M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 857 — Press / Mis.

Back No. 38-39.

Dated 18th July 1859.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, from 25th June to 1st July 1859.

No. 38. Read the following letter from R. B. CHAPMAN, Esq., Under Secretary to the Government of India; to J. D. BOURDILLON, Esq., Secretary to Government of Fort Saint George; dated Fort William, 2nd June 1859, No. 1104.

I am directed to forward to you a copy of the despatch from the Right Honorable the Secretary of State for India, No. 2 of 1858 of the 31st December, applied for in your letter No. 670, dated the 16th ultimo.

The date of the despatch was incorrectly stated to be the 22nd December in Lord Stanley's subsequent despatch communicated to you with my letter No. 844, dated the 27th April last.

No. 39. ORDER THEREON, 28th June 1859, No. 857.

Ordered that a copy of the letter from the Government of India, dated April 27th, 1859, No. 844, and of its enclosure, as well as copy of the despatch from the Secretary of State for India dated December 31st, 1858, now received from that Government, be transmitted to the Board of Revenue, with the request that they will submit as early as practicable the information required in the enclosure above referred to, respecting the land in this Presidency at the absolute disposal of Government.

(Signed) J. D. BOURDILLON,
Secretary to Government.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letter from R. B. CHAPMAN, Esq., Under Secretary to the Government of India; to J. D. BOURDILLON, Esq., Secretary to Government of Fort Saint George; dated Fort William, 2nd June 1859, No. 1104.

I am directed to forward to you a copy of the despatch from the Right Honorable the Secretary of State for India, No. 2 of 1858 of the 31st December, applied for in your letter No. 670, dated the 16th ultimo.

The date of the despatch was incorrectly stated to be the 22nd December in Lord Stanley's subsequent despatch communicated to you with my letter No. 844, dated the 27th April last.

EAST INDIA (REVENUE.)

COPY, of a Letter, dated East India House, London, 31st December 1858, relative to Revenue.

(*Revenue.*)

EAST INDIA HOUSE, LONDON,
31st December 1858.

MY LORD,

Para. 1. Many applications have been recently addressed to the Court of Directors of the East India Company and to myself by persons who, either on behalf of themselves or of companies which they propose to establish, are desirous of obtaining grants of uncocupied lands for the purpose of carrying on the cultivation of cotton, and of other exportable products, for the supply of manufacturers in this country. The replies which have been addressed to these applications have generally been to the effect that, while the home authorities desire to extend all proper encouragement to the investment of British capital in the development of the resources of India, it will be necessary that, in regard to grants of land in any particular localities, the applicants should place themselves in communication with the authorities on the spot: they have been further informed, that if it should appear, on inquiry that there is land at the disposal of Government suited for the required purposes, and that the local authorities have no objection to offer to its transfer to the persons applying for it, the home authorities will be prepared to authorise the grant of such land in perpetuity, on such reasonable terms, and subject to such conditions as may be agreed on between the local Government and the applicants or their agents.

2. The matter having been considered by me in Council, I have now to communicate to you the following observations.

3. Most of the applicants are anxious to obtain a "grant of land in fee-simple," by which term I understand them to mean a grant of land in perpetuity, either gratuitously, or in consideration of an immediate payment, under which the land should be for ever discharged from all demand on account of land revenue.

4. I am aware that the extent of land absolutely at the disposal of the Government in India, in which no rights either of proprietorship or of occupancy are known either to exist at present, or to have existed in former times, and consequently liable to be again put forward, is extremely limited. In such districts as the Deyra-Dhoon, Assam, the Sunderbunds, Kumaon, Gurhwal, and others similarly situated, where large tracts of unreclaimed land are to be found absolutely at the disposal of the State, rules have already been promulgated under which settlers can obtain allotments on very easy conditions, and for long terms of years, but in no case, I apprehend, extending to a grant in perpetuity. In such cases I desire that you will take such steps as may seem to you expedient for the purpose of permitting grantees to commute the annual payments stipulated for under the rules (after a specified term of rent-free occupancy), for a fixed sum per acre, to be paid on receiving possession of the grant. In all other respects, and particularly in regard to the conditions which provide for a certain proportion of the land to be cleared and brought under cultivation within specified periods, the rules will, of course, remain unaltered. You will report to me the course which you propose to follow in carrying out these instructions.

