

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 2042

Press
~~Mis.~~

162

Dated

13 11-19-1863

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
13th November 1863.*

No. 161. 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, 5th November 1863, No. 7,044:—

SIR,

1. Referring to the letter from this Office, dated 27th March 1863, No. 1,852, forwarding copy of Honorable Mr. Pelly's Minute on the revision of the Trichinopoly Assessment, I am directed by the Board to submit copy of the remarks recorded at the time by the 3rd Member, Mr. Clarke, on the Minute of the 2nd Member, Mr. Brett, which is already before Government.

2. These remarks are now submitted to Government, as the Minutes of the 1st and 2nd Members have been brought under their deliberate consideration.

MINUTE BY MR. CLARKE.

1. Mr. Brett objects to Mr. Puckle's amended proposals on the general ground that there is nothing in his report to prove that Mr. Newill's modified rates, which he has proposed to alter, give to Government a larger share in the produce than the Government proposed to take; and yet he concludes his Memorandum with these remarkable words:—"The question then, whether the new rates for Trichinopoly will be found a lighter tax on the land than the old rates of assessment, will depend on the point whether 30 per cent of the gross produce, as the Government share, amounts to a greater or a less proportional share than was levied under the old settlement. I do not myself think that such a proportion can, with propriety, be termed moderate, and that it is only owing to the way in which the Settlement Department have deviated from this proportion, as described in this Memorandum, that Mr. Puckle can look on his rates as amounting to a moderate assessment." So that however much Mr. Puckle may in detail, or in the process by which he may have arrived at his conclusion, have deviated from certain principles which Mr. Brett considers essential to the adaptation of the assessment to the Laws of Political Economy and the rules of the Department, he is of opinion that it is these very deviations and divarications which alone have secured to Trichinopoly a moderate assessment.

2. But I think if we look more closely into the subject that we shall not find that either the rules of the Department, or any of the principles of Political Economy have been transgressed so far as we are able to judge in the matter. With regard to the proportion of 30 per cent, which Mr. Brett considers to be the rate fixed on by the Government as the share of the produce to which it is entitled, it may be desirable to remark that the Government have never absolutely laid claim to such a proportion. They desired that 30 per cent should

Vide paragraph 14 Court of Directors' Despatch, 17th December 1856.

be the maximum of demand under the most favorable circumstances, but this rate they required should be subject to reduction in the event of any of the accidental advantages enumerated by them, such as nearness of the village, facility of cultivation, and whatever else might affect either the quantity or quality of the produce to be taken into account, being either found to be altogether absent or present in an inferior degree. But the Court of Directors have most authoritatively, clearly, and repeatedly laid down that the operation of arriving at, and determining the estimate of produce, is not one of arithmetical calculation, but of judgment and sound discretion. In exercising, therefore, his discretion rather than strictly following any fixed rule, Mr. Puckle appears to have obeyed his instructions, provided he has ever kept in view that the main point to be regarded in our revised assessment is that the assessment should be fixed at a rate sufficiently moderate to allow for errors of judgment on the part of the settling officer. "If this," the Court add, "be attended to, the effect of any irregularities which may occur, will only be to render the lower fields more valuable than those on which a higher assessment is imposed, but in all cases the share of the net produce left to the Proprietor, after defraying the assessment and expenses of cultivation, will still be sufficient to render his land a desirable property."

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3. The rates of assessment were to be sufficiently moderate to allow for all ordinary fluctuations in the price of grain, so that all needlessly frequent alterations in the amount of the Ryots' payments should be avoided.

4. The Court have further shown why the assessment should be apportioned to the net and not to the gross produce, and I consider that the arguments of the Directors on this head most

NOTE.—These Tables were drawn out for the Board at Mr. Pelly's suggestion, and exhibit the variation in the quantities taken when round numbers are adopted. They clearly show that if the assessment were based on 30 per cent of the gross produce, in many lands not only would the land-owner be deprived of the whole of the net, but even of the whole produce of his land.

Hindu Government this proportion was so small (one-sixth, one-eighth or one-tenth) that it left to the proprietor of the land a large and clear rent on the greater portion of the lands in his possession; but such proportions are considered, and Mr. Brett would appear to endorse this opinion, to entail unnecessary loss to the public revenue. By the Mahomedans these proportions were greatly altered, and so large a share taken by the Government that the people were pauperised,

"On the other hand many circumstances lead to the conviction that a reduction of the assessment would be speedily followed by great extension of occupation of land.

