

**MADRAS RECORD OFFICE.****Government of Madras.***Revenue* **DEPARTMENT.**

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Government 1862 of Madras.  
REVENUE.

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G.O., No. 2080, 24th September 1862.

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SEPTEMBER.

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Papers relating to the sale of waste lands and the redemption of the land revenue, forwarded to Revenue Board.

## GOVERNMENT OF MADRAS.

## REVENUE DEPARTMENT.

Read the following papers:—

No. 462. Despatch from the Right Honourable Sir C. WOOD, Bart., Secretary of State for India (Revenue), to His Excellency the Honorable the Governor in Council, Fort Saint George, dated India Office, London, 9th July 1862, No. 17:—

SIR,

I forward herewith, for the information and guidance of your Excellency in Council, copy of a Despatch (No. 14) which I have this day addressed to the Governor General of India in Council, on the subject of the Resolution of that Government, dated the 17th October 1861, regarding the sale of waste lands and the Redemption of the Land Revenue.

No. 462A. Letter from E. C. BAYLEY, Esq., Secretary to the Government of India (Home Department, Revenue), to J. D. SIM, Esq., Secretary to the Government of Fort Saint George, dated Fort William, the 15th August 1862, No. 4244:—

SIR,

1. With reference to the Despatch of the Secretary of State to the Government of Fort Saint George, in the Revenue department, No. 17, dated the 9th July last, communicating a copy of his Despatch to this Government No. 14, of the same date, regarding the sale of waste lands and the redemption of the Land Revenue, I am directed by the Governor General in Council to forward, for the information of His Excellency the Governor in Council, the accompanying copy of a Circular letter this day addressed on the subject to the Governments of Bengal, the North-Western Provinces, and the Punjab.

2. The Governor General in Council requests that a copy of the Rules which the Government of Fort Saint George may adopt for regulating the sale of waste lands in that Presidency, in conformity with the modified provisions now prescribed by Her Majesty's Government, be communicated to this Government as soon as possible.

3. His Excellency in Council further requests to be favored at an early date with the views of the Government of Fort Saint George as to the extent to which the important measure of a permanent settlement of the land revenue, subject to the conditions prescribed by Her Majesty's Government, is applicable to the Territories under the Madras Presidency.

From E. C. BAYLEY, Esq., Secretary to the Government of India (Home Department, Revenue), to the Secretaries to the Governments of Bengal, the North-Western Provinces, and the Punjab and its Dependencies, dated Fort William, the 15th August 1862, No. 4,206.

SIR,

1. With reference to the correspondence noted on the margin, I am desired to transmit, for the information and guidance of the Lieutenant-Governor, copy of a Despatch \* received from the Secretary of State, regarding the sale of waste lands and the redemption of the existing land revenue.

2. It is desirable that Rules for regulating the sale of waste lands should be prepared, with as little delay as possible, in conformity with the modified provisions now prescribed by Her Majesty's Government; but it will be observed that all arrangements which have been already completed under the terms of the Resolution promulgated by the Government of India last October, in regard either to the purchase of waste lands or the redemption of the land revenue, are to be maintained, the present Despatch not being intended to have retrospective effect. Referring to the concluding words of the 76th paragraph of the Secretary of State's Despatch, I am desired to request that a Report showing the extent to which any such arrangements have been made may be furnished as soon as possible.

3. As regards the sale of waste lands, the principal points upon which the provisions of the Resolution of October last must be modified, in conformity with the instructions now received, are as follows:—

4. Paragraph 29 of the Resolution, which fixed a uniform price throughout India of 2½ Rupees per acre for uncleared land, and of 5 Rupees per acre for land unencumbered with jungle, is cancelled; and it is ordered that the several Governments and Lieutenant-Governors shall fix, after communication with the Chief Local Authorities, a minimum price suited to the circumstances of the various descriptions of land which they may find to be at their disposal in each district of their Presidency or Province.

5. In modification of paragraph 30 of the Resolution, which prescribed the sale of the land by auction in the event of more purchasers than one being desirous to buy the same tract, it is ordered that in every case the land shall be put up to auction at an upset price and sold to the highest bidder.

6. The provision contained in paragraph 25 of the Resolution, admitting of possession being given to an applicant for land in anticipation of survey, will be modified as directed in paragraph 11 of the accompanying Despatch. In conformity with these directions the land applied for must, in every instance, be surveyed, and the boundaries marked out before it is advertised for sale. The applicant for the grant, it will be observed, is to be required to deposit the estimated cost of the survey, which will, of course, be restored to him if he should be eventually outbid for the land. It is of great importance that a ready agency should be provided for effecting the preliminary survey and marking out of boundaries, so that applicants for land may be subjected to no unnecessary delay.

7. The provision which is made in paragraph 31 of the Resolution for reserving adjoining lands at the requisition of those who take grants must be regarded as withdrawn, it being inconsistent with the general injunction for resort to sale by auction.

8. In the 21st paragraph of the Despatch, herewith enclosed, it is ordered that the provision in paragraph 50 of the Resolution, which limits the price to be paid on the commutation of a grant under the terms of that paragraph to 5 Rupees an acre, shall be withdrawn. It is also observed by the Secretary of State that the provisions generally which relate to the commutation of existing grants under the new Rules contained in paragraphs 33 and 50 of the Resolution require revision.

9. As it has already been found that some misunderstanding prevails in regard to the intention and scope of these paragraphs, it seems desirable that the present opportunity should be taken of stating what the Governor General in Council understands to have been their purpose. It appears to the Governor General in Council

that it cannot reasonably be maintained that paragraph 33 of the Resolution was intended to include land the absolute sale of which has already been effected, but for which the purchase money has not been wholly paid up, being by the terms of sale, payable by instalments. It is obvious that in such a case there could be no question of the applicability or the inapplicability of the limitation of the new Rules as to area, inasmuch as the owner has already purchased absolutely the whole area in his possession whatever it may be; and, therefore, though he may not have paid the whole of the purchase money, it is manifest that the permission accorded by the concluding words of the paragraph to purchase absolutely as much or as little of the area as may suit him, has no application to, and could not possibly have contemplated, any such case. The 33rd paragraph of the Resolution can, therefore, in the opinion of the Governor General in Council, be held applicable only to the case of those Grantees who hold their lands on terms which do not comprise the right of acquiring an absolute ownership in fee simple. Such Grantees, it is the object of the 33rd paragraph to declare, may obtain that right by commuting their grants under the Rules for the sale of land in fee simple.

