

Rev- 1871. Depart
Board of Revenue,
MADRAS. 857

PROCEEDINGS, 9TH MARCH 1871, No. 1,043.

Desp^d 15 March 1871 Encl.

Received 16th.

MARCH.
No. 1,043.

Refund of assessment,—amounting to Rupees 145-10-5, collected in excess for fuslies 1277 and 1278, from a ryot of Kotakonda in Sirwell Taluk, Kurnool District.—Collector's application for, submitted for sanction of Government.

Proceedings of the Madras Government, Revenue Department,
21st March 1871.

No. 296. Read the following Proceedings of the Board of Revenue, dated 30th November 1870, No. 6,890:—

Read the following replies of Collectors to Board's Proceedings, dated 7th July 1870, No. 4,726.

From the Ag. Collector of Ganjam,	dated 17th Aug. 1870, No. 1,131.
" " Vizagapatam,	" 6th " " " 615.
" Acting Sub-Collector in charge of the Godavery District,	" 6th " " " 232.
" Offg. Collector of the Kistna Dist.	" 31st " " " 3,929.
" " Sub-Collector in charge of revenue,	" 29th Sept. " " " 2,655.
" Acting Collector of Bellary,	" 11th Nov. " " " 401.
" " Kurnool,	" 27th July " " " 247.
" " " "	" 23rd Aug. " " " 275.
" " " "	" 29th " " " 342.
" " " "	" 20th Sept. " " " 317.
" Acting " Chingleput,	" 29th " " " 411.
" " " North Arcot,	" 18th Oct. " " " 454.
" " " South Arcot,	" 27th Aug. " " " 222.
" " " Tanjore,	" 3rd " " " 256.
" " " Trichinopoly,	" 17th Nov. " " " 263.
" " " Madura,	" 14th Oct. " " " 301.
" " " Tinnevely,	" 26th Sept. " " " 468.
" " " Salem,	" 14th Oct. " " " 194.
" " " South Canara,	" 14th Nov. " " " 1,470.
" " " Malabar,	" 6th Oct. " " " 343.
" Commissioner of the Neilgherries,	" 22nd July " " " 102.

THESE reports on the proposal that Government should grant advances for Permanent Improvements on a system regulated by law will be submitted to Government, with reference to Government Order, 3rd October 1870, No. 16.

2. It is impossible to doubt that the principle of this measure is sound and enlightened. Proofs of its efficacy are numerous in the nations of Europe. It is unnecessary to call attention to the vast amount of good which has been done in this way in Ireland and the Highlands of Scotland, but it may be of use to show what has been done in foreign countries. In Prussia, for instance, the system of granting loans for public improvements is vigorously worked. It is thus adverted

to in a report by Mr. Harris Gastrell, dated the 27th October 1869: "Finally, it must be noticed that during the later period of this legislation, the State has

"adopted the principle of giving aid by advances to works of improvement. It has "thus expended in the 17 years from 1850 to 1867 about £500,000 sterling. The "greater portion (£37,000) of this has been provided by annual votes during the 17 "years, varying from £7,500 to £30,000 to a fund at the disposal of the ministry "for agriculture for Land Improvements. Since 1853 the re-payment of such

"advances has been handed over to a section of the treasury charged with the management of a Fund of Re-payments for Land Improvements. From this Fund loans are again made, and in this manner some £30,000 have been advanced.

"In Prussia, as elsewhere, the State now seems to have wisely resolved to help those who help themselves, but it also compels them in some cases to help themselves. Instead of carrying out large undertakings, it now seeks to quicken the activity of the individual, to give him every facility, and to assure him of pecuniary assistance by means of advances. It also seeks to give to works of Land Improvements the best possible credit. Hence, for instance, the creditors of such a work have a claim prior to mortgages upon the benefited lands. Another facility is the power to the associations to issue a fixed maximum of debentures to bearer with a fixed rate of interest and a plan for a sinking fund. At first a State guarantee was added, but is no longer required. The State loans are usually at 3 per cent. interest and 2 per cent. sinking fund with a free period of three or five years. The State also usually provides the cost of the preliminary surveys and plans. When the undertaking is very large, and embraces many districts, Administrative Commissioners are appointed to superintend the carrying out of the scheme."

3. In France it is complained that the facilities for obtaining loans for agricultural improvements are insufficient. Page 64.