"First, there is the general fact that less than one-fifth of the whole area of this Presidency is cultivated. The total extent of the Ryotwar parts of the country is above seventy-seven millions of acres, of which the cultivation of Government land may be computed at 14,670,000 acres; to this 20 per cent may be added for Inam cultivation, making a total of 17,500,000 acres, and deducting one-third of the remainder for mountains, tanks, roads, &c., there remains the enormous extent of forty millions of acres probably available for cultivation, being nearly three times the present cultivation of Government land.

"Even of the land actually fit for cultivation the extent now waste is very large. The total extent of Government land entered in accounts as 'arable' is 32,170,000 acres; of this no more than 14½ million acres, as above seen, is cultivated, including Inams, leaving nearly 18 million acres waste. There is no room for doubt that an instant increase of cultivation would follow reductions of the Government tax."

Limits the cultivation of the land, and not the cultivator who regulates the market. The local markets in such a country as this are affected by other circumstances than the mere spread of cultivation or the occupation of land in any particular locality or District. To affirm therefore, as Mr. Brett has done, that every loss which the owners of superior land would incur if the tax were levied in produce, is made up to them when the Government share is estimated in money, by the increased price which consumers pay to cover the cost of production including the tax on the worst land, is not only opposed to his own arguments in paragraphs , but also to experience and to the very course which the Government is pursuing in reducing its taxation. For

conclusively answer and meet the objections raised by Mr. Brett to this course; for the right of the Government, it is declared, is not even to the whole rent, but only to a fair share of it. This can never be the case if the assessment is fixed on the gross, and not on the net produce, as the accompanying tables show, and as Mr. Brett himself admits in paragraph 17 of his Memorandum. The custom of the country has no doubt been, as Mr. Brett asserts, to take a portion of the gross produce. Under the

the greater portion of it was left waste. The effect of our own system, engrafted on that we found in existence (viz., the Mahomedan), is ably delineated in paragraph 32 of the Extract from Minutes of Consultation of the Madras Government, under date 14th August 1855 (see margin).

5. The object of the present assessment is to correct and rectify the evils of the former system; and one of the great principles laid down by the Government for the guidance of the assessment officers was that the right of Government is not a rent which consists of all the surplus produce after paying the cost of cultivation and the profits of the agricultural stock, but a land revenue only, which ought, if possible, to be so lightly assessed as to leave a surplus, or rent to the proprietor of the land, whether he let the land to others or retain it in his own hands.

6. Mr. Brett is of opinion that if the tax be imposed rateably on the gross produce, the Land tax will fall on the consumer and not on the land-holder. I believe this position to be untenable. The correct and natural course of things in regard to land is clearly and correctly stated in paragraph 7 of his Minute. It is the local grain market which regulates and

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if Mr. Brett's argument were sound, it would not matter what amount of tax the Government imposed; the consumer would be forced to pay it, and as the demand for food would increase with the increase of population, so would cultivation increase. Experience has however shown that the land tax has restricted the progress of cultivation, and that low prices co-existed; and that they increased with the accession of cultivation and increase of population.

7. In regard to the grouping to which Mr. Brett takes exception, I would observe that this mode of meeting a difficulty in valuing soils of the same class situated in more or less unfavorable positions is observed in Bombay, and was advocated by the Government in paragraphs 16 and 19 of the Extract from Minutes of Consultation dated 14th August 1855, and approved by the Court of Directors. In regard to the market price of grain, experience most clearly proves that different prices are common for the same grain in different parts of the same District. This difference arises from various causes, and in some instances is large and marked. Whatever may be its cause, its existence cannot be ignored or overlooked by the Assessment Department, without materially diminishing the proportion of the produce left to the land-owner whose land is located in places where the market price of all produce is lower than at the Town which regulated the commutation price; and Mr. Brett partially admits this fact in paragraph 6 of his Minute. Averages cannot ordinarily meet the cases of each village, or group of villages, unless they are pitched so low as to affect the revenue.