10. Paragraph 50 of the Resolution declares the terms upon which commutation may be made in the case of one, and that a very large class of existing grants. This paragraph, when modified according to the instructions of Her Majesty's Government, will stand as in the margin.

11. In the case of existing grants, which do not fall under the terms of paragraph 50, the conditions on which commutation under the new Rules will be allowed may be settled with reference to the average value obtainable for waste lands of the same description in the district when sold by auction.

12. As it is highly desirable that persons who wish to avail themselves of the Resolution come to by the Government to dispose of waste lands by sale in fee simple and as the directions now received from Her Majesty's Government are on most points clear and specific, the Governor General in Council will not require that the detailed Rules to be framed by the several Local Governments should be submitted for the sanction of the Government of India before they are acted on. A copy of the Rules should, however, be forwarded as soon as they are finally approved by the Lieutenant-Governor, and if on any point the intention of Her Majesty's Government should seem to the Lieutenant-Governor to be doubtful, the question should be referred to the Governor General in Council for determination. As legislation will be necessary to give legal effect to the provisions of paragraph 19 of the Resolution, a Bill for that object will be introduced, on the meeting of the Governor General's Council for legislative purposes.

13. With respect to that part of the Secretary of State's Despatch which discusses the important questions of a redemption of the land revenue and of a permanent settlement, the Governor General in Council thinks it unnecessary at present to do more than point special attention to the conclusion which is announced in the 26th and the 63rd paragraphs as to the extent to which redemption of the existing land revenue is to be permitted, and to the 72nd paragraph, in which the conditions are finally stated, which, in the opinion of Her Majesty's Government, should be attained before a permanent settlement is conceded. It will be observed that this paragraph contemplates that the previous sanction of Her Majesty's Government should be obtained to the introduction of a permanent settlement in any District. Early steps should, therefore, be taken to obtain the information which will be required to enable the Local Government to submit the Report referred to in the 73rd paragraph, as to the extent to which it may now be expedient to give effect to this important measure.

(Signed) E. C. BAYLEY,  
Secy. to the Govt. of India.

Ordered that, with reference to the communication made to the Foreign Department, under date the 19th October last, No. 3,275, a copy of the foregoing Circular letter, together with twenty copies of the Despatch from the Secretary of State, be sent to that Department, whence corresponding instructions on the subject will be issued to the several Administrative Authorities under the control of that Department.

(Signed) E. C. BAYLEY,  
Secy. to the Govt. of India.

No. 463. ORDER THEREON, 24th September 1862, No. 2080.

1. Resolved that a copy of the papers above recorded be forwarded to the Board of Revenue, in reference to the correspondence noted in the margin.
  - Proceedings of Government, 4th November 1861, No. 2107.
  - Proceedings of Government, 25th February 1862, No. 394.
  - Letter to Government of India, 25th February 1862, No. 395.
  - Proceedings of Government, 27th February 1862, No. 433.
  - Proceedings, Board of Revenue, 10th April 1862, No. 2377.
  - Letter to Government of India, 24th May 1862, No. 1155.
  - From the Government of India, 20th June 1862, No. 3053.
  - To Government of India, 22nd July 1862, No. 1572.
2. Resolved that a copy of the Rules for the sale of waste lands in the Madras Presidency, which were submitted to the Government of India under date the 26th February last, be furnished to the Board, and that they be requested to revise these Rules so as to adapt them to the modified provisions now prescribed by Her Majesty's Government, and to submit at the same time a draft Notification suited to the peculiar requirements of this Presidency.
3. Resolved that the Board be requested to submit a report showing to what extent in this Presidency arrangements have been already completed, under the Resolution of the Government of India of October last, for the purchase of waste lands or the redemption of land revenue. It is observed that all such arrangements are to be maintained, the Despatch of 9th July last not having retrospective effect.
4. Resolved also that the Board after communication with the Collectors of the several Districts will suggest the minimum price, suited to the circumstances of the various descriptions of land which may be at the disposal of Government in those Districts.
5. The Board will likewise report to what extent in this Presidency the important measure of a permanent settlement of the land revenue subject to the conditions prescribed by Her Majesty's Government, is applicable to the territories under the Madras Presidency, but this subject will demand careful and deliberate consideration, and the views of the Board upon it should not be laid before Government until they have had time fully to study the question. The submission of the reports called for in the two preceding paragraphs will not be delayed on this account.
6. In paragraph 12 of the Circular transmitted with Mr. Bayley's letter of the 15th ultimo, it is stated that "as it is highly desirable that persons who wish to avail themselves of the Resolution come to by the Government to dispose of waste lands by sale in fee simple should be enabled to carry their intentions into effect, with the least avoidable delay, and as the directions now received from Her Majesty's Government are on most points clear and specific, the Governor General in Council will not require that the detailed Rules to be framed by the several Local Governments should be submitted for the sanction of the Government of India before they are acted on." Further, the Government of India in a letter dated 20th June last, No. 297, had already permitted this Government to except the Neilgherries from the operation of the Rules of the Supreme Government of October last.
7. Under these circumstances, and in anticipation of any measure that may be adopted relative to the disposal of waste lands in other parts of the Presidency, the Governor in Council resolves at once to settle the terms upon which waste lands may

be obtained on the Neilgherry Hills. Many applications, it is understood, have already been made for lands on the Hills, and much expectation excited, and a settlement of the question should no longer be delayed.

8. The Secretary of State in paragraph 10 of his Despatch has directed that the lands applied for should be put up to auction at a minimum of upset price and sold to the highest bidder. Such public sale by competition is clearly desirable to prevent jobbing. As regards the upset price the Government resolve that until further orders it be fixed at Rupees 5 per acre on wooded or shola land, and  $2\frac{1}{2}$  on open land.

9. The assessment to be fixed annually on future grants of land on the Neilgherries has to be considered. The rate of 1 Rupee per acre all round which has of late years obtained, is clearly too low. The Government resolve to fix Rupees 2 per acre on all wooded and 1 Rupee per acre on open or grass land. This of course is distinct from and in addition to the price at which the land may be bought at auction.

10. The course to be pursued in regard to the sale of any land on the Neilgherry Hills that may be applied for will be that specified by the Secretary of State in his Despatch dated 9th July 1862, No. 14, paragraph 11: "If the land should be unsurveyed the first step will be to survey it, the applicant, of course, depositing the estimated cost of that proceeding. On the completion of the survey, and at once in the case of surveyed land, the boundaries of the plot should be marked out, and an Advertisement should be issued, describing the land to be sold by auction, stating the upset price, and specifying the place and date of sale. At the sale the land will be assigned to the person offering the highest price, or in the event of no competition, to the applicant at the upset price, the cost of survey (if made) being added in both cases. The Advertisement should be posted on the land itself, as well as in the

NOTE.—It is observed that a Survey Establishment for the Neilgherries has recently been sanctioned.

