M.R.O. 14—13,000—27-9-24.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 2687 Press ~~Mis.~~

232-233

Dated 13 — 11 — ~~19~~ 1867

Not to be folded or roughly handled

No. 232. Read the following Proceedings of the Board of Revenue, dated 5th November 1867, No. 7,222.

Read the following papers:—

From the Acting Collector of Vizagapatam, to the Secretary to the Board of Revenue, dated 4th September 1867, No. 664.

1. In his Settlement Report for Fusly 1275, Mr. Carmichael, in reviewing the management of Palcondah and Honjaram by the renters of those estates, contrasted the favorable results thereof with our own management of the Government estates of Golgondah and Sarvasiddhi, in which a remission of Rupees 45,000 was given in the year under review, and concluded by saying that it would be well if we could get some such respectable capitalists as Messrs. Arbuthnot & Co. to take up Sarvasidhi and Golgondah as well.

2. With what favor this recommendation was received by superior authority has not been communicated to this Office, but it has no doubt got abroad, for I have within the last week received an application, (herewith enclosed,) from Mr. W. Arbuthnot, senior partner of the firm of Messrs. Arbuthnot & Co., offering to rent the talooks for a term of ten years, at a rental of Rupees 1,52,000.

3. The object and intentions of the renter are succinctly given in his second paragraph; these, if carried out, will beyond doubt be materially beneficial to the ryots of those talooks in particular, and the district in general.

4. For myself, I have no objection to the scheme of encouraging European capitalists to embark in undertakings of this kind, and which I should be glad to see more universally adopted. The good services of Messrs. Arbuthnot & Co. in Palcondah, as set forth in paragraphs 3 and 5, are fully borne out by the records of this Office.

5. I beg to annex a statement of the collections, charges, and net revenue of these estates for the last ten years:—

Number.	Fusly.	Collections, Land Revenue, and other sources.	Charges.				Net Revenue.
			Talook Establishment.	Saderwarid.	Contingent.	Total.	
		Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
1	1267... ...	1,80,152 10 10	11,076 0 0	324 0 0	64 3 10	11,464 3 10	1,68,688 7 0
2	1268... ...	1,86,845 13 4	11,076 0 0	324 0 0	51 4 7	11,451 4 7	1,75,394 8 9
3	1269... ...	1,93,940 0 11	11,580 0 0	324 0 0	95 6 4	11,999 6 4	1,81,940 10 7
4	1270... ...	1,86,389 0 11	11,460 0 0	324 0 0	150 13 1	11,934 13 1	1,74,454 3 10
5	1271... ...	1,98,159 1 3	11,460 0 0	324 0 0	17 0 6	11,801 0 6	1,86,658 0 9
6	1272... ...	1,97,397 0 4	6,168 0 0	324 0 0	20 14 2	6,512 14 2	1,90,884 2 2
7	1273... ...	2,05,0 8 7 1	6,420 0 0	324 0 0	56 11 8	6,800 11 8	1,98,227 11 5
8	1274... ...	1,91,331 6 10	7,872 0 0	456 0 0	54 15 0	8,382 15 0	1,82,948 7 10
9	1275... ...	1,87,796 14 3	7,872 0 0	456 0 0	69 4 8	8,397 4 8	1,79,399 9 7
10	1276... ...	2,16,911 4 7	11,424 0 0	456 4 0	101 6 2	11,981 6 2	2,04,929 14 5
	Total...	19,44,251 12 4	96,408 0 0	3,636 0 0	682 0 0	1,00,726 0 0	18,43,525 12 4
	Average ..	1,94,425 2 10	9,640 12 10	363 9 7	68 3 2	10,072 9 7	1,84,352 0 3

6. From the foregoing it will be observed that the average collections during the ten years is Rupees 1,94,425, or Rupees 4,425 more than Mr. Arbuthnot makes it. Deducting the average charges, the net revenue is Rupees 1,84,352.

7. This of course does not include the Maramut charges which may be taken at Rupees 10,000 a year. This is exclusive of Rupees 2,952, the charge for a Supervisor's establishment in charge of the talook, which I suppose we should still retain, as we do in other ranges of the district, to look after road-making, &c.

8. Referring to paragraphs 7 and 8 of Mr. Arbuthnot's letter, I beg to annex a statement shewing the per-centage allowed at the Permanent Settlement to the proprietors of the lands now comprising these talooks:—

Zemindary and Proprietary estates.	Per-centage.	Talook in which now included.
Zemindary.		
1. Golgondah...	30	Golgondah.
Proprietary Estates.		
2. Velampudi	10	Golgondah.
3. Kottakota	10	Golgondah.
1. Sarvasiddhi	20	Sarvasiddhi.
2. Rayavaram	15	Sarvasiddhi.
3. Rajala...	12	Sarvasiddhi.
4. Kondakirla	12	Sarvasiddhi.
5. Kothur	12	Sarvasiddhi.
6. Velchuru Koduru	12	Sarvasiddhi.
7. Dimila	20	Sarvasiddhi.
Average...	22½ths.	or 2½ths more than Mr. Arbuthnot asks.

