—No.

Q.—Except in the matter of the advisory committee?
A.—Yes.

Q.—You think it is a perfect system?
A.—No system can be perfect, but as it obtains it has been working satisfactorily.

Q.—It is not quite perfect?
A.—Nothing is perfect.

Q.—Can you make any suggestions to make it more perfect?
A.—No.

Q.—You cannot give any comparative views as regards the merits of different land revenue systems?
A.—No.

Q.—What are your reasons for being satisfied with the system?
A.—Because it has been based on scientific lines; the fertility of the soil is found out, then it is classified, and then on it the assessments are based, taking into consideration other conditions.

Q.—Scientific, and they are thoroughly followed?
A.—Yes.

Q.—In assessing, what things do you take into consideration?
A.—The fertility of the soil, climatic conditions, rainfall, prices, markets, nearness to the market, communications, roads, and all these things.

Q.—Profit of agriculture also?
A.—Yes.

Q.—You think the same things should be taken into consideration in the future and no change should be made?
A.—Yes.

Q.—You said something about reducing the period of settlement to 20 years.
A.—That is in the case of tracts which are near civilised centres, where agricultural land is more valuable.

Q.—What is the existing system as regards the period of settlement in the Presidency?
A.—30 years.

Q.—You would like the existing system to be changed to the extent of revising the assessment every 20 years with reference to certain areas?
A.—Yes.

Q.—That is to say, with reference to certain areas you find this defect in the existing system that whereas the period of settlement should be 20 years it is 30 years?
A.—It is not a defect.

Q.—I do not want to argue with you.
A.—It is only a suggestion. Government ought to get its proper share, and with a view to get that proper share, when a man gets more .....

Q.—It comes to this that in the case of certain areas you advocate a change in the existing system as regards the period of settlement.
A.—Circumstances are changing rapidly with regard to certain areas.

Q.—But does not your view come to this that, with regard to the period of settlement you advocate a change in the existing period of settlement as regards certain areas? Does it not come to that?
A.—Yes, I think it is advisable.

Q.—With regard to the advisory committee, you said there was no possibility of the official members combining to outvote the non-officials. Do you think that the non-officials will combine?

A.—I do not say that even.

Q.—All members will think for themselves and decide for themselves?

A.—Yes.

Q.—They won't combine simply for the purpose of outvoting or opposing Government proposals?

A.—No.

Q.—The Chairman asked you with reference to this question of the advisory committee something about members elected by rural constituencies. You know that all members of the Legislative Council are not elected by rural constituencies, and that there are some city constituencies also?

A.—Yes.

Q.—You want vernacular leaflets to be published. Do you think it will have any value?

A.—Certainly. They will try to educate the minds of the agriculturists. That is why I propose that the booklets should be in the vernaculars. It should not be in English.

Q.—Do you mean to say that the agriculturists are able to read?

A.—At least in every village you find a certain proportion who are able to read, and those who are interested in it will read the booklets.

Q.—Will they believe in the statements made in these leaflets?

A.—Why should they not?

Q.—My experience tells me that publications undertaken by officials are very much disbelieved by the people.

A.—I do not think so.

Q.—Will they not regard it as propaganda?

A.—No.

Q.—You have come in contact with the agriculturists, and you do not think they will think that these leaflets are written with a bias?

A.—No. The Government publications do not go unchallenged. They will have the other side also from the newspapers.

Q.—Who will place the other side before them?

A.—It is for their accredited leaders to do that.

Q.—You want these to be published by Government in order that only the Government side should be placed before the people?

A.—There is no question of placing the Government side. It is a question of public revenue, and there will be an exposition of the method by which that revenue is being collected; for instance, how the survey operations are being carried on, etc.

Q.—All that you want is a statement of the existing system?

A.—That is all, so that the agriculturist should know how things are being done.

Q.—Why not one single book? Why leaflets?

A.—I have suggested already that they should be easily worded; there should be nothing high-sounding in it, and it should be a connected whole. If you place a volume in their hands they will get tired.

Q.—You want a series of leaflets constituting a book?

A.—Yes.

Q.—You say that if you want it you may introduce it in schools even. If it is introduced in the text books, then no leaflets are necessary?

A.—No.

Q.—Are you aware that there is a good deal of objection taken to it, because it is said that the text books contain propaganda?

The Chairman:—That is rather off the point.

To Mr. A. W. W. Mackie:—

Q.—You know I suppose that settlement reports are published in the vernacular in the villages, and that all objections that are put into them go before Government?

A.—Yes.

Q.—What is the voting qualification in a rural constituency?

A.—Rs. 40 or Rs. 32.

Q.—People who pay Rs. 32 can elect representatives to the Legislative Council?

A.—Yes.

Q.—Then these representatives are representatives of the landlords? I ask that because there was some phrase used about the representatives of the people. Is it not the landlords whom they represent?

A.—Representatives of the occupants.

Q.—But the occupant is the landlord?

(*The Chairman*:—He is the landholder. The landlord would exclude the man who is cultivating his own land.)

Q.—Theoretically it would not. When a man cultivates it himself, they regard him as combining the two characters in one. I do not care a button what phrase is used. They are the representatives of the landholders?

A.—Yes.

Q.—Has Government any reason for wanting to put any heavier or unfair burden on one section of the people as compared with another?

A.—No.

Q.—That section of the people which has to carry this heavier or unfair burden will attempt to get it off its shoulders as early as possible?

A.—Yes.

Q.—Would you agree with this view that in India the British Government has hitherto had the great merit of being composed of men who are prohibited from holding land in India, therefore not biassed by private or class interests?

A.—Yes, perfectly.

To Sardar G. N. Mujumdar:—

Q.—You would like representation of the people on the standing advisory committee?

A.—Representation of landholders.

Q.—Would you like to add one member from the inamdars to safeguard their interests to the committee?

A.—There are very few inam villages and to do so would be increasing the body.

Q.—If an inam village undergoes settlement, would you like that inamdar to be on the committee?

A.—Inamdars are generally literate and put their case very fully. Whenever survey operations are to be undertaken in any inam village, the consent of that inamdar has to be taken and he places all sides of the matter in giving his consent. Such is not the case with our ryotwari villages. There is the period of 30 years and when that expires revision settlement is automatically undertaken.

Q.—This is about revision.

A.—You have always a voice in it. You can always approach the officer concerned and put your case in detail before him.

Q.—Other people also have the opportunity of approaching the officer concerned.

A.—Every man cannot go but in your case you are the sole representative of an inam village wherein your interest is concentrated and you watch all the proceedings.

To Mr. D. R. Patil:—

Q.—When did you leave Bhusawal?

A.—In the beginning of June 1913.

Q.—You do not know what the state of the agriculturist has been in Bhusawal during this period of your absence from that place?

A.—I go now and then to Khandesh.

Q.—You say you know the state of Khandesh because you happen to go there sometimes.

A.—What are you driving at, Mr. Patil? Your question is not quite clear to me.

Q.—You left Bhusawal some 10 years back. You are now working in an Indian State. How can you say that you know the present state of the agriculturists in Khandesh?

A.—Because I know the state of Khandesh agriculturist very well.

Q.—Have you stayed there during the last ten years?

A.—Yes, although I am now in a State I have had occasion to go and stay in Khandesh on various occasions.

Q.—Though you are not in Khandesh for the last ten years and though you are working outside Khandesh, still you are watching the interests of the agriculturists there?

A.—Not the agriculturists only but the state of all classes.

Q.—I am not talking of the interest of all classes.

A.—Yes. I am watching the interests of the agriculturists because I am a district officer and whenever questions of land revenue come before me I have to compare them with situations in other neighbouring districts at least from the Central Division.

Q.—For your own information?

A.—And for doing my proper work, at least I have to keep posted up to date.

Q.—What steps did you take to keep informed about the state of the agriculturists during the last ten years?

A.—I cannot tell you that.

Q.—You cannot tell me that?

A.—Whenever I went to Khandesh the agriculturists used to come to see me and I used to ask them as to how they were getting along and how their crops were likely to turn out and so on, whether they were getting proper return for their labour, etc., etc.

Q.—So your source of information about the present state of the agriculturists in Khandesh is that whenever they came to you you were pleased to enquire from them whether they were prospering and whether their state was good or bad?

A.—Also from reading reports of several agricultural committees that exist in East and West Khandesh districts.

Q.—Your whole information is based upon these two factors, *i.e.*, some reports and some information derived from some gentlemen who happen to see you?

A.—Yes.

Q.—Would you kindly let me know the number of persons who saw you during the last ten years and who gave you the information about agriculturists?

A.—I have kept no record.

Q.—You said that when you were working at Bhusawal as a mamlatdar you learnt from the people there that they were perfectly satisfied with the assessment?

A.—Yes.

Q.—Did the people volunteer that information to you or did you put them questions to which they made those replies?

A.—I am not going to answer that question.

Q.—I believe behind your back one revision took place in Khandesh.

A.—That is on paper. You have got your survey report.

Q.—Is it so?

A.—You have got the book, whatever is there on record regarding survey proposals is not kept in the dark.

Q.—I want to know your knowledge about that.

A.—I am not going to answer that question.

Q.—Do you know to what extent the assessment has been increased in Khandesh?

A.—That is there in the book.

Q.—What is your view, whether you regard land assessment as tax or rent?

A.—It is a revenue, not a tax.

Q.—Will you agree with the view which I just place before you, the view of Elphinstone in the history of India that the King possesses the exclusive right to a portion of the produce, the Rajbhaga as it is called, this right is permanent and the King can dispose of it at his pleasure but he cannot interfere with the soil or produce beyond this limit. Do you agree with this view of Mr. Elphinstone?

A.—There is a certain proportion which has to be taken from the revenue, that much I know.