8. The only effective mode of meeting the differences is by following the course adopted by the Department, and this also meets other peculiar local disabilities. The Board have already discussed the question of the grouping adopted by Mr. Puckle, and I see no reason for doubting the judgment and wisdom which have led him to adopt the number of groups he has proposed.

9. The changes which Mr. Puckle has submitted in his last report were chiefly proposed in consequence of the large increase of area brought to account by the scientific survey. It is to be observed that Mr. Puckle's estimates of produce were stated to have been checked and regulated by, if not based on, old accounts of produce found in the Collector's Office. These accounts gave the produce as reaped from the areas laid down in the Curnums' accounts, and which are now pronounced to range from 100 to 2 per cent in excess of the true and correct area. I cannot place any reliance on these Kyling returns. They affect small and circumscribed localities, and do not cover either a sufficient space of time or country to allow of any just or correct conclusion being arrived at.

10. It is strange that the produce of one acre of land at the present day, should be equal to the produce of four or more acres in years gone by, and yet, if we are to place any reliance on the Kyling returns, this must be the case.

11. Such a result, I think, goes far to show their valuelessness. I fancy a farmer in England would hardly like the productive power of his land to be determined on for leasing or taxation by a corner hardly covering a large dining table, or by a few of his fields being reaped for two or three years, and the produce of this corner being made to determine the productive powers of acres of land. And yet in a country of such vast extent as a District containing lands of such varying powers of production, and acted on by circumstances of which we have but a glimmer of conception, and in which we experience such extremes of seasons, a few experiments made by reaping small patches of land in ten or twelve places for two or three years are considered sufficient to determine the productive powers of forty-two classes of land.

The thing is preposterous and ridiculous, and its futility is seen when we come to comparison, and find the produce of an acre equal to that of 18 or more.

12. On the contrary the accounts are those which affect a large area or Taluks and extend over a series of years. Now if we rely on these accounts, which, I believe, are as near the truth as

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any thing we are likely to obtain, then it is clear that the estimates of produce must exceed the real produce of an acre in the same proportions that the area from which it was reaped exceeded the true and correct contents of the acre. It therefore becomes necessary to make some reduction in the assessment based in these excessive and incorrect returns of produce.

13. In regard to Mr. Puckle's 6 Anna rate, to which exception has been taken in paragraphs 19 and 20 of Mr. Brett's Minute, it will be seen by the tables above referred to, that in the first class of dry villages that rate is equal to the value of half the net produce, the proportion shown by Mr. Newill to be equal to 30 per cent of the gross produce; and hence it is clear that Mr. Puckle has not in any way favored these lands. So far from having done so, it will be seen that in inferior positions and places, they receive no reduction; and as these lands amount to 42 per cent of the whole cultivable area of Trichinopoly, so far from falling into the error imputed to him by Mr. Brett of favoring the Ryots to the loss of Government, Mr. Puckle would seem to have erred in an opposite direction. It is also to be remembered that a very large proportion of this class of land under the old system was taxed at only 1 Anna an acre.

14. Mr. Brett objects to Mr. Puckle's proposals in regard to the 2nd crop; first, as holding out inducement to the Ryots to cultivate lands, which from the precarious nature of the irrigation cannot yield a return for their labor; second, as exempting lands watered by piccottahs; and third, as disadvantageous to Government who receive none of the profits.

15. It may be that the 2nd crop when raised is equal to half the 1st crop, but it is a very precarious one, and the Ryots risk much in undertaking its cultivation. Reductions equivalent to such risks are therefore equitably necessary.

16. It is matter within the province of the Ryot to determine whether it is to his profit to cultivate such a crop or not, and whether he is in a position to undertake the risk it involves.

17. In recommending the reductions proposed in our Proceedings, I do not think we are chargeable with advocating a premium on gambling, or offering undue facilities and advantages to Ryots cultivating a 2nd crop.

18. The lands have always been cultivated and reaped, and our desire was to apportion the tax on these cultivated lands justly and fairly, in some proportion to the expected returns; but the principal object we had in view was to relieve the cultivators of these lands from all those impediments and obstructions arising from the interference and illegal exactions of ill-paid Government servants which any one who has any experience in the Mofussil must know attend the imposition of a crop tax.

