

# PETITION AGAINST THE INCOME TAX

OF THE

147 F93  
(1-3)

ZEMINDARS OF BENGAL, BEHAR, AND ORISSA

TO THE

## IMPERIAL PARLIAMENT.

---

1861.

---

Calcutta:

PRINTED AT SCOTT AND CO'S PRESS NO. 53, COSSITOLLAH.

# PETITION AGAINST THE INCOME TAX

OF THE

147 F93  
(1-3)

ZEMINDARS OF BENGAL, BEHAR, AND ORISSA

TO THE

## IMPERIAL PARLIAMENT.

---

1861.

---

Calcutta:

PRINTED AT SCOTT AND CO'S PRESS NO. 53, COSSITOLLAH.

To

THE HONORABLE THE COMMONS OF  
THE UNITED KINGDOM OF GREAT BRITAIN AND  
IRELAND IN PARLIAMENT ASSEMBLED

The humble Petition of the undersigned  
Proprietors of landed estates  
Bengal, Behar and Orissa, in the  
East Indies,

SHEWETH,

THAT the estates of which your Petitioners are proprietors  
are those of which the public revenue has been fixed in perpetuity  
under the covenant (commonly called the Permanent Settlement  
Bengal) concluded in 1793, between the ancestors or predecessors  
of your Petitioners, on the one hand, and the Honorable the East India  
Company, through their representative, His Excellency the Marquis  
Cornwallis, Governor General in Council, on the other.

That, before the enactment, in India, of the Income Tax, which came  
into operation in August last, your Petitioners presented to the Legislative  
Council of India their Petition, in the words and figures following  
that is to say :

To

THE HONORABLE  
THE LEGISLATIVE COUNCIL OF INDIA,

*The humble Petition of the undersigned Proprietors  
of Permanently-settled Estates in Bengal, Behar, and Orissa*

SHEWETH,

THAT your Petitioners, on behalf of themselves and  
all others, whether owners or dependants, interested in Permanently  
settled Estates, object to the passing of the Bill, in the shape in

it has been published, entitled, "A Bill for imposing duties on profits arising from Property, Professions, Trades, and Offices," upon the grounds following, that is to say :

2. It is a measure providing for the use of the State a new source and kind of revenue. The novelty of the measure (irrespective of the mode of collection) consists in its comprehensiveness, its universality, in its reaching all annual gains whatsoever, whether they be returns from property, real or personal, as rent, interest of money, fruits, produce, wages of labour, mental or bodily ; reward for past service ; or bounty.

But, some of the gains mentioned are already subject to deduction from revenue, as respects which, therefore, the proposed measure is not novel ; it merely augments a deduction already made.

Of the description of gains referred to in the last sentence are those made in respect of ownership of land.

3. The deduction made from the gains of land-owners, for support and use of the State, is prescriptive. It was adopted by the East India Company, when that representative of the British Crown superseded the administration and Government of the Emperor of Delhi.

Until the enactments known as the Permanent Settlement, "the public demand upon each estate was liable to annual or frequent variation at the discretion of Government. The amount of it was fixed upon an estimate formed by the public officers of the aggregate of the rents payable by the ryots or tenants for each beegah of land cultivated of which after deducting the expenses of collection the residue was usually considered as the right of the public, and the remainder the share of the landholder" (Reg. II. 1793.)

The Permanent Settlement was "a limitation of the public demand upon the lands" (Reg 1, 1793, s. 10.) ; and one consequence of that



limitation was, legislatively and in the Law which created it declared to be, that "the net income of any landed property—will be always ascertainable by a comparison of the amount of the fixed *jumma* assessed upon it which is to remain unalterable for ever—with the whole of its produce allowing for the charges of management" (*ibid.*)

"The public demand upon the estates was declared to be fixed for ever" (Regs. II. and XLIV. 1793.)

An "essential part" of the administration of the Permanently-settled Provinces was declared to be "the limitation of the annual revenue payable from the lands" (Reg. I, 1795.)

