

Revenue (1898) Department.

MISCELLANEOUS SERIES.

G.O., No. 4440

DATED 14th November 98

[Despatch Abstract.]

Recording G.O. Legislative Dept. Communicating to the Select Committee on the Bill to amend the Madras Local Bds Act, 1884. Progs Rev. Dept. passing orders on Bds Progs regarding the revision of land cess on service inams in proprietary estates in the Ganjam Dt.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Revenue 1898 Department

Current No. 4540.

Government (1898) of Madras. LEGISLATIVE.

Recd. 4 Nov

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Enclosures

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G.O., No. 66, 26th October 1898.

Order No. 4440 7/14 Nov 1898

Recorded

OCTOBER.

11/11/98

2 Copy to the Board of Rev. L. R.

11/11/98

11-11-98

Bill to amend the Madras Local Boards Act, 1884.

Communicating to the Select Committee on the — Proceedings, Revenue department, passing orders on Board's Proceedings regarding the revision of land-tax on service lands in proprietary estates in the Ganjam district.

11-11-98

GOVERNMENT OF MADRAS.

LEGISLATIVE DEPARTMENT.

Read—the following paper:—

G.O., No. 584, Revenue, dated 8th October 1898.

Read—the following Reference of the Board of Revenue (Land Revenue), No. 670, dated 20th June 1898:—

Read—the following letter from H. D. TAYLOR, Esq., Acting Collector of Ganjām, to the Secretary to the Commissioners of Land Revenue, dated Chatrapur, 20th April 1898, Fresh Current No. 179-Ver.:—

I have the honour to raise the following point for the orders of the Board in connection with the revision of land-cess in this district.

2. The object of the reference is to obtain a definite ruling as to the meaning of the term "assessment" for the purposes of land-cess in the case of excluded service inams in zamindari and proprietary estates of this district.

3. Under section 4 of Act III of 1866, the survey assessment, or in its absence the rent ordinarily payable for lands of similar quality, was taken to be the assessment for purpose of land-cess.

Under the succeeding Act, section 38, clause (ii) of Madras Act IV of 1871, this rule was considerably modified, and it is stated that "in the case of inam lands or lands held wholly or partially free from assessment the full assessment which such lands would bear if they were not inam, together with any water-rate which may be payable for their irrigation, shall be taken to be the annual rent-value, and such full assessment and water-rate *if not already fixed* and known, shall be determined by the Collector of the district."

Under the present Act section 64, clause (ii) of Act V of 1884, the previous definition of rent-value is practically unaltered, but the words "if not already fixed and known" are omitted, thus leaving it to be inferred that periodical revision in accordance with the actual rent-value is permissible.

4. The present assessment on which land-cess is being levied in such inams in this district was made in 1872 in pursuance of section 38, clause (ii), of Madras Act IV of 1871, and has not since been altered. An inquiry into the excluded inams of the Bodogoda estate alone shows that the rent value of these inams is now Rs. 6,789-10-1 as against an assessment of Rs. 2,735-9-5 fixed in 1872, or an increase of 148 per cent., the land-cess on which is being entirely lost to the District Board, and there can be no doubt that there has been a similar increase in other zamindaris in the district, due, perhaps, partly to encroachment confirmed by long possession, partly to extension of cultivation, and partly to inaccuracy of old accounts but chiefly to the rise in the value of produce owing to the opening up of the district and its being brought into communication with other markets by means of roads, to the maintenance of which it is only fair that the lands which have derived so great a benefit should contribute in an equitable proportion based on the actual rent-value obtained by their occupiers.

5. Owing, however, to a somewhat conflicting course of decisions on the point, the orders of the Board, under whose general control I have to act, are necessary.

Board's Proceedings, No. 35, dated 12th January 1874.

Board's Proceedings, No. 1913, dated 18th December 1880.

Board's Proceedings, No. 333, dated 25th February 1881.

Board's Proceedings, No. 1867, dated 6th September 1881.