9. If the leasing be approved of, I see no objection to letting it run for ten years; but I do object to the saving clause in paragraph 10 of Mr. Arbuthnot's letter, namely, to give up the rent after six months' notice.

10. There is no such condition in the Palcondah lease, and I cannot see what use or object there can be in having it in this.

11. Referring to paragraph 13 of Mr. Arbuthnot's letter, I would observe that I am not willing to do away with the services of the Principal or Head Assistant in case of the rent being granted. I would still continue the services of a European Officer in that division, in the same way as Major Grove is employed in the northern section of this district in Magisterial, Civil, and Summary work.

From W. ARBUTHNOT, Esq., to the Acting Collector of Vizagapatam, dated Madras, 21st August 1867.

1. I have the honor to request that you will be good enough to communicate to the Right Honorable the Governor in Council an offer on my part to rent the talooks of Golgondah and Sarvasiddhi, situated in the Vizagapatam District.

2. I make this application under the impression that Government are disposed to view with favor the settlement in the interior of Englishmen of credit and character, who are likely to develope the commercial resources of the country, by a judicious outlay of capital, and to infuse, in some degree, into the Native population, European energy, enterprize, and principle.

3. The neighbouring talook of Palcondah has for a long period been rented by Messrs. Arbuthnot & Co., and it is gratifying to me, as a member of that firm, to be able to submit a copy of a letter written by the late Collector of the district, Mr. Carmichael, to Mr. Mackie, Messrs. Arbuthnot & Co 's representative, expressing his entire satisfaction with the manner in which the affairs of the talook have been administered during the five years of his Collectorate.

4. I feel at liberty to mention (though I have not got it in writing) that Major Grove, the Officer vested with Magisterial authority in those parts, will also testify to the contentment and prosperity of the people, by the very small necessity which has arisen for the exercise of his Magisterial functions in Palcondah, as compared with other portions of his range. His own words being "It is no use my going to Palcondah, for I have never anything to do *there*."

5. I further beg you to remind His Excellency that during the late period of scarcity the richer Ryots and Comities in Palcondah supported their impoverished brethren, (feeding, I believe, 800 people every day,) without asking for any pecuniary assistance either from Government or Messrs. Arbuthnot & Co., and that this praiseworthy conduct was solely the result of Mr. Mackie's influence and example; a service for which he received the special thanks of Government.

6. I venture then to hope that the success of the experiment of introducing European Zemindars as instanced in the case of Palcondah will be accepted as a kind of guarantee that the rental to me of the talooks for which I make applications, will be followed by the same results.

7. I am given to understand that the average gross annual revenue from the two talooks is Rupees 1,90,000, and Government Officers of long and distinguished service in the Revenue Department inform me that twenty per cent. is a fair estimate for Maramut and expenses of collection.

For the last ten years.

8. I leave it to the Right Honorable the Governor in Council to say what further deduction should be made in commutation (1) of the advantages the talooks and people will derive from the constant residence of a European gentleman, and (2) of the certainty of the payment of rent in Madras without risk, doubt, or difficulty.

9. I propose that the lease, if granted, shall be for ten years, commencing with the next Fusly, and that the rent shall be payable in two equal half-yearly instalments.

10. But that it shall be open to me to annul the lease, and restore the talooks to Government at any time, with a notice of six calendar months.

11. I am willing to lodge in the Bank of Madras to the credit of Government Rupees 50,000, as tangible security, to be appropriated by Government in part or in whole, in case of my not fulfilling the conditions of the lease.

12. I have only further to express a hope that you will give this application the benefit of your cordial support.

13. I believe these are the only talooks in the Vizagapatam District managed under the Ryotwary system, and I am informed that if rented in the manner I propose, the services of a Head Assistant would be spared to Government for other employment; a point which, if correct, I will ask you to advert to in your letter to the Board of Revenue.

14. I ought perhaps to mention that I make this application in my own name, because I purpose retiring from the firm at the end of the present year.

GANJAM, June 3rd, 1867.

MY DEAR MR. MACKIE,

Before leaving Vizagapatam I ought to have found time to write a few lines to you, to say, how thoroughly satisfied I have always been with your management of Palcondah during the five years of my Collectorate.

