

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	717	<u>Press</u> <u>Mis.</u>
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*Proceedings of the Madras Government, Revenue Department,
3rd April 1865.*

No. 17. Read the following Proceedings of the Board of Revenue, dated 17th February 1865, No. 951.

Read again Proceedings of the Board of Revenue, dated 5th March, 23rd April, and 27th May 1864, Nos. 1,373, 2,457, and 3,235.

Read also the following letter from J. W. B. DYKES, Esq., Collector of Nellore, to W. HUDLESTON, Esq., Secretary to the Board of Revenue, dated 12th August 1864, No. 273:—

1. I have the honor to acknowledge the receipt of the Board's Proceedings of the 27th May, forwarding the required forms, and calling on me to explain the precise nature of my scheme for classifying, and assessing the land, and shew that it is feasible.

2. A settlement and survey of this District having been commenced, I questioned* the soundness of the principles on which it was, I understood, to be conducted—first, in respect to fallows; second, in respect to rotation of crops; third, in respect to pasture; and having then stated in general terms the system I would propose, I am now required to place my scheme before the Board and shew its feasibility more clearly.

3. I had in the first instance instanced England, and been met by the difference between rent and revenue. The Board ruled† that land tax and rent were two distinct things, and further pointing out that the best remedy for the evils I deplored, and the proper way to provide for a sound system of agriculture, was to maintain exceptional tenures,‡ I wrote to Government and urging that the difference between

† Paragraph 3, Board's Proceedings, 5th August 1863, No. 4,831.

rent and revenue in no ways justified a land tax assessed on harsher terms than a rent, I submitted for the consideration of Government, whether we were not about to impose an assessment directly opposed to laws of agriculture§, equally binding whether it be rent, or a "land tax," that the cultivator has to pay.

‡ 5th August 1863, No. 4,831, paragraph 3.

§ 13th November 1863, No. 23 paragraph 3.

4. The Government, referring to the crops selected, and the allowance of twenty-five per cent. to meet vicissitudes of seasons, fallows, &c., considered sufficient had been done to meet the ends I had in view; but, in their Order of the 8th January, No. 30, observed that the prior Order of the 24th November, No. 2,118, did not prescribe any particular course in respect to the calculation of the assessment in this District, and it was desirable that the questions I had raised should be discussed; whilst, further, in the Order of the 24th November, they emphatically repudiated the opinion entertained by the Board of the new settlement, that it was to be assisted by exceptional tenures, or the old system of allowing Ryots to retain lands fallow free of assessment.

5. In their Proceedings of the 5th March, No. 1,373, the Board of Revenue explained that the crops referred to by Government had not been selected on the principles that govern the choice of crops for the rotation system in Europe,|| that it was, they considered, impossible

|| Paragraph 6.

to charge the land with average rates that would really represent an "average of the Government share in each individual crop;" that it was for me to shew that the "Ryots can be fairly charged the same rates for land whether in tillage or not;" and if the assessment cannot be lowered so much as to make a fixed rate preferable like a tithe charge at home, they know no other way of meeting the difficulty than the old system of "remitting for fallow and allowing land used for pasturage to be held at exceptional rates."

6. The Board at the same time called on me for further information, and, bringing¶ to their notice in reply that the details required were still with the Survey and Settlement Depart-

¶ 24th March, No. 72.

ments, and the requirements of man and the laws of production had not apparently been taken into consideration in discussing the question of average rates in their Proceedings of the 23rd April, No. 2,457, they revised their requests, and, pointing out that all produce "dry or green is grown for consumption,"* further observed, that the real question is, as before stated, how each class of land may be rated so that the assessment shall be light, and at the same time equally distributed; whilst they especially wished to know, how Ryots can, in my opinion, be fairly made to pay for fallow, when I myself in a previous letter had stated that it was the practice to remit for fallows, "the Ryots being unable to pay for such land the rates applicable to grain crops."

* Paragraph 5.

7. In their Proceedings under acknowledgment, the Board, forwarding the requisite forms, refer more to the "classification" I would propose, which they hope may be submitted in detail with the products on which I would base the assessment.

8. And the discussion having thus passed through several phases, before I proceed to shew how I would classify and assess the land, and whether my plan is feasible, &c., it would perhaps be as well, were I briefly to shew and recapitulate what are now the points at issue, and then state what is the precise nature of the scheme I propose, and how, in my opinion, that scheme can be carried out.

9. If it were the object of the Settlement and Survey "to charge the land with average rates," "that annually would really represent an average of the Government share in each individual crop," it would be unnecessary to go into the question of rotations and pasture, for such an assessment cannot be accomplished. The Board have themselves successfully demonstrated that the crops now selected are sufficient to nullify the best calculations; and nothing remains for us but to go back to sharing, and, as regards grass lands, either collect a pasturage assessment, or tithe the live stock.

10. But to the best of my belief, the object of the Settlement and Survey is not to attempt what is apparently an Utopian equality, but *adjust and record public and private rights so clearly, that we shall always derive from the land, in due course, and with the least possible disturbance of existing interests, the share in the produce to which the Government is legally entitled, and at the same time secure the free outlay of private capital*; and if this supposition be correct, then the even incidents of rates is only material so far as the interests of either party are concerned, and otherwise is not "the real question," or even a point at issue.

11. Rent and revenue† are no doubt "two distinct things;" and in their Proceedings of the 5th March in the 22nd, 23rd, and 24th paragraphs, the Board have defined the difference. But here again, as regards this first argued point, I now infer, from subsequent orders, that the Board are willing to concede, that what is claimed under a rent, should if possible be granted to the cultivator under a land tax; and this being the case, what is at issue is not rent and revenue, but whether the conditions recognized by the landlord at home can be recognized by the Government in India: neither have fallows to be discussed as an abstract principle, the Government having authoritatively ruled that the new assessment shall be fixed‡ on the understanding that "the Ryot must pay for what he retains. What I have to do in this respect, is to shew what fallow is required, and that I can reconcile the fairness of charging for fallows with what I had previously asserted on this point, whilst rotation crops, being closely connected and co-operating with fallows as *restoratives*, and recognized for this purpose under rents, will be fitly discussed as regards the practicability of their introduction under a land tax, when considering the extent to which these requirements of the land must and can be met under the Ryotwar tenure.

12. And pasturage having been left by Government§ with rotation crops to be treated with reference to the circumstances of each District, the points that I have now to submit to the

§ 8th January 1864, No. 30.

† They may be contrasted in a few words. Under a rent the land-lord is entitled to all he can get in open market. Revenue is a share without an open market.

‡ In Kurnool this has not been the case.

Board are, first, what are our requirements in the matter of fallows, rotation, and pasture; second, should pasture be treated like fallow, &c., or how; third, is twenty-five per cent. on a grain assessment a sufficient deduction for rotation crops and fallows; fourth, what is the deduction I would make under the head of fallows, rotation, and pasture, and is it feasible; and fifth, how would I classify the land and form the assessment, on which I consider the proposed deductions necessary.

13. How many years land should lie fallow is a question that cannot be answered by figures. Within reasonable limits you can work land like a steam engine to any power you think fit, paying for the same; the boiler may burst, or disease be generated, but this is only a contingency of very high pressure; and to all practical purposes the question of fallows, at the

† The Board in paragraph 4 of the 23rd April doubt how Ryots will learn sound systems of rotation from "looking at the markets;" to which I would reply that, whatever they learn, it is only with reference to markets and the rates prevailing there for rotation crops, that they can act; and it is in this sense I use the term.

present day, is in India a question of markets.† It is also a question for which we must look for solution elsewhere, for the markets have not yet had fair play. In the village system the land has been fallowed more than is necessary.

A young Officer, misled by this feature, wrote to me a short time ago that the Village system was far better than the Ryotwar, because there the whole area was used, instead of cultivation being clumped, I might say clubbed, round a village. In the Ryotwar villages in the same way sound data are equally wanting, because by our restrictive policy cultivation is limited to the home lands; and as the educated classes know more of Shakespeare than Agricultural Chemistry, a well informed Tahsildar having told me the other day it was hurtful to the land to lie fallow, I shall, I believe, give better grounds for thinking that land requires a fallow once in four years, by referring to the Board's quotation‡ of "three crops and one bare fallow," than resting on any thing

‡ Paragraph 14, Proceedings 5th March.

I have learnt by consulting with Ryots or my Tahsildars.

14. It is a principle of Agricultural Chemistry that every product assimilates and attracts to itself certain constituents of the earth it grows in, and the earth has, therefore, a rest, if only there is a change of crop, a change of exhaustive force. Again, as the Board observe§ all

§ Paragraph 5, Proceedings 23rd April.

kinds of produce are grown for consumption, but in the mode of consumption there is a difference; and as in a rotation course of three crops and one bare fallow, there would not only be rest to the land by the change of exhaustive action, but also at least one green crop, and the nutriment afforded by the whole of this crop being put back in the shape of manure, the question is not, I think, why I consider that "fallow is required so frequently as once in four years,"|| but whether

|| Idem, paragraph 7.

I have asked for what is enough: whether the difference between India and England in the fertility of soil is so great as to justify once in four years being considered sufficient, when there are no green crops, and our assessment, as shewn by the Board, discourages change and as it were compels the Ryot to continue cropping with the standard grain.

15. The Ryots I am informed cultivate the pulses¶ to rest the land, and thus carry out to some extent the rotation principle; and I see in the papers of this week, an Association in Bengal is calling on Government to assist in the introduction of rotation crops. It will, however, be better to leave such subjects to be discussed separately; and to fix an assessment that shall allow of a rotation system being fully developed, it will be sufficient to remember that rotation crops in themselves are not so valuable as standard grains,** and modify the assessment accordingly.

¶ Referring to gram and the laws of consumption, I wrote in my letter of the 24th March, paragraph 8, though gram be grown cheaper, &c., it was printed "grain;" and hence the confusion remarked on by the Board in the 6th paragraph of their Proceedings of the 23rd April; whilst in the preceding paragraph for "notes" the printer has printed "rates" and similarly obscured the meaning.

** This is why, I think, a fixed grain assessment interferes with the cultivation of other products, and acted on, as proposed, lessens in favor of the rotation series, the "objection" referred to, Board's Proceedings, 5th March, paragraph 8, and further the "object" referred to in the 2nd paragraph of the 23rd April.

4 *Proceedings of the Madras Government, Revenue Department,
3rd April 1865.*

16. The Government have fully recognized the evils arising from the retention of fallow free of assessment, the "frauds," "the interference of Government officers" and "other manifold evils;" and as all these ills can be quite as clearly predicated of the system that establishes

* To Government 21st December No. 36, paragraph 9. a distinctive rate on pasture, and have been exhibited in this District,* it will perhaps be sufficient if I act on this view, and simply show how I propose to carry out my scheme, so that a man's holding should be "self-contained," premising at the same time that in this respect I only mean to meet the ordinary requirements of agriculture, and have no intention of doing more than the Board contemplate in respect to "the formation of farms." We have a wide extent of pasture lands in Nellore, and we do breed a great many cattle,† which it is grievous to see driven off to the hills. It is worse, I believe, to create exceptional tenures; and leaving pasture, as regards breeding purposes, to find its own level, I recommend that we provide for the pasture ordinarily required for ordinary farming, in the same manner as for fallows and rotation, and having fixed the assessment with reference to sound principles, trust to the land being so held.

17. The vicissitudes of season is a feature to which I have not referred as yet; and the Board order‡ me to explain what deductions should be made on this account in Nellore, and on what data my opinion is formed. But as the Board themselves remark,§ this important feature in all agricultural operation can best be taken into account "in computing the average value of any given crop." No kind of produce "will give equal returns all seasons alike;"|| and I therefore propose to take the vicissitudes of season into consideration in computing the average out-turn, and having submitted that twenty-five per cent. is not a larger reduction on this average than is required for fallow, submit the additional reduction in my opinion required for rotations and pasture.

18. Rotations and pasture from our policy hitherto are matters not furnishing any more than fallows, precise data for calculations, still less for modifications with reference to soils, &c. It will, however, I trust be safe to suppose that one acre being under the standard grain crop, two acres are under rotation, the fourth acre fallow, and as much should be added for pasture; and if the revenue thus reduced is insufficient, it will be safer that it should be raised to the requisite amount by a per-centage increase, rather than ignoring what is patent to every educated farmer of the present generation.

19. When the Government share was taken in kind, the fluctuations in products were necessarily recognized. When a standard grain assessment on every field was commuted into a fixed annual payment in money, Englishmen failed to see that they were assessing a fruit tree as if it bore the whole year round; and many were the ingenious reasons to explain why such assessments were too high, without once going to the very obvious cause of the whole iniquity, that some months there is no crop, some years a fallow is needed. To collect annually what was only collected by our predecessors when a crop was grown, I could not prove to be fair; and in recommending that we now recognize the various conditions of the soil incidental to a sound system of agriculture, and raise the demand if necessary by a per-centage increase, I urge the recognition of a principle that acknowledged earlier would have avoided much suffering, and acknowledged now will secure our knowing in future how far our needs exceed our discretion, which it will be admitted is a step to a sounder state of affairs.

20. The Board call for information as to how much land is used for pasturage in the Nellore District, and what is the supposed productive value of the land compared with the productive

5th March, paragraph 5.

*Proceedings of the Madras Government, Revenue Department, 5
3rd April 1865.*

value of land in tillage. In reply to the former question, I would state all the land not under the plough is used as pasturage; in reply to the latter, a fourth. But I need scarcely add that till the survey has been made, and the results communicated, I have no precise information on either point; and my estimate of the relative values formed from "Pullari" (a grazing assessment) the only information available, is a very rough approximation, and based on the results of a tax that varies much in different parts of the District, and every where is singularly uneven in its incidence; and in taking one-quarter of the arable lands as the additional area required for pasturage, I am also taking what is open to objection, what it has been usual to give here for the tilling cattle, and thus may be said to be provided for in arriving at net values. But, I think correct results are more likely to be arrived at by recognizing the necessity for a cow or two, and re-production of stock, instead of simply calculating the share of the cost debitable to the head of cattle in the expenses of cultivation; and making a rough deduction for the inferior value of rotation crops, and doubling the value of pasturage when reserved lands in private occupation, the reductions I propose would thus be one-quarter of the average standard grain value on the rotation crops, the whole on the quarter of the arable area supposed to be fallow, and half on the pasturage, which would be a total reduction of forty per cent. instead of twenty-five.

21. In their Proceedings of the 5th August last year, the Board ruled that a general reduction of the existing rates of assessments would, in the natural order of things, reduce the price of agricultural produce; and the cultivators would then be no better off, the "forty per cent." would be a present to the consumer; and if there were such a thing as isolation, this view of the case might prove correct. But the science of Political Economy, and the experience of every-day life proves that there is no such thing as isolation. Prognostications founded on a particular measure are for this reason so often wrong. Prices have risen in England since the abolition of the corn laws. The recent reductions of assessment in this Presidency have not *sensibly* retarded the rapid rise in the prices of our agricultural produce; and without in any way affirming what would be the effect of the proposed reduction of grain values on existing rates, its effect on markets and the Ryots, it seems to me must be considered with reference to a wider field than that (apparently) contemplated by the Board. If markets are good, in other words, the demand for agricultural produce steady, a reduction of assessment would simply put more money into the Ryots' pockets, and increase the area of cultivation; and on the other hand if trade is dull, and the demand for agricultural produce slack, a reduction of assessment might perhaps temporarily hasten the fall till the area adjusts itself, but would throughout, it is equally clear, help those who hold the home lands, and helping the Ryots, in reality help the Government also.

22. It now only remains for me to shew that the Ryots can fairly be made to pay, when I myself have stated that it was the practice to remit fallows, "the Ryots being unable to pay for such lands the rates applicable to grain crops," and then how I would classify the land and form the assessment, on which I consider the proposed reductions necessary.