4. In the law last referred to, which authorised the extension of the Permanent Settlement to Benares, certain orders on which it is based are cited, which assured pottah-holders "they shall not be liable to any further demand during their lives." The Proclamation of the Settlement, states "The Governor General in Council now declares that the *jumma* payable according to the quinquennial and decennial pottahs shall remain fixed for ever, so that no sum exceeding the amount specified as the highest annual *jumma* payable according to the said pottahs, shall ever be required of those pottahdars or holders of pottahs, who have hitherto paid up their revenue and observed all the other conditions specified in their pottahs, nor of those who may hereafter become entitled to hold or succeed to such pottahs so long as they shall continue to discharge the amount, and to perform the conditions therein stipulated."

5. The word *jumma* (sum-total, collection), used throughout the Revenue enactments to describe the sum payable by land-owners is significant and typical of the multifarious imposts and excuses for imposts levied upon them; they being the only class to be counted on as furnishing the staple of a public revenue. They represented all production and all productive classes. (See preamble to Reg. II. 1793.)

As recorded by Lord Teignmouth, "In India, the land has always furnished the chief revenues of the State, and the taxes are immediately imposed upon it; commerce has rarely been considered of importance." (Minute, June 1787.)

6. Land-owners had prescriptive powers of taxing internal commerce and consumption, within the territorial limits of their respective estates. The Permanent Settlement laws commuted those powers for a settled deduction from the *jumma* or public demand; the powers were declared a State prerogative (*scil.* taxing, raising duties), though immemorially so usurped by subjects. (Reg. XXVII. 1793.)

7. Thus, the net produce of agricultural labour in these provinces is divided between, 1st, the Government, the receiver of the *jumma* (called indiscriminately throughout the enactments 'the public demand,' 'the amount of the public demand,' 'the dues of Government', 'the land revenue', 'the revenue assessed upon their lands,' 'the right of the Public,' 'the revenue payable to Government from each estate.') 2nd. The Proprietor, the payer of the *jumma* and guaranteed enjoyer of the 'net income (*supra*, para 3), whom the Law has assured, he shall "enjoy exclusively the fruits of his own good management and industry, and that no demand will ever be made upon him or his representatives by the present or any future Government for an augmentation of the public assessment in consequence of the improvement of his estate" (Reg. I, 1793, s 7.)—and 3rd. The working Producer. In the above division, middlemen are not referred to, *i. e.* dependant talookdars, izarahdars; inasmuch as they have a mere representative character.

The three-fold division of the gains from land is between the Government, the Owner, and the Ryot.

8. All the gains that the cultivator, the actual producer, does not retain but pays over to the owner, the landlord may be correctly called rent; therefore, what the latter pays to Government, *scil.* the *jumma*, is, clearly, a deduction, something subtracted from rent.



Hence, the *jumma* tax upon rent ; as just as the *sayer* allowance was a diminution of the tax, so must any new demand upon the land owner be a further portion of what he receives from his ryot be an increase of that tax, in other words, an increase of the *jumma*.

This is proposed to be done by the "Bill for imposing duties on profits arising from property," &c.

9. The revenue paid and payable by the proprietor of a permanently-settled estates in respect of his receipts or profits from the estate, since the date of the Permanent Settlement, being, say Rs. 10,000, will, under the proposed law, amount to, say Rs. 10,400, the additional revenue being assessed upon the same person, for the same cause, *scil*, because of and in diminution of the profits or income from land.

10. Your Petitioners contend, upon the above grounds, that said Bill, if passed into a Law, will be a breach of contract and breach of faith, moral, constitutional, and legal, on the part of the Government who have introduced the Bill, and on the part of your Honorable Council who represent a constitutional British Legislature who are the successors of that authority by whom the Permanent Settlement Regulations were passed, as well as delegates of the Imperial Parliament by whom those Regulations have been repeatedly recognized and sanctioned.

11. That the construction put by your Petitioners upon the language of the Legislature is coincided in by competent authorities abundantly capable of proof.