I declare I don't think I have had a single petition against any proceeding of yours. There has been the same absence of complaint, combined with the most unmistakeable appearance of general prosperity and contentment, in my tours through the talook, which you know have occurred every year. Natives of all classes appear to look up to you and to confide in you a result which I attribute not more to your position as local manager, than to your great familiarity with the vernacular, your accessibility, and your good feeling towards them.

Wishing you every success in life,

I remain, &c.,

(Signed) D. F. CARMICHAEL.

From the Acting Collector of Vizagapatam, to the Secretary to the Board of Revenue, dated 5th September 1867, No. 676.

With reference to my letter No. 664, dated 4th instant, I have the honor to enclose copy of a telegram received to-day from Mr. W. Arbuthnot, and to state that I have requested him to communicate directly with the Board on the subject.

Telegram from W. ARBUTHNOT, Esq., to the Acting Collector of Vizagapatam, dated 5th September 1867.

No kist having yet been received, would it not be equally convenient if I apply to be considered renter from beginning of present Fusly. Mackie would personally take charge at once settling accounts with you. If you approve, please communicate immediately with Board. Kindly telegraph answer.

From W. ARBUTHNOT, Esq., to the Secretary to the Board of Revenue, dated Madras, 6th September 1867.

1. I have the honor to accompany this letter with a telegram received by me from the Acting Collector of Vizagapatam, and to explain the same as follows.

2. I wrote to the Acting Collector offering to rent the talooks of Golgondah and Sarvasiddhi from the beginning of the next Fusly, under the impression that the present Fusly was nearly expired.

3. I subsequently ascertained that it did not terminate till the beginning of next July, on which I proposed that my application should date from a period constituting exactly half the Fusly.

4. The Acting Collector, in his reply, pointed out that this would be inconvenient to all parties, and suggested to me to adhere to my previous application as to date, namely, from the *ensuing* Fusly.

5. I replied by telegraph that if there was no objection or inconvenience, it would be more agreeable to me to take possession at once, and begged him to amend my application so as to date from the 1st July last, the beginning of the *present* Fusly, in which the first payment of kist is only due on the 7th proximo.

6. I further stated that my future Agent, Mr. Mackie, would take charge in person, and settle accounts with the Government authorities in the talooks.

7. The telegram now sent is Mr. Master's reply.

8. I have the honor to request that this letter may be submitted to Government, together with the communication that will reach you through the Acting Collector.

Telegram from the Acting Collector of Vizagapatam, to W. ARBUTHNOT, Esq., dated 5th September 1867.

My letter gone in yesterday. Please communicate direct with the Board. I have no objection. I will write too.

From the Acting Collector of Vizagapatam, to the Secretary to the Board of Revenue, dated 11th October 1867, No. 795.

1. Referring to my letter of the 4th ultimo, No. 664, I have the honor to forward, herewith, an application from the Maharajah of Vizianagram, offering to rent the talooks of Sarvasiddhi and Golgondah, if it be intended to let them.

2. The offer of the Maharajah comes to about Rupees 1,60,463, as shewn below :—

		Rs.
Average collection of last three years		1,98,680
Deduct average management charges for twelve years	10,387	
Deduct Maramut for twelve years (estimated)	10,000	
		20,387
Balance ...		1,78,293
From which deduct ten per cent. as compensation to the Maharajah...		17,830
The net is ...		1,60,463

or Rupees 8,163 more per annum than the offer of Mr. William Arbuthnot.

Proceedings of the Madras Government, Revenue Department,
13th November 1867.

3. The Maharajah's capacity and ability for management, (as is evidenced by that of his own extensive estate,) his standing in society, and his wealth, are so well known to both the Board and Government, that I need say nothing on that score

4. I beg to submit the matter for the orders of the Board.

From His Highness the Maharajah of VIZIANAGRAM, K. C. S. I., to the Acting Collector of Vizagapatam, dated Vizianagram, 25th September 1867, No. 44.

I have the honor to acknowledge the receipt of your letter of no date, No. 734, and in reply to state that I am prepared to rent the talooks of Golgondah and Sarvasiddhi at a profit of ten per cent. on the average collections of the last three years, after deducting the average management and ordinary Maramut charges for a term of twelve years.

---

1. Resolved that the foregoing papers be submitted for the information and orders of Government.

2. The first letter contains an offer from Mr. William Arbuthnot, a partner in the House of Messrs. Arbuthnot & Co., to rent the two Government talooks of the Vizagapatam District, and the Acting Collector, Mr. Master, supports Mr. Arbuthnot's application.

3. The last letter recorded above contains a similar proposal, on more advantageous terms to Government, from the Maharajah of Vizianagram.