"neighbouring villages, and in all other usual places." The Collector will take measures to have the requisite surveys executed promptly so that no delay may occur; and he will be careful that such publicity be given to the Advertisements, and such time allowed for the attendance of bidders as will ensure full and fair competition.

11. It is to be understood that all lots that may be applied for will not of necessity be disposed of. The Collector will exercise his discretion in regard to such lands as, in his opinion, should be retained in the hands of Government either for providing fuel, protecting streams from regard to the rights, comfort or even religious prejudices of the Native inhabitants of the Hills, on considerations of public convenience, health, recreation or other cause, reporting to Government in what cases he may have refused applications and for what reasons.

12. The above instructions will be in supersession of all previous orders on the subject, and will apply to all lands on the Neilgherry Hills within or without the Cantonment, and to those for which application has been already made as well as to those which may be applied for hereafter.

13. All lands will be put up to auction bearing assessment, but it will be open to purchasers to buy the Freehold at twenty-five years' purchase of the assessment. This redemption price will, in all cases, be in addition to the price which the land may have fetched at auction, as well as to any assessment that may have become payable on the land between the date of sale and redemption.

14. Were the fee simple to be put up to auction originally the upset price, which in case of timbered land would be Rupees 55 per acre, would be so high as to circumscribe competition, whereas any one who may have bought land bearing assessment can at any time convert it into Freehold by the payment of twenty-five years' land tax.

(Signed) T. PYCROFT,  
Chief Secretary.

Enclosure in a letter from England 17th July 1862

India Office,  
London, 9 July 1862.

Revenue.

No. 14

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

MY LORD,

Para. 1. The Letter from your Excellency's predecessor in Council, dated 21st October last (No. 18), with which was forwarded a resolution\* which "had been made public regarding the sale of waste lands in fee simple, and the redemption of existing land revenue," has been under my consideration in Council.

\* Dated 17th  
October  
1861.

2. Her Majesty's Government have considered with the greatest care and deliberation the important questions which form the subject of that resolution, and the still more important question, which is necessarily raised by the consideration of them, namely, that of a permanent settlement of the land revenue of India, and I now proceed to communicate to you the conclusions at which they have arrived.

3. The first section of the resolution (paras. 8 to 37), relates to the grant or sale of waste lands not under assessment.

4. I have perused with the greatest satisfaction the observations contained in para. 6 of the resolution, in which the Government state it to be their "firm conviction that, in order to obtain permanently good results from these measures, it is indispensable not only that no violence be done to the long existing rights which, sometimes in a rude, sometimes in a complicated form, are possessed by many of the humblest occupants of the soil in India, but that these rights be nowhere slighted or even overlooked. Scrupulous respect for them is one of the most solemn duties of the Government of India, as well as its soundest policy, whatever may be the mode in which that Government may think fit to deal with rights of its own." Her Majesty's Government cordially participate in these sentiments, and I trust that you will carefully enforce their observance in all parts of India. The mode in which dormant claims on lands now uncultivated and apparently deserted are proposed to be dealt with, will be referred to in a subsequent part of this despatch.

5. The waste lands in different parts of India are found under such varying conditions, that it would be difficult, if not impracticable, to deal with all in the same manner. In the greater part of the country no material objection to the proposed plan may perhaps be anticipated; but in distant and wild tracts the case will be widely different. In para. 4 of the resolution, it is confidently anticipated that harmony of interests between permanent European settlers and the half-civilized tribes by whom most of the waste districts and the country adjoining them are thinly peopled will conduce to the material and moral improvement

“ of large classes of the Queen's Indian subjects, which, for any such purposes, have long been felt by the Government to be almost out of the reach of its ordinary agencies.” I cannot but fear that such anticipations are little likely to be realized in frontier districts, such as the Huzara mountains, the hilly tracts on our north-eastern boundary, and other similar localities, which are inhabited by warlike and predatory clans. It is assumed that half-civilized tribes will be ready to appreciate a community of interests between the European settlers and themselves. I apprehend, on the contrary, that, passionately attached as they are known to be to their ancestral lands, they might rather regard the intrusion of European strangers as an encroachment and a wrong inflicted on themselves. Differences and quarrels, ending in affrays and bloodshed, might arise, which would lead to the necessity of employing an armed force for their suppression. Such has been the result of our experience in many of our colonial possessions, of which a signal example may be found in the recent unhappy occurrences in New Zealand. It is unfortunately the case that situations such as those referred to are, from their climate, the best adapted to European constitutions, and therefore not unlikely to attract British settlers; but, placed as they are, to use the words of the resolution, beyond the reach of the ordinary agencies of Government, the necessity of affording protection to such scattered Europeans as might settle on them would render their occupation by British subjects a source, in a political sense, rather of weakness than of strength to the Indian Government, and would certainly involve an amount of expenditure far outweighing any advantages which could be expected from it. I must therefore desire that the greatest caution be exercised in allowing grants of land in outlying districts, where the arrangements for the protection of life and property are still imperfectly organized.

6. It is proposed (para. 29) that the price to be set upon waste lands should not exceed rs. 2½ [five shillings] per acre for uncleared land, “ or rs. 5 [ten shillings] per acre for land unencumbered with jungle, “ subject to deduction of area for swamps or uncultivable land.”

7. It is apparently intended to apply this rule to all lands throughout India, now unassessed and without immediate claimants, with the sole exception (paras. 23 and 24) of “special tracts” which, for the public interests, it may be necessary to reserve for future disposal, and of “reserves of grazing land, or of land for the growth of forest trees, or of firewood near towns and stations, or for other special purposes, such as sites for sanatoria, building lots, &c., &c.” which “are not to be sold without the special sanction of Government.”