5. In their despatch of the 6th May, No. 6, 1857, para. 14, the Court of Directors, in reviewing the measures proposed to be adopted in introducing an improved system of revenue administration into the district assigned to us by the Nizam, under the Treaty of 1853, informed you, that, had the territory been entirely at their disposal, they would have had no objection (considering the large extent of unoccupied land, to the proprietorship of which there were apparently no claimants) to sanction, as an experiment, "the alienation in perpetuity to any per-

ons of substance and respectability, of land belonging to the Government, upon condition of the application of a certain amount of capital to the cultivation of the most valuable products of the soil," although the Court at the same time, expressed an opinion that easy terms of long lease, such as for a period of 20 or 30 years, might be sufficient at present to attract British capital. It does not appear that the Court's suggestion has yet received your attention, and I now desire that you will take it into your consideration.

6. It appears to me that the question of granting unoccupied lands in perpetuity, discharged from all demand for land revenue on the part of the State, is intimately connected with another question which has of late attracted much attention in this country, viz. the expediency of permitting the proprietors of estates, subject to the payment of revenue, to redeem the land-tax, by the immediate payment of a sum of equivalent value. In those parts of India which are under perpetual settlement, such as Bengal, and the Northern Circars (so far as the estates originally permanently settled have not lapsed to Government, and are now under khas management), the difficulty of arriving at a satisfactory decision will be the least experienced. It is obvious, that if a zemindar, bound to pay in perpetuity a fixed jumma of a certain amount per annum, is permitted to redeem that obligation by the payment of an immediate equivalent (all existing tenures and rights of occupancy being, of course, in no way injuriously affected by the transaction) and that the amount so paid is applied to the extinction of debt, the Government remains in precisely the same financial position, the balance of its receipts and charges being unaltered. The process in this case is simply the extinction of a perpetual annuity, by the payment of its value in a simple sum; but in estimating that value, it must be borne in mind that, while the perpetual annuity is of fixed amount, liable neither to increase or diminution the interest on the public debt which may be extinguished by the transaction is of a fluctuating character, and that the charge on the State on its account may hereafter be reduced by judicious financial arrangements.

7. But the political results of such a change cannot be overlooked. The fortunes of the zemindar who has been allowed to extinguish his fixed annual liabilities by a single payment, are from thenceforth still more intimately connected than they are at present with those of the British Government. The immunity for taxation which he is enabled, under our rule, to claim, and which no native conqueror could be expected to recognise, renders his loyalty a matter of prudence and self-interest. He is attached to the cause of order by a tie similar to and not less strong than that which binds the fundholder of an European State. This is no slight advantage, and may fairly be held to counterbalance some inconveniences of detail which may arise in effecting an arrangement such as is here suggested.

8. In the larger portion of India, where the settlement of the land revenue is made for limited periods, the difficulties attending such a measure as the redemption of the land-tax, appear to me to be much less easily encountered. The settlements which have been concluded in the North West Provinces, and in portions of Bombay, and which are now commenced in the Presidency of Madras, provide for a revision of the money amount payable to the State in commutation of the Government share of the net proceeds of the land, after the expiration of a period of 30 years; so that if, from whatever cause, the relation between the value of silver and that of agricultural produce should be found to have changed, the opportunity is afforded, from time to time, of re-adjusting the pecuniary demand on the cultivators of the soil, without adding to their burdens, or sacrificing the just dues of the State. This consideration appears to me to be most important, especially in a country like India, where so large a proportion of the public income has from time immemorial been derived from the share reserved to Government of the produce of the land. Under such circumstances, the permission to redeem the land-tax can operate only in so far as the people may avail themselves of such permission as a permanent settlement of the land-tax at its present amount. The basis of calculation for the redemption can only be the rate of assessment now actually paid; and the redemption being once effected, the State is for ever precluded, whatever change of circumstances may hereafter take place, from participating in the advantages which, there is every reason to hope and anticipate, will follow the measures which are now in active progress for improving the administration, and for developing the material resources of the country. Weighing these difficulties on the one hand, but remembering, on the other, the importance of affording all possible encouragement to the employment of British capital, skill, and enterprise in the development of the material resources of India, I commend to your earnest and early consideration the important questions treated in this despatch; but I particularly request that in any suggestions or recommendations

which you may submit to me, you will be especially careful not to confine them to such as may be calculated for the exclusive advantage of European settlers, and which cannot be equally participated in by the agricultural community generally.