Q.—My simple question is, do you agree with the view of Elphinstone?

A.—That proportion has to be determined every time.

Q.—The proportion to be determined is not stated there, but that proportion has to be determined every time?

A.—Yes.

Q.—Do you gather from Mr. Elphinstone's observation that he means to say that every time the share of the Government should be ascertained?

A.—Not every time, it cannot be every time, Government has a certain share, that is an acknowledged fact from time immemorial and that very fact has been followed by the present Government, it is not a new innovation.

The Chairman (Mr. Hatch):—You agree with it to that extent?

A.—Yes.

To Mr. D. R. Patil:—I will read to you what Col. Van Kennedy says:—

"All Mahomedan Jurists agree that the person who first appropriates and cultivates waste lands becomes *ipso facto* the land lord of the soil."

Do you agree with that view?

A.—That has nothing to do with the present thing.

Q.—The question is about the ownership of the soil.

A.—I am not going to answer that question.

Q.—In Aurungzebe's rule private right in land was recognized. Ghulam Hussain, the historian and the author of Sayya Mutakhim, replied when he was asked by Mr. Shore that the Emperor is proprietor of the revenue, he is not the proprietor of the soil. Do you agree with that?

A.—I am not going to answer that question.

Q.—I believe you are of opinion that there are many vitiating factors in the rental value if we want to take that as the sole basis for assessment.

A.—Yes, I admit it.

Q.—At the time of any revision had you ever had any occasion to see in what way these revision settlements are made? Have you ever had any experience of that work?

A.—I have had it.

Q.—As settlement officer?

A.—No, but as mamlatdar working with settlement officer.

Q.—Did any settlement take place in Khandesh when you were working there as mamlatdar?

A.—I think in Raver. I do not remember exactly. I was in Khandesh for a number of years, since my clerkship I was there for about 12 years. Perhaps at Yawal also.

Q.—In what year?

A.—I do not remember.

Q.—You had experience of what?

A.—Collecting of statistics, giving necessary information to the settlement officer, working hand in hand with him.

Q.—Section 107 of the Land Revenue Code reads as follows:—

"In revising assessments of land revenue regard shall be had to the value of land and, in the case of land used for the purposes of agriculture, to the profits of agriculture."

When you gave your help to the settlement officer you were at Yawal. Did you ever find that the settlement officer, when fixing assessment, took into consideration the value of the lands by means of sale deeds to which he has to refer?

A.—He had record of rights before him and he took extracts of these from this record of rights.

Q.—Is it your experience that these settlement officers always placed before them the sale deeds?

A.—Not the sale deeds but the record of rights. We did not go into sale deeds in each and every district every time.

Q.—They take the record of rights and from that they find the rise in prices of land and they take into consideration the high prices of land while fixing the settlements at every revision?

A.—Yes.

Q.—What are their methods of ascertaining the profits?

A.—It will take a long time and I do not think I am going to answer that question, you can find it in survey manuals if you care to go through them.

Q.—You are not going to answer my question as to how the settlement officers ascertain the profits?

A.—That is in the books. I refer you to the books.

Q.—Can you give me a short idea by means of a summary of the whole thing?

A.—No, it will take a long time.

Q.—Markets are generally taken as one of the factors while revising the assessments?

A.—Proximity of markets, not markets.

Q.—So far as Bhusawal taluka is concerned, you know there are only the markets namely, Bodwad, Varangaon, Yedlabad, Jamthi and Kurha.

A.—There are so many, there is one at Ghodaga.

Q.—You say there is a market at Ghodgaon?

A.—I think so.

Q.—Are these markets there since very long?
A.—They may be in their infancy.

Q.—Are there any more markets?
A.—I cannot say but a market is not one of the most important factors in arriving at revision settlement rates, but it is one of the factors. On all things for which an agriculturist is not responsible by himself and for which public money has been spent in one way or the other, Government ought to get a share and on that principle these things are done.

Q.—Can you say that these settlement officers try to know the actual produce got by agriculturists?
A.—It is impossible. I think it will be rather hard to go to each and every field and find out, exact to the pie, the actual produce got by an agriculturist. The officers make reasonable tests.

Q.—In what way do they make reasonable tests?
A.—That is all given in the survey manuals.

Q.—You do not want to answer my question but simply ask me to refer to these volumes?
A.—Certainly, I cannot tell you anything more than is contained in those manuals as regards making reasonable tests.

Q.—All your information and your knowledge are based upon those survey manuals and nothing else?
A.—They are and also on my personal experience.

Q.—You told Mr. Mackie in reply to a question of his that a person who pays assessment to the extent of Rs. 32 is a landlord. Is that your idea of a landlord?
A.—I said he has a right of voting.

Q.—Are you classifying landlords, landlords as such and landlords who have a right of voting?
A.—I do not classify. I have never classified.

Q.—Leaving aside your answer to that question put by Mr. Mackie what is your general idea of a landlord?
A.—I am not going to answer that question.

Q.—What is the proportion of landlords and tenants to the proportion of actual cultivators?
A.—That is in the statistics which are published. You can find that out.

Q.—Can you give us an idea about the proportion of Government assessment so far as net income of the agriculturist is concerned or can I find it also from some manual?
A.—I have not a word to add to it.

Q.—You have said that Khandesh is charged lightly so far as land assessment is concerned. What are your reasons for saying so?
A.—You can see that from the books, if you compare assessment in Khandesh with assessments in other districts you will know all about it.

Q.—Is that the only ground upon which you say so?
A.—Certainly.

Q.—Your only ground for saying that Khandesh is lightly assessed is that other districts are taxed more heavily than Khandesh?
A.—The thing is this, the agricultural population of Khandesh is far better off than the agricultural population of the other districts of the Central Division. That is one of the factors which go to show that it is better off than the people elsewhere.

Q.—Do you mean to say that the agriculturists in Khandesh are prospering?
A.—Are better off as compared with agriculturists from other districts.

Q.—Better off than other people.
A.—Yes.

Q.—Are you aware that many of the agriculturists in Khandesh are drowned into indebtedness?
A.—I do not think so as compared with other districts, for instance Ahmednagar, Sholapur.

Q.—Out of one hundred agriculturists in Khandesh how many do you think are in debts?
A.—I cannot answer that question.

Q.—If you cannot answer that question, how can you say that the agriculturists in Khandesh are better circumstanced?
A.—I gave you just now my reasons.

Q.—You compared Khandesh agriculturist with the agriculturist in Nagar and do you therefore say that the Khandesh man is better off?

A.—Nagar, Sholapur and other districts.

Q.—Is that all you have got to say about the Khandesh agriculturists?

A.—Yes.

Q.—Are you of opinion that if Government were to take a little bit more in order to find out net profits, it will be good in the interest of the State as well as in the interest of the agriculturist?

A.—It is very difficult to arrive at net profit. It is not such an easy thing, it will involve a lot of expenditure.

Q.—Is it an impossible thing?

A.—I think it will not be satisfactory and it will not be an advance on the present one.

Q.—Are you of opinion that the methods now followed by the settlement officers in revision matters are very, very satisfactory?

A.—They are very, very satisfactory.

Q.—Please have regard to the interest of the State as well as to the interest of the agriculturists and answer my question. How will you modify section 107 of the Land Revenue Code in a way as to protect the interests of both, those of the State and of the agriculturists?

A.—As it is at present worded, it does not seem that it requires any change at all.

Q.—The section as it is worded now is quite satisfactory?

A.—To me it appears all right.

Q.—You think it takes care of the interests of the agriculturists and of the State very properly?

A.—Very properly.

Q.—Very sufficiently?

A.—Very sufficiently.

Q.—So you do not require any change in it?

A.—That is so.

Q.—What is your view about improvements?

A.—I have said they should not be taxed.

To Rao Saheb D. P. Desai:—

Q.—You said you are perfectly satisfied with the present practice. From that it appears that you know the present practice thoroughly?

A.—It is all laid down in the manuals.

Q.—Are there no mistakes committed by settlement officers?

A.—Every man is liable to commit mistakes.

Q.—What is the best way out of it, the best way to correct his mistakes?

A.—His work passes through so many channels and the higher officers scrutinise it.

Q.—Finally as you say it is passed by the Government in a Government Resolution?

A.—Yes.

Q.—Do not Government commit mistakes?

A.—I said every man is liable to commit mistakes.

Q.—In your long service you may have come across many revision settlements?

A.—Yes.

Q.—Were the people in your charge satisfied with the maximum rates increased by the settlement officers?

A.—That is the thing. We send it round to the village and we publish it in the vernacular.

Q.—Were representations made by the people against the increased rates considered by the Government at any time?

A.—Yes, at certain places there were representations. I cannot quote an instance but where increases were abnormal Government did consider them.

Q.—Do you say that a reduction was made in the rates?

A.—It was made.

Q.—In which case?

A.—That I cannot point out but I know it was made.

Q.—Are there any vacant waste areas round about big cities like Poona and other places? I ask because you referred to big places as having waste lands around them.

A.—I never said waste land. I only said there is agricultural land round about these big cities, land already under cultivation.

Q.—There you want 20 years' period?
A.—Yes.

Q.—May I know your reason why 20 years' period should be fixed round about cities?
A.—Rapid increase in values takes place there. 30 years' period cannot keep pace with it.

Q.—Is it compatible with proper sanitation of those cities? There is a lot of congestion in cities and if there were revisions at shorter intervals, do you think that the people will keep quiet?
A.—I know in revising we have to deal with rents of non-agricultural land also. In big places where agricultural land gets into non-agricultural land as land value begins to increase, Government cannot afford to lose its share of the rent if the period is fixed for 30 years.