8. The proposal to divide all the unassessed and unclaimed lands throughout India into two classes, those which are “encumbered with jungle” and those which are not, and to sell the lands of each class at a uniform price per acre, without any regard to their situation or to their presumed fertility, appears to me to be untenable. A tract enjoying every advantage of soil, climate, and situation, placed perhaps close to a navigable river, or in the immediate vicinity of a projected railway station, is to be dealt with as if of no more value than a tract of sandy desert, far removed from all means of irrigation, and even from communication with other districts. It cannot be supposed that land, although now uncultivated and unclaimed, on the banks, for instance, of the Baree Doab Canal, is worth no more than land situated at five or ten miles beyond its fertilizing influence. Even in the Sunderbans, to which especial reference is made in the resolution, I have reason to believe that the proposed rule of a uniform price would be inapplicable. On the side bordering on the Twenty-four Pergunnahs and Jessore, the land is represented to lie low, and to be constantly liable to inundation by salt water, rendering expensive embankments absolutely necessary; whereas on the Backer-

gunge side the land is comparatively high, requiring less protection from the encroachments of the sea, and, in addition, is much more fertile. It cannot surely be contended that lands differing so entirely in their intrinsic value ought to be sold at the same price.

9. For these reasons, and others to which I shall not now refer in detail, Her Majesty's Government cannot approve of the proposal to fix an uniform price for all unassessed and unclaimed land throughout India, without reference to locality or situation; and I have accordingly to request that your Excellency in Council will immediately take measures for withdrawing the offer made in para. 29 of the resolution. The several Governments and Lieutenant Governors should be instructed to fix, after communication with the chief local authorities, a minimum price suited to the circumstances of the various descriptions of land which they may find to be at their disposal in each district of their presidency or province, of which a public announcement should be made.

10. In regard to the mode of sale, I am of opinion that the course adopted in many of our colonies should be pursued; and that the lands applied for should be put up to auction at a minimum or upset price, and sold to the highest bidder. This plan has been followed in the Madras Presidency, under the rules promulgated in August 1859. It is true that, in para. 30 of the resolution, provision is made for the sale by auction of any lot for which more than one intending purchaser may apply; but the proceeding is evidently meant to be exceptional, and the grant is, in all ordinary cases, to be made to the applicant at a fixed price.

11. I observe that, under paragraph 25, “when the land is unsurveyed, “immediate possession may be given on payment of the collector's “estimate of the cost of survey.” I am of opinion that this provision should be modified, and that the following course should be pursued. If the land should be unsurveyed, the first step will be to survey it, the applicant of course depositing the estimated cost of that proceeding. On the completion of the survey, and at once in the case of surveyed land, the boundaries of the plot should be marked out, and an advertisement should be issued, describing the land to be sold by auction, stating the upset price, and specifying the place and date of sale. At the sale the land will be assigned to the person offering the highest price, or, in the event of no competition, to the applicant at the upset price, the cost of survey (if made) being added in both cases. The advertisement should be posted on the land itself, as well as in the neighbouring villages, and in all other usual places. I consider the previous marking out of the boundaries of the land applied for, to be absolutely indispensable, if only as a means of attracting the attention of the residents in the neighbourhood, by whom the mere issue of an advertisement might probably pass unnoticed. Thirty days after the publication of that advertisement, and subject to the considerations hereafter to be adverted to in regard to the necessity of a legislative enactment for disposing of the claims of third persons subsequently preferred, possession might be given to the purchaser.

12. I have also to point out to you that some alteration is required in the language used in the second clause of para. 10. It is there stated that, “at the grantee's option, a fixed annual sum may be paid, at the “rate of ten per cent., on any unpaid portion of the price of the grant, “which will then be under hypothecation until the price is paid in full.” This provision is explained in para. 28 to mean, that interest at the rate of ten per cent. per annum is to be charged on any balance of the purchase money which may remain unpaid; but as it stands, it is open to the interpretation that the purchase money may be paid off by ten yearly instalments, without interest.

13. In order to carry out the provisions contained in paras. 17 to 19 of the resolution, legislative action is indispensably necessary. It is therein

declared that if, within 30 days of the date of the application (or, as directed in para. 11, from the issue of the advertisement), any prior claim of property or occupancy in the land applied for should be preferred, such claim is to be "disposed of," and, apparently, satisfied by the applicant himself. If, however, after the expiration of the 30 days, when the formal allotment of the land will have taken place, "any persons shall establish a right of property in the land so allotted, the possession of the party to whom the land has been granted *bona fide* shall not be disturbed. But, provided the claim be made within one year from the allotment, the claimant, on proof of his right, and on showing good reason why his claim was not advanced before the allotment was made, shall be entitled to receive from the Government full compensation for the actual value of his interest in such land. After the expiration of a year, all rights of third persons which have not been already claimed will be altogether barred, as well in regard to compensation as against the land," subject, however, to such exceptions as are admitted by the existing law of limitation.

14. It appears to me impossible that, in any country possessing regular tribunals, a resolution of the Executive Government would be held to override the existing law. Suppose that a man within the first year "establishes a right of property" in land which has been "allotted" by Government to another. He is not, however, according to the resolution, to be put in possession of the land, because the possession of the party to whom the land has been granted must not be disturbed; he is only to receive full compensation for the actual value of his interest. But the man may decline the compensation, and demand the land. In such a case, I apprehend the courts would have no alternative but to decree possession. He may also fail to establish his right within the first year, but may succeed in establishing it ten years later. In this case, too, I presume the courts must uphold the existing law, and would refuse to recognize any arbitrary curtailment, by a resolution of the Government, of the time of limitation which that law lays down.

15. It may be argued that such claims will seldom or never be preferred in respect to lands in such tracts of wild and uncultivated country as were mainly in view when the resolution was under preparation. Even this supposition is very doubtful. Throughout the wilds of the Sunderbuns, as soon as the Government manifested a desire to dispose of the land to grantees, every acre of the forest was claimed by the Zemindars of the adjoining districts, as included in their permanently settled estates, and a legislative enactment was required to dispose of these pretensions. In other parts of India, much land that is now, and has long been, waste and unclaimed, was formerly, and within no remote period, populous and fully cultivated. The descendants of the old proprietors know their rights, although they may have allowed them to lie dormant while no object was to be gained by asserting them. They may have emigrated to distant villages, and may not even hear of the allotment of their ancestral lands to strangers till long after the period prescribed in your resolution. Whatever may be the strict letter of the law of limitation, as defined by the Act of 1859, the habits and feelings of the people are undoubtedly in favour of the rights derived from ancestral possession, however long the time may be during which they have remained unclaimed. Even admitting that a suit for the recovery of land after 12 years' adverse possession would be barred by the existing law, I apprehend that the cause of action would be held to lie only from the date of allotment, and that the possession of the grantee would be at any time liable to disturbance until after that period had expired.