The Right Hon. the
Governor-General of India in Council.

I have, &c.
(Signed) STANLEY.

ORDER THEREON, 28th June 1859, No. 857.

Ordered that a copy of the letter from the Government of India, dated April 27th, 1859, No. 844, and of its enclosure, as well as copy of the despatch from the Secretary of State for India dated December 31st, 1858, now received from that Government, be transmitted to the Board of Revenue, with the request that they will submit as early as practicable the information required in the enclosure above referred to, respecting the land in this Presidency at the absolute disposal of Government.

(True Extract.)

(Signed) J. D. BOURDILLON,
Secretary to Government.

To the Board of Revenue
with the letter and enclosure referred to.

Exd. H. M. Elliot.

EAST INDIA (REVENUE).

COPY of a LETTER, dated East India House, London, 31st December 1858, relative to REVENUE.

(Revenue.)

East India House, London,
31 December 1858.

My Lord,

Para. 1. MANY applications have been recently addressed to the Court of Directors of the East India Company and to myself by persons who, either on behalf of themselves or of companies which they propose to establish, are desirous of obtaining grants of unoccupied lands for the purpose of carrying on the cultivation of cotton, and of other exportable products, for the supply of manufacturers in this country. The replies which have been addressed to these applications have generally been to the effect that, while the home authorities desire to extend all proper encouragement to the investment of British capital in the development of the resources of India, it will be necessary that, in regard to grants of land in any particular localities, the applicants should place themselves in communication with the authorities on the spot: they have been further informed, that if it should appear, on inquiry, that there is land at the disposal of Government suited for the required purposes, and that the local authorities have no objection to offer to its transfer to the persons applying for it, the home authorities will be prepared to authorise the grant of such land in perpetuity, on such reasonable terms, and subject to such conditions as may be agreed [illegible] pplicants or their agents.

2. The matter having been considered by me in Council, I have now to communicate to you the following observations.

3. Most of the applicants are anxious to obtain a "grant of land in fee-simple," by which term I understand them to mean a grant of land in perpetuity, either gratuitously, or in consideration of an immediate payment, under which the land should be for ever discharged from all demand on account of land revenue.

4. I am aware that the extent of land absolutely at the disposal of the Government in India, in which no rights either of proprietorship or of occupancy are known either to exist at present, or to have existed in former times, and consequently liable to be again put forward, is extremely limited. In such districts as the Deyra-Dhoon, Assam, the Sunderbunds, Kumaon, Gurhwal, and others similarly situated, where large tracts of unreclaimed land are to be found absolutely at the disposal of the State, rules have already been promulgated under which settlers can obtain allotments on very easy conditions, and for long terms of years, but in no case, I apprehend, extending to a grant in perpetuity. In such cases I desire that you will take such steps as may seem to you expedient for the purpose of permitting grantees to commute the annual payments stipulated for under the rules (after a specified term of rent-free occupancy), for a fixed sum per acre, to be paid on receiving possession of the grant. In all other respects, and particularly in regard to the conditions which provide for a certain proportion of the land to be cleared and brought under cultivation within specified periods, the rules will, of course, remain unaltered. You will report to me the course which you propose to follow in carrying out these instructions.

5. In their despatch of the 6th May, No. 6, 1857, para. 14, the Court of Directors, in reviewing the measures proposed to be adopted in introducing an improved system of revenue administration into the district assigned to us by the Nizam, under the Treaty of 1853, informed you, that, had the territory been

entirely at their disposal, they would have had no objection (considering the large extent of unoccupied land, to the proprietorship of which there were apparantly no claimants) to sanction, as an experiment, "the alienation in perpetuity to any persons of substance and respectability, of land belonging to the Government, upon condition of the application of a certain amount of capital to the cultivation of the most valuable products of the soil," although the Court, at the same time, expressed an opinion that easy terms of long lease, such as for a period of 20 or 30 years, might be sufficient at present to attract British capital. It does not appear that the Court's suggestion has yet received your attention, and I now desire that you will take it into your consideration.