23. When we expected to collect year by year what the Mussulman under the sharing system could only take when a crop was grown, and were reporting at great length every reason but the right one why the money assessments were too high, a marked and rapid fall in prices aggravated the agricultural distress; and when to this I call to the Board's mind, that Ryots were not allowed to relinquish their lands, save under the ruinous restrictions of "good and bad," I have explained, why it was, and when it was the practice to remit for fallows, the "Ryots being unable to pay for such land the rates applicable to grain crops." The words used that the Ryots were then "unable" to pay the grain assessment when there was no crop, were *literally* true. A few years ago, however, freedom of tenure was conceded; and with freedom of cultivation prices rose; which was equivalent to reduction of the original standard grain values and the recognition of a sound system of agriculture such as I now claim, the aspect of affairs was in fact totally changed; and it became possible and fair to charge Ryots for what they wished to retain what it would not have been either possible or fair to charge, when they were compelled to pay the standard grain assessment and occupy land, whether they wished it or not. When I came

to this District, the re-action had set in. I enforced the rule that the Ryots, free to relinquish what they do not want, should pay for what they kept. The first year a good deal of land was thrown up, which went into the common stock, the common land that used to be seen in most parishes in England, before the enclosures and tithes commutation bill changed this feature of English country scenery; and since then this common land has been pastured in common; it has been increased when the Ryots wished to fallow at the Government expense instead of retaining land in their own occupation on an assessment; it has decreased when the rested land has been taken up again, or an increase in demand for agricultural produce has involved a general increase in the area of cultivation; and whether increasing or decreasing, the law that regulates its changes has been fair and on the whole beneficial. Common land has its drawbacks in encouraging laborers to become farmers, and the various under-hand dealings that are resorted to when a fallow has been risked, of which others doubt the necessity. But nothing is perfect. And, if perfection be not sought, to require the Ryot to return into the common land the land on which he no longer wishes to pay assessment, is better than leaving fallow and pasture to be adjusted by a Sheristadar. The Board also dwell, however, on the hardship of making a man pay for land when he gets no crop, or as they put it, "charging persons for occupied land when not under tillage, the same rate as they are charged with when the land is under tillage," and observe that the general principles now brought forward are not a satisfactory answer; but here again it seems to me a point has been mooted that might hold good, if the right of occupancy were different, if it were only for one year, which the Board are well aware is not the Ryotwar tenure. So long as the assessment is duly paid, the Ryot's right of occupancy is unassailable; and with reference to the known requirements of the land, the assessment having been fixed on the out-turn not of one year, but of an aggregate of years, it is with this aggregate, that any comparison must be made. It is believed that by pursuing a certain system more can thus be got out of the land in the long run than in any other way. We adopt this aggregate. The cycle is limited to four years. No particular course is prescribed to the Ryot; he is left to his own devices. But we believe our system is right, and we fix our assessment accordingly; and to compare an average

* Though it cannot be compared, this average assessment is the reply to the Board's question of "what will the Ryots be able to pay when land is lying fallow," paragraph 8 of the 23rd April.

assessment* so fixed with the results of any one year is to use a wrong standard. The assessment must be tested with the aggregate result of the years selected; and it is not, the Board will see, a question of whether it is fair to charge for one year of the series, e. g., the year the land is not under tillage, the same rate as when the land is under tillage, but whether the total charge made on the series selected is more than the total Government share should be for that period; if it is not, the Ryot has suffered no wrong by our average rate; he has been allowed a latitude he requires; and the rate and the charge are fair. On the other hand if the charge is more than the Government share should be, I still question the remedy. Left to himself the Ryot who cannot escape the storm by contracting his holding becomes a laborer; helped, as the Board propose, he reverts to the position of *serf*.

24. To classify the land and assess this District the geological features would probably resolve themselves into the alluvial plains that line the coast and follow the course of our rivers, and the earlier formations; and, after ascertaining the predominating soil, and the most extensive class in that soil, the next step would be to ascertain the standard crop, and fix the average value of the most extensive class in terms of this standard crop or grain and with reference to the vicissitudes of seasons. I would then put on either side of the said most extensive class as many gradations of the preponderating soil as may be recognized by the Ryots, or it may be desirable we should recognize; and, classifying all other soils to which the same standard grain is applicable, with reference to this scale, I would modify the grain values thus obtained with reference to fallows, rotation, and pasture, and repeating this process for every other standard crop it may be necessary to consider, and combining the scales with reference to the money values, I would finally take into account markets and other considerations of position in com-

muting the Government share of these modified grain values, into the fixed money assessment required.

25. The number of classes to be recognized should, I think, be settled strictly with reference to the natural soil and the objects with which I understand this survey and settlement has been undertaken, viz, to adjust and record public and private rights so clearly that we shall *always* derive from the land the share of the produce to which the Government is legally entitled; and at the same time secure the free outlay of private capital. With a large area to be parcelled out *hereafter*, as *occasion requires*, every rate that can be saved is a source of confusion avoided, and every rate below the general rate a source of fraud. For every rate proposed we should consider the area involved. If it is small, we shall consult the interests of Government by throwing the area into a lower class, and sacrificing revenue to preserve a well marked line for the upper class; and in like manner it is to the interests of the Ryot that the lines should be clearly marked; though it is more likely for the Government than the Ryot to suffer by the blending process I would avoid. In this District no dependence whatever can now be placed on the rates, and from the difficulty of maintaining boundaries, when land is unoccupied, this danger as regards

either party will be met by the survey only in proportion as we succeed in reducing,* and marking out rates; and I think too much care

* As to numbers.

cannot be given to these points. In their Proceedings, however, of the 12th May, reviewing the proposed settlement of Kurnool, the Board propose to themselves to see how far the proposals for Kurnool are within the just and politic limits of the Government demand as defined from home, and do not apparently consider it necessary to view them from any other point of view. And I may perhaps be influenced by local considerations; and, as a general rule, rates and assessment need not be viewed with reference to waste so closely as they require to be scrutinized here. And without pressing the point as a general principal I beg to request its application to Nellore at all events.

26. I am sorry I cannot give in this letter any "positive information" as to the classes of and referred to in the forms received with the Proceedings under acknowledgment, and "Mr. Newill's note on soils" (paragraph 1 of the Proceedings of the 27th May) I have not personally much idea of the extent of "very best Regada" we have got, still less how much is "good," "inferior," and "very inferior." I am equally abroad as to the quantity in the Nellore District of "good," "bad," and "ordinary Masab," or "sandy Masab," or "lal," or "loamy lal." And as my official records are equally defective on these points, it is not desirable that I should hazard conjectures when the special department are, or shortly should be, in possession of precise information. I can, however, take the Kurnool lists, and with Mr. Newill's "Roman numerals," shew how I would dispose of such classes here, which will perhaps meet the objects the Board have in view as well; whilst rotation products I have already disposed of in discussing rotations, and as regards standard crops, here again is a point on which I am equally unable to furnish positive information till I have the requisite details from the Survey and Settlement Departments.

27. In Kurnool, I observe the standard crops have been selected with reference to some revenue accounts of 1855-56. But here so far as I can ascertain, we have no such accounts, and are in no immediate hurry; and this being the case, it would be better to avail ourselves of the special department for information of such importance.

28. Kurnool, so much of it as is shewn in the report, has 17,89,291 acres, of which 5,70,871 are now paying the ordinary rates of assessment, four lacs are *Inams*, and eight lacs are more or less available for future occupation, and according to the principles I would maintain, important objects for consideration in fixing every rate on the occupied land. Of this eight lacs about half has been surveyed, and the future occupation of this land, which will very probably include a portion of the "Poramboke," is, therefore, to a certain extent provided for. But, as I have already stated, marks are by no means lasting when land is unoccupied, and in the surveyed areas we cannot place much dependence on that rigid adherence to maps and plans that would unquestionably be the duty of the village authorities, but at the same time, as rule, not to their inter-

ests; whilst, as regards the four lacs unsurveyed, for these six hundred miles of course, all restraint of maps and plans, *quantum valeat*, is lost, and the Government share in such localities can of course be readily realized only in proportion to the success with which we carry out the views I propose, and succeed in establishing well marked classes in the occupied areas.

29. It will be on the safe side to consider unoccupied land whether surveyed or unsurveyed as requiring in this District equal care with the occupied in a permanent work such as the survey and settlement; and in testing classes, the proportions must, therefore, be taken as eight to five, or in other language that a gain of 4 Annas on 5 acres must be tested with a probable loss by blending classes of the same amount per acre on eight; supposing other proportions even; and of course if the area involved is small, the odds against Government are greatly increased.

30. Regada or Regur as it is written in M. 4 is the predominating soil in Kurnool, and in its different gradations or classes represents ten lacs of acres, including Ináms. It is what it commonly called black Cotton soil; and "III ii," which is "good Regada" forms the most

• Paragraph 24.

extensive class of the predominating soil, and I will, therefore, take as growing the average crop.*

31. In Kurnool, the same soils are shown to have different values† in different villages, M. 2, M. 3. But, as I have already stated, I would

† With reference to sub-soils, &c.

make the deductions requisite for position in commuting the Government share into a money assessment; and, considering the produce every where the same in the same class of soil‡, for the remainder of the explanations I have so submit on this subject, I will, for convenience sake, confine myself to M. 2, which deals with first class villages, and as regards the ordinary rates of assessment involves a surveyed area of 4,81,518 acres.

32. I have taken the "Roman numerals" III ii., or good black Cotton soil, as growing the average crop, and using "Regada" for Cotton soil for shortness sake, I now beg to shew how many classes on either side of the said Roman numerals III ii., or good black cotton soil, it would, in my opinion, be to the interests of Government and the public to recognize, were the same conditions of soil to be observed in Nellore; and to make this clear I annex the Kurnool soils, their yield, proposed assessment, and area :—

Soil.	Yield.	Assessment.	Area.
	M. M.	RS. A. P.	Acres.
Very best Regada... ..	360	2 8 0	32,337
III ii. Good Regada	280	1 8 0	1,22,735
Inferior Regada	200	1 0 0	85,365
Very inferior Regada	120	0 8 0	13,477

33. The first class Cotton soils at Rupees 2-8-0 form a considerable area of 32,000 acres, and should of course be kept. The first class below the line is also a considerable item, 85,365 acres, and similarly deserving of recognition. But the second class below the line is only a small matter compared to our "unoccupied," of 13,000 acres; and reserving this class for future consideration, the scale I would form for further operations, would be good Regada, with one class above and one below.

34. According to the Settlement Department there is a class of land that has been "permanently improved;" and it is assessed accordingly. It is an article that is much sought for at home, and would be much valued, if found. In this District it does not exist any more than at home to my knowledge; and as this land that has been "artificially improved by man," forms the only

Kurnool Settlement Report, paragraph 49.

other soil classed above my scale, all I have to do is to classify with my scale the other soils recorded or place them on lower grades still; and thus I add to

Soil.	Yield.	Soil.	Yield.	Soil.	Yield.
	M. M.				
Very best Regada ...	360	...	...	...	...
Good Regada ...	280	Masab	280	...	...
Inferior Regada ..	200	Ordinary Masab	200	Good sandy Masab	200

and leave myself, under the same standard, only "very inferior Regada," "bad Masab," and "ordinary," and "bad sandy Masab" to dispose of. The second class below the line in the cotton soils it has been stated was only a small item of 13,477 acres, and it is the "bad Masab," 65,706 acres, and the "ordinary," and bad sandy Masabs, that make up the bulk of the land to be provided for in the Jonna series. Their yield and proposed assessment are given as follows :—

Soil.	Yield.	Assessment.	Area.	
	M. M.	RS. A.	Acres.	
Very inferior Regada ...	120	0 8	13,477	
Bad Masab ...	120	0 8	65,706	
Ordinary sandy Masab ...	120	0 8	10,260	
Bad sandy Masab ...	80	0 4	3,178	89,443

And thus instead of 13,000 acres our second class below the line it will be seen would be 89,443 acres, and "bad sandy Masab" alone of this series would still have to find a location.

35. Araga was the second standard grain selected in Kurnool, and, with Jonna, fully provided for the dry grains, and disposing of Araga and its soils like the Jonna scale, the most extensive class of the predominating soil is found to the extent of 21,508 acres in "bad lal loamy," to which "good lal loamy" will form an upper class of 5,587 acres, and "bad lal sandy" will be a lower class of 14,407 acres, the yield and assessment on which classes is given in the annexed statement :—

Soil.	Yield.	Assessment.	Area.
	M. M.	RS. A.	Acres.
Good lal loamy	240	0 12	5,587
Bad lal loamy	160	0 8	21,508
Bad lal sandy	80	0 4	14,407

36. In addition to the three classes noted in the preceding paragraph, the Kurnool Statement M. 2 recognizes under the Araga standard three other classes, "very good lal," "bad lal," and "good lal sandy," and the areas involved are severally 105 acres, 275 acres, and 1,207 acres. In the second villages, M. 3, these classes assume different proportions. I am, however, going through these tables merely for the sake of example. I will, therefore, refer only to M. 2, and assuming the proportions given above to be the proportions found here, all I have to observe is that I would not recognize the class of good lal at all. Good lal is put at 320 M. M. It would be better, on the general considerations stated, to merge this 105 acres at 320 Madras measures in the "bad lal" at 240, which would itself merge in the upper of the classes chosen; whilst "good lal sandy" in like manner merges in the most extensive class of the predominating soil; and thus three classes under the Araga standard, and four under Jonna, would meet our requirements as to produce; and I will now shew could be further simplified when we come to the money values.

37. The money values are shewn as follows:—

Soil.	Yield.		Value.		Difference.
	M.	M.	RS.	A.	
Very best Regada ...	360	Jonna.	11	13	} 2 10
Good Regada ...	280	do.	9	3	
Inferior Regada ...	200	do.	6	9	
Very inferior Regada, &c.	120	do.	3	15	2 10
Good lal loamy ...	240	Araga.	4	8	2 10
Bad lal loamy ...	100	do.	3	0	0 9
Bad lal sandy ...	80	do.	1	8	1 8

And it will be observed, from the fourth column, that the difference between the highest of the "Araga," and the lowest of the Jonna scale, is 9 Annas. Down to this point the agricultural values descend by 2 Rupees 10 Annas per class. Below this point the gradations are 1 Rupee 8 Annas; and the question, therefore, to be considered is, are there such clear proofs of the difference of values as would justify the retention of a difference of 9 Annas and two classes; if there are such proofs, the money values clearly will not affect the number of rates; if there are not, the reverse will hold good.

38. I have all along taken the distinctions brought forward by the Settlement Department as valid and trustworthy. I only required them to illustrate the course I would pursue. But if the scales be looked into, it is more than doubtful whether there are good grounds for such credit.

• 5th March paragraph 24.

The Board have stated that "the net valuations are not looked upon as at all correct,"* is this true as to classes? The distinction between the classes, expressed in grain, is 80 Madras measures in every instance, with the exception of the break, between the two scales, now challenged; and clothed in Madras measures, this difference seems satisfactory. Would it be equally satisfactory in English measures of capacity?

39. One Madras measure of Jonna = 2 lbs. 12 ozs. avoirdupois.

† Winchester has been used instead of Imperial because available.

One English bushel of Jonna (Winchester†) = 60 lbs. 12 ozs. avoirdupois.

Therefore, in round numbers, one English bushel may be considered equal to 22 Madras measures; and the distinction the Settlement Department draw between the productive powers of ten different classes of soils is $3\frac{1}{2}$ bushels per acre per class. Could an English Farmer tell

Description of soils.	Estimated dry produce per acre.	
	JONNA.	
	As per Settlement Officers.	Now proposed.
1	2	3
	M. M.	M. M.
Improved Garden land ..	214	480
Regada very best ..	130	360
Good ..	134	280
Inferior ..	97	200
Very inferior ..	..	120
Masab, good ..	229	280
Ordinary ..	111	200
Bad ..	116	120
Sandy Masab, good ..	183	200
Ordinary ..	..	120
Bad ..	..	80
Lal, good ..	..	*280
Bad ..	..	200
Lal Loamy, good ..	156	..
Bad ..	110	120
Lal Sandy, good ..	..	..
Bad ..	..	60

this of his own land? When an Englishman rates his produce by quarters, he deals with eight bushels at a time, there must be some very close and careful appreciation of values that would justify the Settlement Department having this quantity in regard to vast tracts of land over which they have only the power of making a very hurried inspection; and are there such inquiries? On the contrary it will be seen that the out-turn fixed in the more valuable soils has not been borne out by the operations of the Settlement Department. It has been an unfortunate season that furnished the full crops selected, if the out-turns were measured fairly; and it seems to me that the interests of all parties would be consulted were less minute distinctions considered sufficient, and more reliable information acted on. If the English quarter were considered near enough, that would

be a distinction of somewhat more than 176 Madras measures; and supposing extreme values correct, then the number of classes would be reduced by half, and "bad sandy Masab" (paragraph 47) would have a place.