Q.—Then it means that Government would make money at the cost of the health of the people?
A.—Not so. If that land is worth Rs. 300, as the value increases he may get Rs. 4,000 for it, and yet Government will not get a share of that increase in price.

Q.—Do you think that some consideration should be also made as regards congestion or health or sanitation of the cities?
A.—If you look into Poona rules you will see that if a man builds on 1/3rd or 2/3rd of his land there is a concession rate.

Q.—You have experience of Nagar and other districts. Can you state what is the condition of the peasantry in Nagar?
A.—It is bad.

Q.—Is it the policy laid down by Government in order to improve the condition of the agriculturists in Nagar that the assessments should be reduced in Nagar?
A.—Yes, it is low as compared with other districts. Tagai also is very conveniently arranged so as to encourage the agriculturists to bring their land into cultivation.

Q.—In Khandesh it is lower?
A.—No.

Q.—Therefore the agriculturist in Khandesh is better off than that in Nagar?
A.—Not lower, the yield is more and his proportion of that yield is not properly fixed according to the fertility.

Q.—Would you like that so far as assessment is concerned the assessment of Nagar should be brought still lower in order to enable cultivators to live upon the standard of Khandesh cultivators?
A.—It is not possible. Even if you lower it by four annas it won't go to the agriculturists. It depends upon the sufficiency of rain; rainfall is very scanty, and other considerations have to be borne in mind.

Q.—Have you any landed property?
A.—I have.

Q.—In what taluka?
A.—In Alibag, Kolaba district.

Q.—I think there is no famine in Alibag?
A.—There is no famine there.

Q.—What is the assessment per acre for rice lands there?
A.—It is heavy as compared with these things.

Q.—How much is it, 5 or 6 or 7 rupees?
A.—It is about that.

Q.—Do you want some reduction?
A.—No.

Q.—Do you want an increase?
A.—No, I want whatever is charged to other people.

Q.—You told Mr. Mackie that you publish settlement proposals in vernacular, but the notice must be a short one as it cannot contain everything which has to be made known to the people concerned.
A.—That is why I have suggested that there ought to be a pamphlet. This only shows the rates and classification.

Q.—The notice only shows in what village revision settlement is to be made?
A.—It shows in which group it falls. You cannot publish a big book as notice in a village.

Q.—How much public money has been spent in Khandesh and how much private money has been taken away by Government?
A.—That I cannot tell you.

Q.—You say that when the public incurs expenditure and if thereby any prosperity comes to any tract of land, then that increase must go to the public treasury.

A.—A share of it. I never said that the whole should go.

Q.—May I know how much from the public treasury is being spent in Khandesh and how much is being taken away by Government?

A.—There is the Tapti Valley Railway.

Q.—Does not the railway make profits?

A.—It makes, but you get better markets and better prices, there is better and more rapid distribution and transit of cotton and so better prices are obtainable for cotton.

Q.—What has Government to do with the building of that railway which was constructed by a private company and is managed by a private company and run for profit?

A.—What I say is that the profits or extra money which a landlord gets from his agricultural produce for which he has not made any outlay but which comes to him, Government must have a share in.

Q.—Do you believe that that railway was constructed because the agriculturist was there? Would it have been constructed in a desert?

A.—Because there was rich produce and the traffic was to be increased, the railway was constructed.

Q.—Who contributed to the construction of that railway, the Government or the agriculturists?

A.—How has the agriculturist contributed?

Q.—Because he happened to be there, because he happened to grow cotton and other agricultural produce.

A.—Therefore instead of getting ten rupees he is getting twenty rupees for which reason he must pay something to the State. The administrative expenses also have increased and money has to be found for all of that.

To Mr. G. W. Hatch, Chairman:—

Q.—Nagar is always referred to as the worst possible district; when referring to dry crops you would exclude the irrigation tracts?

A.—I would exclude irrigation tracts like Kopergaon.

Q.—There has been a good deal of irrigation there and prosperity has come to those tracts?

A.—Yes.

Q.—That is excluded from all the references to Nagar?

A.—Yes.

29th June 1925.

EXAMINATION OF MR. L. S. CHAUDHARI, M.L.C., PRESIDENT, TALUKA DEVELOPMENT AGRICULTURAL ASSOCIATION, LTD., JALGAON.

To the Chairman :—

Q.—In reply to question 1 you say the value of agricultural land should not be taken into account while revising the assessment, because the prevailing market prices of land (agricultural) are not correct and proper basis. Do you mean they are invariably inflated?

A.—They get inflated by certain competition amongst agriculturists.

Q.—Even if they have other professions they follow this profession at any cost?

A.—Yes.

Q.—And so they are obliged to invest their money into land even at a loss?

A.—Yes. They do and are content to go on making losses year after year and therefore they are always under debt.

Q.—And the debt goes on increasing?

A.—Yes, and as a consequence many agriculturists have had to give up their lands.

Q.—The debts go on increasing up to the time when they can afford no more?

A.—Yes.

Q.—Then what happens?

A.—They sell away their lands and become field labourers.

Q.—That is about East Khandesh. You find the normal procedure is that the land-owner becomes a labourer in East Khandesh?

A.—Yes, in course of time.

Q.—Have you any experience of landowners becoming rich men and sowkars in East Khandesh?

A.—Few, 2 or 3 per cent. have become rich.

Q.—In each village?

A.—No, in the whole population. I mean 2 per cent. of the total number of land-holders.

Q.—What part of East Khandesh do you know, do you know Raver, Yawal, Sondi, etc.?

A.—I know Yawal, Raver, Jalgaon, Bhusawal, Amalner, Erandol.

Q.—You know the number of Gujar Patels in most of the villages and that there are more than three or four of these Gujar Patels in each village who are represented to be worth lakhs of rupees?

A.—That may be due to their having ancestral property.

Q.—Made in agriculture?

A.—I cannot say whether out of agriculture or otherwise. There may have been many other sources in which their forefathers may have made some money.

Q.—You cannot say whether it is out of agriculture or not. Did such people exist in Khandesh in times gone by?

A.—They did exist in the olden times, at least since several years.

Q.—I suppose the fact that such people exist helps to raise the prices of land because people know that these Gujar Patels are prepared to pay any prices that are asked of them.

A.—Not only such people but the middle class who have got big families and who have to seek for some means of maintenance go in for land and pay more money than the actual prices of land. I know certain villages where peolpe have become reduced to the position of labourers.

Q.—These people pay higher rentals not because land is a paying proposition to them but because of keen competition?

A.—In addition to the five reasons I have to add two or three more. Where the land is fallow for some two or three months that land is taken by a man who was its previous owner. Then there is shortage of rain. If in one year there is less rain and the next year there is more rain, rentals in the second year go up beyond the true or economic rental values. It is competitive rental which the land brings. The agriculturists have got some ancestral land and wherever the land is in the hands of sowkars they desire to get it for cultivation for sentimental reasons and are therefore prepared to pay a little more rental.

Q.—In answer 4 you say that land assessment should be based on net crop yield arrived at by deducting cost of cultivation from gross produce.

A.—Net crop means net profit.

Q.—The net crop or profit would be different in the case of each different cultivator according as he is a good or a bad cultivator.

A.—The factor of cost is the same but the yield would be different. I use the word " yield " in the sense of " net income ".

Q.—The net profit of a good cultivator will be greater than the net profit of a bad cultivator?

A.—The assessment will be greater in that case.

Q.—You have got to take these experiments to find out the net crop yield in the case of each kind of cultivator as well as in the cost of each kind of land.

A.—I would like this method that in a village the villagers know better the fertility of each piece of land. Divide each village into groups according to the fertility of the different parts of the land and it would then be easy to find the net income. I have prepared a chart which, if followed, would facilitate finding out net income.

Q.—The chart does not take into account the human factor, that is to say, one man cultivates better than another man and gets a bigger yield.

A.—In these days everybody is desirous of getting as much as possible from his land and therefore bestows great care on it.

Q.—Your opinion is that all cultivators work equally well on the land?

A.—Yes.

Q.—Answer 11. You take 30 per cent.?

A.—I think there is a mistake in printing. It should be 10 per cent. We do not get any profit, as our cost and our income are on a par.

Q.—In Khandesh you have a certain number of people who do not cultivate themselves but let out all their lands.

A.—That is on account of increase in cost of cultivating.

Q.—Our statistics show us that they do so at 6 to 7 times the assessment.

A.—That is rather exorbitant.

Q.—Our statistics show that if assessment is 20 rupees they let out for 100 rupees but you say the State should only get 1/10th, *i.e.*, 10 per cent. Is that fair, you think?

A.—Yes. My idea is that revision settlements should not be made at least for sixty years and that too for reduction of rates and not for increase of rates.

Q.—What have you got to say about Khandesh not being put on the same standard of assessment as the rest of the Central Division or the Presidency?

A.—The other districts are highly taxed and my view is that their assessment should be brought down to the Khandesh level.

Q.—You want an advisory committee?

A.—Yes.

Q.—Consisting of officials and non-official members of the Legislative Council elected by the Council with the majority of the latter.

Q.—Government should give relief to cultivators because they are the backbone of the country?

A.—I do hold that opinion.

Q.—They form 80 or 90 per cent. of the population?

A.—Yes.

Q.—In the total population only 20 per cent. are non-agriculturists; out of these 80 per cent., 50 per cent. are cultivating landlords and only 30 per cent. are labourers on land?

A.—In the whole of the Presidency agriculturists are between 80 and 90 per cent.

Q.—They make their living on their lands?

A.—Yes.

Q.—If you relieve them of the burden of the land tax the remaining 20 per cent. have got to pay for Government of the country.

A.—Even in that respect I shall have to say that we should take some portion which we give to the Central Government out of the income tax which is collected from non-agricultural communities and thus we shall be relieving the agriculturists.