In the official reports of the Decisions of the Sudder Dewanny Court for 1848 (page 460), we find the Judges, Messrs. Tucker, Barlow, and Hawkins judicially declaring, "It is a narrow and contracted view to suppose, that the Permanent Settlement consists in nothing more than the obligation on the part of the Zemindar to pay a certain amount of revenue annually to the Government. The settlement is a contract



which the Zemindar engages on his part to pay fixed amount of revenue to the State; and the State on its part guarantees to the Zemindar, by means of its judicial and fiscal administration the integrity of the assets from which that revenue is derived, and which in fact constitute the Government's own security for the realization of its revenue."

The noble author of the Permanent Settlement in the minute which is its base and fore-runner, (Sept. 18th, 1789) wrote:—

"I may safely assert that one-third of the Company's territory in Madustan is now a jungle inhabited only by wild beasts. Will a years' lease induce any proprietor to clear away that jungle, and encourage the ryots to come and cultivate his lands when at the end of the lease he must either submit to be taxed *ad libitum* for the newly cultivated lands or lose all hopes of deriving any benefit from his labours for which perhaps by that time he will hardly be repaid?"

again,

This argument is founded on a supposition that, when the zemindars are convinced that the demand of Government on their lands is permanent, they will adopt measures for the improvement of them which they will not have recourse to so long as that demand is liable to occasional variation, and consequently strongly points out the expediency of a Permanent Settlement, and declaring to the land-holders as soon as possible that the conclusion of a Permanent Settlement with them is the object of the Legislature in England as soon as it can be effected on fair and equitable terms."

again,

"I understand the word Permanency to extend to the *jumma* and not to the details of the settlement; for many Regulations will certainly be hereafter necessary for the further security of the ryots particularly, and even of those talookdars who, to my concern, must remain in some degree of dependance on the zemindars."

In his letter to the Court of Directors, 2nd Nov. 1789, Lord Cornwallis wrote, "the zemindars will now be certain of enjoying the fruits of their own industry or ingenuity after discharging the fixed public revenue," and His Lordship describes the willingness of the Rajah of Benares to follow the British example, "although sensible that a permanent or even a long settlement of the revenues of the province would put considerable restraints upon the capricious exercise of his own powers." In a previous letter of 3rd Nov. 1788, His Lordship observed, "I am persuaded that by a train of judicious measures the land revenue of those provinces is capable in time of being increased; but consistently with the principles of humanity and even of those of your own interests, it is only by adopting means for the gradual cultivation and improvement of the waste lands, by a gentle and cautious plan for the resumption of lands that have been fraudulently alienated, that it ought ever to be attempted to be accomplished."

Lord Teignmouth, in his minute of 8th Dec. 1789, thus disposes of the proposed reservation of a power to increase the payment by land-owners in great emergencies.

"But the perpetuity of assessment is qualified by Mr. Law, by the introduction of a clause, that the proprietors of Mokururee tenures shall be subject to a proportion of a general addition, when required by the exigency of Government. This qualification is, in fact, a subversion of the fundamental principle; for the exigencies not being defined, a Government may interpret the conditions according to its own sense of them; and the same reasons which suggest an addition to the assessment, may perpetuate the enhancement. The explanation given by Mr. Law to this objection is that temporary extraordinaries must have temporary resources, and even land at home is liable to a general tax during war: but the land tax in England does not bear a proportion of nine-tenths to the income of the proprietor."

"Notwithstanding the explanation, I shall consider the qualifying clause as either nugatory or pernicious and as standing in direct con-

radiation to the principle of a Mokurree settlement. The very term implies an unalterable assessment; and, if the explanation be founded on necessity, it is decisive against the perpetuity of it."

"I deem the proposition of Mokurree Settlement, subject to an increase upon an exigency, solecism; and that permanency must be given up, or the clause withdrawn."

The whole tone of Lord Cornwallis's minute of 3rd February 1790 is, it is submitted, to treat the *jumma* as a final tax, a mode of exhaustive taxation; and the last clause is very remarkable, viz.