40. In this District the measure of superficial area is the "Gorru," which is rather more than three acres; and the Ryots calculate the yield of their fields with reference to the Gorru. Their scales, as I am informed, vary with the grain, do not descend by even gradations, and indicate very plainly the low stages of agriculture with which we have to deal. With a proper system of rotation, I hope a change will be made in the results thus indicated; and having reduced the number of our classes for the occupied land, for the unoccupied, I should be inclined to reduce them still further. For when we have recognized the various conditions of the soil incidental to a sound system of agriculture, there is no reason for further recognizing the piecemeal occupation of the last sixty years. Instead of the Mosaic wrought by a standard grain assessment, the land it seems to me might now be thrown into broad breadths of cultivation, i. e. the higher sense of the term, that shall give full scope to the free outlay of private capital; and if this view be approved, then the unoccupied lots I would not attempt to classify with reference to each variation of soil to be found there, but with reference to the general value of the soils; and, determining the grain value with reference to the class so arrived at, I would fix the assessment accordingly, and refuse to allow the land to be occupied save as assessed, in lots, probably, of from 200 to 500 acres. Properly assessed, these lots would be taken up, the broad lines so desirable would be attained; and on the general advantages of such occupation it is needless to dwell.

41. Having fixed the grain values, the deduction for the cost of cultivation must be conducted on a different system to that pursued in Kurnool, where such expenses have been defined for the different soils in minute detail. To obtain the net profit on crops, the value of which is only arrived at by a rough reduction of the standard grain value, the minute calculations of the Settlement Department would be a needless tax on a Gumashta's ingenuity; and I would, therefore, simply take a gross sum as representing the cost of cultivation all round, and express this sum, for convenience sake, in terms of the standard grain.

42. To deduct the cost of cultivation in terms of the standard grain has several advantages. It is not only the way the Ryots usually meet an annually recurring question, but it is also less subject to the variations of prices and value of money. In Kurnool the grain values have been properly commuted into money with reference to prices ruling before the present rise in prices. The cost of cultivation, however, has on the other hand been apparently fixed with reference to present prices, which make the cultivation of an acre of rice what was all the acre would have yielded a few years ago; and thus two conflicting items are introduced and a grave source of error arises, that it seems difficult to avoid altogether, but I think can be reduced to a minimum by adhering to grain till we come to the final step, and here further information is required.

43. It seems rather late in the day to be deciding *what is the Government share*; but so far as I am aware this question has still to be answered. In the historical sketch with which the Board preface their remarks on Kurnool, they trace land revenue from King Hurryhur and the middle ages; they do not define what its limit is in the nineteenth century; and, although from the orders in the correspondence under reply it might be thought that either twenty-five per cent. of the gross produce, or fifty per cent. of the net was the share, still this would be but conflicting information; for *thirty* per cent. of the gross is considered to be the equivalent of the latter quantity, and the Officiating Director of Revenue Settlement states that fifty per cent. of the net, "is no where fixed as the amount to be taken;" and as this Officer goes on to observe

* In Kurnool reference is made to what "the land can bear" (paragraph 51). Is this what "approximates" fifty per cent.? For if so, without an open market, a rack rent is, it is to be feared, the approximation obtained.

that the rates decided on for other Districts have very frequently approximated to it,* viz., fifty per cent. of the net, not only does it appear that the point on which the whole settlement should hinge has still to be fixed, but that in the Districts settled? *Different shares* have been taken, without (I presume) any legal authority for considering the Government entitled to a larger share in one District than another. I do not see how a settlement can be made, unless

it is known how much we should take, what is the share Government is legally entitled to; and I certainly think that it is only fair to the Ryots that this share should be stated with arithmetical precision. There can be no security for the outlay of private capital till it is known what is the precise share claimed by Government. There can be no sound progress in making a settlement till it is known in figures what is the share to be settled.

1. Mr. Dykes commenced this discussion by questioning the correctness of the principle on which the land in this Presidency is valued for assessment. He objected to the Government share in the produce being converted into a money charge on the basis of a grain valuation, alleging that this kind of valuation is opposed to the principles on which land is occupied and cultivated, and is consequently an erroneous mode of valuing the land. He, therefore, proposed that the land should be assessed as "if a portion out of each field were to be annually cropped for grain, and the remainder occupied, part for pasture, part for the rotation of such crops as "relieve the land, part for fallow, &c." In that case the land would be assessed as though the whole field was each year used for one or other of the purposes described above, and the fixed rates based on this kind of valuation would be the same thing as having yearly "a varying assessment." A landlord follows this method of valuing land when he fixes the rent to be paid by his

* To Board 6th July 1863, No. 212, paragraph 2.

tenant, and on the same system ought land to be valued for assessment to the land revenue.*

2. In the letter now recorded, the quasi-varying assessment is termed an "average assessment" and "an average rate." It is so called because it is fixed on the out-turn not of one year, but of an aggregate of years. Hence, the Ryot may be fairly required to pay one and the same rate every year, whether the land be employed in growing grain crops, or in growing inferior crops, or may fail (when fallow) to produce any crop at all; for the proper mode of testing the rates is to compare them with the aggregate result of the years included in the valuation, the total charge made on the series selected being no more than the total Government share should be for that period.† If the total charge and the total Government share fairly coincide, the

† Paragraph 23 of present letter.

Ryot has suffered no wrong by the "average rate." He has been allowed, as to his system of agriculture, the latitude he requires, and "the rate and the charge are fair."

3. In paragraphs 18 and 20 Mr. Dykes explains in some detail his mode of making a valuation on the aggregate out-turn. He proposes to make it on a five years' course, allowing for one grain crop, two rotation crops, one year's fallow, and one year's pasture. He further proposes to value the rotation crops at 25 per cent. less than the grain crop, to allow nothing in the valuation for the fallow year, and to value the year's pasturage at half the value of the grain crop. Thus, if the value of the grain crop be equal to 100, the value of the out-turn for five years would be 100, 75, 75, 0, 50, making a total of 300, which is less by 40 per cent. than the productive value would be if the land yielded a grain crop in each of the five years. On the former valuation, a 20 per cent. share distributed over five years would form an annual rate of Rs 12. On a grain valuation the fixed rate at 20 per cent. would be Rupees 20, or a rate exceeding the former (Rupees 12) by 40 per cent. (Vide table in paragraph 8 below.)

4. The Board believe that this is a correct analysis of Mr. Dykes's scheme for assessing the land on a principle consistent, as he describes it, with the "laws of agriculture." They dissented from these views. They did not believe the rates formed on Mr. Dykes's plan could in any proper sense be termed varying rates or average rates, or that his mode of valuing and assessing the land would serve the Ryot in the manner he supposes. They do not see in the letter now recorded any evidence that they were mistaken on these two points.

5. Mr. Dykes objects to rates based on grain valuations that they are too heavy when the land is not employed in growing grain crops. The Board are of opinion that the objection which he sets to rates based on a grain valuation might be adequately met by taking a smaller proportional share out of the grain valuation. Thus, if a rate representing 20 per cent. in the grain in money of a 20 per cent. share, or any other proportional share in the inferior crop. The Board are of course referring to a permanent rate.

6. Mr. Dykes describes rates formed on his system of valuation as "average" rates, but, in fact, no essential difference exists between rates so formed and rates based on a grain valuation of the land. They both bear unequally on crops which differ from each other in value. Thus, the higher of the two rates referred to above (Rupees 20) though equal, in the case supposed, to

* Vide table below paragraph 8

20 per cent. of a grain crop,* would represent a share of 26 per cent. in each of the rotation crops, a share of 40 per cent. in the pasturage

year, and a charge of Rupees 20, but no share in the fallow year. In the other case, the proposed rate (Rupees 12) though 20 per cent. on the aggregate out-turn, would, when laid on the land as a fixed annual charge, represent a share of 12 per cent. on the grain crop, a share of 16 per cent. in each of the rotation crops, a share of 24 per cent. in the pasturage year, and a charge of Rupees 12, but no share in the fallow year, the only real difference in the two cases being that the fixed annual rate would in the one case be higher than the fixed annual rate in the other by 40 per cent. In no sense is the lower of the two rates an average rate. It certainly represents a smaller share than the higher rate in, as it were, an average or a medium crop, but that does not constitute the rate a mean or an average rate.

7. To this view of the case Mr. Dykes demurs on the ground that the rate formed on his kind of valuation will, in the aggregate, or for the five years' course, agree with the Government share in the five years' out-turn. The proposed rate (Rupees 12) distributed over the five years, amounts (Rupees 12 x 5) to Rupees 60, and so is found to coincide in amount with the value of a share in the five years' out-turn at 20 per cent.; but, in like manner, the higher rate, Rupees 20, (the rate based on a grain valuation,) may, with equal propriety, be said to coincide with a per-centage share in the same five years' out-turn, though not with the same per-centage share as the 12 Rupees rate. Thus, the 20 Rupees rate is equal to a per-centage share of 33, and a fraction in this five years' out-turn, the annual rate (20 Rupees) amounting in the aggregate (for five years) to Rupees 100, and each year's share, at 33 and odd per cent. to an equal sum, (columns 3 and 4 in the table). When the two rates are thus compared, (the one formed on a grain valuation, and the other on a valuation consistent as it is said with "the laws of agriculture," (it is manifest that in both cases the rate is equal to a given share in the five years' out-turn, or is not so in either. If, therefore, on the average theory, it is fair to charge the landholder the same rate all years alike in the one case, it is as fair to charge him a uniform rate all years alike in the other. The same argument would apply to any other per-centage share.

8. The foregoing particulars are given at one view in the following table:—

Five years' course.	Value of each year's produce.	Share in each year's produce (in column 2) at Rupees 33.5 0 four per cent.	Annual rate of 20 Rupees.	Per-centage to produce (in column 2) of 20 Rupees rate.	Share in each year's produce (in column 2) at 20 per cent.	Annual rate of Rupees 12.	Per-centage to produce (in column 2) of 12 Rupees rate.
1	2	3	4	5	6	7	8
	RS.	RS. A. P.	RS.		RS.	RS.	
1st year ...	100	33 5 4	20	20	20	12	12
2nd do. ...	75	25 0 0	20	26	15	12	16
3rd do. ...	75	25 0 0	20	26	15	12	16
4th do. ...	...	...	20	100	...	12	100
5th do. ...	50	16 10 8	20	40	10	12	24
Total Rupees.	300	100 0 0	100		60	60	...

9. The truth is Mr. Dykes first speaks of what "the Government share should be," (paragraph 23,) and then has assumed (not proved) that the share as it ought to be is by means of his

rate actually collected; whereas this share neither is, nor ever can be, collected, so long as it is commuted for a fixed money rate.

10. The reason why the share *as it ought to be* cannot be collected is easily explained. According to the ancient law or practice of the country, the ruling power is entitled to a share (one-half or any other uniform proportion) in each crop grown, but different crops are not each of the same value, nor is it possible to grow on the same land always the same kind of produce. It is obvious therefore, (1) that the share which belongs to Government in each crop is not always of similar value, and (2), that shares which thus differ from each other in value cannot be correctly represented by one and the same money rate. On these two grounds a fixed money rate bears unequally in different years, for it does not represent every year alike the share to which Government would have a right if it collected the Land Revenue in kind. The only way in which Government could collect such a share in the form of a fixed payment would be by transferring its right in the produce to a middle-man or farmer of the revenue. Such a person might of course contract to collect the shares, and to pay for his being allowed to do so a fixed sum annually, but that would be equivalent, so far as the Ryot is concerned, to the Government itself taking its share in kind.

11. With regard to Mr. Dykes' argument that the rates are made or constituted average rates by their being formed on the *average value of the land*, the Board observe that the period for which a field has to be assessed or rated is the time for which it ought to be valued. If the rate is intended to represent some stated share in it. If, therefore, the land is capable of yielding only one kind of crop, not several kinds, within the year, (the time covered by the rate,) the valuation ought to be by a single crop, and not by numerous crops, or a measure of value (value in produce) inconsistent with the actual use to which the land in the stated period can be put.

12. It is true that the fixed annual rate cannot represent an equal share in each year's produce all years alike, but in order to distribute the land tax over the land (in the form of a fixed charge) as equably *as the nature of the case will permit*, the land has to be valued by a crop that will form a good standard of value for a year's produce. The principal crop used as food is in that point of view the best crop to take. It is therefore usual to value the land (its produce) by

* But not, when fixing the rate, to take for granted "that each year the land shall be cropped with the standard grain." Vide Mr. Dykes' letter to Government, 13th November 1863, No. 28, paragraph 3.

a grain crop.* When the value (produce value) of the land, has been ascertained it is then an easy matter to determine what proportion the Government share shall bear to that value.

The Government may take a comparatively small share out of the grain valuation in order to adapt the rate to an inferior crop, or, with the same object, may reduce the value estimated in grain to the value of an inferior crop, and then make the rate. Either course would have a similar effect, so far as adapting the rate to the value of an inferior crop is in view.

13. The value made on Mr. Dykes' plan is not the value of one single year's produce. It is a mean value of the land, as used for a stated term of years; an average based on the value of different crops grown during that term, less a deduction for a fallow year, when, in a revenue point of view, the land really possesses no value. It fails therefore to exhibit a year's value as the land is ever actually used in any one year, though, as already proved, the proportion which a fixed money rate bears year by year to the land's productive value must by the rate-payer be estimated by the value of the crop actually grown. The rate-payer has no interest in such a mode of rating the land, for, practically the so-called "average" value is no more than a valuation (though an incorrect one) by some single crop less in value than a grain crop; less, according to the scheme, (vide table in paragraph 8) by 40 per cent. or as 60 to 100. "It" (the rate-payer may say,) "the share taken out of this lower value be large, the tax on my land will be high. If a comparatively small share be taken out of the higher valuation, (by a grain crop,) the tax will be comparatively light. I do not desire to have 'average' rates, for a fixed money rate can never be an average rate. I wish for a correct valuation of the years' produce, as near as it can be made, and for a low rate on that valuation."

14. Mr. Dykes urges that his proposed mode of valuing the land would be consistent with "the true principles of the occupation and cultivation of land." By this is meant, as he elsewhere explains, that land ought to be valued when assessed to the land tax as a landlord values land when estimating the rent he can ask for it. But, in fact, the two kinds of payments are totally dissimilar, the one being a tax, a portion taken from agricultural produce, (out of each year's crop according to the ancient usage), though in modern times this share has been commuted for a fixed charge laid on the land; the other, a payment made by a tenant for the use of land which, owing to its natural advantages of fertility, is capable of yielding a surplus produce after allowing for the cost of production.

15. In the latter case, (1) the payment (rent) is made on a give-and-take principle, the amount of rent paid being proportionate to the value of the surplus; (2) the amount of the surplus must depend in part on the system of husbandry pursued by the tenant, as, for instance, with regard to fallow years, if a field should be allowed to lie fallow for one year in three, the net returns from it would be less than the net returns from the same field if it lay fallow only one year in six. For land yielding no surplus, the owner could get no rent. In the other case, the Government imposes a tax on the land, as Mr. Dykes remarked,* whether the land will yield a rent or not.

* To Board, dated 10th August 1863, No. 248, paragraph 6.

16. Mr. Dykes supposes that his proposed method of valuing the land is the same as that followed by a landlord when charging a tenant with rent, but this is not really the case. The two kinds of valuation are similar only so far that in both a deduction is made for fallow years. For the years in which some kind of crop is grown, Mr. Dykes would blend the several crops together, and then strike an average to find the value of the land measured by the year's produce or crop; whereas, in the other case, the object of the valuation is to find the value of any surplus that may exist after allowing for the cost of cultivation. Mr. Dykes' procedure on this point is consistent with the fact that Government is entitled to a share in the crop, and not merely to a rent; though to estimate the value of a year's produce by an average of a number of crops that cannot be grown within a single year is inconsistent with the principle on which the land is rated viz, by the year, and on a year's productive value.