Q.—The remedy you suggest is to get back from the Central Government the income tax and that way we should be able to lessen the burden on the agriculturists?

A.—Yes. At present the greater burden of the administration of the country falls upon the agriculturists. That is rather harsh and unjust.

To Rao Saheb D. P. Desai:—

Q.—I think what you say in paragraph 1 is this, that a purchaser of agricultural holding who purchases it at a very high price should not be made to suffer for want of his knowledge of economic laws?

A.—I think we should not tax folly or ignorance.

Q.—The value of the land should be considered as the basis only in the case of non-agricultural land?

A.—Yes.

Q.—To what extent would you allow any concession as regards congestion of population in villages? Supposing there is a particular village and round about that there are neighbouring fields. If there is a congestion of population in the village, some people have got to build their houses outside the village limits in the neighbouring agricultural numbers. To what extent would you allow concessions on account of proper sanitation and the health of the agriculturists themselves?

A.—I think Rs. 300 is taken per acre. It is rather exorbitant. One rupee per guntha would be all right. Though I am in favour of taking land prices of non-agricultural land for assessing, still it should not be excessive. There should be some limit even in that matter, one rupee per guntha is the prevailing rate in Jalgaon.

Q.—Is there any sub-soil water rate in the whole of East or West Khandesh?

A.—So far as I remember there is none.

Q.—Are there any irrigation wells in East Khandesh?

A.—There are many but at least three-fourths are empty cylinders, with no water in them.

Q.—Have you any reason to believe that the fact that intensive agriculture brought about the emptiness of the wells was taken into consideration at the time of settlement?

A.—I think so.

Q.—You mean to say that the improvements were taxed?

A.—Improvements are taxed. If the value of the land is to be taken into account, a plot containing a well naturally brings forth more money and if that value is taken into account at the time of revision settlement, naturally or unfortunately the improvement in the form of the well is taxed.

Q.—Are there no cottage industries in your part of the country?

A.—All take to agriculture, perforce.

Q.—What percentage of land in East Khandesh is rented? How many people cultivate their own holdings and how many rent them out?

A.—20 to 25 per cent. rent out their lands, and this tendency has increased now-a-days on account of economic conditions.

Q.—Have the owners of the fields made improvements in those lands also?

A.—They have.

Q.—Supposing the whole of the lands were rented in one village or in the whole of Khandesh, would their rents rise or fall?

A.—When there is an abundance of land available for cultivation for the labourers, naturally prices of land will go down.

Q.—That is, rents will go down?

A.—Yes.

Q.—So you think that perhaps rental prices will bring lesser revenue to Government?

A.—In that case, yes, but that will not go down very abnormally.

Q.—Do you think that every field will get a cultivator to cultivate it when all the fields in East and West Khandesh are thrown open at rental to cultivators?

A.—I think out of the labouring class only 30 per cent. will be with land and 50 per cent. will be without land.

Q.—Will there be competition?

A.—No.

Q.—Will there be competition amongst landlords?

A.—Yes

Q.—In order to give away their lands?

A.—Yes.

Q.—In that case rents will fall?

A.—Yes.

Q.—If rental basis were accepted, the chances are that Government revenue might fall?

A.—The question of demand and supply will come in.

Q.—Answer 4. You say " the defect lies in the fact that at the time of anna valuation yielding capacity of land is ascertained on the estimated gross crop yield, and cost of cultivation, which is instrumental to the crop yield, is not at all taken into account." By anna valuation you mean the annual anna valuation?

A.—Yes.

Q.—Do settlement officers take into account annual anna valuation?

A.—They take anna valuation as one of the factors in revising settlements. Suppose I have got one land. I put in 100 maunds of manure into it and by this improvement I bring the crop to 14 anna valuation. The circle inspector or the mamlatdar comes and rates it at 14 anna crop but he does not estimate the money invested by me in the improvement in manuring the land in terms of anna and he does not put down the total money spent by me in this improvement which may even go up to three or four hundred rupees. If this sum represents in terms of annas say 4 annas, this four annas should be deducted from the 14 anna valuation and the remainder should be considered as the proper anna valuation on that field.

Q.—You are in favour of 60 years' period. This permanent settlement land assessment should be fixed in kind but if it is at all to be revised after sixty years, then it should be for the reduction of the rate, not for increase?

A.—No, the maximum rent has been reached.

Q.—You want permanent settlement?

A.—In kind.

Q.—You accept Mr. Shivdasani's scheme?

A.—No. It should be only once settled, not every year, by experiments by experts.

Q.—The rental is arrived at by settlement officers in this way. They take about five or six leases, find out the rents and then say it is so many times the assessment, twice or thrice or as the case may be. How many leases are considered by the settlement officers in your district in arriving at the incidence of assessment to the rental value?

A.—As far as my information goes, they take only such leases as are favourable to them.

Q.—Which are favourable perhaps for increasing?

A.—Yes.

Q.—Do the agriculturists in your part pay indirect taxes also?

A.—Cesses such as local fund cess and other cesses which indirectly fall upon the agriculturists.

Q.—Do you refer to position class cess, cess for special kind of soil, etc.?

A.—No. I refer merely to the local fund cess only.

Q.—In Maratha period you paid only one tax?

A.—Land tax.

Q.—And other taxes were much too negligible to be felt.

A.—They were not taxed. Now we have to pay grazing fees as well as thorns fees, fees to be paid for cutting bushes, for preparing hedges.

Mr. Hatch (Chairman):—You refer to Forest rules?

A.—Yes.

Q.—You are required to pay for these things as regards rice lands?

A.—I have no knowledge of rice lands.

Q.—You mean customs, excise, etc., which were free in the time of the Marathas?

A.—Yes.

To Mr. D. R. Patil:—

Q.—You are an M.L.C.

A.—Yes.

Q.—You hold some land in East Khandesh?

A.—I hold 125 acres of land, there.

Q.—You stay at Jalgaon?

A.—Yes. I know the model farm at Jalgaon, and so far as my knowledge goes, it is working at a loss. I had criticised the policy. Government maintained accounts of the income and expenditure, and with all their expert knowledge, they could not make it work at a profit. That clearly shows that, because the costs of cultivation have grown very high, the income is less than the expenditure.

I admit that the agriculturist in East Khandesh is getting more and more into debt. I am myself in debt, in spite of the big holding that I possess.

I know that unless the agriculturist puts manure into his soil, he will not get more income. They have not enough of money to purchase manure and put it into the land.

The prices of manure have risen. It now costs Rs. 5 to Rs. 6 a cartload.

Live stock is also decreasing to a great extent. I know that in two or three villages the people never keep any bullocks, but they carry on the cultivation by hired bullocks.

I know that on account of their poverty, the agriculturists, at the time of sowing their seed have to go to the sawkar, as within two months the money, which they get out of their produce is spent. In many cases, before they reap the fruit of their labours, it is pawned away. The result is that the agriculturists do not get the benefit of the high prices; the advantages go to the money-lenders.

It is a fact that in the majority of cases these merchants go to the villages and buy all the agricultural produce. The agriculturists being ignorant are deceived by the merchants, and they do not get the full advantage.

Taking all these things into consideration, I am of opinion that the agriculturist in East Khandesh is nothing more than a labourer. He simply gets food for living. He does not get any surplus produce or what I may call the proprietor's produce or agriculturist's net income. He simply gets sufficient for his wages in his own land.

If this state of things continues, all these lands will be captured by the capitalists, and it is a process which has long since begun in East Khandesh.

Q.—Mr. Chairman referred to places like Savada. Will you agree with me if I say that those persons who own lakhs of rupees are rich not because of agriculture, but because of their money-lending business?

A.—Agriculture, unless supplemented by something else is not profitable.

Q.—You are of opinion that those agriculturists are happy because they get some other income in addition to agricultural income?

A.—Yes.

Q.—Don't you think that the rental value is not a safe index?

A.—It is rather a treacherous index and misleading.

Q.—Would you like a permanent settlement?

A.—Yes.

Q.—What are your reasons for saying that 10 per cent. should be the maximum limit of enhancement?

A.—My reasons are that if you begin this practice from now, the surplus which will remain in the hands of the agriculturist will be sufficient to defray old debts. In order to bring them into a solvent condition at least, assessments should be based in such a way that people will get something to satisfy old debts.

Q.—Don't you think that if permanent settlement is granted by Government, the prosperity of the country will increase and Government will get more taxes from some other sources?

A.—I do hold that view. There will be several industrial concerns springing up out of the money thus saved.

Q.—Are you of opinion that at least in order that the state of the agriculturists should improve, the period of settlement should be extended from 30 to 60 or 99 years, or 100 years?

A.—I am always in favour of a period more than 60 years.

Q.—In case permanent settlement is not granted, you think it should be extended to 100 years?

A.—Anything beyond 60 years.

Q.—Is it a fact that the agriculturists in Khandesh are satisfied with the present assessment?

A.—They are utterly dissatisfied. It will be seen from several applications that have been sent from Jalgaon taluka. It appears that a revision is going to take place in Jalgaon. I think notice has been issued to the people inviting their objections. The people are ignorant and do not know what steps to take, their ignorance is taken advantage of. I think the notice ought to have been published 4 or 5 months back. Many of the agriculturists have sent in their applications to me also in my capacity as a member of the Legislative Council, requesting that I should do something for them in the Council.

Q.—Do you agree with Mr. Kulkarni that section 107 is very properly worded?

A.—I wish to propose a modification. I should like to put in the word 'net' before the word 'profit' and the word 'only' after the word 'profit'.

Q.—Will you please tell me what you understand by ' the value of land ' in section 107?
A.—Value of non-agricultural land.

Q.—How can you ascertain the value of land?
A.—By the demand for it.