6. It appears to me that the question of granting unoccupied lands in perpetuity, discharged from all demand for land revenue on the part of the State, is intimately connected with another question which has of late attracted much attention in this country, viz., the expediency of permitting the proprietors of estates, subject to the payment of revenue, to redeem the land-tax, by the immediate payment of a sum of equivalent value. In those parts of India which are under perpetual settlement, such as Bengal, and the Northern Circars (so far as the estates originally permanently settled have not lapsed to Government, and are now under khas management), the difficulty of arriving at a satisfactory decision will be the least experienced. It is obvious, that if a zemindar, bound to pay in perpetuity a fixed jumma of a certain amount per annum, is permitted to redeem that obligation by the payment of an immediate equivalent (all existing tenures and rights of occupancy being, of course, in no way injuriously affected by the transaction), and that the amount so paid is applied to the extinction of debt, the Government remains in precisely the same financial position, the balance of its receipts and charges being unaltered. The process in this case is simply the extinction of a perpetual annuity, by the payment of its value in a simple sum; but in estimating that value, it must be borne in mind, that, while the perpetual annuity is of fixed amount, liable neither to increase or diminution, the interest on the public debt which may be extinguished by the transaction is of a fluctuating character, and that the charge on the State on its account may hereafter be

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8. In the larger portion of India, where the settlement of the land revenue is made for limited periods, the difficulties attending such a measure as the redemption of the land-tax, appear to me to be much less easily encountered. The settlements which have been concluded in the North West Provinces, and in portions of Bombay, and which are now commenced in the Presidency of Madras, provide for a revision of the money amount payable to the State in commutation of the Government share of the net proceeds of the land, after the expiration of a period of 30 years; so that if, from whatever cause, the relation between the value of silver and that of agricultural produce should be found to have changed, the opportunity is afforded, from time to time, of re-adjusting the pecuniary demand on the cultivators of the soil, without adding to their burdens, or sacrificing the just dues of the State. This consideration appears to me to be most important, especially in a country like India, where so large a proportion of the public income has from time immemorial been derived from the share reserved to Government of the produce of the land. Under such circumstances, the permission to redeem the land-tax can operate only in so far as the people may avail themselves of such permission as a permanent settlement of the land-tax at its present amount. The basis of calculation for the redemption can only be the rate of assessment now actually paid; and the redemption being once effected, the State is for ever precluded, whatever change of circumstances may hereafter take

take place, from participating in the advantages which, there is every reason to hope and anticipate, will follow the measures which are now in active progress for improving the administration, and for developing the material resources of the country. Weighing these difficuties on the one hand, but remembering, on the other, the importance of affording all possible encouragement to the employment of British capital, skill, and enterprise in the development of the material resources of India, I commend to your earnest and early consideration the important questions treated in this despatch; but I particularly request that in any suggestions or recommendations which you may submit to me, you will be especially careful not to confine them to such as may be calculated for the exclusive advantage of European settlers, and which cannot be equally participated in by the agricultural community generally.

I have, &c.

The Right Hon. the Governor-General of India in Council.

(signed) *Stanley.*

8-1095-

Pol 1107/59.

EAST INDIA (REVENUE).

COPY of a LETTER, dated East India House, London, 31st December 1858, relative to REVENUE.

(Presented to Parliament by Her Majesty's Command.)

Ordered, by The House of Commons, *to be Printed,*
21 *February* 1859.

72.

Under 1 oz.

Rec'd Rev: 1 Dept 1859
2 Sec

Revenue Department

No 857

Proceedings of the Madras Government
Under Date the 28th June 1859:

Read the following Letter
from the Under Secretary to the
Government of India.

/Here enter 2d June 1859 No 1107/

Ordered that a copy of
the Letter from the Government
of India dated April 27th 1859 No 845
and of its enclosure, as also a
copy of the despatched from
Secretary of State for India
December 31st 1858 now received
from that Government, be trans-
mitted to the Board of Revenue,
with the request that they will
submit as early as practicable
the information required in the
enclosure above referred to, respect-
ing the Land in this Presidency
at the absolute disposal of Government.

6 Copies to the Bd of Rev: Dispd 29th
with Letter dated 30th

Revenue 1859 Dept.
Pro: of Govt. 1st July

No. 857

Pro: of the Madras Govt.
Dy 28 June 59.

From the Secty. to the Govt
of India Dated 1st augt 1859.
C. No. 1503 in Cons.
From the Bd of Rev. 7 14 Oct
1859 C No. 1753.

Board to submit the
information required,
respecting land at the
absolute disposal of this
Government.

9-10-91
15-6-93
8-10-95

No 38+39.