17. The Board will now refer to the chief practical evils which Mr. Dykes ascribes to the present system of valuing and rating the land a system described by Mr. Dykes as the plague spot of the Ryotwar tenure.† These evils are,

† Vide letter to Board, dated 2nd November 1863, No. 361, paragraph 5.

† To Government, 21st December 1863, No. 36, paragraph 3.

§ To Government, 13th November 1863, No. 36, paragraph 9.

|| To Board, 6th July 1863, No. 212, paragraph 3, and do. 2nd November 1863, No. 361, paragraph 3.

¶ To Board, 6th July 1863, No. 212, paragraph 6.

** To Government, 21st December 1863, No. 36, paragraph 2.

†† To Board, 6th July 1863, No. 212, paragraph 5.

(1.) † That the Ryots cannot follow any correct system of husbandry as to rotation crops, pasturage, and fallows.

(2.) § That the land is divided into infinitesimal small holdings.

(3.) || That land so assessed cannot yield a rent.

(4.) ¶ That agricultural capital is made by this system insecure.

(5.) ** That the Ryots cannot "give the standard crops fair play; they crowd other crops on to the land at the same time."

(6.) †† That in a breeding and grazing District, as Nellore, the land nominally waste is actually occupied for pasturage; and that those who use it for grazing purposes are compelled by the way in which the land is assessed to meet the applications of persons desiring to have it for tillage by combinations and bribery.

18. The Board observe, as to No. 1 in this list of supposed objections to the present system that the difficulty referred to is incident to a system of fixed rates as a substitute for shares in kind; and is common to fixed rates, whether they be based on a grain valuation of the land, or on the kind of average valuation proposed by Mr. Dykes. The Board have already pointed out in what manner fixed rates operate (unavoidably) to the disadvantage of persons growing the inferior kinds of agricultural produce. With regard to fallows and pasturage the old practice, as explained by Mr. Dykes, was to remit the assessment on fallow land, and to charge a reduced rate on pasture lands. The Board would refer to their remarks on this point in paragraph 17 to 20, of Board's Proceedings, dated 5th March 1864, No. 1,373. They continue of opinion that the Ryots, if made to pay the land tax for land lying waste, must pay it from their capital, and that it is only very low rates of assessment that could reconcile the rate-payers to such a system.

19. The Board have shewn that Mr. Dykes' plan for effecting the latter object is based on a fallacy, for it is impossible to convert fixed rates, into "average" rates, so as to recognise the "various conditions of the soil incidental to a sound system of agriculture."—(Paragraph 18 of present letter.)

20. In paragraph 23 of his present letter Mr. Dykes explains on what grounds he held that the Ryots were till a recent period unable to pay the assessment when the land was fallow. First, "we expected to collect year by year what the Mussulmans under the sharing system could 'only take when a crop was grown.'" This he thinks was an unreasonable practice, but this is the practice which he proposes to maintain under the misnamed "average" rates. Secondly, the Ryots were not allowed to relinquish their lands, save under the ruinous restrictions of

* Paragraph 23.

"good and bad."* This practice was designed to correct errors in the assessment, the Ryots being required to give up "good and bad lands" together, to prevent their giving up only the fields which, as it regards the Government assessment, brought in less revenue than others. It was a very mischievous policy, for if at any time the people were compelled by a fall in prices to contract the gross area under cultivation, it was but reasonable and just that they should give up, in the first instance, the "bad" lands, the worst as to fertility, and the kind which owing to its inferior quality would yield the lowest revenue to Government. The Board are quite aware that such a system was unfair to the people, but still are unable to see that by abolishing it the Government have acquired a claim to levy the land-tax on land that is wholly unproductive (fallow). At the present day, the Ryots are free to throw up any single field, but, as shewn by Mr. Dykes, the people are compelled occasionally to leave their lands fallow if they adopt a sound system of husbandry, and it is to their having to relinquish their fallow land, when they would prefer to retain it, or to their having, as the alternative, to pay the tax, that they may reasonably object.

21. The Board admit that prices have risen (another of Mr. Dykes' points), but that fact does not prove that the people have no reason on their side when objecting to pay the land tax for land which, if they follow a proper system of husbandry, can yield them nothing. To have

† Paragraph 23.

‡ If the same thing, why "the various under-hand dealings that are resorted to when a fallow has been risked?"—paragraph 23.

to give up the land, ("to fallow at the Government expense," as Mr. Dykes curiously puts it,†) or to keep the land free of charge, can never be in the Ryot's view the same thing to him.‡ Nor can the rule that the Ryots are at liberty to occupy their lands as long as they please compensate them for the loss which they sustain when required to pay a tax for unproductive land. The Board have discussed this question from the Ryot's stand point.

22. With regard to No. 2, the Board believe that the "infinitesimal holdings" existed long before the lands were surveyed or assessed by the present Government, and that the tax has been laid on the land just as the land was occupied, whether in small fields or in large. If the Government have interfered on this point, it has been for the purpose of reducing the labor and expense

of the surveys, the survey fields being made to comprise one or more separate fields as owned by the people. The first object of all field settlements has been to rate each field, whether large or small, by its productive value, the people being left to take up each field, when thus proportionally rated, as they might please. That the land is not held in large farms is owing to causes quite independent of the principle on which the land is valued and assessed; as, (1) to the customs of the people in regard to inheritance; (2) to the fact that the agricultural classes are free to occupy the land as owners, and not as mere tenants cultivating for a proprietary class superior to, or separate from, themselves.

23. With regard to No. 3, the Board observe that all the superior lands, if rated on the principle hitherto followed, are capable of yielding a rent to their owners, or the kind of surplus for which a rent is paid. If the land tax consists, as described in these Proceedings, of a uniform share in the produce, or of a fixed money rate equivalent, as near as can be, to such a share, it will not destroy the relative differences which exist between different fields in respect to fertility or advantages of situation. There is, therefore, no reason to suppose that under the present mode of valuing and rating the land no rent can be paid; nor that the rent value of land will not continue to increase, as in other countries, as the increasing demand for agricultural produce compels the people to carry cultivation into the poorer soils. The new settlement is not made so as to allow the cultivation merely "a fair return to the capital laid out, and to secure the rest of the profit to the State."* If it were so, the

* To Board, 2nd November 1863, No. 361, paragraph 3. Board admit that the new settlement would leave no surplus or rent to the landholder.

24. With regard to No. 4, the Board remark that the agricultural classes have no reason to complain that their capital, when expended on the land, is not secure, provided they are not required to pay the land tax for land yielding them no produce, or to pay equal rates for lands producing crops, and for land which, when used for pasturage, is of inferior productive value. In the latter case, the effect of the fixed rates is to increase the proportion which the tax bears relatively to the land's actual returns, precisely in the same manner as fixed rates represent a larger share in green crops than in grain crops. In the former case (when there is no produce) the tax when levied, must be paid exclusively out of capital or stock.

25. With regard to No. 5, the Board understand that the kinds of crops grown together at one time in the same field are crops that do not take each the same equal period to come to maturity; and that the people have a practice of growing such crops together with a view to securing at least some, if they cannot reap all, when the rains prove deficient. The Board do not think that the practice referred to is owing in any way to the mode in which the land is assessed.

26. With regard to No. 6, the Board are of opinion that the persons referred to must be inadequately protected by the rules relating to the occupation of land. The difficulty here is

Vide present letter, paragraph 16.

not that the land is valued on a wrong principle, but that persons who require land for pasturage are compelled by the present administrative system either to relinquish the land, when others desire to cultivate it, or to pay the full rates of assessment. Mr. Dykes is strongly impressed with the opinion that in such cases the Ryots should not be required to pay a "grain assessment," but is unable to suggest a remedy, except it be to charge pasture lands and lands under tillage one and the same fixed rate, under the name of "average" rates, a remedy in name only. The Board adhere to the views expressed on that point in paragraphs 17, 18 and 20, Board's Proceedings, 5th March 1864, No. 1,373.

27. The Board have to notice two other points on which they are directly at issue with Mr. Dykes.

28. They have no idea of assisting the new settlement by proposing "exceptional tenures."

Paragraph 4 of letter now recorded.

The tenure on which the Ryots hold their lands, as it regards the Government, is that they pay the rates at which their lands are assessed to the land tax. Tenure is the manner

whereby the land is held of some superior. In this instance the nature of the tenure will not be changed, though the Government should reduce the rates assessed on the land, or should choose to remit for a time the entire tax.

29. Secondly, as to the Ryot's interest in the question at issue, Mr. Dykes' remarks that to allow the Ryot "to hold land so many years free of assessment as fallow, and at a reduced assessment as pasture," is opposed to "the broad principle that the Ryot is free to do what he

* To Board, 2nd November 1863, No. 361, paragraph 3.

"likes with the land in his Puttah."* "If the Ryot has the land, let him have it to do what he likes with. To give the Curnum and the host of officials authority to interfere is a curse to the Ryots and to us."† If the Ryot be "helped, as the Board propose, he reverts to the position of serf."‡

† To Government, 21st December 1863, No. 36, paragraph 9.

‡ Present letter, paragraph 23.

30. The Board reply that Mr. Dykes has in these passages imperfectly described the "broad principle" to which he referred, as though it involved *nothing more* than the Ryots being left at liberty to do what they please with the lands in their Puttahs. The "broad principle" is, that the Ryots shall be free, &c., *provided* they pay the fixed assessment. No one can deny that to remit the tax in any case, or to reduce it in any, would be inconsistent with that principle; but the question at issue is, whether the "broad principle" itself is an equitable principle. It is urged on the Ryots' side of this question that the tax is a tax on produce, (though now commuted for a fixed money charge,) and that to make the rate-payer pay this kind of tax when the land is unproductive, is unjust. The idea that the Ryots could desire to pay, in order to avoid the interference of "the Curnum and a host of officials," is utterly untenable. And equally so, the notion that their being exempt from the tax in certain cases would be inconsistent with their right to use the land as they please. They, on the contrary, complain that the latter kind of right is practically denied to them when they are compelled either to cultivate the land, (contrary, as Mr. Dykes would say, to a sound system of husbandry,) or to draw on their capital for the means of meeting the Government demands.

Crops (rotation and standard.)
Classification.
Fallows, how far a necessity in husbandry.
Extent of pasturage in Nellore, and the productive value of land used as pasture.
Cultivation expenses.
Government share, and rate of assessment.

31. The Board will now proceed to notice Mr. Dykes' report in connection with the several subjects noted in the margin.

32. Mr. Dykes was requested to specify the crops by which he wished to value the land; and secondly, to report as to the Ryots' practice in growing crops on a rotation system.

33. With regard to the latter point, Mr. Dykes remarked in his letter to Government, dated 21st December 1863, paragraph 2, that "the people of Nellore know little about rotation."

§ Letter to Board, dated 24th March 1864, No. 78.

Subsequently, § he informed the Board that he was not himself prepared to give any information as to the actual practice, but was thinking of offering a prize for the best essay on "Rotation crops in India."

In his present report he remarks (paragraph 15) that "it is better to leave such subjects to be discussed separately, and to fix an assessment that shall allow of a rotation system being fully developed." (That is, on the plan already discussed.)

34. The Board wished for further information as to the crops actually grown other than grain crops, for Mr. Dykes had proposed to make the valuation by grain crops and other crops combined, instead of by a grain crop, and to allow of the settlement officers making a valuation on this plan, it was of course necessary that the crops to be included in the valuation should be named. As the case now stands, Mr. Dykes proposes to reduce the grain valuation of the land

by 25 per cent., but on what data he concludes that a reduction to that amount would serve his object is unexplained.

35. With regard to a standard grain crop, Mr. Dykes proposes to seek for information from the Settlement Department. The Board observe that Mr. Dykes should be prepared himself to state what are the chief crops cultivated in his District, for the Settlement Department have to look for information on that point to the District Officers. On this ground the Board called on Mr. Dykes to specify the crops by which he desired to have the valuation made; though, in requesting him to put his proposals into the form of a statement, they left him at liberty to view the value calculations as hypothetical* only.

* Board's Proceedings, 27th May 1864, No. 3,235, paragraph 2.

Classification.

† To Government, 21st December 1863, No. 36, paragraph 11.

36. Mr. Dykes proposed that the land (dry land) should be divided into three or at the most four classes, to be formed in accordance with "the geological features of the country, and such artificial features as are likely to be lasting†."

37. In his present letter (paragraph 24) he remarks; (1) that "the geological features would probably resolve themselves into the alluvial plains that line the coasts and follow the course of our rivers, and the earlier formations;" (2) that "the number of classes to be recognized" ought to be settled strictly with reference to the natural soils, and to the objects with which, as he understands, the Survey and Settlement have been undertaken, viz., "to adjust and record public and private rights so clearly, that we shall always derive from the land the share of the produce to which the Government is legally entitled, and, at the same time, secure the free outlay of private capital;" (3) that every class ought to have a clear distinctive character; (4) that the classes ought to be few in number, for "every rate that can be saved is a source of confusion avoided, and every rate below the general rate a source of fraud." He is unable to state how far the land in his District corresponds with the classes of soil specified in Mr. Newill's "Notes on soils," but is of opinion that fewer classes might be used for Nellore than were used in the Kurnool Settlement, supposing both Districts to have the same soil and areas.

38. The Board are of opinion that the number of classes for Nellore (dry lands) should not be restricted "to three or at the most four," if the land will naturally divide into a greater number. The general principle is to make the number of classes sufficient to provide for every well defined variety in the quality of the soil, so that each variety may be assessed at a rate proportionate to its productive value.

39. The new settlement is intended to serve two objects,

(1.) To effect an equal distribution of the land-tax over the land. (By means of accurate measurements, exact classification, and correct valuations.‡)

‡ Extract from Minutes of Consultation, 14th August 1855, No. 951, paragraph 2.

(2.) To provide the people with authentic information in regard to the land and its assessment to the land-tax. (By means of carefully prepared Registers, Maps, and permanent boundary marks.)

40. The first object could not be attained if many kinds of soils, each differing in productive value, should be placed under one and the same rate, for, in that case, lands which differed in quality must, when charged with the same single rate, be unequally assessed.

41. As to the second object, the Government propose by making the settlement on just and simple principles, to make the records of the settlement simple and intelligible to all. They hope by such means to prevent the fraudulent practices to which Mr. Dykes refers, but to carry out that desirable point, they need not give up "exact" classification, or sacrifice any principle on the maintenance of which the success of the settlement, as to its primary object, (an equal distribution of the land-tax,) depends.

42. With regard to the principle on which Mr. Dykes proposes to form the classification, viz., by the geological features of the country, the Board observe that the Settlement Department does not attempt to classify soils by their supposed relation to the subjacent strata, or the geological formations of the country. The method followed is to classify the soil by its external character. The soil is divided on this principle into kinds or "series," each with an external character peculiar to itself; and again each kind or series is sub-divided into varieties or "sorts" having a common basis, but in unequal degrees. This classification is not a scientific one, but practically it is suited to the purpose it is intended to serve. The Board's object (to which Mr. Dykes refers in paragraph 26) was to ascertain in detail how he proposed to modify the table of classification, in order to reduce the number of classes to three or at most four; and on what data (with reference to the kinds of soil existing in his District) his views on this subject were founded.

43. Mr. Dykes suggests that the unoccupied or waste land should be divided into fewer classes than the occupied land. He remarks on this question that there is "no reason for further recognizing the piece-meal occupation of the last sixty years," ("the Mosaic wrought by a grain assessment,") provided the Government, in making the new settlement, will recognize "the various conditions of the soil incident to a sound system of agriculture." (Paragraph 40.) He therefore proposes to throw all the unoccupied lands into blocks or lots of from 300 to 500 acres each; to classify the land when thus divided by the aggregate variety of soils in each lot; and having assessed each lot on the average principle (already described) to let no one occupy the waste except by the lot or block.