"Crédit Agricole" takes its place to a certain extent. In Saxo Coburg Gotha Government does not interfere, but the loans can be obtained from the Government Fund which furnishes money to an hypothecator. The conditions exact that the property shall be worth twice as much as the amount of loan; also that independent of the interest, a certain sum be paid towards the gradual diminution of the debts." In Holland there are four or five Crédit Foncier Companies "whose special object it is to advance loans on mortgages of real property." In Portugal "special facilities for raising loans upon all landed property are afforded by a public Company sanctioned by, and enjoying special privileges from, Government." In most European countries there are Local Associations which aid the agricultural population. Page 14.
Page 208.
Page 168.

4. Even in this Presidency one of the earliest regulations provided for Regulation I. of 1803, Section 51.

a portion of its revenue. In practice, the concession was generally abused, and the loans were granted with a view to temporary necessities; but the older records contain evidence of large advances for useful works, such as embankments, the reclamation of jungle-lands, and the repair of buildings, and the Board believe that failure to repay in such cases was very rare.

5. It remains to discuss the question whether there is anything in the present circumstances of the Presidency which militates against the introduction

of the measure. The majority of the Collectors are opposed to it, and the Board will now proceed to examine their arguments.

6. The objections are—first, that such a system is unnecessary; second, that it would be impossible to administer it; third, that it would be impolitic to introduce it; and fourth, that it would be unremunerative to Government.

7. I.—With regard to the necessity for State advances, it is urged that the country being now secure and prosperous, and roads and bridges in existence, money which was formerly hoarded is kept ready for expenditure or for loans; that the large landholders have capital. He will spend it on permanent improvements; and that the rules now in force, allowing Cowles for the reclamation of waste, indulgence to planters of topes, and favourable terms to those who dig wells and restore ruined tanks, are sufficient for the encouragement of permanent improvements.

8. The Board are of opinion that there is ample evidence that ryots have not sufficient money to execute improvements which they would otherwise eagerly undertake. Those amongst them who are wise hesitate long before they go to money-lenders and execute a mortgage to them, because it is perfectly well known that Sowcars are hard creditors, always in wait to prevent their debtors from escaping from their clutches, and to obtain land on favourable terms by foreclosing mortgages. The Board believe there is no country in the world where the agrarian population has a stronger claim on the State, or where State advances would be more welcome. The class of Zemindars who are supposed by some Collectors to have abundant capital are known to be for the most part in embarrassed circumstances. The Cowle, Tope, and Tank Rules, are useful in their way, but they are not meant to supply the want of money, and never can do so. No one doubts that if money were available, new wells and tanks would spring up all over the country, the swamps in Godavery and Kistna would be drained, village sites now exposed to annual inundations in delta districts would be protected, villages which are over-grown with jungle like those which border on the Nulla-malais would be reclaimed, and large tracts of waste in many districts would be cleared and cultivated. Whilst these improvements are still to be made, it cannot be justly contended that there is no room for State advances.

9. II.—The second argument turns on the possibility of working a system of Government advances. It is said that the holdings in ryotwary districts are so small, so many of the ryots are little better than day-labourers, and so much of the dry land is almost unsaleable, that it would be impossible in many cases and dangerous in most to lend money. The security which can be obtained will, it is thought, be almost always insufficient. Petty ryots will apply for advances in thousands, and it will be absolutely impossible for the Revenue Establishment to cope with the new, strange, and onerous duties which will be thus imposed upon them. It will be difficult, too, to arrange for co-operation amongst the numerous petty landholders who would be affected by any really important work. With regard to Zemindaries, it is pointed out that Act VIII. of 1865 (Madras), as recently interpreted by the High Court, prevents their introducing improvements, because it forbids Zemindars from raising the rent of the ryots whose condition is ameliorated thereby.

*Proceedings of the Madras Government, Revenue Department,
21st March 1871.*

10. In answer to this, as far as regards ryotwary tracts, the Board observe that advances are never to be given unless the security is good. This is a *sine qua non*, and it excludes cases where the holdings are too small, or the land is unsaleable. If, as is expected by some, the poorer landholders apply for advances, most of the applications will be inadmissible on the face of them. The Board do not anticipate that the work thrown on the Revenue Department in investigating admissible applications will be extraordinarily great; but even if it is, the exertion will be warranted by the vast benefit to the community which will result from it.

11. Co-operation can be secured by law, and the Board consider that in any enactment which may be passed on this subject, power should be given for a large majority of ryots, desiring a work which will do common good to all, to coerce a small minority, so far that the expenditure shall be distributed ratably amongst all those benefited by it.

