

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	1465	Press
	6364	~~Mis.~~
Dated	7-8-1918	

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
7th August 1863.*

No. 63. Read the following letter from W. HUDLESTON, Esq., Secretary to the Board of Revenue, to J. D. SIM, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated Madras, 20th July 1863, No. 4,460 :—

SIR,

1. I am directed by the Board of Revenue to reply to Government Order, dated 16th June 1863, No. 1,047, referring to them the question raised in the Department Public Works as to the correctness or otherwise of the method adopted for estimating the profits derived from irrigation works.

2. The Supreme Government desire to know how, if at all, a distinction is drawn "between the increase of assessment due to irrigation, and that occasioned by improved cultivation, or increase of population, or other causes independent of irrigation."

3. Supposing that the above passage does not convey an erroneous impression of the writer's meaning, in the use of the word "assessment," instead of "revenue," it gives a wrong view of our Land Revenue system, under which, as Government are aware, "improved cultivation" involves no increased rate of assessment, for the profits of all improvements effected by the Ryots at their own cost, are always left to the Ryots.

4. With regard to the method hitherto followed in calculating the returns to the expenditure on these works, the usual course is to contrast the average revenue obtained from the tract affected by the works during the five years preceding their construction, with the revenue received in subsequent years, and to accept the difference as the return due to the capital expended.

5. The Board consider that the above mode of calculating the returns from individual works, if fairly carried out, is calculated to convey a correct impression of the results, and that if it errs anywhere, it is not on the side of excess.

6. Many circumstances may combine at different periods to restrict or to promote cultivation. For instance, in the latter case, highly remunerative prices have of late years encouraged the spread of cultivation; but such special circumstances affect the cultivation of the whole country. Under the great irrigation works it is not to these causes, or it is only to these causes in an inferior degree, that the increase of revenue can be immediately ascribed. It may be safely asserted that this increase is owing mainly to the natural advantages which the use of water in cultivation secures, to the certainty and sufficiency of the supply, and to the wise policy by which our works for storing up this water have been created.

7. It is not inconsistent with this view of the case that the increasing impetus given to wet cultivation may have led in some measure to a transfer of labor from dry lands to wet. Wet cultivation will always afford to a given quantity of labor a far larger return than dry cultivation, and on that account wet cultivation must be generally preferred by the people; but any transfer of labor referrible to this cause is a totally different matter to an increase of cultivation consequent on increased population. The Revenue Officers have no means of ascertaining the exact extent to which extended cultivation is promoted by this latter means. No doubt the increased productiveness of labor must affect the rate of increase in the population, and in the lapse of time, cultivation will be extended to meet the wants of increasing numbers; but in the first instance, and for many years after irrigation works have been constructed, the increased revenue is owing in the main, to the increased productiveness of the soil when under irrigation, and to the inducements which this offers to all classes to engage in this particular kind of cultivation.

8. The foregoing remarks are intended to apply to entirely new works, and to material improvements in existing works. The Board do not understand that cases of mere repairs are included in the Statements of Remunerative Works. If mere repairs are included in such Statements, it might be necessary to extend considerably the series of years on which the average is calculated. But assuming, as the Board do, that it is the water supply which renders the increase

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in the revenue possible, they are of opinion that the average receipts for the five years preceding construction of the works affords a fair standard by which to measure the profits from irrigation works when the works have been completed. This is the plan that has been adopted, and although it may not be critically accurate, it is not, in the Board's opinion, calculated to convey an exaggerated idea of the returns due to irrigation works.

No. 61. ORDER THEREON, 7th August 1863, No. 1,465.

The Government consider that the only practical mode of ascertaining the profits derived from irrigation works is to take the average revenue from irrigated land for five years prior to the construction of a work as the standard of comparison, and to regard the yearly excess of similar revenue over that amount, after deducting repairs, interest on capital and other charges as the net annual profit. This sum includes the assessment of the land as well as the value of the water actually supplied, and attributes all increase in the land revenue to the work, being so far a more favorable mode of calculation than is strictly correct; but on the other hand, it leaves out of account all increase in other sources of revenue, though these must be greatly affected by the improved condition of the people consequent on the more profitable character of irrigated cultivation. The works probably lose more by the omission of these indirect results from the calculation of their profits than they gain by the inclusion of land assessment and additional cultivation caused by circumstances independent of irrigation. At all events it is quite impracticable to ascertain what portion of the increased cultivation is owing to high price of increase of population and other similar causes; and any attempt to do so would only lead to error.

(True Extract.)

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

To the Board of Revenue,
,, Department Public Works.

Exd. S. T. Augustin.

Revenue Department

7th August 1863.

Proceedings of the Madras Government
under date the 7th August 1863.

Read the following
letter from the Secy to the
Board of Revenue—

Replying to Govt.
order dated 16th June 1863
No. 1047 referring to the Board
the question raised in
the Department Public
Works as to the correctness
or otherwise of the
method adopted for
estimating the profits
derived from Irrigation
Works.

(Here enters 20th
July 1863, No. 4,465)

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MD
J. D. SIM

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interest on capital
and other charges, as
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This sum includes the
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as well as the value
of the water actually
supplied and attributes
all increase in the land
revenue to the work be-
= ing so far a more fa-
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calculation than is
strictly correct - but
on the other hand it
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14 Copies of the Report of the
and the Wintering Envoys

1st of Aug 1832

St. Louis 1863 Sept 11
Dear Mr. Garrison

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Sept the August, '63

Proc. No. 239-240

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No 63 564.