44. This mode of dealing with the waste is in keeping with Mr. Dykes' view, (1) that "a man's holding should be self-contained;" (2) that the settlement is intended "to leave the cultivator a fair return for his capital, and to secure the rest of the profit to the State." The real scope of the scheme is to invest the Government with a landlord's rights in the soil, for the plan implies that Government has, (1) a right to exclude from occupying the waste all who have not the means of cultivating the class of land on the terms stated, i. e., in large farms; (2) a right to place those who may be able to take up such lots in the position of tenants, paying a rent for each lot as for a farm.

45. The old practice in making a "Revenue Settlement" was to take the fields as they existed at the time, and to charge each field with its due proportionate rate, or, if the land to be assessed was unoccupied, (waste,) to divide the land, for purposes of assessment, into *Survey fields* in sizes convenient for the people's use. The land, as it regards the rates, was held from Government, and was held by *Survey fields*, but Government did not interfere with any private rights in the land, the people being left at liberty, as to private rights or proprietary interests in the soil, to deal with the land as they pleased. It is now proposed to reverse the old procedure, as it regards the people's prescriptive rights in the soil (in unoccupied land) by making the survey and settlement subservient to a scheme for promoting the occupation of the land in large farms, with a view, as Mr. Dykes explains, of "giving full scope to the free outlay for capital."

46. The Board are of opinion that this scheme, if open to no other objection, would be unjust to the agricultural classes, who, by the ancient usage of the country, have as good a right to the use of the waste when they wish to extend their cultivation, as the Government has a right, in virtue of the same usage, to a share in the produce when the land is occupied. The large farm system of cultivation is suited to a country in which the land has been already divided into large estates. In that case the landowner finds it more conducive to his interest to let his land in large farms than in small ones, on the principle that the larger a farm or an estate is, the better adapted it is to a comprehensive application of capital to the land. His object is to obtain from his estate the largest possible return in proportion to the number of persons employed in its cultivation. As sub-division would diminish the relative production he refuses to let the land in small portions, and the land being his own property, no one can dispute his right to dispose of it as he may think fit. In this country the cultivators of the land

(the agricultural classes) are virtually, if not in theory, its owners. They exercise proprietary rights in regard to all the land they have in occupation; and, in regard to unoccupied land, they have, as to its future use or occupation, certain prescriptive rights which the Government must invalidate if they determine that no such land shall hereafter be used by any but "Capitalists," with means sufficient to allow of their cultivating a farm or large estate of from 300 to 500 acres. If the Government wish to encourage the application of capital to the land, the wiser and juster course is, as it seems to the Board, to relieve the occupied land from heavy taxation, and thus promote the growth of capital in the hands of those who now hold the land.

47. Mr. Dykes was requested to explain his reasons for believing that a fallow was needed once in four years. This question was put with reference to a remark made by Government that a moderate assessment was an incentive to improved farming, the use of manures, and a judicious rotation of crops, when fallows would become "a rare necessity."

48. His reply is given in paragraphs 13 and 14. He thinks it better to assume on general grounds that a fallow is needed once in four years,* than to rest on anything he had learnt by consulting with the Ryots or the Tahsildars.

* The Board observe that they made no "quotation." They merely referred to a four years' course to illustrate their remarks.

He observes that ground is rested by a mere change of crop, the change of crop being a change of exhaustive force; and that under a rotation course of three crops and one bare fallow, there would not only be a change of exhaustive force by a change in the crop, but at least one green crop would be grown; and the whole of this green crop being put back in the shape of manure, the question is not, he thinks, why he considers a "fallow is required so frequently as once in four years," but whether he has asked for enough, &c.

49. The Board do not see in this statement of Mr. Dykes' views an answer to the question raised by Government whether fallows are a necessity or not. They believe themselves that the people are not sufficiently instructed, nor in possession of sufficient capital, to practice the improved farming to which the Government refers.

50. Modern Agricultural science teaches; (1) that the effect produced by exposing the soil to the influence of the atmosphere, (fallowing or resting it,) is equally well attained by treating the land with certain substances,† which serve (like the Oxygen and Carbonic acid of the atmosphere) to decompose, and by

† As Salts of Ammonia, Nitrate of Soda, and common salt.—Vide Liebig on Modern Agriculture, pages 67, 68.

that means prepare the mineral constituents of the soil for the nutrition of new crops; (2) that the growing of green crops (root and leaf-producing crops) in rotation with cereal crops, materially assists the farmer in turning the fertility of his land to the best account; (3) that the only possible mode of preventing a gradual exhaustion of the soil is to restore to it the mineral constituents which, as elements of its growth, the produce abstracts from the land.

51. The principle on which the growing of green crops assists the farmer in keeping up the fertility of his field may be briefly described as follows; (1) the extensive root ramifications of these crops make the soil more favorable for the subsequent growth of a cereal, (mechanically, by helping to break up a tenacious, cohesive, soil); (2) green crops, "with their wide-spreading and deep roots, penetrate through the soil in all directions, and by the great surface of their roots render available, and assimilate to themselves, those constituents of the soil which the culmiferous plant requires for the formation of seed."‡ Where therefore these crops are

‡ Vide the same work, page 187.

returned to the land in the form of farm-yard manure, (or, as it might be, in a green state,) they help to concentrate in the upper layer of the soil the food required for the re-production of cereal plants, plants which do not penetrate the soil so deeply, nor have such an extensive root surface as the root and fodder plants.

52. A rotation system of husbandry does not augment the *gross* amount of mineral matters contained in a field. It cannot, therefore, prevent the gradual exhaustion of a field, if any portion of its mineral matters (as, for instance, those that are abstracted by the grain crops) is removed and not again restored. The only possible means by which a field can be maintained in continuous fertility is by restoring to it *all* the mineral constituents which the crops have abstracted. But by cultivating grain crops and green crops in succession, the agriculturalist is enabled to increase in a given time the *available* effective portion of the mineral store existing in a field, and so to accelerate the total produce returns which a field, in proportion to the extent of that store, is capable of yielding. Fallows, the use of chemical solvents, as salts of Ammonia, and the rotation system of husbandry, are all intended to serve one and the same end. They do not make the land more fertile than it is by nature; or, in other words, they do not *add* to the elements and conditions of its productiveness, but they serve to render those elements and conditions more available within a certain time.*

53. In this country the people are totally unacquainted with the use of chemical manures as a means of preparing the soil; but they know from experience that fallows do, in some way, help to make the soil productive; that manures (in the ordinary sense) have a similar effect; and that one and the same crop or plant cannot be grown on the same land for many years continuously. Their practice, therefore, is based on these facts, though in many respects this practice is rude, and, in a scientific point of view, erroneous. As a general rule, the people inadequately manure the soil; and, in regard to rotation crops, they of course are ignorant of the principle on which that system of husbandry is founded, even if the different kinds of produce grown in this country are as well adapted to it as those cultivated in Europe.

54. The Board have entered into these particulars in order to shew on what ground they agree with Mr. Dykes in thinking that fallows are a necessity in the present state of husbandry in India. They believe that frequent fallows are necessary. They also concur with him that "a grain assessment" (if for that phrase the Board may substitute "fixed rates,") must prove a

Paragraphs 19, 22, and 23.

very serious tax on the Ryot's resources, if the Ryot is required to pay this fixed charge in years when the land is lying fallow. They only question in this case, whether Mr. Dykes' proposed remedy will have the effect he supposes; and secondly, they question whether, in the present state of the public revenue, the land tax can be made sufficiently light to allow of the Ryots paying the fixed rates *without any serious difficulty* when land is fallow.

55. In reply to the Board's question as to the extent of land used for pasturage in the Nellore District, Mr. Dykes states that "all the land not under the plough is used as pasture." As to "the supposed productive value of the land compared with the productive value of the land in tillage," he reckons the value of pasture land as equal to one-fourth the value of the same land under tillage.

56. The Board asked for information on this latter point that they might judge what proportion the fixed rates would bear to the productive value of land used as pasture. They now observe that the fixed rate would amount to a higher tax on pasture land by 75 per cent. than

* NOTE.—"In China they know nothing of the fundamental principles upon which German (or European) agriculture is based. Except green manuring, they neither know nor esteem the application of any kind of manure beyond the excrements of man. The other matters occasionally employed by them to increase their crops, are in quantity and effect utterly insignificant when compared with the use of human excrements."—Liebig on Modern Agriculture, page 247.

The same author also teaches, as to the rotation system of husbandry, that "it is quite immaterial for the cereals, whether the green crops be previously eaten by the cattle and converted into manure or not." "All that is required is that green crops should be grown, and that their constituent parts be incorporated with the arable surface soil of the field."—Page 246.

Thus, in China, rice fields are green manured, two plants being exclusively cultivated for that purpose, the one a species of Coranilla, the other Clover. These plants are grown in furrows in the rice field itself, and in due time are ploughed in.—Page 252.

the same rates would represent on the same land under tillage, supposing that the productive value of land used as pasture is less by three-fourths than the value of the same land when it is used for the raising of grain, or other cultivated crops.

57. Mr. Dykes has allowed for pasture in his mode of forming the rates on the same principle as for rotation crops and fallows, but has not allowed in the case of pasture for the full difference between the value of such land as he estimates it, and the value of a grain crop (vide end of paragraph 20 of his letter). The reason why he makes a distinction on this point between rotation crops and pastures is not explained. The Board are of opinion that his mode of dealing with pasture land is open to the same kind of objection as his mode of providing for fallows, for in both cases the fixed rate on the land is in fact a uniform annual charge, (in contradistinction to Mr. Dykes' view, that rates formed on his plan are in some sense varying rates), and as such may form a serious cause of impoverishment or embarrassment to the Ryot, if it should be levied when the land is used as pasture, or is incapable of yielding any produce at all.

58. Mr. Dykes, in proposing to allow for pasturage in the manner referred to above, did not refer to pasturage required by the breeders of cattle. He observes on this latter point that "pasture, as regards breeding purposes," should be left "to find its own level," but has not entered into any details explaining in what sense pasture land can be left to find its own level, or what actual distinction he desires to make in rating the land when it is required for pasturage by cattle breeders*.

* Mr. Dykes has submitted a separate report on the "Pullary" or pasture tax in his District.

Cultivation expenses.

59. Mr. Dykes proposes to reckon the cultivation expenses at the same fixed sum for all classes. The Board agree with him on this point, though the effect of making a uniform allowance for expenses of cultivation is to reduce the valuation of each class (produce value) in an inverse ratio to the fertility of the land, the value of the worst kind being subjected to a large proportional reduction than the value of the next superior class, and so on upwards. To allow, therefore, the same fixed sum for all classes of land is equivalent to the offer of a premium for the cultivation of the inferior soils. On the other hand, if the allowance is made on a graduated scale, approaching to a per-centage reduction on the produce values, this kind of reduction is in effect a general reduction in the rates of assessment, and in that point of view is useless as a means of placing the cultivator in funds to meet the first expenses of husbandry, if that is the purpose for which this kind of allowance is made. The question, however, whether such an allowance ought to be made or not is no longer an open one, the Home Government having definitively decided that the Government share is to consist of half the net produce, after allowing for expenses of cultivation. The Board therefore recommend that this allowance should be made in the Nellore District in the manner proposed by Mr. Dykes. They are of opinion that such expenses, as the cost of seed, of ploughing the land, and of reaping the crop, may be viewed as approximately the same for every class of land, and that the Settlement Department have no means of correctly estimating such charges for each separate description of soil.

60. The Board must observe on this subject that the "net" produce, or the produce remaining after allowing for cultivation expenses, is not identical with the surplus which gives to land of superior fertility (superior to the worst under cultivation) a rent value. The tax, though it consists of half the net produce, is still of the nature of a share in the produce value, and is not a mere tax on rent. It is a share in that produce, after deducting therefrom certain cultivation charges; and in this respect is similar to the present French land tax, which, as described by MacCulloch, "consists of a certain proportion of the net produce; that is, of its produce exclusive of the expenses of cultivation, but inclusive of rent."† In other words, the basis of the assessment is in both cases the crop or year's produce, out of which the Government, after deducting certain charges, takes a share for public purposes.

† MacCulloch on "Taxation and Funding" page 81.

Government share, and the rate of assessment.

61. The last point which the Board proposed to notice is the question raised by Mr. Dykes in the concluding paragraph of his letter. He asks "what is the Government share?" and remarks that in fairness to the Ryots the amount of this share ought to be stated "with arithmetical precision." The Board observe that the Government share has been fixed under recent orders from the Home Government at 50 per cent. of the net produce, (the produce remaining after deducting cultivation expenses.) The Board had these orders in view when they requested Mr. Dykes in paragraph 10 of their Proceedings, dated 23rd April 1864, No. 2,157, to consider 50 per cent. of the net produce as the share to be allowed in his scheme. In future, therefore, the Government share will in one sense bear a fixed proportion to the produce values. It will be fixed at 50 per cent. of that value, after a certain reduction has been made in it for cultivation charges. Rates formed on this principle will bear a different proportion to the gross value (the years actual crop) with each gradation in the fertility of the soil. They cannot, therefore, represent a uniform proportional tax for every class in relation to the lands actual productiveness. But this inequality in the rating, in relation to the actual crop, is the necessary effect of allowing a reduction in the produce values for cultivation charges, and is not to be avoided when this reduction takes the form of a fixed sum for all classes alike. It is no doubt an error to suppose that half the "net" can be equivalent to any uniform proportion of the gross, as for instance 50 per cent.—(Paragraph 43 of Mr. Dykes' letter.)

62. The Board, in concluding these remarks, observe that they have discussed each of the questions raised by Mr. Dykes on what they conceive to be its merits, without regard to the fact that in some instances the points raised may seem to have been already settled or disposed of; for they viewed the Government Order, under date the 8th January 1864, No. 30, as inviting to a full consideration of the subject, and they have seen no way of giving a fair opinion, without at the same time freely discussing all the details. The main question to be decided is, whether the land ought to be valued by the produce grown on it for a series of years, or by a single year's crop. (Of any kind that would form a good common measure of value, as a grain crop). This question is of practical importance on two grounds; for, first, as to the equitable distribution of the land tax, it is essential that the land should be valued as correctly as the nature of the case will allow of; and secondly, if the people are required to pay the land tax for years in which the land is wholly unproductive, or is comparatively unproductive, it is but just and right that the grounds on which the land tax is levied on such occasions, should be clearly defined and explained. As to the latter point, Mr. Dykes has undertaken to prove that the fixed rates may be fairly levied at such times on the ground that the Ryots have been charged in other years a lower proportional tax than the Government had a right to collect, and that in this manner they are furnished with the means of paying the rates in years when the land is wholly or partially unproductive. They have, it is argued, received a remission for fallow years in the reduced or low rates which it is proposed to lay on the land. The Board have explained how this point may be viewed from the people's side of the question, and it now rests with the Government to decide whether Mr. Dykes' scheme for valuing and rating the land is to be adopted or not. Though the Board have disputed the correctness of his views, they have no desire to see the old practice of remitting for fallows reverted to, if that course can be avoided. But in any case, there ought to be no room for questioning the equity of levying the tax in unproductive years, if one of the objects with which a new settlement is made, viz., that the land tax should be based on simple and intelligible principles, is to be attained.

63. If the Government think it advisable to reduce the value of the land when estimated by a grain crop forty per cent., on the ground that a reduction to that amount on a grain valuation would represent the value of a medium kind of crop, the Board will be glad to see such a reduction made. They only deny the propriety of viewing rates based on this reduced valuation as equivalent to a settlement of the land tax for a term of years, whereby the Government, by foregoing a portion of its supposed share in the produce when a superior or grain crop is grown,

would be placing the Ryots in funds for paying the tax in unproductive years, or in years when inferior crops are grown. Each year's tax must still, they conceive, be paid out of each year's assets, though of course the lighter the rates, the better able will the people be to pay the tax when they grow inferior crops, or are able to grow no crops at all. The Board do not think that Mr. Dykes has proved that the land is really used in the manner he describes, or that fallows and inferior crops bear the proportion to grain crops which he has assigned to them, but they are ready to admit that it is as practicable to form the rates on a crop of medium value as on a grain crop.