16. But the objection to the measure is much stronger when applied to ryotwarry districts, in which, it is declared in paragraph 33, "lands for which an assessment has been fixed, but which have been uncultivated

"for five years or upwards, and which are at the absolute disposal of the Government, may be sold under the same conditions as unassessed waste land, excepting that the price shall be twenty years' purchase of the assessment." If this provision be acted on, there can be little question that claimants without number will spring up, possessing rights hitherto held to be indefeasible under *meerassee* and other similar tenures in Madras and Bombay, or the *jenmi* tenure in Malabar, causing a most serious amount of embarrassment to the local Governments.

17. The whole question requires deliberate and mature consideration. Under any circumstances, I am of opinion that the greatest caution will be required in making grants of land, irrespective of claims which may subsequently be advanced by third parties, except within tracts of country in which there may be a reasonable approach to certainty that valid claims will not be put forward, or, at any rate, to no considerable extent. If it should be deemed expedient to bar by law the right of re-entry on the land after so short a period as thirty days, the right to compensation should, at all events, remain in force for a longer period. The necessary provision in both cases can obviously be effected only through the means of a legislative enactment. The mode of assessing the compensation to be awarded in such cases should of course be clearly laid down by law, and the amount should have reference only to the value of the interest at the date of allotment, irrespective of any increased value which might subsequently be given to the land by the labour or expenditure of the grantee.

18. The rules contained in paras. 31 and 32, for reserving adjoining lands for grantees under certain conditions, must, it appears to me, be abrogated, as inconsistent with the plan of auction sales now ordered. The actual possessor of any grant will be able to become the purchaser of any additional land which he may require, simply by offering a higher price than anyone else is willing to give.

19. The provisions for the commutation of existing grants into grants under the new rules, and for the redemption of the rent on unassessed lands already granted, contained in paragraphs 33 and 50, obviously require revision. In the latter of these paragraphs it is stated, that "grants which have already been given for a term of years at progressively increasing rents, such as those in the Sunderbuns, will be treated as if the land were permanently settled, if the holder wishes to redeem the future land revenue, at the highest rate fixed for any year during the currency of the grant, provided it shall not exceed the rate fixed in para. 29 of this resolution, and if there is no right of occupancy other than that of the lessee or that derived from him."

20. It is evident from the letter under reply that this provision was not intended to include grants on the Neilgherry or Shervaroy Hills, or in Wynaad, as they are specially referred to as "lands which, being assessed at one rupee per acre, will not be purchaseable for less than twenty rupees an acre." The words, however, of the rule are, as it appears to me, wide enough to include not only the holders of such grants, but also such cases as that of the land granted to Mr. Atherton at Kangra, which forms the subject of the second of Lord Stanley's despatches referred to. He was permitted to purchase the proprietary right over 1,000 acres of land for the sum of rs. 1,500, subject to an assessment of four annas an acre, which, at the expiration of the existing settlement, was liable to be raised to one rupee per acre. In both cases it would seem that the grantees might claim to hold their lands discharged of all future payments, by tendering the maximum price of rs. 5 per acre, after deducting, in the latter, the balance already paid.

21. In order to prevent such a result, I have to desire that so much of paragraph 50 as provides that the price to be paid for the redemption of the land revenue on grants already made shall in no case exceed the rate fixed for lands newly granted, may be withdrawn.

22. It is declared in para. 37 that "the tenure of all waste lands granted under this resolution will be that of an heritable and transferable property, held in perpetuity, free from all claims either of the Government or of third parties prior to or inconsistent with the grant." It must be made perfectly clear by the terms of the grant that the "claims of Government" herein mentioned include only claims on account of land revenue, and do not extend to exempt the possessor of the grant from general taxes, such as those on income, nor from local rates which may hereafter be imposed throughout the district for the construction or maintenance of roads, or for other purpose.

23. I now proceed to that which is by far the most important portion of the resolution, viz., the redemption of the land revenue.

24. This measure has generally been advocated with the object of promoting the settlement of Europeans in India. In para. 4 of the resolution, it is remarked that "the best results to the people of India may be looked for, from the settlement of Europeans in climates in which they can live and occupy themselves without detriment to their health, and whence they may direct such improvements as European capital, skill, and enterprise can effect in the agriculture, communications, and commerce of the surrounding country." I fully admit the advantages which have arisen, and which in future are likely to arise, from the settlement of Europeans in many parts of India, by the introduction of new or improved processes of agriculture and manufactures, and by the moral influence of their example on the neighbouring population; and I am most anxious that every facility should be given to persons desirous of settling in India with that object in view.

25. It appears to me, however, that an extension of the practice which is pursued in some districts, particularly in the hilly tracts of the Madras Presidency, would amply provide for any extent of redemption with a view to such settlement which would be likely to take place. It does not seem probable that the permission to redeem could be taken advantage of, except in a comparatively small number of cases. The rate of interest which can be obtained in ordinary transactions so far exceeds that which an investment in the purchase of the land assessment would afford that few persons would be likely to adopt that course. The permission given to the settlers in the Neilgherry, Shervaroy, and Pulney Hills to redeem their land tax at twenty years' purchase has not, so far as I am informed, been acted on in a single instance; and the very inconsiderable extent to which the Inamdars of the Madras Presidency, and the owners of property within the collectorates of Calcutta and Madras, have taken advantage of the power to redeem their quitrents by a single payment, leads also to the conclusion that only a very few persons would be disposed to avail themselves of the offer.

26. If the power of redeeming was extended at the discretion of the Local Governments so as to include lands required for dwelling houses, factories, gardens, plantations, and other similar purposes, it would probably meet every case for which provision need be made. This permission to redeem the land assessment should extend to portions of land comprised within zemindarries, the jumma of which is not redeemed, a proportionate reduction being of course made in the jumma payable to Government.

27. Such a measure, however, would only be of a narrow and partial character. The benefit of it would be confined to comparatively very few persons, even if some natives were found to avail themselves of it.

28. But the measure contemplated in Lord Stanley's despatch, and in the resolution under discussion, has a much wider scope, and larger and more serious questions arise in the consideration of it than would appear at first sight to be involved.

29. The redemption of the Land Revenue is authorized, both on lands permanently settled and on lands temporarily settled; and "the price to be paid is fixed at twenty years' purchase of the existing assessment," the only limitation being that in every district the permission of redemption shall, in the first instance, be restricted to such a number of estates as shall in their aggregate assessment not exceed ten per cent. of the total land revenue.

30. As regards the former, viz., the permanently settled estates, no practical difficulty exists, if redemption is to be allowed at all as a general measure, a question which will hereafter be considered. The only matter for discussion is the price to be demanded for it.