Q.—In what way is the value of land charged, so far as non-agricultural purposes are concerned?
A.—The method of charging the value is not made known to the public. Everything is carried on inside the office. I am not in a position to say how the present value of land for non-agricultural purposes is ascertained.

Q.—Is it a fact that the settlement officers call the agriculturists at the time of revision and ascertain their views whether the assessment is heavy or not?
A.—My idea is that they simply consult some people who always come in contact with the agriculturists what their condition is.

Q.—But have those people the courage to speak against Government?
A.—Certainly not. They are not in a mental position to state boldly their views. It will not be liked by the settlement officer.

Q.—Have you to make any other suggestions so far as question 19 is concerned?
A.—There should be some changes in the Land Revenue Code as well.

Q.—Do you mean to say that many of the sections of the Code should be modified, so that the land revenue should be treated as a tax and not as rent?
A.—Land assessment should be based on net profit arrived at by deducting the cost of cultivation, *plus* the wages of the members of the cultivator's family and the Government charges.

Q.—Are you of opinion that the proprietorship of land should be vested in the people and not in the Government?
A.—It should be individual proprietorship.

To Sardar G. N. Mujumdar :—

Q.—How many inam and khalsa villages are there in East Khandesh?
A.—As far as my knowledge goes the inam villages are about 60. There are about 1,700 to 1,800 khalsa villages.

Q.—Are all the inam villages surveyed?
A.—Most probably all of them.

Q.—Has a revision taken place in all of them?
A.—With the exception of one village, I think in all others revision has taken place.

Q.—Do you know of any instances where the rate of assessment in an inam village is far below that of the surrounding Government villages?
A.—I think in the village of Bhondan it is far below that of the surrounding Government villages.

Q.—With regard to question 17, you say you are in favour of the idea of appointing an advisory committee. Would you like to add one representative of the inamdars on the committee?
A.—It will be a valuable addition to the committee.

To Mr. A. W. W. Mackie :—

Q.—In reply to question 11, you have got paragraph 2 there. That paragraph appears to me to contain an obvious arithmetical fallacy. Are you content that the soundness of your views in general should stand or fall by paragraph 11 (2) of your reply?
A.—Am I to understand by your question that the idea of taking the interest on the investment on the land should not be entertained?

Q.—I do not want to discuss it. I do not want to know what is the policy at all. Have you given this matter your best attention, and are you content that the soundness of your views should stand or fall by the soundness of this one?
A.—I do hold this view.

Q.—That would be a measure of the soundness of your other views?
A.—Yes. I do hold it is in conformity with the other professions. In other professions interest is taken into account.

Q.—A good many witnesses have come with that idea. We will not discuss it. You say in paragraph 3 (1) " The agriculturist pays little regard to the return. His sole anxiety is to see that he must get back at least sufficient to pay the landlord's rent, and he should not incur debt on that account and therefore they pay rent as much as would leave margin for his labour ". That is the tenant you are speaking about?
A.—Yes.

Q.—Do these tenants maintain their own bullocks and ploughs and so on?
A.—They do. This is the idea when they take the land on lease, but the result is arrived at after the harvest. The mentality of the tenants at the time of taking the land has been described.

Q.—He has his own bullocks and ploughs?
A.—Yes.

Q.—You know East Khandesh?
A.—Yes.

Q.—Do you know that rents in Khandesh, expressed in terms of assessment are very much higher than in other parts? For instance, in Gujarat in many parts they are twice only, but in Khandesh they go up to an average of six times and more than six times as a matter of fact? Are you aware of it?
A.—Yes.

Q.—You said that if all the land is rented, the rental would go down to the first member of the committee who examined you. Is the land cultivated at present?
A.—Yes.

Q.—Then the cultivators who are employed as labourers would become the tenants?
A.—Yes.

Q.—How would there be any less production or more production from all the areas at present?
A.—My first premise is this that out of 80 per cent. of the agricultural population, 50 are cultivating landlords and 30 are tenants or labourers. When there will be a demand on behalf of the 30 people for lands belonging to 50 people, *ipso facto* there will be more land for the 30 people and there will be greater supply and less demand.

Q.—In Khandesh what amount of the gross produce would you say goes into the assessment? How much of the proportion of the gross produce is the assessment?
A.—I think 8 times. If the land assessment is 1, the gross produce is 8.

Q.—The assessment is an eighth of the gross produce?
A.—Yes.

Q.—We also know that the rents in East Khandesh are about 6 times the assessment. That means that the landlord gets 6 assessments, and out of that he pays 1 to Government and keeps the rest.
A.—The remaining 5 does not remain in his pocket, but is paid to the sawkar if there is a debt over the land, by way of interest. This 1 is the assessment upon the rent, that is revenue upon the rent which is Rs. 5. Rs. 5 is the net rental or the net profit of the landlord and 1 is the revenue upon that and the remaining 5 are not in his pocket, but they are utilised for some other expenditure such as interest and other things.

Q.—That leaves out of 8 assessments 2. Five to the landlord, one to Government; there remain 2 and these go to the tenant.
A.—Yes.

Q.—So the tenant maintains his family, bullocks, etc., on 2 assessments.
A.—Out of these remaining 2 he has to pay for certain labouring charges.

Q.—The tenant has?
A.—Yes. Thus there is no surplus for him.

Q.—So, it is less than 2. Does he get $1\frac{1}{2}$?
A.—Even assuming that he gets 2, that is taken away by the labouring and other charges.

Q.—The whole of the 2 is spent on labouring charges?
A.—Yes.

Q.—What does he live on?
A.—He lives on Chuni and Bhushi.

Q.—Where are they grown?
A.—These are by-products of the principal crop.

Q.—What is Chuni?
A.—Supposing I have got 5 *maps* of jowari, there are certain things which we can get out of the refuse, or in the form of Kadbi. These are the by-products of the principal produce.

Q.—The tenant lives on these by-products?
A.—Yes.

Q.—Whatever you call it, how many times the assessment would these by-products amount to in value?
A.—Very little; most negligible.

Q.—Would it be one-fourth of the assessment?
A.—No. I think out of the remaining Rs. 2 he may get 2 or 3 annas.

Q.—Is it hired labour?
A.—He has to hire the labour, and he has to spend the Rs. 2 on that.

Q.—And he lives on what you call the Bhushis?
A.—Yes. It may be worth an eighth part of the rupee.

Q.—Of the assessment?
A.—Of the Rs. 2 which are left after paying the rental.

Q.—You say 2 annas in the rupee are utilised in the form of these Chuni Bhushi. So, an eighth of two assessments is a quarter of the assessment?
A.—I have expressed it in those words.

Q.—So the tenant lives on the Chuni Bhushi which is a quarter of the assessment?
A.—Not only that, but sometimes he incurs debt on that account.

Q.—What security does he give for the debt?
A.—When he enters into the lease or contract with the original landholder, he has got some prospects or hopes of getting sufficient from that land, but on account of the vicissitudes of the rain he sometimes enters into debt, and does not get enough to satisfy the rental.

Q.—On what security?
A.—No security. It will be seen, therefore, that they are not in a position to pay the rental even.

Q.—He lives on a quarter of the assessment, and pays 2 for the labour. The two assessments would maintain 8 labourers for the year.
A.—His family is maintained on that.

Q.—That would maintain 8 men for the year on the same scale as he lives himself on.
A.—What I mean to say is that 2 annas are kept for his maintenance and these 2 annas are quite sufficient to maintain his whole family.

Q.—You said just now that he had to spend these 2 assessments on paying for his hired labour, and therefore had himself to live on the Chuni and Bhushi.
A.—I do maintain it.

Q.—You also told me that the cost of his maintenance from these Bhushis amounts to a quarter of the assessment per annum.
A.—I do not mean a quarter of the assessment, but a quarter of that which is left after paying the rental as well as the labouring charges.

Q.—That is a quarter of the assessment. We will leave that aspect of the matter. He lives on a quarter of the assessment. The landlord gets 5 times the assessment?
A.—Sometimes.

Q.—Not all land is rented. Some people cultivate their own land. Where a man cultivates his own land he gets first of all five times the assessment, and then he has to pay 2 assessments to his hired labour, and then if he wants to chew these Bhushis, he can take a quarter of the assessment.
A.—These 5 are taken by his own family.

Q.—This man then has five times the assessment and the tenant has a quarter of the assessment. That is to say, the man who cultivates his land himself has 20 times the income of the tenant to live on.
A.—Of course he gets only Rs. 5.

Q.—So this man has 20 times the livelihood of the tenant?
A.—I do admit it.

Q.—So far as Government assessment is concerned, Government leaves the occupant of the land that livelihood which is 20 times that of the tenant.

A.—Of course we are not considering all these things in the abstract. But he has to pay certain other charges when he cultivates the land himself.

Q.—I take it that Government leaves this man 20 times what the tenant lives on?
A.—In the abstract it is so.

Q.—In Maratha times you say you paid land tax. Have you looked into that?
A.—I happened to read something about it.

Q.—You have never heard of the bullock tax?
A.—No.

Q.—Nor of the plough tax?
A.—No.

Q.—Have you heard that Mt. Stuart Elphinstone made out a list of 30 different taxes levied in Maratha times?

A.—No.

To Mr. R. G. Pradhan :—

Q.—What is the proportion in your district of cultivating and non-cultivating landlords?

A.—It may be taken that more than 25 per cent. are non-cultivating landholders.

Q.—These non-cultivating landholders pay assessment?

A.—Yes.

Q.—Deducting assessment, they get profits?

A.—Yes. Profit means what I have just explained to Mr. Mackie.

Q.—They obtain leases and deducting the assessment some *swamitwa* remains with them. Forty per cent. of the landowners in your district get some net profit?