64. In compliance with the instructions conveyed in paragraph 2 of the Order quoted in the preceding paragraph, the Board intended forwarding a copy of these Proceedings to Mr. Master, Officiating Director of Revenue Settlement, with a request that he would favor the Board with a statement of his views on Mr. Dykes' scheme of assessment, preparatory to the subject being submitted to Government for final orders; but with reference to the Government Order, dated 12th December 1864, No. 2,243, transferring to the Board the superintendence of the new settlement in the Nellore District, they deem it unnecessary to apply for Mr. Master's opinion on the subject.

65. The Board regret that they have not been able to dispose of the subject by an earlier date. They would state in explanation that some of the points referred to required careful consideration, and that they waited the return of the 3rd Member before the Proceedings were finally passed. As the Government have now decided that Mr. Dykes is to conduct the new settlement of his District, it is necessary that he should at once have definite instructions on the particular questions he has raised.

66. Resolved that a copy of these Proceedings be submitted to Government in continuation of the Board's Proceedings, dated 23rd April 1864, No. 2,457.

No. 18. ORDER THEREON, 3rd April 1865, No. 717.

Land Revenue

1. The Governor in Council has carefully perused the voluminous correspondence above recorded, and must express his regret that the discussion between the Board and the Collector has been of such a character as to be of little practical use. In desiring the Board to take certain questions, which Mr. Dykes had raised, into consideration, the Government did not intend that general principles, long since considered and settled, should be again discussed, while the "detailed information," without which they had declared themselves unable to pass general orders, should be entirely omitted. The Government are in fact in much the same position now as when their Order of the 8th January 1864 was issued.

2. The Board in the 62nd paragraph of their final Proceedings submit, as the main question to be decided, the proposition "Whether the land ought to be valued by the produce grown on it for a series of years, or by a single year's crop." The Government presume from the context that the Board do not mean to ask whether the settlement operations are to be continued for a series of years, in order to ascertain the produce of each year of that series, but whether a series of crops and such fallows as may be necessary are to be taken into account. The question will be found answered in paragraph 2 of the Order of Government, dated 24th November 1863, No. 2,118, where they pointed out to Mr. Dykes that the principle he advocated, of computing the assessment on a series of crops, was already followed, adding that "a fair allowance, varying according to the peculiar circumstances of each District being made, as is now done, for fallows and rotation of crops," the Government could not go into such minute and detailed operations as Mr. Dykes suggested. In paragraph 9 of their Order, dated 12th December 1864, No. 2,243, the Government declare that "in ascertaining the gross produce, the grains usually grown on the particular soil will alone be taken into account, and careful experiments must be made to ascertain their average yield in an average season. * * * Where several crops are grown on the same soil, the average yield of each must be ascertained," and from the total "a deduction, varying according to local circumstances, must be made for fallow as well as contingencies of seasons." The

26 *Proceedings of the Madras Government, Revenue Department,*
3rd April 1865.

only point to be settled, viz., what allowance should be made in Nellore, remains as it was before this discussion commenced. Mr. Dykes is unable to say what are the "rotation crops" of the District, he thinks the value of land in grass equal to one-fourth of its value in grain, and declares that a bare fallow every fourth year is absolutely necessary. These, however, are merely his own personal opinions, unsupported by any evidence whatever. Mr. Dykes must bear in mind that if, on the Ryots' side of the account, a system of agriculture not likely to be adopted for years to come is to be provided for, the Government side of the account must receive credit for the largely enhanced produce resulting from high culture. The basis of the assessment must be a fair average of the yield of average years under ordinary husbandry. Mr. Dykes should lose no time in collecting the necessary data.

3. The question of fallows has been already settled in the orders above quoted, as well as in paragraph 3 of the first Order. The assessment being an average, the Ryot cannot with justice complain of having to pay when he lays his land fallow—that necessity having been provided for in the assessment. The system of remitting for fallow cannot be permitted—if it were, Government would have to prescribe how often land should be left fallow, and the village officers would have great scope for interference, partiality, and fraud. A fixed assessment has the further advantage of teaching the Ryot to look beyond the current year, and provide from the gains of the present for the contingencies and obligations of the future.

4. There are some other questions raised in the correspondence, which the Government must also notice.

5. The Government wholly disapprove of the proposal to deduct the same uniform amount for expenses of cultivation on all descriptions of land. The Board themselves so completely prove the inexpediency of this course, that the Government are surprised at their for a moment entertaining it. Such a course would entirely frustrate the object of the Home Government in deciding on basing the assessment on the *net* instead of the *gross* produce. The Collector can have no difficulty in ascertaining the cost of the various operations, as prescribed in paragraph 11 of G. O. 12th December last.

6. Mr. Dykes' illustrations of classification are not very clear, but he was not, at the time he wrote, in possession of the Order of Government dated 12th December 1864. The Government are in favor of simplicity of classification, but this simplicity must be arrived at by careful examination of the soils prevailing in the District. In hypothetically applying the Kurnool classification, Mr. Dykes appears to have simply merged the classes having equal rates. The remarks in paragraph 33 of the Board's Proceedings on this subject are quite correct.

7. The Government cannot approve of the Collector's proposal to assess the unoccupied waste in blocks of from 200 to 500 Acres, and refusing to allow the land to be taken up in smaller allotments. A reference to the rent roll shows that such blocks would be far beyond the means of the people, the necessary consequence would be that the land would be left waste or taken up on joint tenure. Large blocks will not produce large proprietors. The present system must be adhered to.

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

No. 1,373.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 5th March 1864.

Read again Government Orders, dated 24th November 1863, No. 2,118, Revenue Department, and 8th January 1864, No. 30, Revenue Department.

1. In the correspondence included in the above Proceedings of Government Mr. Dykes argues that the land assessment in his District ought to be so fixed as to allow both for a proper rotation of crops and for fallow once in four years; and, secondly, that the assessment ought to provide for pasturage—remarking, with regard to the latter point, that the new Settlement Department has made no provision in other Districts for pasturage.

2. The Government remarked on the first point, that the principle advocated by Mr. Dykes had in fact been recognized by the Settlement Department, though in a more general way than Mr. Dykes proposes, the assessment being based in each of the three Districts for which revised Settlements have been submitted to Government on four different kinds of grain. Mr. Dykes is now requested, first, to explain on what particular kinds of produce he would propose to base the revised assessment for each class of dry land in Nellore, supposing the number of classes to be restricted to three or four as he would wish; and, secondly, assuming that the Government share for each kind of produce is 25 per cent. in each class, to show what proportion his proposed rates would bear in each grade to the gross, supposing the assessment to be based on only one kind of produce for all, instead of on the three or four kinds of produce included in the given rotation.

3. In order to place his scheme of assessing the land in a clear form, Mr. Dykes will be so good as to prepare a Statement similar to those prepared by the Settlement Department, showing in columns his several classes, each with its distinctive features, the different kinds of products embraced in the proposed rotation for each class, the average gross produce of each product calculated roughly with reference to any available data, his proposed rates, how the average rate is obtained, and such further particulars as his plan may seem to him to require. The Statement should be so drawn out as to exhibit in detail the mode in which he would propose to commute the Government share in the produce (paragraph 2 of his letter to Government, dated 13th November 1863, No. 28), into a fixed charge on the land, so that on the one hand the Government shall receive its customary revenue, and on the other the cultivator of the land shall be able to pay the assessment every year without difficulty, whatever crop may be grown, or whatever may be the Ryot's actual mode of dealing with, or of using, his land in any given year.

4. He should report separately whether the people cultivate crops in rotation now; if so, what they believe to be the effect of their rotations, and what rotations he would himself propose, stating what prospect he sees of inducing the people to adopt his views on such a point, and how in his own opinion the rotation he may name would act on the land or have a "restorative" effect. He will explain in detail how he

* Vide paragraph 4 of Mr. Dykes's letter to Government, dated 21st December 1863, No. 36.

would fix the assessment on the land so as to provide for pasturage, and so as to effect the last object he had in view when requesting the Government to re-consider their Order, viz., "that a man's holding should be self-contained."

5. He should also state how much land is used for pasturage in the Nellore District, and what is the supposed productive value of land so used compared with the productive value of land in tillage.

6. In the cases referred to by Government, the four kinds of grain on which the assessment was based were not chosen on the ground that they were the most suitable crops to cultivate in succession, on the principle which usually in Europe governs the choice of crops for the rotation into general consumption, and therefore instead of commuting the Government share for a fixed quantity in one kind of grain only, it was deemed a better plan to form an average rate out of the Government share in each kind. Mr. Dykes proposes to form an average from the Government object and that with which the Settlement Department has based the assessment on more than one kind of grain are the same. In both cases it is assumed that a Ryot will be better able to pay a fixed charge for his land (whatever may be the crop grown, or whatever may be his system of agriculture) if the charge be a kind of average share, than if the Government share be commuted for a fixed quantity in one kind of grain only.

7. It is also assumed that the assessment, if it be fixed on a moderate scale, can be paid, whether the land be cultivated or not. The Government remark on this point that the Settlement Department had allowed for fallows as well as for vicissitudes of seasons, &c.;* and that, "as far as the revenue is concerned," it is

* Order, dated 24th November 1863, No. 2,188, para. 3. as often as a "proper system of agriculture may actually require," or whether the assessment is fixed on a moderate scale with reference to this necessity. Mr. Dykes has already expressed an opinion that a fallow is needed every four years; but with reference to the concluding remark made by Government on this point,† he should explain

† Same Order as above. the grounds on which he considers that a fallow is required so frequently as once in four years.

8. Mr. Dykes believes that a fixed rate of assessment, equivalent to a fixed quantity in grain, must interfere with the cultivation of other products. The Board will not dispute the correctness of this opinion; but whether a fixed money rate professedly representing an average between the Government shares in green crops and the Government share in grain crops, or whether an average rate based on the Government share in grain crops only, is not open to the same kind of objection has yet to be proved.

9. "By the ancient law of the country, the ruling power is entitled to a certain proportion of the annual produce in every bughah."† This share in the annual produce (amounting under the Mahomedan Government to one-half and under the Hindoo Government to one-sixth) was formerly collected in kind, and was of course liable to fluctuation, as to its annual gross amount, with every variation in the annual crop. In the course of time the Government share in the annual produce has been commuted for a fixed quantity, and this fixed share in kind for its equivalent in money.

† Vide Preamble to Bengal Regulation XXXI of 1803, and Mr. Thomason's "Remarks on the system of Land Revenue Administration prevalent on the North-Western Provinces of Hindoostan"—Paragraph 1.

10. It is now proposed to convert this fixed charge into an average rate, or a mean proportion of the Government shares in different kinds of produce, in order to obviate the objection which exists to commuting a fluctuating share for a fixed quantity in one kind of grain only; viz. that a fixed charge thus formed cannot represent the same proportional charge in inferior crops.

Different crops.	Total produce per acre Madras Measures.	Government share 25 per cent.	Commutation, price per garga of 3,200 Measures.	Money rate at commutation prices.
1	2	3	4	5
Raghy	M. M. 1,200	M. M. 300	Rs. 66	Rs. A. P. 6 3 0
Cholum	800	200	84	5 4 0
Cumboo	600	150	60	2 13 0
Average				4 12 0

Thus, if the three kinds of produce entered in the Statement exhibited in the margin should be cultivated in succession on an acre of land, and the Government share in each, at 25 per cent. should range, when converted into a fixed quantity and a money rate, from Rupees 6-3-0 to Rupees 2-13-0, it is assumed that the Ryot would be better able to pay as a fixed annual charge a mean (Rupees 4-12-0) between these different shares, than to pay a fixed charge equivalent to the value of the Government share in the superior grain only (Raghy.) At the end of the three years the Ryot's aggregate payments would be equal in amount to a tax of 25 per cent. separately levied on each crop. The Government would therefore receive its fair proportional share for each crop grown; while the Ryot, by reason of his being charged a mean rate, would be able to grow different kinds of crops, each charged with its due share, instead of all crops alike being subject to one uniform charge equivalent to a fixed quantity in the superior kind of produce.

11. It is however obvious that this plan of assessing the land pre-supposes that the Ryots will be able to obtain for each kind of produce the same price which each would bring if separately taxed. For each share (each amounting to a different value, corresponding with the greater or the less productiveness of the crop entered in the rotation) has an assigned money value, by means of which the mean money rate is formed. If therefore the Ryot should be unable to obtain this price, the so-called mean rate, though less (at the assumed commutation prices) than a share of 25 per cent. in the most productive of the three kinds of grain would cease to be a mean rate, and would, in fact, be open to the same kind of objection as that to which a fixed money rate and would, in fact, be open to the same kind of objection as that to which a fixed money rate equivalent to a fixed quantity in the standard grain is liable, viz., that it fails to represent an equal proportional share in crops which are not of equal productive value, or, in other words, crops which cannot be raised each at the same cost of production, because different kinds of produce yield to the same quantity of labor unequal returns.

12. The same kind of condition is equally implied when a fixed quantity in the standard grain is commuted for a money rate; but in that case the land-owner is secured an adequate price to indemnify him for all expenses including the tax, on the principle that the tax is an item in the necessary cost at which the stated produce is raised and brought to market, and that none of the purchasing class can obtain the required supply if he will not pay this necessary cost. The price of any commodity being regulated, as a general rule, by the cost at which it can be produced.

13. In the other case, none of the separate crops is subject at the time it is raised to a charge of 25 per cent. as a part of its necessary cost; for the annual charge on the land is only a mean in the supposed 25 per cent. share in three different kinds of produce. The price therefore of each, if left to adjust itself to the actual cost on the principle referred to above, would differ more or less from the price which by the proposed mode of assessment each crop ought to bring. Each crop would in fact bring a price commensurate with the cost at which it was raised, inclusive of the tax charged on the land in the year it was grown (that is, the mean rate,) and as each crop differs in productive value, the single fixed charge, though called a mean, would, from its unequally representing the proper Government share in the respective crops be open, to the kind of objection referred to above paragraph 10.

14. Prices might be kept above their natural level, if the Ryots could enter into a general combination for that purpose, a view of the case that need not be discussed. Or, if the people

could be compelled to follow any given rotation system, as, for instance, a four—course of three crops and one bare fallow for every field,* the three associated products would be raised at a kind of joint cost, the fixed annual tax forming a component item in that cost, and the price at which each kind of produce could then be sold must be a price sufficient in the aggregate to cover the sum of the expenses incurred in bringing to market the three united products, including as part of that expense the four years' assessment. In that case a fixed annual rate would really be an average tax. But in practice such a mode of assessing the land is of course impossible, though apparently it is the only one in which a tax laid on the land in the shape of a uniform fixed charge could be made to affect all kinds of produce alike.

15. In England the mode by which, under the Commutation Act, the average value of tithes is commuted for fixed quantities of corn was open to the same kind of objection which Mr. Dykes now raises to charging the land in this country with a fixed quantity of the standard grain. Thus Mr. McCulloch, writing on this subject, remarks: "Hitherto the commutation has, on the whole, worked very favorably. It is conceivable, however, that the tithe charge, being fixed in quantities of wheat and other grain, may become a serious obstacle to the conversion of the land on which it is laid to pasturage, or to the culture of crops other than corn. But if such difficulties should really occur to any considerable extent, the system may be modified so as to avert or mitigate their influence. It is always better to deal with contingencies of this sort when they arise, and when their real operation is known, than to attempt to anticipate them by a priori arrangements."†

† Treatise on the Principles and Practical Influence of Taxation, 3rd Edition, page 193.