31. It is remarked in the resolution that "justice to the public creditor and a due care for the resources of the Government require that, as long as the public revenue is no more than sufficient to meet the current charges of the empire and the interest of its debt, no lower terms of redemption of a permanent tax forming the security for that debt should be accepted than will, when the price is invested in the public securities, afford a corresponding relief in the payment of interest."

32. The words here used appear to refer to the instructions in Lord Stanley's despatch of the 31st December (No. 2) 1858. But it is clear that the object avowedly in view would not be attained by pursuing the course proposed in the resolution. So long as the notes of the 5 per cent. loans are purchaseable at par, the extinction of a perpetual annuity may be effected without loss by the payment of twenty times its amount. If, however, as anticipated in that despatch, a reduction of interest on the public debt should take place,—such, for example, as would arise from the 4 per cent. loan becoming saleable at par,—it is clear that the same purpose could only be accomplished by requiring a sum equivalent to twenty-five years' purchase of the perpetual annuity, or, in other words, of the jumma of the permanently settled estate. In this country, the redemption of the land tax is, by the existing Acts of Parliament, permitted on the payment of a capital sum varying according to the actual price at the time of Government stock, and for this purpose the 3 per cent. consolidated annuities, which constitute by far the largest portion of the public debt and bear the lowest rate of interest, are taken as the basis of calculation.

33. When, however, it is proposed to apply the measure to lands under temporary settlement, much more serious questions arise, involving the most important change in the tenure of land throughout the greater part of India.

34. It was stated in Lord Stanley's Despatch of December 1858, that the redemption of the land assessment must necessarily operate as a permanent settlement of the revenue on the lands to which it was applied at the amount of the present assessment, and it is obvious, on the slightest consideration, that this must be the case.

35. We must be prepared, then, to deal with the measure as effecting, to the extent to which it may be carried, a permanent settlement of the land revenue of India; and it becomes necessary to consider in all its bearings that most serious question which has for so many years been the subject of controversy, and has been viewed in such opposite lights by many of the ablest men who have given their attention to the most important matters of financial and social interest affecting that empire.

Whatever advantages or disadvantages are anticipated from a direct permanent settlement will be equally caused by the indirect mode of attaining the same object by a redemption of the land assessment.

36. Before entering, however, on the general considerations affecting such a measure, I will advert to those which are peculiar to the proposal of redeeming the assessment. Even if the measure be limited to the redemption of one tenth of the assessment in any district, it appears to me that a very serious difficulty presents itself at the outset. Unless the fair and equal bearing of the assessment on the estates or classes of land which it comprises be first ascertained, it is almost inevitable that loss will be incurred by the State. In all revisions of settlement, even where no increase of the aggregate revenue is obtained, or even expected, it is generally found that, while some estates or classes of land may fairly be subjected to an increased assessment, others will require an abatement, although the majority may probably be left at the existing rates. It is obvious that if a right of redeeming their assessment, by the payment of a capital sum, be given to the landholders to the extent of one tenth of the aggregate revenue of every district, the owners of those estates will be most anxious to avail themselves of it in which the assessment is the lowest in proportion to the value of the land. On estates where the assessment is so redeemed, the State will necessarily be precluded from raising it at any future period. On the other hand, the redemption being optional, the owners of land on which the assessment may now press unduly would of course decline to avail themselves of the permission, and they could not fairly be deprived of the relief for which they might reasonably look at the next revision of settlement because others had taken advantage of it and redeemed their assessment. By this arrangement, therefore, the Government is clearly subjected to a prospective loss. Before redemption can be permitted in any district it is indispensable, therefore, to ascertain that the assessment bears equally on all the estates or classes of land within it.

37. It is of course impossible to foresee to what extent the owners of land would be disposed to avail themselves of permission to redeem the assessment, but we must be prepared to meet the consequences of the disposition becoming general.

38. If the disposition to redeem should exist to any great extent, and if the power of so doing is to be held out as a boon to the landowners generally, it is difficult to see on what principle the permission could be restricted to such proportion of them only as pay one tenth of the assessment in each district. The whole benefit of such a limited measure might be appropriated by a few wealthy landowners, and no advantage whatever would be derived from it by the great mass of the occupiers of land. The latter body would complain, and I think with good reason, of being unfairly and unjustly treated. It is this class, however, whose condition it is so manifestly the interest of the Government to raise, and whose attachment it is so desirable to secure. It seems to me, therefore, that if we go so far as to give a right to redeem to the extent of one tenth of the assessment, it is impossible to stop at that point. We must go further and contemplate a general right to redeem the land assessment.

39. Now, even as regards redemption to the extent of one tenth, there is a consequence which does not seem to have been foreseen, and which, if the redemption were to become general, would produce great difficulty. The amount of capital which would be required incalculably exceeds what can be supposed to be in the hands of the landowners. Nor, indeed, if they were in a condition to provide such a sum, would it be desirable that so large an amount should be placed at the disposal of the Government, which would find itself in the embarrassing position of having its

treasury overflowing with money arising from the capitalization of its annual income, which it would have no adequate means of employing or investing.

40. The objection arising from capitalizing the income of the State, and depriving it in future years of the steady and stable resource of the land revenue, on which it can under all circumstances confidently rely, is most serious. It is not a consideration of slight importance that, of all sources of revenue, none is so easily collected, and none more willingly paid. Her Majesty's Government would be sorry to deprive the Government of India in future years of this large and most unobjectionable portion of their income, which the people have been immemorially accustomed to contribute, and which consequently has all the authority of prescription and tradition in its favour. These considerations seem to me to be fatal to a scheme of general, or even of a very extensive, redemption of the land revenue.

41. A direct permanent settlement of the land revenue is free from this objection, and it remains, therefore, to discuss this most important question, and to weigh with the greatest care all the considerations by which it ought to be determined.

42. The land revenue of India, as of all eastern countries, is less to be regarded as a tax on the land owners than as the result of a kind of joint ownership in the soil or its produce, under which the latter is divided, in unequal and generally undefined proportions, between the ostensible proprietors and the State. It is not only just, but necessary for the security of the landowner that the respective shares in the produce should, at any given period, or for specified terms, be strictly limited and defined. The increase of population, the improvement of communications, and the accumulation of wealth have a tendency to increase the extent of cultivation and the value of the net produce or rent, and the Government may rightly claim to participate in those advantages which accrue from the general progress of society. This has hitherto been effected by means of periodical adjustments of the share, or at least of its value in money, which belongs to the State.