From the marginally-noted Proceedings it appears that the Board decided—

(1) that the rates of assessment fixed by the Inam Commissioner should be adopted;

(2) that the Inam Commission

settlement was erroneous and that land-cess should be calculated with reference to the settlement rates obtaining in the neighbouring ryotwar villages; and

(3) that the second course, above referred to, would make the assessment inequitable and expressed itself in favour of the old paimash rates of assessment.

These orders, it may be noted, were all passed before the present Act, in which there is no reference to any fixed rate of assessment, came into force.

6. The next rulings on the subject are contained in Board's Proceedings, No. 203, Land Revenue, dated 16th March 1889, where Government disagreed from the Collector of Vizagapatam and the Board that the actual rentals of inam lands should be taken to be the full assessment which they would bear if not inam, and upon this the Board, after references to various Collectors as to the practice in force, finally decided that the old paimash rates of assessment should be the basis for calculation (paragraph 6 of Board's Proceedings, No. 615, dated 28th October 1892).

7. In this district no steps appear to have been taken up to date to carry out the orders of the Board in this respect, and the old assessment of 1871 has been adhered to. This is due to the fact that in this district there appear to be no paimash accounts except for the three Government taluks. These inams have not been surveyed and settled and, in consequence, have neither paimash rates nor settlement rates of assessment.

8. In the old inam account, assessments have been noted in some cases and omitted in others. In the Government service inam register of 1862-63 assessments are noted in all cases entered therein, but these assessments differ widely from the assessments on which land-cess is now levied.

In a backward district, such as Ganjām, where communications have only been recently opened up, lands only recently cleared for cultivation and brought under irrigation and where prices, up to a very recent date were extremely low and where no reliable assessment has ever been recorded, it would be extremely unfair to the District Board to adopt the rates roughly fixed in the Government inam register some 35 years ago.

In very many cases, moreover, there are no settled ryotwari villages in the neighbourhood of these inams where the custom has been for the rental or assessment to bear definite share of the produce and the process of commutation for a fixed cash payment is only gradually being adopted.

In Board's Proceedings, No. 203, dated 16th March 1889, paragraph 4, the Board held that it was competent to declare the assessment on inams to mean actual rent-value, but this view was not supported by Government, and hence I think that, if Government still adheres to the view, it is most desirable, now that the Act is under revision, that it should be clearly and indisputably stated therein, that by "assessment" is meant the rent-value that the lands would yield if they were not held on favourable tenure as compared with the rent-value of lands of similar quality similarly situated, and that these rates are not fixed once for all, but are liable to periodical revision.

The importance of the question to this district cannot be overestimated.

Reference—No. 670, dated 20th June 1898.

Submitted to Government.

2. From the correspondence ending with G.O., No. 23, Revenue, dated 14th January 1893, it will be seen (1) that, in 1889, Government disagreed from the view expressed by the Collector of Vizagapatam and the Board that the actual rentals of inams could, under section 64 (ii) of the Local Boards Act V of 1884, be declared to be the full assessment which such lands would bear if they were not held on inam tenure, and (2) that the Board thereupon ruled in 1892, after some correspondence with Collectors, that land-cess on inams should be calculated on the basis of the settlement assessment in the case of lands which have been surveyed and settled and on the paimash rates of assessment in other cases.

3. The Collector of Ganjam reports that in the case of service inams in proprietary estates in his district, neither the settlement rates of assessment nor paimash rates are available, and that it would be extremely unfair to the District Board to adopt the rates roughly fixed in the Government inam register of 1862-63 some 35 years ago, as they do not represent the correct rent-value of the inams in the present improved state of communications and sources of irrigation and with the prevailing higher prices. He accordingly requests that if Government should still adhere to its original order as to the illegality of declaring the assessment on inam to mean actual rent-value, a clear and indisputable provision may be embodied in the Local Boards Act Amendment Bill now under consideration to the effect that by "assessment" is meant "the rent-value that the lands would yield if they were not held on favourable tenure, as compared with the rent-value of lands of similar quality similarly situated, and that these rates are not fixed once for all but are liable to periodical revision." The Collector has since represented in another communication that his remarks apply with equal force to the jaghire villages in proprietary estates which were assessed to land-cess in past years on their rental-value under clause (iii) of section 64 of the Local Boards Act, but have now to be treated as inams and assessed under clause (ii) of the section with reference to the late Acting Advocate-General's opinion communicated with G.O., No. 2623, Revenue, dated 22nd May 1897.