A.—Yes, 25 per cent.

Q.—Suppose we treat this class of 25 per cent. of people separately altogether. What objection is there to taking 50 per cent. of their net profits as the land revenue?

A.—They will not get sufficient for their maintenance.

Q.—The whole amount which they get as *swamitwa* is required for family purposes.

A.—That is not even sufficient.

Q.—Therefore, you think that they should pay no assessment whatever?

A.—They should pay this or not more than the present.

Q.—They should pay the existing assessment and not more than the existing assessment?

A.—Yes.

Q.—Can you explain to me, if the net profit is not even sufficient to maintain themselves, why they should pay any assessment at all?

A.—I have abundantly made it clear in my reply. I have no other proof.

Q.—I want you to explain to me, if possible, why they should pay any assessment at all to the Government, if the net profit which they get is not enough even to maintain themselves.

A.—Penalty is attached to the non-payment of taxes, and it is very high. Therefore they are forced to pay. Otherwise, their lands will be forfeited.

Q.—Don't you think, Mr. Chaudhari, your argument comes to this that in fixing assessment Government must take into consideration not only the net profit which they get but also the expenditure which they have to incur to maintain themselves. Doesn't it come to that?

A.—Yes. I have to say something more. Government should take into account not only the cost of cultivation.....

Q.—I am leaving the cost of cultivation. I am now confining my question only to those landlords who lease their lands. They get some amount as net profit. You say that that net profit is not even sufficient to enable them to maintain themselves, and you say that, in theory, strictly speaking they should not pay assessment, but there are penalties attached to the non-payment of assessment, and therefore they must pay. I want to get to the root of the matter. Does not your argument come to this that in assessing land revenue in the case of these lands Government should take into consideration not only the net profits which they make but also the expenditure which they have to incur on account of their families?

A.—Certainly; Government must take into account the economic condition of the family.

Q.—I gather from your evidence that you think that agriculture in East Khandesh is an extremely unprofitable business.

A.—Yes; on an average.

Q.—In the case of 75 per cent. of the non-cultivating landlords they make no profits at all. Is that your view?

A.—On an average they do not. Sometimes they are in debt. Not only that, but several families have left East Khandesh and migrated to some other district.

Q.—What items do you include in costs of cultivation?

A.—I have got a chart of it. I have not stated one item, the saving margin. That should be included, because that is the principle of other professions. There should be something left for insurance for his own life.

Q.—Taking all these items into consideration, your view is that 75 per cent. of the people do not make any net profits at all?

A.—Yes.

Q.—Therefore, in their case also, if any land revenue is paid at all, it is simply because otherwise they would be penalised?

A.—Yes.

Q.—There is no justification, in theory, for the payment of land assessment in their case?

A.—Certainly not.

Q.—If agriculture is such an unprofitable business, why do people go in for it?

A.—I have stated the reasons in my written reply. I have also to say that they go in for agriculture because they are so illiterate, their want of resources is so much, and they are wanting in initiative. Therefore they are the first to fall upon agriculture. Anyhow they want some land to maintain their family. They take to it not because it pays them the proprietor's rent or the farmer's profit, but because it gives some wages to the agriculturist and his family.

Q.—Taking the average holding in your district as of 5 acres, what is the cost of cultivation of such a holding, including all expenses?

A.—Rs. 60 to Rs. 75.

Q.—Let us take it as Rs. 75. What will be the gross produce in that acreage?

A.—Rs. 125 to Rs. 130.

Q.—In that case that gives him a net profit of Rs. 50?

A.—No. The cost of cultivation goes away and the rental value of these 5 acres has also to be taken into account.

Q.—The person cultivates his own land. What would be the cost of cultivation to him?

A.—Rs. 75; and I have not included interest. If you include that, nothing will be left to him.

Q.—What is the figure?

A.—A margin of Rs. 10 to Rs. 15 net.

Q.—That is to say, a cultivating landlord who owns an average holding of 5 acres will get a net profit of Rs. 10 to Rs. 15?

A.—Yes.

Q.—He will make some net profit?

A.—But this will not always be the case. I have just stated in my replies to the Chairman that his debit side and credit side balance.

Q.—So, how much do you say would be the cost of cultivation to the cultivating landlord who has an average holding of 5 acres?

A.—It will not be more than Rs. 125.

Q.—What would be the market value of his gross produce in that acreage?

A.—It will be equal to that amount or below it. Not more.

Q.—How much below will it be?

A.—Rs. 5 to Rs. 10.

Q.—He will get a net profit of Rs. 5 to Rs. 10?

A.—Not always.

To Mr. R. G. Soman :—

Q.—Can you give us any idea how many holdings below 10 acres there are in your district? What percentage do they bear to the other holdings?

A.—They are more than 60 per cent.

Q.—Below 10 acres?

A.—Yes.

To the Chairman :—

Q.—The Chalisgaon people were objecting, you said. There is a second revision going on there at present. Do you know that in all the other talukas of East Khandesh a second revision has taken place?

A.—Yes.

Q.—And the people are paying according to the second revision rates?

A.—Yes, reluctantly and unwillingly.

Q.—Chalisgaon is paying less than all the other talukas in East Khandesh?

A.—In theory it is paying less.

Q.—Looking at the figures, you will agree that the other talukas were all put up roughly at 33 per cent.?

A.—Yes.

Q.—All that happened within the last 5 or 6 years, and Chalisgaon alone remains at its former rate.

A.—I think the injustice done in other talukas should not be repeated here.

Q.—That may be your opinion; but it is a fact that Chalisgaon is paying one-third less than other talukas?

A.—Yes.

29th June 1925.

EXAMINATION OF MR. G. R. PATIL, OF NADGAON, TALUKA BHUSAWAL.

To the Chairman :—

We had sent replies through the President, taluka local board, but they are not appearing in the printed book.

Q.—You have listened to the last witness. Are his views generally yours?

A.—Yes.

Q.—Is there anything that he said that you would like to amplify or correct?

A.—I want to correct him in regard to his figures of expenditure which an agriculturist incurs in getting the crop. There are only two crops which we get, cotton and jowari. I have taken a piece of land 20 acres in extent. After the cotton crop we get the jowari crop, but before sowing the jowar we have to remove the stumps of cotton from the soil. The cost of that will come to Rs. 30. We have also to incur an expense of Rs. 15 for removing the grass, etc., and the surplus refuse which is in the field. We also require 2 servants to work in the field and for that we have to pay Rs. 400.

Q.—Are these servants required to remove the stalks?

A.—No; they are required to do other work. The cost of manure is Rs. 200, and the weeding expenses are Rs. 40.

Q.—Will not the labourers do the weeding?

A.—Other female servants are required for that purpose.

Q.—What do the two servants do?

A.—They are required to work the agricultural implements, for sowing the seed, for harrowing; they drive the harrow. Women are required to throw the seed. We have taken Rs. 10 for sowing and Rs. 140 for cotton seed for the bullocks. The assessment on 20 acres I have taken at Rs. 80.

Q.—You have taken land above the average?

A.—Yes, first class land. I have taken Rs. 80 for assessment. The gross income of that land is Rs. 900. So, Rs. 850 is the expense and Rs. 900 is the income. The net return is Rs. 50 after paying the assessment.

Q.—Are these based on actual figures? How have you arrived at that figure? By taking what you think ought to be the proper figure, or have you examined anybody's books?

A.—This ought to be the proper figure. I have not examined anybody's books.

Q.—Are you a landowner yourself?

A.—Yes.

Q.—How much land do you hold?

A.—Five hundred acres. Part of it I cultivate myself, namely, 30 acres. It is not a paying concern to me; so I lease out the rest.

Q.—How many times the assessment can you lease it out for?

A.—Five to six times.

Q.—You pay the Government assessment?

A.—Yes.

Q.—So the remaining 4 or 5 is with you?

A.—Yes.

Q.—What is the total assessment on your land?

A.—It is Rs. 1,000 or Rs. 1,200.

Q.—So quite a respectable sum remains with you?

A.—If I take into account the interest on the price of land, what do I get?

Q.—The original cost price or its present value?

A.—I have purchased the land. I have invested an amount in purchasing the land, and for that I do not get any return, really speaking.

Q.—Have you invested money recently?

A.—Yes, Rs. 16,000.

Q.—Why did you do that?

A.—Because it is our ancestral business.

Q.—You thought it was safer than Government paper or investing in any industrial concern?

A.—It is owing to sentiment. That is property which will never be destroyed by any one.

Q.—Is it not possible to have landed property destroyed?

A.—No, thieves also cannot take it.

Q.—No, as long as you have a secure Government. But without a protecting Government, it is possible for agricultural property to be destroyed?
A.—Government is for our protection.

Q.—I suppose you are aware of the history of Khandesh 150 years ago?
A.—I do not know.

Q.—Is there anything else that you wish to bring to the Committee's notice? You say that generally you agree with Mr. Chaudhari?
A.—Nothing. Yes. I say that generally I agree with Mr. Chaudhari.

To Mr. G. A. Thomas :—

Q.—How much land did you buy for Rs. 16,000?
A.—Forty acres.

Q.—You say you prefer to lease the land and not to cultivate it yourself. Why is that? Do you make more out of land by leasing it?
A.—Because, if I cultivate it myself then I do not get anything out of it. Those persons who cultivate themselves, that is the tenants, cultivate it more carefully. They work in the fields themselves, and therefore they get more.

Q.—What return do you get on this expenditure of Rs. 16,000?
A.—I do not take money from them.

Q.—You have spent Rs. 16,000. How much are you getting out of it?
A.—Approximately, I might be getting 6 per cent. when I cultivate the land myself.

Q.—What percentage do you get per annum on the 16,000 that you have invested?
A.—Four per cent.