19. In one of the Districts I had charge of, it was one of the most fruitful sources of villainy and roguery. It would more than repay Government, in removing such a source of temptation from their servants, though they should lose three times the revenue involved in the sacrifice. Piccottahs are appliances raised and worked at the cost and labor of the Ryots to secure a crop which would otherwise perish, and on the principle laid down by Government, that improvements made at the cost of the farmer are not to be unceasingly taxed, I most strongly object to the views expressed by Mr. Brett in the 35th paragraph of his Minute. The absolute necessity for not discouraging the outlay of capital on such works which so greatly benefit the country, and tend so much to avert the calamity of those disastrous famines which periodically visit and desolate the country, have been so ably and fully set forth by Colonel B. Smith as to need nothing more than a bare allusion to the subject of the importance of such auxiliary means of irrigation. I do not consider therefore that, in adopting Mr. Puckle's proposition in regard to the 2nd crop, the interests of Government will suffer, or that one set of Ryots will be favored to the disadvantage of another any further than must necessarily be the case where one enjoys a better soil or other superior natural

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advantage than his neighbour. It has been my desire to secure the carrying out of the measures laid down by Government in the Extract of the

* "It is certain that the high assessments and the absence of accurate accounts, give occasion to very extensive fraud in the concealment of cultivation. Occasionally instances of this are brought to light on a large scale so as to prove its existence, and it is well known to all Revenue Officers, that it exists largely, but is concealed, through the purchased connivance of the Subordinate officials. With reduced assessments there would be less of this fraudulent evasion, because there would be less inducement to pay for such connivance; and with an accurate survey, and clear and simple accounts, such fraud would become difficult and dangerous."

Minutes of Consultation so often quoted above; in the firm reliance that if these be fully and liberally followed, the results anticipated in the 33rd paragraph* will be realized, and that in proportion as we fail in this object we are instrumental in retarding the progress of a quarter of the Empire that has already too long suffered from excessive taxation, and the evils arising from the interference and of a host of ill-paid subordinates which could not be avoided when remission of taxation or the utter ruin of rice cultivators were the alternatives.

(Signed) T. CLARKE,
Member.

No. 162. ORDER THEREON, 13th November 1863, No. 2,042.

Ordered that the Minute submitted with the above letter be brought upon record and forwarded to the Home Government.

(True Extract.)

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

To the Board of Revenue.

Exd. S. T. Augustin.

No. 7,044.

From W. HUDLESTON, Esq., Secretary to the Board of Revenue,
To J. D. SIM, Esq., Secretary to Government, R. D.

SIR,

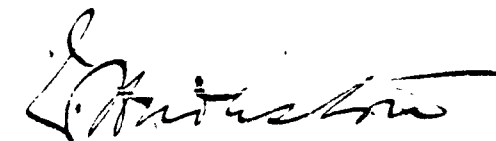
Referring to the letter from this Office dated 27th March 1863, No. 1,852, forwarding copy of Honorable Mr. Pelly's Minute on the revision of the Trichinopoly Assessment, I am directed by the Board to submit copy of the remarks recorded at the time by the 3rd Member, Mr. Clarke, on the Minute of the 2nd Member, Mr. Bratt, which is already before Government.

2. These remarks are now submitted to Government, as the Minutes of the 1st and 2nd Members have been brought under their deliberate consideration.

I have the honor to be,

Sir,

Your most obedient servant,



Secretary.

REVENUE BOARD OFFICE,
Madras,

5th November 1863.

To the Secretary to Government, R. D., with a Minute.

Exd. J. Wright.

8-2012

1885.

Department:

1003. Department: *Open with*
Re: of you for ~~Don't~~ *11/6/71*

No. 2700-

From the Secretary to the Board of Revenue
To the Secretary to Government, R. D.

Dated 5th November 1863.

Despatched 88—

Received of $\frac{a}{a}$.

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No. 7,044.

Submitting the remarks of Mr. Clarke the 3rd Member on the Minute of the 2nd Member Mr. Brett regarding the revision of the Trichinopoly Assessment.

Adm. 2012.13.800

W. H. Wood

Chas. E. Hammond sent to
Harris, Garrison and Dr. Webb 25

No 161 & 162.

29 May 1863 Dec 12th

Ordered that the said

W^m and his limited will the above
letters be brought before
you forwarded to the above

10

From W. L. Brown
132 Second = 1838
under his initials

[illegible]