16. The precise method by which tithes were commuted was to ascertain the average value of the tithes at any place according to the prices which the produce taken as tithe had brought in the nearest markets during the seven years ending with 1835; to convert this value, divided into three equal parts, into equivalent quantities of wheat barley and oats at the average prices of the Kingdom during the same seven years' term, and to make the quantities of corn thus obtained a fixed rent-charge on the land, convertible into money at the prices of the day (the current average prices of the Kingdom.) In this country, it is necessary to make a grain valuation of the land as the first step towards ascertaining the Government share, while the fixed money charge is intended to represent (according to the system followed by the new Settlement) a sort of mixed quantity, viz., first a share in the net (so-called from its being the residue after deducting certain cultivation expenses); and secondly, a share, to some extent, in the gross produce.‡ The two processes thus described are very dissimilar in their respective details; but in both cases the fixed charge, when once formed and laid on the land, is more favorable to those who receive than to those who have to pay; for just as a fixed charge (in quantities of corn) might in England represent some proportion different from one-tenth in crops other than corn, or to one-tenth of a field's productive value when laid for pasture, so the fixed money charge in this country, from its failing to represent a uniform share in the produce, when the land is not employed in the culture of the standard grain, may prove a serious obstacle to the culture of other kinds of crops, &c.

17. The defects of the Commutation Act have not been found so serious in practice as to call for any actual attempt at a remedy. The great improvements made of late years in England in agricultural operations have doubtless tended to reduce the real burden of the fixed charge substituted for a tithe, so that this charge can in general be paid without difficulty however the land may be employed; but in such a poor country as this, where the whole system of agriculture

is in a primitive state; or, in any country where the produce is liable to a much larger proportional tax than one-tenth, as in India, if the two-tenths, the three-tenths, or, as it may be, the five-tenths forming the revenue, are commuted for a fixed money charge, it may be impossible to collect such a charge in all years alike, or impossible for the people to prosper under such a system of taxation. Mr. Dykes has very earnestly protested against imposing on the wide extent of pasturage existing in his District the same high rate as land supposed to produce grain, is charged with; but his mode of meeting the objections which exist to such a course may not be a practicable one. Nor may it be practicable to provide for fallows as he proposes.

* Letter to the Board, dated 6th July 1863, No. 212, paragraph 4.

18. He explains* that the usual practice has been to remit for fallow, and to allow the Ryots to occupy land for pasturage at a reduced

rate (in certain proportions to the land under tillage), the Ryots being unable to pay for such land the rates applicable to grain crops. In this way "we have endeavoured to meet the difficulties arising from the error that was committed in the early days of our rule." It now rests with Mr. Dykes to show how the Ryots can be fairly charged the same rates for land whether in tillage or not, if, as the Board have supposed, it is impossible to charge the land with average rates, or fixed rates which would really represent an average of the Government share in each individual crop. The Board recapitulate the argument to show that this supposition is reasonable.

A. The price of agricultural produce is proportional to the cost at which it is raised, including the land tax, or Government share in the produce, as a necessary item in that cost.

B. When a fixed quantity in any one kind of produce is commuted for a money charge on the land, the produce in question commands a price sufficient to cover the cost at which it is raised including the tax.

C. In like manner, if a fixed charge on the land is intended to represent an average of shares in crops differing in productive value, each crop ought to command in the market its assigned value, in order to make the intended average rate a real mean share.

D. But if, when each crop is grown, the fixed charge on the land is not equivalent to the Government share in each at its assigned value, it is impossible to keep up the price of each to the required standard, unless the Ryots combine for that purpose, or unless they are forced to adopt a fixed rotation of crops, neither of which alternatives can be adopted in practice.

E. Whether therefore the Government share be a high or a low proportion of the gross produce, a fixed charge on the land must continue to represent an unequal proportional share in crops differing in productive value, and will not in any sense be equal to a mean of the shares in such crops.

19. The fixed rent charge now substituted in England for the old fluctuating tithes must be paid whether the land be in tillage or in pasture; and this system, while it secures to the tithe owner fixed payments, subject only to fluctuations in the value of corn, is not, it would seem, very injurious even to the poorest land-owners or tenants† but to suppose that the fixed charge

† McCulloch's Treatise, page 196.

is not in some degree a heavier burden than formerly to such persons in particular would be an obvious mistake. On the whole the Commutation Act works well because the tax is light, and because "tithe has ceased to be an obstacle to improvements and a source of quarrelling and litigation." If in this country it were possible to raise a sufficient revenue from the land by imposing on it fixed money rates equivalent to a tenth share, or less, in the produce, the poorer classes of Ryots, who certainly are in no better position than the poorest English land-owners, might be able to pay such a fixed charge with as much ease as the poorer tenants in England pay their commutation charge.

20. The "broad rule" to which Mr. Dykes refers, viz., "that the Ryot shall be free to do what he likes with the land in his Puttah, grow as many crops as he can, and turn it to the best use the seasons allow of," is a good rule for the Ryot, so long as he is really free to do

with his land as he pleases; but if, when he should please to leave it fallow, he is told that the land tax must still be paid, his freedom in the matter may justly appear to him more nominal than real. The kind of freedom which the Ryot covets is freedom from taxation. In like manner, it is no slight advantage to the Ryot to find that the Revenue Officers cannot interfere with himself or his land so long as he pays his assessment; but if, to secure that advantage he has to pay the land tax at seasons when the land can yield him no returns, he may think, and not unreasonably, that the privilege is too dearly purchased. The Ryot ought of course to be exempted from all avoidable interference on the part of the Revenue Officers. On this principle fixed charges have been gradually substituted for the old sharing system, and in many other ways steps have been taken of late years to improve the Administration of the Revenue in the Ryotwar Districts, such steps being designed to lighten the Ryot's burden of taxation. It is impossible to say that the measure now under consideration is advocated exclusively in the Ryot's interests. *Per se* it tends to increase the burden of a fixed tax, though possibly such reductions may be made in the rates as to render a fixed rate payable in all years alike a preferable tax, all things considered, to a heavier rate payable only when a crop is grown. If the low rates here contemplated would fail to bring in a sufficient revenue from the land the difficulty ought to be met in some other way. The Board know of no other way, except it be the old system described by Mr. Dykes, viz., remitting for fallow, and allowing land used for pasturage to be held at "exceptional" rates.

21. The Board have not yet referred to the course which Mr. Dykes desires to follow in making a valuation of the land assessed to the tax. He has correctly described the manner in which a farm, or a single field, is valued in England, when a rent has to be fixed for it. The amount of rent depends on the quantity of produce each is capable of yielding according to any proposed system of agriculture*; but still the rent is simply a payment for the surplus produce the farm or the field will yield after deducting from the whole quantity the farmer's necessary expenses (that is wages and interest on the capital expended by the farmer on his farm); the amount of this surplus, or its equivalent in money, depending on the comparative advantages which the farm or field may have in respect to its natural fertility.

22. The land tax consists of a share taken by Government out of the annual produce† (every kind of produce) though fixed money rates have been gradually substituted for the old sharing system. The share, or portion, thus taken by Government for the use of the State is essentially a tax on a commodity (agricultural produce.) Rent is "the difference between the unequal returns to different parts of the capital employed on the soil." Different soils differ in natural fertility. An equal amount of capital expended on each different soil will not yield equal returns. The difference belongs to the landlord. It is nature's gift, and in no sense a tax. It is true that in England tithe, and in this country the land tax, may each be sometimes termed in ordinary language a rent charge, but neither the one nor the other is rent in the proper sense of that term. The Government, as Mr. Dykes remarks,† imposes "a land tax on all lands without reference to whether they could "pay a rent." But, in such cases, how could the land be valued for assessment if it possessed no kind of value apart from a rent value? The value must of course in this, as in other cases, be computed by the land's natural productiveness; in other words, by the amount of the crop it is capable of producing, of which crop the Government, when the land is cultivated, is entitled to a share.

23. To convert this share into a fixed charge, it is not absolutely necessary to value the land by the aggregate crops the land is capable of yielding in a given series of years. The first necessary step in commutating a share in kind for a fixed charge is to value the given crop out of which the share has to come. If this fixed charge is to be paid for all years alike, it is then only

that the question already discussed regarding average returns from a series of crops, or, an average money rate equivalent to the Government share in each of the series has to be considered. But even then the required average, being an average of the Government shares in several crops, is not the same thing as rent, or the payment made by a tenant to his landlord for the use of the landholder's land. Hence the remark made by Government in 1855,* "the right of Government is not a rent, which consists of all the

* Exts. Mins. of Cons., dated 14th August 1855, paragraph 13.

"surplus produce after paying the cost of cultivation and profits of agricultural stock, but a land revenue only." Mr. Dykes, maintains opinions entirely opposed to this view of the case; for, as he puts it, Government professes to take by the land tax, precisely as a landlord would take,

† Letter to Board, 10th August 1863, No. 248, paragraph 3.

"what the cultivator can pay, leaving himself a fair return on his capital laid out." According to this latter view the whole of the "surplus" is

absorbed by the tax, though it is a well known fact that rents, and often high rents, co-exist in this country with the land tax.

24. Mr. Dykes's mode of valuing the land has some degree of support from the fact that for the new settlement an attempt has been made to assess the land on a combined consideration of both its so called "net" value and its gross productive value. But first, the "net" valuations made for this purpose are not looked upon as at all correct; and, secondly, produce valuations must necessarily form the chief basis of a tax to which every class of land, whether the land is capable of yielding rent or not, must be assessed. The Board therefore have discussed Mr. Dykes's views, on the hypothesis that the Government have a right to a share of the produce in every crop grown, (in accordance with Mr. Dykes's own opinion on that point) and that the Government share, anciently taken in kind, was, in the course of time, commuted for the existing fixed rates.

25. The Government have directed that the rate of allowance to be made in the Nellore District for vicissitudes of season should, with the other questions already referred to, be made the subject of special inquiry. The Board have only to observe on this point that vicissitude of season must be allowed for in computing the average value of any given crop. No kind of produce will give equal returns all seasons alike. An allowance must therefore be made, when estimating the value of a field by its produce, for adverse influences of the seasons. Mr. Dykes should explain what deductions ought to be made from full crops in Nellore on this account, and on what data his opinion is formed.

26. The last point calling for remark is the idea entertained by Mr. Dykes that land used as pasture ought to be so assessed as to admit of a man's holding being "self-contained."‡ The Board understand Mr. Dykes to mean by this phrase, that the land ought to be formed into

farms, each containing some land in tillage, some in pasture, and so on; and that this object is to be effected by means of the assessment. They observe on this subject that the land tax ought to be light to prevent its bearing injuriously on the industry of the people. If due attention is paid to this general principle in determining the share to be taken out of the produce as public revenue; and, secondly, if this share be equably distributed over the different survey fields, according to the productive value of each, the Government has fulfilled its part, and must leave the people to their own exertions to add field to field, or to acquire the kind of farms which Mr. Dykes contemplates. His views on this subject are of course to be traced to the same error which led him to think that

the land is to be assessed to the land tax precisely on the same principle as land is charged with rent. The Government of this country is, from his point of view, supposed to stand in the place of the English landlord, who, as the owner of a landed estate, divides it into farms, to be let for a rent; whereas, in fact, the Government has a right to a land revenue only, and a proprietary interest in the land itself only so far as the land is in a legal sense a security for that revenue.

At all events, in occupied land.

‡ Letter to Government, dated 21st December 1863, No. 36, paragraph 10.

Ordered that these Proceedings be sent to the Officiating Director of Revenue Settlement, and to the Collector of Nellore, with the request that each officer will favor the Board with his views on the question referred to in the Government Order.

(A true Copy and Extract.)

(Signed) W. HUDLESTON,
Secretary.

To R. E. Master, Esq., Officiating Director of Revenue Settlement, } with spare copies of the
,, J. W. B. Dykes, Esq., Collector of Nellore, } Government Orders.

Erd. R. H. Lee.

Dated 6th March 1864.

No. 1,373.

PROCEEDINGS OF THE BOARD OF REVENUE,

No.

1864.

Department

Dec-14/65

Enclosed the copy of the
of the Board of Revenue
for the 18th paragraph in the
1863-1864.

Passing observations on certain Orders of
Government on the land assessment and the
pasturage of the Nellore District and request-
ing the views of the Collector and the Officiat-
ing Director of Revenue Settlement on certain
points.

No. 2,457.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 23rd April 1864.

Read the following letter from the Collector of Nellore, dated Krishnapatnam, 24th March 1864,
No. 72:—

1. I have the honor to acknowledge the receipt of the Board's Proceedings of the 5th, No. 1,373, and state I shall be happy to supply the information called for in the first five paragraphs, so far as available, should the request conveyed in my letter of the 24th ultimo be acceded to.
2. It is possible to enunciate principles, but not calculate an assessment, and compare the results of different systems, when there is neither survey nor classification.
3. In the 3rd paragraph of their Proceedings under acknowledgment, the Board call for an assessment, that the cultivator shall be able to pay every year *without difficulty*, whatever may be his "actual mode of dealing with, or of using his land." And this, I beg to state, I shall be unable to supply under any circumstances.
4. And it is further only right in respect to other requirements conveyed in the next paragraph, that I should at once similarly state the information called for, is what I am not prepared to furnish under present circumstances. I am thinking of offering a prize for the best essay on "Rotation crops in India," and I shall be happy to submit the information thus obtained for the consideration of the Board. But at present, I could give a few hints on the subject, and as regards inducing the Ryots to adopt views so developed, that the main point, a small knowledge of the principles of political economy is sufficient to show is a question, not of scientific principles but of markets. Probably for a time little progress will be made in the direction of rotation. The price of stock must rise before the mangel wurgel, rape, and turnips, of India come into play. Perhaps it may be otherwise. I hope it may. Only it is to be remembered that stock here does not form an important item of food and arguments founded, *as regards consumption*, on English results must be carefully considered.
5. In the 6th paragraph the Board bring the discussion into narrower limits, and urging that the assessment having been fixed hitherto on the average of the grains in general "consumption," the principle was the same as that advocated by me in regard to rotation. I beg, on the contrary, to observe that herein lies the whole difference. In my opinion, it is the average of *production* that must be specially attended to.
6. Whilst the grounds on which I have given an opinion in respect to the productive powers of the land in this District and the present working of our agricultural cycle, as regards fallows, I further beg to state are simply the information received from the Ryots and Tahsildars, &c. I have no recorded information to go on, and am wholly unable to supply the precise details the Board apparently think me possessed of. Fallows depend not only on the soil, but what is put back into it.
7. In the 8th to the 14th paragraphs, the Board argue against an assessment fixed on the average of production with reference to cost of production and the influences so exerted, which the Board observe is a difficulty that could only be met by a "combination of the Ryots," or a forced rotation. The Board repeat the argument in the 18th paragraph in the A B C shape, and give it as their opinion that it is impossible to keep up the price of each species of produce "to the required standard" by legitimate means, to which I might simply reply, I am very glad of it. We have had enough of coercive measures. But the system does not rest on negative merits. When I demurred to an average founded on consumption being lumped with averages founded on produc-

tion, I by no means lost sight of the part "consumption" must play in all questions like the present. And I beg the Board to consider whether the requirements of man must not be taken into consideration in every question affecting the production or consumption of the fruits of the earth, in which case, more rates must be added to complete the scale.

8. I do not think, if we wished, we could keep up the price of particular products. But I do think, though grain be grown cheaper, it is not likely to become an article of human food, and though we cannot adjust prices, prices will adjust themselves.

9. In one respect, there must always be a weak point in the system I advocate, so long as there is any land unoccupied. A rise in prices, with unoccupied land to be taken up, must form a class of outsiders, and swell the killed and wounded when prices fall. But to suppose that such a class can come into dangerous competition with those who cultivate on sound principles, is to suppose that land is inexhaustible, and agriculture not understood at home.

10. And indeed in paragraph 20 such a view might be held compatible with the language used by the Board. When they talk of "should he (the Ryot) please to leave it fallow," as if leaving his land fallow were a point for the Ryot to *please* himself upon, and not an essential to the return which, he may not be sufficiently well informed to know, is due as much to the time the land was recovering its strength as when the crop was growing.