12. The Board have already addressed Government with regard to the recent ruling of the High Court, on Section 11, Madras Act VIII. of 1865. If necessary, the law must be amended.

13. III.—It is urged that it would be impolitic to make advances to ryots, inasmuch as it would re-introduce the evils of the old Tuccavy system, making the ryots who are now slowly acquiring independence again dependant on Government, and offering the temptation of illicit gain to public servants.

14. There is (as has been pointed out by the Governor-General in Council) so radical a distinction between the system now advocated and the old Tuccavy, that it is unfortunate the same word has been applied to both. "Tuccavy" in this Presidency was an advance made to needy ryots to enable them to cultivate land. It was doled out in innumerable dribblets through poorly paid officers who no doubt made deductions on their own account, and it was repaid in the same season, leaving the ryot no better off than he was at first. By the new system, money will be advanced only to the higher class of landholders under rules which will make it certain that the ryots' resources will be improved. The money will be paid to the ryot direct from the Government treasuries, and will not pass through the hands of Revenue Inspectors, Curnums, and Peons. Under careful administration, there need be no fear that corruption will be fostered. Experience in other countries, and the teaching of political economy makes it certain that the result of such a system will be to raise the condition of the recipients of the loans, and increase their independence.

15. IV.—Lastly, it is urged that all expenditure in this direction will be comparatively unremunerative. The improvement will not be undertaken, unless it is understood that assessment is not to be raised in consequence. The Inams, Shrotriems, and Zemindaries, where advances will be most useful, pay only a fixed quit-rent. It is suggested that the money might be better spent by Government on Government works.

16. In reply to this, the Board would urge that the Government of India do not make it an essential or even an important part of their scheme that the land-revenue should be increased. A general improvement in the condition of the people and in the value of property must be the reward anticipated by Statesmen here as

moreover, a very high rate of interest may be charged to make the expenditure directly though not highly remunerative.

17. It seems to the Board unquestionable that money advanced under this system will be spent more economically and more remuneratively, at least as far as regards the public wealth, than money spent by Government in the Department of Public Works. Loans will not be sought by the description of men to whom they will be granted without careful consideration, and, when obtained, will be spent under the private management of those on whom the whole loss or gain will fall. It is a necessary evil that money expended by officers whose immediate interest in the work is simply professional should be spent extravagantly.

18. After fully considering the objections which have been urged, the Board remain convinced that there is nothing in the circumstances of this Presidency to make a system of State advances for permanent improvements either unnecessary or impossible. Its usefulness will be limited, and the difficulty of applying it will be increased very materially by the fact that so large a number of petty landholders will be unable to proffer good security; but in the cases where it can be worked, it will be as beneficial here as it has proved to be elsewhere.

19. Any enactment which may be introduced on the subject should be couched in terms as general as possible. The circumstances of different parts of India differ greatly, and any general restriction might impede the usefulness of the measure in exceptionally situated provinces. Even the stipulation proposed by the Government of India that "the proposed improvement must increase the annual value of the land in which the improvement is made to an amount exceeding the sum to be charged annually for the re-payment of the advance," would stop loans for protecting village-sites from inundation in delta, or for fencing villages and fields exposed to the ravages of wild beasts. It may possibly be advisable to grant loans for wells in the Ceded districts where they are comparatively important improvements, but not in districts like Madura, where they cost little, and must be a venture which may or may not succeed. It may be advisable here and there to grant loans for such works as roads and bridges which are not included in the scheme sketched by the Government of India.

20. It will probably be sufficient if the law affirms the principle, and provides for the formation of a Loan Fund, the enforcement of co-operation where necessary, the appointment of Local Commissioners authorized to make rules for the administration of the fund, and the priority of the State with reference to other creditors.

21. The First Member is not a party to these proceedings, and has recorded separate Minutes on the subject.

No. 296A. Proceedings of the Board of Revenue, dated 15th December 1870, No. 7,142.

Read the following letter from the Acting Collector of Coimbatore, to the Acting Secretary to the Board of Revenue, dated 3rd December 1870; No. 333.

I beg to apologize for having delayed replying to the Board's Proceedings, dated 7th July last, No. 4,726.