Q.—Investment on land is worth 4 per cent.?
A.—Yes.

To Moulvi Rafiuddin Ahmad :—

Q.—You said you did not make any profit out of it?
A.—That is if I cultivate it myself.

Q.—Supposing you went on like that, and always worked at a loss, could you go on with it without selling your property?
A.—I do not like to sell my property.

Q.—For sentiment you would like to retain the land?
A.—People who lose money in racing, though they lose it, still they go on indulging in gambling.

Q.—Is it like a bad habit like drinking?
A.—No. I say, if I do not cultivate myself, my son will cultivate the land, and he will derive some benefit out of it.

Q.—When you get no profit?
A.—It is just like a deposit in the bank.

Q.—But the deposit in the bank pays you interest.
The Chairman.—He says he would have had a loss had he cultivated it himself; but he makes 4 per cent. by leasing it out.

Q.—Did you hear Mr. Chaudhari say that there was no other tax at the time of the Peshwas?
A.—Yes; I hold that view.

Q.—Is it a fact from history, or is it a guess?
A.—From our Shastras describing methods of ancient rulers.

Q.—What have the Shastras got to do with the history of the Peshwas?
A.—Because their method was based upon those methods followed from the time of our old kings.

Q.—What have they to do with it?
A.—When you ask me a question, I must answer it.

Q.—Have you read any book of history from which you have found out that there was no other tax imposed by the Peshwas except the land tax?
A.—I have read Shastras but no book of history.

Q.—The Shastras were long before the Peshwas. Are you aware from any books of history that there were no other taxes in the time of the Peshwas except the land tax. Mr. Chaudhari says there were none, and you agree with him. On what basis do you say that?
A.—I have not read it in any book of history.

To Mr. G. Wiles :—

Q.—You said that the cost of cultivation in that piece of land was Rs. 850 and the assessment was Rs. 80. It was first class land. So, in first class land the assessment is about 10 per cent. of the total cost of cultivation?

A.—Yes.

To Mr. R. G. Pradhan :—

Q.—I do not understand this: You say when you cultivate the lands yourself, you do not get any profit, but when you lease them out you get some *swamitwa*. I do not understand why, if you cultivate the land yourself, you should not get at least the same percentage of the rental value which you get when you lease out the land to others.

A.—I do not remain in the field with the labourers. Therefore, I do not get proper profit.

The Chairman :—

Q.—The supervision is not good?

A.—No.

Q.—Suppose you supervise the lands and take a personal interest, you will get a better return?

A.—I will get something more.

Q.—Then you want to run the land at a loss?

A.—I do other business.

Q.—Suppose you do not do other business, but become a wholehearted landowner, go to the field, supervise the lands, and do all that is necessary in the interest of cultivation, in that case, don't you think that you would get net profits?

A.—I will get some net profits.

Q.—Now, could you tell me what your net profits would be in an average holding of 5 acres, supposing you exercised your personal supervision properly?

A.—Six per cent. interest on the price of 5 acres of land will be got.

Q.—As regards the past, don't you think we should leave the past to take care of itself? Don't you think that as regards the past, opinions may vary and may be conflicting?

A.—Yes.

Q.—Supposing in the past Government oppressed the ryots, will that be justification for the present Government to oppress the ryots?

A.—Of course not.

Q. Whatever may have been the arrangement in the past, we must have an equitable and fair system at present?

A.—Yes, by all means.

To Mr. D. R. Patil :—

Q.—Don't you think that the assessment should be based upon the net income from agriculture?

A.—Yes, I think so.

Q.—Do you think that would be the fairest method, in the interest of the State as well as of the agriculturist?

A.—Yes.

Q.—Do you hold that the agriculturist is getting poorer and poorer?

A.—Yes.

Q.—Is it due to the fact that the agriculturists who are poor cannot put the requisite manure into their fields?

A.—Yes.

29th June 1925.

EXAMINATION OF MR. S. V. KARANDIKAR, PRESIDENT, AGRICULTURAL ASSOCIATION, BARAMATI.

To Mr. G. W. Hatch, Chairman :—

Q.—You accept the general principles of assessment?

A.—Yes.

Q.—Rents are always fluctuating and therefore you think that assessment should not be based on them?

A.—Yes.

Q.—If you take them over a period you get all the fluctuations and you are able to arrive at an average?

A.—I hold that average of such rents will not be a sound basis for fixing assessment. On our side on account of scarcity of rain dry lands do not yield as much as assessment and even good dry lands let on favourable terms do not bring in more than double the assessment in good years. Rents of lands under irrigation are so fluctuating that even an average of ten years will not give us a correct and reliable data to fix the assessments. Lands included in blocks for which water is assured may be thrown out of blocks if they are found to be not answering the descriptions to keep them in blocks, on account of water-logging or deterioration due to too much water, etc. If the lands are thrown out of blocks they practically are on a par with dry lands and bring in nothing. This is the difficulty in fixing assessment on rental value.

Q.—You are referring particularly to lands under irrigation in connection with which there will be the difficulty you mentioned?

A.—Yes.

Q.—You would fix assessment after taking into consideration the economic condition of the agriculturist?

A.—Yes.

Q.—And other circumstances also detailed in the general remarks?

A.—Yes.

Q.—No distinction should be made between cultivating and non-cultivating landlords?

A.—Yes.

Q.—The assessment should be based on the profits and that is the bases of our present assessment. I understand you would fix it on the calibre of the land?

A.—By calibre I mean the yielding capacity and it then comes to the net profits, deducting all the charges and expenses a landlord is required to incur for rearing the crop and making it ready for the market.

Q.—You wish to fix the assessment on net profits?

A.—Yes.

Q.—Questions 10 and 11.—What maximum would you suggest?

A.—10 per cent.

Q.—That is for enhancement. We are dealing with the maximum percentage of the rental value. What would you take as the maximum percentage of the rental value?

A.—Not exceeding ten per cent. of the net profits, but not of rental value.

Q.—When you come to enhancements you would not take more than 10 per cent.?

A.—That is so.

Q.—You want to have permanent settlement because as you say, thereby the land-owner would be assured of getting the full fruits of his labour. Is it not the experience that permanent settlement leads to land passing into the hands of non-agriculturists?

A.—In some cases it does but the percentage is very low. Because almost all the land-holders are themselves cultivators.

Q.—I see at the bottom of page 382 that you say " if the assessment is not to be permanently settled the revision of assessment may not be made after a period of 30 years ". You are satisfied that the period of 30 years is not sufficiently long?

A.—Yes. The period of revision should be 99 years.

Q.—That is practically a permanent settlement again?

A.—Yes.

Q.—You are aware that in the course of 99 years values change altogether?

A.—Values may change but when the yielding capacity of the land is to be looked to, to fix the assessment on the value of the land is unsound.

Q.—But the assessment is recovered in rupees and you are aware in the course of a hundred years the purchasing power of one rupee may go down. What cost one rupee a hundred years ago now costs ten rupees?

A.—Perhaps it will go up, we cannot say at this stage.

Q.—Our experience has been in the past the other way?

A.—Certainly. But we cannot be sure about the future, that is what I say.

Q.—But you know that we do find these great differences in values?

A.—There are such differences.

Q.—And you are still satisfied that we should have this long period of 99 years if the payment is recovered in cash?

A.—The payment should be recovered in cash. In order to improve the state of the agriculturist—and which has become very necessary—I think the period of revision should be fixed at 99 years.

To Rao Saheb D. P. Desai:—

Q.—In answer 1 you say that both value and the profits of land should be taken into consideration in fixing the assessment. May I know why you should include the value?

A.—If a man purchases a land say for Rs. 500 he should naturally expect a return of at least 6 per cent. interest, *i.e.*, Rs. 30 on his investment. The interest on such sums must be deducted from the gross income and hence I say that value of the land should be taken into consideration.

Q.—May I know what you mean by the economic condition of the land-holder and other circumstances also detailed in your reply?

A.—Since the last revision, we find that the land-holder has not really improved his financial condition. He is heavily in debt and his economic condition is not what it should be. The assessment therefore should not be increased but it must be reduced where it is found a pressing one. In this sense I say his economic condition must be scrutinised before the revision of the assessment is made.

Q.—Suppose there is a land-lord having fifty acres of land but each of his sons is an officer under Government and brings in about Rs. 2,000. Has his economic condition then improved?

A.—By economic condition I mean the economic condition due to profits of agriculture. If these two sons who are officers bring in Rs. 2,000, the father's condition cannot be said to have improved as the result of the profits he made from his land. If the profits of the land which improved his condition leave any margin for increase of assessment, the latter should be increased only in the proportion stated above.

Q.—You do not mean the general economic improvement but improvement solely due to agriculture?

A.—That is so.

Q.—Yielding capacity depends upon the manure that is put in the soil and if assessment is based on the yielding capacity of the land, it is feared that perhaps the improvement in the form of putting in a lot of manure may be considered by the settlement Officers?

A.—By yielding capacity, I mean the inherent quality of the soil. Black soil yields more than Varkas lands.

Q.—And according to the survey valuation or calibre of the land?

A.—Calibre of the land.

Q.—You have suggested ten per cent. increase. Have you any reason to believe that under the Nira Canals the price of land is more than what it was a decade ago?

A.—Yes.

Q.—That the rents do not pay six per cent. interest?

A.—Not even 3 per cent. Investment in land does not yield even three per cent.

To Mr. D. R. Patil:—

Q.—In what way you like to modify the section 107 of the Land Revenue Code so as to protect the interests of both the State and the agriculturists?

A.—I would like to put in the word " net " before the words " profits of agriculture " and also add the words " *and the economic condition of the agriculturists due to agriculture* ". The section would be then quite clear and leave no room for doubt. The words " and the economic condition of the agriculturist " without the words *due to agriculture* would bring in the case suggested by Rao Saheb Desai of a land-holder having two sons who improve their father's state by their big incomes of salary.