43. By many persons great advantages have been anticipated from what is usually called a permanent settlement; that is, by the State fixing, once and for ever, the demand on the produce of the land, and foregoing all prospect of any future increase from that source. It has been urged that not only would a general feeling of contentment be diffused among the landholders, but that they would thereby become attached, by the strongest ties of personal interest, to the Government by which that permanency is guaranteed. It is further alleged that by this means only can sufficient inducement be afforded to the proprietors to lay out capital on the land, and to introduce improvements by which the wealth and prosperity of the country would be increased.

44. In this country these views have been put forward mainly in reference to the settlement of Europeans in India, but they are clearly applicable to the occupiers of land generally throughout India. They have been entertained by many of our ablest officers, and they have recently been advocated by the late lamented Colonel Baird Smith, in relation to their probable effect on the agricultural population of the North-West Provinces. In his report on the remedial measures required in those districts which had suffered most severely in the late famine, he strongly recommends that a permanent settlement should be accorded wherever the land revenue now assessed may reasonably be assumed to have reached its probable limit. That recommendation was based both on social and financial grounds, and was founded on his conviction of the great benefits which had accrued to the country from the demand of

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

54. The example of Tanjore may be cited in confirmation of this view. It has been for many years so moderately assessed, that a feeling of private property in the soil has continued to exist among the people to such an extent that land sells, on an average, for twenty years' purchase. This district is eminently one in which a permanent settlement might properly be established; and that such a measure would lead to no loss of public income may be inferred from the fact that in it the receipts from salt, abkarry, and stamps have in ten years risen from rs. 6,54,500 to rs. 9,50,500 or nearly 48 per cent.

Minutes by Sir  
C. E. Trevelyan,  
dated 18th and  
28th January 1860.

55. It must also be remembered that all revisions of assessment, although occurring only at intervals of 30 years, nevertheless demand, for a considerable time previous to their expiration, much of the attention of the most experienced civil officers, whose services can be ill spared from their regular administrative duties. Under the best arrangements, the operation cannot fail to be harassing, vexatious, and, perhaps, even oppressive to the people affected by it. The work can only be accomplished by the aid of large establishments of native ministerial officers, who must, of necessity, have great opportunities for peculation, extortion, and abuse of power. Moreover, as the period for resettlement approaches, the agricultural classes, with the view of evading a true estimate of the actual value of their lands, contract their cultivation, cease to grow the most profitable crops, and allow wells and watercourses to fall into decay. These practices are certainly more detrimental to themselves than to the Government, but there can be no question that they prevail extensively. The remedy for these evils, the needless occupation of the valuable time of the public officers employed in the revision, the extortion of the subordinate officials, and the loss of wealth to the community from the deterioration of cultivation, lies in a permanent settlement of the land revenue.

56. The course of events which has been anticipated is, indeed, only that which has taken place in every civilized country. Experience shows that in their early stages nations derived almost the whole of their public resources in a direct manner from the produce of the soil, but that, as they grew in wealth and civilization, the basis of taxation has been changed, and the revenue has been in a great degree derived indirectly by means of imposts on articles which the increasing means of the people, consequent on a state of security and prosperity, have enabled them to consume in greater abundance. I am aware that it has been stated as an objection to promoting such a course of things in India, that, in most European countries, the advantages of this change have been mainly appropriated by the large landowners; but it must be remembered that in India, and especially in the districts under ryotwarry settlement, the great

bulk of the agricultural population are the proprietors, subject only to the payment of the assessment, of the lands which they till; and that, consequently, the benefit of a permanent settlement would be enjoyed, not by a narrow and limited class, but by the majority of the people.

57. The apprehension of a possible fall in the relative value of money, which has been previously noticed, though deserving consideration, does not seem to Her Majesty's Government to be of sufficient moment to influence their judgment to any material extent in disposing of this important question.

58. After the most careful review of all these considerations, Her Majesty's Government are of opinion that the advantages which may reasonably be expected to accrue not only to those immediately connected with the land, but to the community generally, are sufficiently great to justify them in incurring the risk of some prospective loss of land revenue in order to attain them, and that a settlement in perpetuity in all districts in which the conditions absolutely required as preliminary to such a measure are, or may hereafter be, fulfilled, is a measure dictated by sound policy, and calculated to accelerate the development of the resources of India, and to ensure, in the highest degree, the welfare and contentment of all classes of Her Majesty's subjects in that country.

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

60. It must be remembered that, with a view to attaining the objects aimed at, of improving the condition of the people and enabling them to contribute in other ways to the public revenue, it is essential that the measure should be generally brought into operation. The improved condition of a limited number and of an exceptional class would add little to the contentment of the population, or to the resources of the public treasury. No measure can be really effective for such purposes unless it can be brought to bear on the general mass of the population.

61. Although, therefore, the acquisition of a permanent tenure free from rent might be more acceptable to the European capitalist, it is certain that, to the native agricultural population of India, who do not possess capital, permanency of tenure and fixity of rent will afford all that they require, or from which they could derive any benefit. To hold out to them as a boon the offer of redemption, of which hardly anyone could avail himself, would be merely illusory, nor would the object be attained which is prescribed in Lord Stanley's Despatch, that in any recommendation which might be submitted the proposed benefits should be participated in by the agricultural community generally. By the Madras freehold rules it was at first directed that the sales should be made without any reservation of rent, but the planters complained that the capital required for clearing

the forest would be exhausted in paying the purchase money. The capital which would be absorbed in purchasing the fee simple and redeeming the land tax would be more profitably expended in improving the land.

62. In either case, whether the land revenue were redeemed, or its amount fixed in perpetuity, the benefit of all improvements would equally go into the pocket of the landholder, nor could he have any difficulty in paying the moderate rent which is now universally fixed on revising the assessments.

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

64. There are doubtless parts of the North-western Provinces, and probably of the Punjab, where so large a proportion of the soil was already under cultivation when the existing settlements were made, that, assuming the rates of assessment to have been fairly adjusted to the capabilities of the land, little or no increase can be expected in the revenue, on the revision which will take place on the expiration of those settlements. Such districts, provided that the assessment is not only adequate in amount, but also equally distributed, may be considered to be in a condition in which the introduction of a permanent settlement might properly be permitted.

65. In other parts of these provinces, a large proportion of the land is still uncultivated, and does not consequently yield to the public treasury a return commensurate with its prospective capabilities; while in recently acquired territories, such as Oudh and Nagpore, which are still unsurveyed, no means exist for determining either the adequacy of the amount, or the equality of the pressure, of the present assessment.

66. In the ryotwarry districts of Madras and Bombay, the difficulties in the way of a permanent settlement appear to Her Majesty's Government to be the greatest.