2. The advantages resulting from loans made to agriculturists on the security of their lands for effecting permanent improvements have been practically

demonstrated in this district. About fifteen years ago about Rs. 15,000 were, under the sanction of Government, made to the ryots for the purpose of digging wells, which amount was fully repaid in about two years. These wells stood the people in good stead during the past years of scarcity, and I should like to see their number multiplied. Every ryot would have one or more wells on his holding if he could afford the first outlay, but this in many cases the small proprietors cannot. There is not the least doubt that the system proposed by the Government of India would be regarded as a great boon by the poorer class of agriculturists, and that the results would be alike advantageous to private and public interests, which in this Presidency, so far as the produce of the soil is concerned, are so closely connected, is equally certain.

3. I may here mention that since the people of this district have been exempted from extra taxation on improvements carried out by means of private capital, no less than 5,400 new wells have been sunk. Say that on an average each cost Rs. 150; this represents an investment of private capital to the extent of Rs. 8,10,000.

SUBMITTED to Government in continuation of Board's Proceedings, dated 30th November 1870, No. 6,890.

No. 297.

ORDER THEREON, 21st March 1871, No. 505.

Land Revenue.

THE Government having already expressed at length an opinion adverse to the proposed measure in their letter to the Government of India, dated 2nd November 1870, copy of which will now be furnished to the Board for their information, and seeing no reason to change that opinion, the further papers on the subject submitted by the Board will be recorded.

(True Extract.)

(Signed)

W. HUDLESTON,

Secretary to Government.

To the Board of Revenue, with letter No. 1687.

Ed. F. R. Bantleman.

W.S.S.

Rev. Sept

Proceedings of the Madras Govt
Under date the 21st March 1871.

Read the following
Res. of the Bd of Revenue

Submitting with previous reports
from Collectors on proposal
that Govt should grant advances
for works of agricultural
improvement.

M. 8. 30 Nov: 1870 & 6090.

Submitting report of Collectors
on proposed grant of advances
to proprietors of land for
construction of permanent
works of agricultural im-
provement.

" 15th Dec: 1870 & 4422.

The Govt having
already expressed at
length an opinion
adverse to the proposed
measure in their letter
to the Govt of India
dated 2nd Nov: 1870, copy

J. O. S. N.
H/A

on 19 Oct 1869-71
16th Dec
17-18
14-75

Received Department

M. 8. 30 Nov

1870.

Board of Revenue,

MADRAS.

PROCEEDINGS, 30TH NOVEMBER 1870, No. 6,890.

Dec 12-5 Dec 170

Encl. 1

Received

Set as at 1871

NOVEMBER.

No. 6,890.

Works of Agricultural Improvement.—
Reports from Collectors on proposal that Go-
vernment should grant advances for—, submit-
ed to Government with remarks.

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W.S.S.

Rev. Sept

Proceedings of the Madras Govt
Under date the 21st March 1871.

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M.E. 30 Nov: 1870, 46090.

Submitting report of Collectors
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on 19 Oct 1869-71
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Board of Revenue,

MADRAS.

PROCEEDINGS, 30TH NOVEMBER 1870, No. 6,890.

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No. 6,890.

Works of Agricultural Improvement.—
Reports from Collectors on proposal that Go-
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of which will now
be furnished to the
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further papers on
the subject submitted
by the Board will
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and seeing no
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14. To the Board of Civil War Letters No 1687
Sept 22

Sept 22

Advance & Land
proprietors for con-
struction of glass
cultural parks -

Read th ~~from the Collector of Madura to the Acting Secretary~~

6. Out of the road cess referred to in paragraph 5, I beg to state that no money has been as yet spent on the road.

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Advance to land
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Proceedings of the Madras Government, Revenue Department,
21st March 1871.

No. 298. Read the following Proceedings of the Board of Revenue, dated
6th February 1871, No. 564:—

Read th from the Collector of Madura to the Acting Secretary

Table with 2 columns and 4 rows, partially cut off.

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6. Out of the road cess referred to in p...
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*Advance & Co.
Proprietors for
Construction &c.
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Govt. of 1871 Madras.
REVENUE.

THE BOARD OF REVENUE.

Dated March 21st.

G. O. 21st March 1871, No. 505.

MARCH.
Nos. 296-297.

Works of agricultural improvement.
Proceedings Board of Revenue on the proposal to
grant advances in connection with them, recorded.

Proceedings of the Madras Government, Revenue Department,
21st March 1871.

No. 298. Read the following Proceedings of the Board of Revenue, dated
6th February 1871, No. 564:—

Read th from the Collector of Madura, to the Acting Secretary
dated 20 December 1870, No. 368.

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REVENUE.

THE BOARD OF REVENUE.

Dated March 21st.

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21st March 1871