11. But in the 26th paragraph the Board justly observe that the question at issue is a "light assessment." It is not what the Ryot thinks, or what the market rates may do as regards "mean rates" of assessment, but the necessity for a "light" assessment that has produced this discussion. And I urge the necessity for recognizing fallows and pasture, and rotation of crops, &c., because, otherwise, the results produced by the Settlement Department must be too high. The Board in paragraph 23 refer to the remarks of Government in 1855, and then refer to the orders of the Home Government, issued subsequently, as *opinions I maintain*. I however beg to disclaim such opinions; and if the Board will do me the honor of referring to the correspondence, they will see throughout I have been most careful to distinguish whose opinions or rather orders I referred to. It is these orders that are the cause, I believe, of all the manipulation that goes on in every Settlement Report I have yet seen. It is always a case of taking from this, and taking from that, to manipulate the Trankenstein that is always too much for them. And as it is these orders, and not the orders of this Government two years previously that must be attended to, I drew attention to the mistake that had been made in supposing that land could always be cropped with the standard grain, and the results. If the assessment be light enough, it is immaterial how it were fixed. But it cannot be light enough, and in accordance to the orders from home, unless we acknowledge, *the same land cannot be cropped yearly with the standard grain*.

12. In the preceding paragraphs, I have submitted for the Board's consideration, that, as regards the fruits of the earth, the requirements of the consumer will have a wholesome influence on markets. I have argued that the productive powers of the earth are subject to certain laws, and averages formed on such laws are safe rates of assessment. And as a practical illustration that remissions are not necessary, I beg to refer to the state of this District in which I have never given a rupee of remission either for fallow or pasture, and at the end of five years, have no arrears and a steadily rising area of occupation.

13. The Board leave it with me to show the fairness of charging the same rate for land whether in tillage or not. I reply, it is fairer all should share in the land on which no payment is made, than the few who hold it on Puttah. And in conclusion, I have to express my regret that the Jamabandi has prevented my taking up before the Proceedings under acknowledgment, and state I have applied direct to Government, in continuation of my letter of the 24th February, submitted with the Board's Proceedings of the 7th instant, No. 1,429, to enable me to supply the information called for.

1. The Board requested Mr. Dykes to put his scheme into the form of a statement as the most simple way of exhibiting its details. It is in his power to explain at once on what particular kinds of produce he would base the revised assessment (for dry lands), and into what classes and sorts he would divide the land; but with regard to valuations he may assign any that general information leads him to think will be approximately correct. The case will be merely hypothetical, though, if the statement be prepared in the detailed manner indicated in the first five paragraphs of the Board's Proceedings, it will serve clearly to show the principles on which he desires to work out his plan for assessing the land to the Land tax.

2. With regard to paragraph 3, if it is not in his power to commute the Government share into a fixed charge on the land, so that the cultivator shall be able to pay the assessment without difficulty whatever may be the crop grown, &c., it is at all events in his power to explain how far his scheme is calculated to further this object, and so to obviate the defects which, according to his views, attend any attempt to form the rates on standard grain valuations.

3. With regard to paragraph 4, he can report whether the people in his District are now in the habit of cultivating crops in rotation; and if so, what crops, and with what alleged object, though he may not be prepared to give himself more than a few hints as to the actual effect which such rotations really have. He can also reply to the last two points of paragraph 4 in the Board's Proceedings, and can give the information required in paragraph 5.

4. The Board do not understand how the Ryots are to be instructed as to sound systems of rotation by their looking at the markets.*

* Paragraph 4.

Sound principles on this subject must be learnt from those who study agriculture as a branch of scientific knowledge, and in this country, as in any other, the people need instruction if their practice and right principles are ever to be brought into unison with each other.

5. In paragraph 5, Mr. Dykes has misrepresented the Board's remarks. The Board remarked that the "object" was the same, not the principle. In both cases it was assumed that the Ryots would be better able to pay, &c. But Mr. Dykes advocates taking other crops, dry crops and green crops united, on a principle which was not considered when the Settlement Department attempted to form an average rate on different kinds of grain. In both cases, however, the rates consist of a portion of the produce, though not in both cases of the same kinds of produce. It is also obvious that every kind of produce whether dry or green, is grown for *consumption*.

6. With regard to Mr. Dykes's remarks in paragraphs 7 and 8, the Board observed that in the paragraphs he refers to, they pointed out a difficulty in the way of a certain supposed scheme of assessment. He can scarcely imagine that he has met this point by expressing his satisfaction that prices cannot be kept up by artificial means. If he is of opinion that the question raised by the Board in regard to prices would not affect his scheme, he should state so, and the reasons why. His meaning in the concluding parts of paragraphs 7, 8 and 9 should be more clearly expressed.

7. With reference to his concluding remark in paragraph 10, the Board will reiterate the request which they made at the end of paragraph 7 of their former Proceedings, when adverting to the remark made by Government as to "the use of manure, and a judicious rotation of crops, rendering fallows a rare necessity."

8. Mr. Dykes in paragraph 11 has erroneously ascribed to the Board a remark that they did not make. The questions really at issue are in what way Mr. Dykes intends to assess the

† Paragraph 9.

land so as to make the assessment answer his views; how the system he advocates† can be carried out; how the land used as pasture ought to be assessed so as to admit of a man's holding being "self-contained," and so on. There is no question as to the abstract fact that low rates of taxation are better than high rates. Mr. Dykes has to explain how each class of land may be

rated so that the assessment shall be light, and at the same time shall be equably distributed over the country, the people having as just a claim to low rates being equably distributed as high rates. The Board do not see that the general principles to which Mr. Dykes refers in paragraph 12, help him out in answering these questions, nor do they consider that his remark in the last paragraph of his letter, as to its being fairer "that all should share in the land on which no payment is made," is an answer to the question whether it is fair to charge persons for *occupied* land when not under tillage, the same rate as they are charged with when the land is under tillage. His views on this subject were sought specially with reference to the statement made in one of his letters, that it has been the practice to remit for fallows, "the Ryots being unable to pay for such land the rates applicable to grain crops." The question therefore is what rates will they be able to pay when land is lying fallow? He is incorrect in stating (paragraph 11) that the Board referred to the Orders of the Home Government as "opinions" maintained by Mr. Dykes. Nothing of the kind is to be found in paragraphs 23 or 24, or in any other part of the Board's Proceedings.

9. These remarks on Mr. Dykes's letter will serve to show how loosely he has replied to the several questions put to him by the Board expressly for the purpose of eliciting from him, in clear detail, the precise nature of the scheme which he advocates, and how desirable it is that he should exhibit this scheme in a figured statement. He is therefore again requested to prepare a statement in the form described.

10. Mr. Dykes will be so good as to make in his statement an allowance for cultivation expenses, and will consider that the Government share in net results should be 50 per cent.

11. Resolved that a copy of these Proceedings be submitted to Government, with reference to the last paragraph of Mr. Dykes's letter, with copy of the Board's Proceedings dated 5th March 1864, No. 1,373.

(A true Copy and Extract.)

(Signed) W. HUDLESTON,
Secretary.

To J. W. B. Dykes, Esq., Collector of Nellore.

Copy to J. D. Sim, Esq., Secretary to Government, R. D.,

with copy of Board's Proceedings dated 5th March 1864, No. 1,373.

to R. E. Master, Esq., Officiating Director of Revenue Settlement.

Exd. J. Wright.

Remarking on Mr Dykes's letter replying to the several questions put regarding the revised assessment and the proper allowance to be made for pasturage, &c., and calling for further information.

No. 2,457.

Dated 23rd April 1864.

PROCEEDINGS OF THE BOARD OF REVENUE.

No.

1864. Department.

Recd. 4/14/65.
1864. 27. 9. 57.
J. D. Sim Esq. Secy to Govt. R. D.
1864. 27. 9. 57.

No. 3,235.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 27th May 1864.

Read the following letter from the Collector of Nellore, dated Krishnapatnam, 9th May 1864, No. 125 :—

1. I have the honor to acknowledge the receipt of the Board's Proceedings of the 23rd ultimo, No. 2,457, and request I may be furnished with the forms referred to in paragraph 3 of their Proceedings of the 5th March, No. 1,373.

2. I have no official information as to the "classes" (I presume) of land in this District, or their "distinctive features," nor of the "products," or the "gross produce;" but as the case is to be "hypothetical,"* this does not matter; and, as the Board observe, it will exhibit the precise nature of the scheme I advocate.

* Paragraph 1.

3. There have been some mistakes either in the fair copying or printing of my letter of the 24th March, No. 72; and I beg the Board will be pleased to return it to me to see, whether the mistakes were made in the fair copying. As regards however these mistakes, and the explanations so tendered necessary, it will perhaps be better, I should defer the latter till I reply in detail to the Proceedings under acknowledgment.

4. And to enable me to make this reply "precise" in all respects, I beg the Board will do me the favor of furnishing me with a figured statement of the effect, the Board consider likely to be produced on my scheme by prices.† The Board have shown the working of the scheme in equilibrium. I beg they will show it similarly when disturbed; and I shall have much pleasure in submitting in detail for their consideration such explanation as may be in my power.

† Paragraph 6.

1. As the most convenient mode of supplying Mr. Dykes with the required forms, the Board send him a copy of the late Mr. F. W. Morris's report to the Officiating Director of Revenue Settlement, dated the 4th July 1863, submitting proposals for the revenue settlement of the four Taluks of Kurnool proper. Mr. Dykes will find forms suited to his purpose in the appendix to the report, and a description of the several soils represented by the Roman numerals in Statement Q 1 in Mr. Newill's "Notes on Soils," a copy of which the Board believe is on Mr. Dykes's records.

2. With regard to paragraph 2 of Mr. Dykes's letter, the Board hope that Mr. Dykes is prepared to explain in detail how he desires to classify the land,* and to specify the particular products on which he would base the assessment. They look for positive information from him on these points, though his valuations and prices can be only approximately correct.

3. The Board direct that the original of his letter, dated the 24th March 1864, No. 72, be returned as he requests.

4. With regard to paragraph 4, the Board observe that Mr. Dykes's scheme must be laid before them to admit of their discussing its details. It is for Mr. Dykes to explain, in the first instance, the precise nature of his scheme, and to show that his plans are feasible.

(A true Copy and Extract.)

(Signed) W. HUDLESTON,
Secretary.

To J. W. B. Dykes, Esq., Collector of Nellore,
with copy of Mr. Morris's report on the Kurnool Settlement,
and Original of Collectors letter dated 24th March 1864, No. 72.

Exd. J. Wright.

Rev. Dept.

W-717.

21

Proceedings of the Madras Government
Under date the 3^d Apr. 1865.

Read the following
Pro. of the Bd. of Rev.

Submitting Pro's ob-
servations on letter from the Collr.
of Vellore explaining the precise
nature of his scheme for the clas-
sification and asst. of land. -

(Here enter 17th Feb. 1865
N. 951)

The Gov. in Coun-
cil has carefully pe-
rused the voluminous
correspondence above re-
corded, and must ex-
press his regret that
the discussion between the
Bd. and the Collr. has
been of such a pha-
nomic as to be of little
practical use. In desir-
ing the Bd. to take cer-
tain questions, which
Mr.

[Handwritten signatures]

Entered in the Rev. Dept.
Office on the 11th May 1865
N. 951

1864. Department.

Rev. 474/65

No.
PROCEEDINGS OF THE BOARD OF REVENUE,

Dated 27th May 1865.

No. 3,235.

Forwarding a copy of Mr. F. W. Morris's
proposals for the Revenue Settlement of the four
Talukhs of Kurnool proper as the most conveni-
ent mode of supplying the forms required by
Mr. Dykes for exhibiting his scheme for revis-
ing the assessment.

to be ad-
er

Mr. Dykes had raised, into consideration, the Govt. did not intend that general principles, long since considered and settled, should be again discussed, while the "detailed information", without which they had declared themselves unable to pass general orders, should be entirely omitted. The Govt. are in fact in much the same position now as when their order of the 8th Jan^y 1864 was issued.

The Bd. in the 62^d para of their final proceedings submit as the main question to be decided the proposition "Whether the land ought to be valued

by the produce grown on it for a series of years, or by a single year's crop". The Govt. presume from the context that the Bd. do not mean to ask whether the settlement operations are to be continued for a series of years in order to ascertain the produce of each of that series, but whether a series of crops and such of allows as may be necessary are to be taken into account. The question will be found answered in para 2 of the order of Govt. of 24th Nov^r 1863 No 2118. where they pointed out to Mr. Dykes that the principle he advocated of computing the

the ~~asset~~ on a series of crops was already followed - adding that "a fair allowance, varying according to the peculiar circumstances of each District being made, as is now done, for fallows and rotation of crops," the Govt. could not go into such minute and detailed operations as Mr. Dykes suggested. In para 9 of their order of 12th Dec^r, 1864 ~~and~~ No. 2243, the Govt. ^{declare} ~~presume~~ ~~that~~ that "in ascertaining the gross produce, the grains usually grown on the particular soil will alone be taken into account and careful experiments must be made to ascertain their

their average yield in an average season. . . . where several crops are grown on the same soil, the average yield of each must be ascertained" and from the total, "a deduction, varying according to local circumstances, must be made for fallow as well as contingencies of seasons". The only point to be settled - viz what allowance should be made in Kellore, remains as it was before this discussion commenced - Mr. Dykes is unable to say what are the "rotation crops" of the District - he thinks the

the value of land in grass
equal to one-fourth of its
value in grain - and declare
that a bare fallow every
fourth year is absolutely
necessary. These however
are merely his own per-
sonal opinions - unsup-
ported by any evidence
whatever. Mr. Dykes
must bear in mind that
if, on the rust side of
the account, a system of
agriculture not likely to
be adopted for years to
come is to be provided
for, the Govt side of the
account must receive
credit for the largely
enhanced produce
resulting from high
culture. The basis
of the aset must be

a fair average of the
yield of average years
under fair husbandry.
Mr. Dykes should lose
no time in collecting the
necessary data. —

The question of
fallow has been al-
ready settled in the or-
ders above quoted, as
well as in para 3 of
the first order. The
aset being an average,
the rust cannot with jus-
tice complain of having to
pay when he lays his
land fallow - that ne-
cessity having been pro-
vided for in the aset.
The system of remitting
for fallow cannot be
permitted - if it were,
Govt would have to
prescribe how often
land should be
left

left fallow, and the mil-
lary officers would have
great scope for interfer-
ence, partiality and fraud.
A fixed asset has the
further advantage of
teaching the peasant to look
beyond the current year
and provide from the
gains of the present for
the contingencies and ob-
ligations of the future.

There are some other
questions raised in the cor-
respondence which the
Govt must also notice.

The Govt wholly
disapprove of the pro-
posal to deduct the
same uniform amount
for expenses of cultiva-
tion on all descriptions
of land. The B. then
shows so completely
prove the ineapidity
of

of this course, that the
Govt are surprised
at them ⁱⁿ for a moment
entertaining it. Such a
course would entirely
frustrate the object of
the Home Govt in de-
ciding on having the net
asset on the net instead
of the gross produce.
The Coll^r can have
no difficulty in ascer-
taining the cost of the
various operations, as
prescribed in para 11
of G.O. 12th Dec^r last.

Mr Dyker's illu-
strations of classifica-
tion are not very clear,
and he was not, at the
time he wrote in posses-
sion of the order of
Govt of 12th Dec^r 64.
The Govt are in favor
of simplicity of classi-
fication - but this
is sufficient.

simplicity must be arrived at by careful examination of the soils prevailing in the district. In hypothetically applying the Burnool classification, Mr. Dykes appears to have simply merged the classes having equal rates. The remarks in para 38 of the B^d proceedings on this subject are quite correct.

The Govt. cannot approve of the Collector's proposal to assess the unoccupied waste in blocks of from 200 to 500 acres and refusing to allow the land to be taken up in smaller allotments. A reference to the pent poll shows that such blocks would be far beyond the means of the people - the necessary

1. ^{necessary} consequence would be that the land would be left waste or taken up on joint tenure. Large blocks will not produce large proprietors any more than large estates will produce large men. The present system must be adhered to.

To the Board of Agriculture
1. The Collector, Nellore.
12. The Dykes, Dykes & Co.

42
4

Revenue 1855 Dep^d
Proof for April

Proc. No. 29

14-8-1855

315-316

24-11-63

120-127

12-12-64

57-58

8-1-64

C. No. 1104 of 64

No 717

Proceeding of the Madras Govt

23 April 1855

Kalsh

Official Memo from the
Secy to the Board of Revenue
of 25 May 1866 A 1517

Passing orders on the
subject of Classification
and Assessment of land
in Kallow.

12-18

29 March 65 R31