If the words suggested by me are added section 107 of the Land Revenue Code would become quite specific and would not admit of any doubt or ambiguity.

Q.—Have you read the Survey Manual?

A.—I have not. I have read one settlement report.

Q.—Do you know the factors generally taken into consideration by settlement officers while revising assessments?

A.—I know.

Q.—Are they satisfactory?

A.—To a certain extent only.

Q.—What do you mean by " to a certain extent only "?

A.—Proximity of a market and Railway communication are considered to be some of the causes for increasing the assessment. But really they do not add to the income of the land-holder worth the name. I shall show by an instance. Baramati is a good market and a central place for the irrigators of the Nira Valley to take their produce for sale. But the jaggry or grain which is taken by them to the market is taken by the traders from whom they had taken advances. The profits if any due to the proximity of the market do not go to the pockets of the agriculturist but are taken of by the traders. So also though Baramati is a railway station the agriculturists do not derive any profit thereby as their vegetable and perishable goods cannot reach the Poona or Bombay markets in time. Their whole produce cannot be sold at Baramati and railway communication though at hand does not bring him practically any advantage.

Q.—Leaving aside those two factors, *viz.*, Railway communication and markets what other factors remain?

A.—Roads, they add a little to the profit but not substantially.

Q.—Besides roads what are the other factors?

A.—I do not think there are any.

Q.—Prices?

A.—Oh yes prices.

Q.—What do you say about them?

A.—An agriculturist when he has to sell off his produce gets only prevailing prices. He is not in a position to store and demand better prices when rates go up. He is compelled by force of circumstances to sell off his produce at whatever prices he gets.

Q.—Has not the cost of cultivation gone up just as market prices have gone up?

A.—Yes. High prices have been nullified by the high cost of cultivation. Cost of production has more than doubled.

Q.—Your opinion is that Government should look only to the net income of the agriculturists?

A.—Yes.

Q.—And revision should be based on that factor and that factor alone?

A.—Certainly.

Q.—But don't you take into consideration the prosperity of the agriculturist at the same time?

A.—In my opinion " prosperity " is a wide term " Economic condition of the agriculturist " would be an appropriate expression.

Q.—Does it mean net income of the agriculturist *plus* economic condition due to agriculture?

A.—Yes.

To Mr. A. W. W. Mackie :—

Q.—What do you say about selling prices of good sugarcane land at Baramati?

A.—If the land is included in blocks it fetches an average of Rs. 500 an acre, but sometimes if the land is adjacent to the purchaser's land, there have been cases in which Rs. 1,200 have been paid.

Q.—What would that land be let for?

A.—Something like Rs. 30 an acre.

Q.—And the land purchased for Rs. 1,200?

A.—A man who has got much money pays more and if the land is adjacent to his own he would not like that that land should go to anybody else and he pays even Rs. 1,200.

Q.—And still he gets Rs. 30 only an acre?

A.—Yes. Because the productivity of the land does not increase with the price.

Q.—Does not the price of Gul jump about a great deal?

A.—Sometimes. I think during the last twelve years we had only two good years for better prices but the year before last prices had abnormally gone down and sugarcane growers suffered a good deal. *Their gains are small but their losses are heavy.*

To Mr. R. G. Pradhan :—

Q.—Is it possible to ascertain net profits?

A.—Yes, because same sorts of crops are reared and we can ascertain them.

To Mr. R. G. Soman :—

Q.—You have been connected with the co-operative movement?

A.—Yes.

Q.—For how many years?

A.—Since it came into the Nira Valley about 12 years ago.

Q.—So far as Nira Valley is concerned arrears from agriculturists have been increasing from day to day?

A.—Unfortunately, it is so.

Q.—What is it due to?

A.—Due to the very small margin they get from sugarcane. Even though they may get something in one year if the next season is unfavourable their losses are enormous and in trying to recoup their losses they are thrown into debt and it is very difficult for them to get out of it.

Q.—Is it your experience that though the market prices of jaggery may go up the cost of cultivation of sugarcane also goes up and even if the market prices of jaggery go down, the cost of cultivation remains at the higher level?

A.—It does. Even Government reports will show that the cost of production has risen from Rs. 250 to Rs. 600 or Rs. 700 per acre.

Q.—What is your experience about the land outside the irrigation tract?

A.—It is very precarious, and generally within a decade of years we get five famines.

Q.—So far as dry crops in irrigation tracts are concerned?

A.—They are on the same level because even though dry land under canals gets more crop, the cost of production is heavy, unless manure is put in, even though water is given to such crops they do not yield anything.

Q.—Do you attribute this higher cost of cultivation to the canal rules in any way?

A.—The canal rules are to a certain extent responsible for the higher cost of cultivation. There are certain rules which are very rigorously enforced and more money is required to be spent on labour. Suppose a bund is required to be made over 10 or 20 gunthas but owing to the ignorance of the labourers sometimes 19 or 21 gunthas get bunded. Even for such a slight difference the agriculturists are compelled to spend on labour which is needed to remove that extra length or to make good the deficient length of bund, and so the cost of cultivation increases.

Q.—Are they not making a representation to the Irrigation Department asking that such rules should be modified?

A.—Representations are being made but so far the rules have not been modified.

To Moulvi Rafiuddin Ahmad :—

Q.—What is the constitution of your association?

A.—It consists of irrigators and agriculturists.

Q.—How many members has it?

A.—About 300 and has representatives of 22 villages under the canals.

Q.—You are its secretary?

A.—No. I am its president.

Q.—Are you an inhabitant of Baramati?

A.—Yes.

Q.—How long?

A.—For the last 21 years.

Q.—Have you got lands there?

A.—No.

Q.—I suppose you maintain that the incidence of taxation at the time of Peshwas was not so heavy as it is now.

A.—No. I cannot say that. I have not read anything about it.

29th June 1925.

EXAMINATION IN MARATHI OF MR. BHADRAGOWDA VEERGOWDA, PRESIDENT, TALUKA LOCAL BOARD, BADAMI, DISTRICT BIJAPUR.

To Mr. R. G. Soman :—

Q.—In answer to question 13 you say that the present maximum limit should be adhered to. What do you mean by that, by "the present maximum limit"?

A.—That is about the revision settlement.

Q.—Why do you say it should be adhered to?

A.—Because it is high as it exists, rental is heavy.

To Mr. R. G. Pradhan :—

Q.—In answer 10 you say "rent is not a sure basis for fixing the assessment because it depends mainly on rainfall and prices". You say assessment should not be based on rent because it is not a sure basis.

A.—Yes.

Q.—Have you any objection to taking rents for the last five years?

A.—There is no objection.

Q.—But you say rent is not a sure basis.

A.—For the last five years will do.

Q.—Don't you see any difference between your answer to question 8 and your reply to question 10?

A.—There is some inconsistency. I have said it should be based on rent but for the last five years it should be taken.

Q.—Do you think the present system of land assessment is very good?

A.—There should be some little differences.

Q.—What difference do you suggest?

A.—Nearness of railway station or big town near agriculturists' land and distance from that land should be differently treated.

Q.—At present no difference is observed?

A.—They do observe it.

Q.—What changes do you suggest in the present procedure?

A.—Wherever there is too much assessment and wherever there is too little, that should be adjusted.

To Sardar G. N. Mujumdar :—

Q.—Do you approve that a representative of inamdars should be appointed on the standing committee to take care of the interests of inamdars?

A.—I do not think so. There is no necessity.

Q.—If any district has inam villages and when those inam villages are being settled?

A.—There are not many inam villages but if in any taluka there are two or three I do not see any necessity for any representative of those inamdars to be on that committee.

To Mr. D. R. Patil :—

Q.—Have you lands?

A.—Yes.

Q.—How many?

A.—300 to 400 acres.

Q.—How many do you cultivate yourself?

A.—All.

Q.—What is your expense and what is your profit?

A.—Expenditure is more, gain is less.

Q.—Expenditure is more than income?

A.—Yes.

Q.—Is it your opinion that owing to the present dearness of labour and high prices, agriculture is not profitable to the agriculturists generally?

A.—Where there is a big town or railway station, there is no profit.

Q.—No profit to the agriculturists themselves?

A.—That is so.

Q.—Would you like permanent settlement?

A.—It will do.

Q.—If permanent settlement is granted, will it bring happiness or will it bring misery to agriculturists?

A.—I do not say that it will bring happiness to the agriculturists.

Q.—Will it not be good for the agriculturists?

A.—Yes.

Q.—The section 107 of the Land Revenue Code contains the words " to the profits of agriculture ". Don't you think it would be better to add the word " net " between the word " the " and the word " profits "?

A.—It would be better.

Q.—Out of 100 agriculturists, how many are landlords and how many are tenants?

A.—Tenants 80 per cent. and landlords 20 per cent.

Q.—When they rent out on mortgage, the interest also is included in the rates?

A.—I cannot say.

Q.—You admit that 80 per cent. are tenants and 20 per cent. are landlords. In arriving at real income, the earnings of the 20 per cent. landlords should not be taken as a test but the test of 80 per cent. tenants should be taken and assessed accordingly. Do you agree to this?

A.—Yes.

Q.—That will be just?

A.—Yes.

Q.—The 20 per cent. landlords test will not be just?

A.—No, it will not be just.

Q.—Should the standing committee be only advisory or mandatory?

A.—It should be able to find out the true state of affairs.

Q.—Should it be mandatory or merely advisory?

A.—I cannot reply. But the decision should be by majority.

BOMBAY : PRINTED AT THE GOVERNMENT CENTRAL PRESS.