67. In the former presidency the revision of the assessment, for the purpose of bringing it into accordance with the present circumstances of the people and the country, has only recently been commenced. The existing settlement records, which determine the supposed extent of each holding, and, by consequence, the actual rate of assessment, are in many cases untrustworthy. It is true that by the increase of cultivation, which has ensued on the reduction of the assessment on the higher classes of land, a greater aggregate revenue has been obtained; and although some increase may be found practicable in the rates on the lower classes, it is probable that the general result will be a reduction in the average rates. At all events, there is ample evidence that the actual incidence of the assessment, as regards particular fields or estates, requires careful readjustment. It was with the view of equalizing the pressure of the assessment, and with no desire or expectation of increasing its amount, that the arrangements now in progress, estimated to cost at least three quarters of a million sterling, were sanctioned by the Home authorities.

68. In Bombay, the revised assessment, though still in progress, has been, throughout a large portion of the presidency, for many years in operation. It is well understood that the existing rates were adapted rather to the depressed circumstances of the agricultural population at the time when they were imposed, than to the prospective capabilities of the soil. The measure has been in all respects successful, and it is believed that the

condition of the people has advanced so rapidly that, on its revision, a very considerable increase may be effected in the rates, without any undue pressure on the resources of the people.

69. Her Majesty's Government consider, therefore, that, although for different reasons, these two presidencies are not at present generally in a condition which would warrant them in authorizing a permanent settlement of the land revenue on the assessed lands at the existing rates. In both presidencies, however, as districts are gradually brought under the revised assessment, and when there is reason to believe that the land revenue has not only reached its probable limit, but that it is equitably distributed over the lands affected by it, this restriction will no longer be needed.

70. It is obvious that the process of introducing a permanent settlement must be very gradual, and this circumstance is not without its advantages. It would be impossible at one time to provide establishments large enough for a general revision of the assessment throughout the whole of India, and the effect of the measure may be watched in its progress. If any unforeseen difficulties occur, there will be time to take measures for obviating them. If the anticipations of a rise in the value of land, or of a depreciation in that of the precious metals, should be realized, any loss from these sources could be avoided in subsequent settlements, and the principal objections to the measure would be in great measure disposed of.

71. It is to be hoped that the greater interest which the influential classes would acquire in the preservation of peace, and order might enable the Government to reduce its military establishments, at any rate to such an extent as to provide for the increased charge of civil administration, which improvements in civilization always render necessary.

72. I have therefore to announce to your Excellency in Council, as the result of the foregoing considerations, that, as regards all districts or parts of districts in which no considerable increase is to be expected in the land revenue, and where its equitable apportionment has already been, or may hereafter be, ascertained to your satisfaction, Her Majesty's Government will be ready to sanction, on your recommendation, or that of the local Government supported by you, the settlement in perpetuity of the assessment at the present or the revised rates.

73. I have accordingly to request that you will place yourselves in communication with the several local Governments, in order to ascertain from them the extent to which, in their judgment, it may be expedient to apply this important measure to the territories under their immediate administration. In the North-west Provinces, where the revision of the thirty years' settlement has already commenced, it is possible that several districts are now in a condition to justify immediate action. In the Presidency of Madras, the result of the survey and settlement operations which have been recently commenced will show how far the districts have yet attained the condition contemplated by Sir Thomas Munro, in the extract already quoted, as warranting the establishment of a settlement in perpetuity; while, in the revised portions of the Bombay Presidency, it will probably be deemed prudent to await the expiration of the thirty years' leases, which will begin to expire in three or four years, before taking any steps for giving permanency to existing arrangements.

74. I must remind you that, wherever a permanent settlement is made directly with individuals or communities for estates, in which other persons possess subordinate rights and interests, those rights and interests should be guarded with the greatest care, so as to avoid the errors which are

now acknowledged to have been committed in respect to the permanent settlement of Bengal.

75. With regard to the investment of the amount which may be received by the Government from the sale of waste lands, or in commutation of land revenue, I observe that it is declared, in paragraph 56 of the resolution, that, "with a view to secure the Government and the public creditor against any loss of existing sources of Government income, provision will be made by law that all sums paid in purchase of waste lands, or in redemption of land revenue, or in otherwise forestalling the land revenue, shall be paid to Commissioners, and periodically invested in such manner as the law may direct;" and that the reports of the Commissioners shall be regularly published. In reference to this arrangement, I have to desire that all moneys received on these accounts should be invested, not periodically, but as soon as practicable, and, as a rule, in the 4 per cent. loan. The price of redemption should be variable according to the actual value at the time of that stock, so that the amount paid, when so invested, may produce a dividend equivalent to the annual revenue which will thereon cease to be received.

76. Your Excellency in Council will understand that the instructions contained in this despatch supersede at once the provisions of the resolution of the 17th October 1861, so far as they are inconsistent with them, and that fresh regulations must be prepared and submitted for the approval of Her Majesty's Government. It is not, however, intended that these orders should have retrospective effect, and if any arrangements, in regard either to the purchase of waste lands or the redemption of land revenue, have been actually completed under the provisions of the resolution, they must, so far as is compatible with the law, be scrupulously carried into effect. You will, however, furnish me with a special report showing the extent to which any such arrangements may have been made.

77. Copies of this despatch will be forwarded for the information and guidance of the Governments of Madras and Bombay.

I have the honour to be,

My Lord,

Your Lordship's most obedient, humble Servant,

(Sd) C. Macl

E.

Rev. '62-24 Sep.  
-462/463.

India Office. 13

London, 9<sup>th</sup> July 1862.

Revenue.

No. 17

S.

I forward herewith, for  
information and guidance of  
your Excellency in Council, copy  
of Despatch (No. 14) which  
I have this day addressed to the  
Governor General of India in  
Council, on the subject of the Resolution  
of the Government dated the 17<sup>th</sup>  
Nov 1861, regarding the sale of  
waste lands and the Redemption of  
the Land Revenue.

I have the honour to be  
Sir,  
Your most Obedient,  
humble Servant

C Wood

His Excellency  
The Honourable  
The Governor in Council  
Fort St. George

No 8 Pro. of Govt. for Sept 1862  
Revenue

Y. J. July, 1862  
Secy to Govt. of Georgia  
No 17

Received on 6<sup>th</sup>  
Augt 1862 -  
via  
Marseille -

S. B. 2080 - 24 Sept 62

Forwards for informa-  
tion and guidance copy of a  
Des. addressed to Govt. of France  
on the subject of the Resolu-  
of that Govt. regarding the sale  
of Waste lands and the re-  
-emption of the Land Revenue.