4. Mr. Arbuthnot proposes to rent the two talooks on lease for ten years, at a rental of Rupees 1,52,000 per annum, reserving to himself the right to cancel the lease during its currency by giving six months' notice to Government, and he offers to deposit in the Bank of Madras Rupees 50,000, as security for the due performance of his agreement. The Maharajah of Vizianagram offers to rent the two talooks at a profit of ten per cent. on the average collections of the last three years, after deducting the Maramut and management charges, as obtained by taking an average of the actuals of the last twelve years.

5. The average actual collections made by Government in these two talooks has been Rupees 1,94,425-2-10 during the past ten years, and the average annual outlay on irrigation works and repairs about Rupees 10,000 per annum; the net collections have, therefore, been about Rupees 1,84,425, and against this sum the salary and establishment of the Principal Assistant and the Tahsildar has to be set. Mr. Master considers that even were the talook rented, the services of the former Officer must be retained for the Agency and Magisterial work, but he rates the saving by the abolition of the Talook Establishment at about Rupees 10,000 per annum. In this calculation, however, Mr. Master has apparently omitted to provide for the Sub-Magistrate and establishment, which must be entertained in lieu of the Tahsildar, so that the saving would be reduced to some extent. Probably it may be sufficiently accurately estimated for the present purpose, if set down at Rupees 4,425 per annum. Supposing, therefore, that the Government should accept either of the offers now submitted, they would save an annual outlay of about Rupees 4,425 on establishment, *plus* the necessary outlay on repairs of tanks, &c. On the other hand, should Mr. Arbuthnot be the successful applicant, they would give up, in consideration of this saving, annual receipts amounting to Rupees 42,425, for there is no reason whatever to suppose that the collections will fall off in future years. The Government would thus be a loser by the arrangement proposed of about Rupees 28,000 per annum. The results would be somewhat more

favorable were the offer of the Maharajah accepted; but even in this case Government would forego a large sum annually.

6. On financial grounds, therefore, the Board are unable to recommend either proposal for the favorable consideration of Government. On grounds of general policy, the Board have more than once expressed their objections to the renting system, and their views have been endorsed by Government.* They consider that the success of the system is so entirely dependent upon the personal qualities of the Manager that it would be unsafe to try it. Unless the person in charge can be trusted to respect the interest of the ryots equally with those of his employer, the system must result in repressing that feeling of independence and self-reliance, which it is so necessary to foster in the ryot, and it would be impossible to insure that such a person should always be in charge of the talooks.

* G. O., 8th May 1860, No. 736, Revenue Department.

7. When the Palcondah estate was rented by Messrs. Arbuthnot & Co. in 1816, the Board of Revenue objected to the arrangement on general principles; but their objections were overruled by the Government on special grounds. Messrs. Arbuthnot & Co. were desirous of introducing a superior description of Sugar cultivation, and East Indian Sugar was then being favorably received in the home markets. In recording their final orders on the subject, the Government wrote as follows:†— "The Board "appear to His Lordship in Council, in a great measure, to overlook the essential "distinction which exists between the occupation, or the lease of an estate by a "middleman, who farms the Government revenue, and whose object and sole "means of profit are in the rents he may exact from the ryots, and a lease to parties "who have no such object, but who rent with the view of bringing the land under "more skilful and profitable culture, and who look for their gains to the production "of a more valuable article for external commerce."

† E. M. C., 3rd March 1846, Revenue Department, No. 254.

8. It will thus be observed that neither of the proposals now submitted can be recommended on the special grounds upon which, in the case of Messrs. Arbuthnot & Co., a departure from the declared policy of Government in regard to Revenue administration was authorized, and further, should either of these offers be accepted, the Board do not see how similar tenders from other quarters could with any consistency be declined.

No. 233. ORDER THEREON, 13th November 1867, No. 2,687.

Miscellaneous.

The Board will cause Mr. Arbuthnot and the Maharajah of Vizianagarum to be informed that the Government are not disposed to extend the renting system any further than it now exists.

(Signed) W. HUDLESTON,
Secretary to Government.

Revenue Department

№ 2687

Proceedings of the Madras Government

Under date the 13th November 1867.

Read the following

Proceedings of the Board of Revenue.

Submitting letter from Collector of Vizagapatam forwarding two applications one from Mr. W. Arbuthnot and another from the Maharajah of Vizianagarum to rent the Talooks of Golgondah and Sivasiddhi, with the Board's reason, against compliance with the requests. — (Here enter 5th Nov. 1867 No. 7222.)

The Board will cause Mr. Arbuthnot and the Maharajah of Vizianagarum to be informed that the Government are not disposed to extend the renting system any further than it now exists. —

W. Hudleston
Secy to Council
12 Nov 1867

Is Office Folio B of Rent Dept. 14

List.