4. The proposals submitted by the Collector relate to two distinct matters, viz., (1) the meaning of the word assessment as used in relation to inams (including whole inam villages) and (2) the liability of such assessment to periodical revision.

5. On the first point the Collector has not advanced any new arguments which were not already before Government when it ruled in paragraph 1 of G.O., No. 120, Revenue, dated 22nd February 1899, that under the present Local Boards Act the rents of inams cannot be declared to be the full assessment. In ryotwari tracts the assessment on minor inams is usually fixed by the Settlement Department, while in the case of minor inams in proprietary estates and of whole inam villages, there is nothing in the law to prevent, and departmental orders permit a special survey and classification for the purpose of fixing the assessment, provided that the Local Boards can afford to pay the cost of the operation. Thus, in South Arcot and Nellore, steps have been taken to assess whole inam villages. To adopt the Collector's suggestion and to replace assessment by rental-value as the basis of the calculation of land-cess would involve a reversal of the existing practice and an amendment of the law which, so far at least as minor inams are concerned, the Board is not prepared to support, having regard to the fact that assessment was expressly defined as the proper basis of calculation in Madras Act IV of 1871, and that the same policy has been followed in Madras Act V of 1884 and in section 20 (iii) of the Proprietary Estates Village Service Act. At the same time the Board entertains doubt as to the expediency of drawing a distinction between the cases of whole inam villages and estates falling under the category of zamindaris proper, and is of opinion that the question whether rental-value should not in both cases form the basis from which to calculate land-cess is one which may properly form the subject of consideration in the Legislative Council. In regard to the liability of the assessment on inams to periodical revision, the Board observes that, as the law at present stands, there is nothing to prevent such assessment from being revised from time to time as may be thought necessary. If any amendment in the law is thought desirable, it should, in the Board's opinion, take the form of an explicit declaration that the assessment on inam lands is liable to

revision in the same manner and on the same occasion as that fixed on the ryotwari areas in the same district; in other words while the Board would view with disfavour frequent alterations in the amount of land-cess payable by inam lands, it can see no reason why the assessment thereon should not be subject to revision when the district comes under re-settlement. Alterations at shorter intervals would be open to obvious objections, but it is clear that power to reduce or enhance the assessment on inam lands on the occasion of re-settlement must be reserved, as otherwise a material variation in prices might so alter the assessment on ryotwari lands as to render inamdars responsible for an unduly low or an unduly high proportion of the land-cess.

(True Extract.)

(Signed)

LIONEL DAVIDSON,
Acting Secretary.

To the Secretary to Government, Revenue Department,
with the Collector's letter, in original
to be returned.

Order—No. 584, Revenue, dated 8th October 1898.

Miscellaneous.

The instructions issued by the Board of Revenue in paragraph 5 of the Proceedings read above are approved. The Board's suggestion that to remove any doubts that may exist there should be an explicit declaration in the Local Boards Act that the assessment on inam lands is liable to revision in the same manner and on the same occasion as that fixed on ryotwari areas in the same district is also accepted. Steps will be taken in the Legislative Department to give effect to the suggestion in connection with the Bill now under consideration for the amendment of the Act. At the same time the Government sees no reason to make any alteration in the law as regards the basis for the calculation of cess in the case of whole inams.

(True Extract.)

(Signed)

G. S. FORBES,
Secretary to Government.

To the Board of Revenue (Land Revenue), with the Collector's letter.
" the Legislative Department.

ORDER—No. 66, Legislative, dated 26th October 1898.

Communicated to the Select Committee on the Bill further to amend the Madras Local Boards Act, 1884.

(True Extract.)

Aldington
for Secretary to Government.

To the Select Committee on the Bill further to amend
the Madras Local Boards Act, 1884.
" Revenue Department.
" Local and Municipal Department.

Exd. T. K. Narayana Aiyangar.

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