"Whereas the merchants and inhabitants of the cities and towns, the proprietors of rent-free lands, and, in general, all persons not employed in the cultivation of the lands, paying revenue to the Government, contribute but little in proportion to their means to the exigencies of the State. It is evident, therefore, that varying the assessment on the lands is not the mode of carrying into practice the maxim, that all the subjects of a State ought to contribute to the public exigencies in proportion to their incomes; and that other means must be employed for effecting this object."

To the same import is the warning given to the Court of Directors in the letter from the Governor General in Council of 6th March 1793—

"If at any future period the public exigencies should require an addition to your resources, you must look for it in the increase of the general wealth and commerce of the country, and not in the augmentation of the tax upon the land," &c. &c.

In the celebrated essay of Mr. Grant, written in 1792, and inserted in the appendix to the Report of the Committee of the House of Lords in 1832, that experienced Indian Statesman says, speaking of the decennial settlement and the intended laws of Lord Cornwallis based upon it, "A new constitution has been established for the land tenures

of Bengal—whereby hereditary property in them is secured, the tax payable by the proprietors to Government is equitably and unalterably settled.”—

A most determined opponent of the general policy of a Permanent Settlement, the Right Honorable John Sullivan, thus speaks of the Settlement Regulations :—

“A system of measures was adopted in 1793, which has been considered, since that period, as the constitutional code of the ancient provinces of Bengal; and which, having been promulgated, has been uniformly considered to have pledged the *public faith*, and has therefore been scrupulously sustained, in that part of our dominions, by the authorities at home.” (Ho. Com. Rep. 1832, App. 8.)

12. Thus, as your Petitioners contend, the tenor and clear purport of the Law itself, judicial exposition and contemporaneous declarations of its framers, also the opinions of others most likely to understand its real object and scope, prove, that the *jamina* of the Permanent Settlement is the full and final demand claimable of right by the Legislature, from the profits of the proprietor of land as such, and this under any name or guise and in any manner.

13. In anticipation of the protest of the Permanent Settlement proprietors, the Right Honorable introducer of the Bill has advanced the following reasons against their exemption :—

I. The claim chiefly rests on little more than an incidental expression in a despatch from the Court of Directors to the Government of India in 1792, enjoining economy on the latter, because the land revenue described as “the great and now almost the only source of revenue” had been fixed. This expression is explained “by the Right Honorable Member to refer to the rent of those lands.”

11. Lord Cornwallis's Minutes prove that he did not propose that land-owners “should be exempted from any general tax that the

necessities of the State required," but that the very contrary was his intention.

"The settlement, as first made by Lord Cornwallis, differed in no respect from an ordinary settlement of land, except that it was made for ten years in place of being annual, as was then the practice. The Court of Directors approved that it should be made permanent, and Lord Cornwallis issued a proclamation, fixing the ten years' settlement for ever. There is not one word as to exemption from taxes. No one can read the luminous Minutes of Lord Cornwallis upon the subject of this settlement, without seeing that the only object he had at heart was to get rid of the uncertainty and insecurity which attended the tenure of the land, as held from year to year, or in short periods. This, and this alone, runs through every passage of that remarkable and able controversy, if I may be allowed the expression, which took place between his Lordship and his most astute colleague, Mr. Shore. But that his Lordship never confounded what he was doing with a liability of the zemindar to be taxed for State purposes, and that he regarded these two as entirely distinct questions, may be gathered from his Minute of the 3rd of July 1790."

Such are the reported words of the Right Honorable Member, who proceeds—"He (Lord Cornwallis) could hardly have stated in more precise general terms that his assessment of rent must be fixed, but he must contribute an income-tax levied on that land in proportion to his income, if general on the means of all others."

III. The land-tax in England is commuted for a fixed rate, or redeemed, but that does not include "exemption from the income-tax on the score that it was indirectly a charge upon land, because it was assessed upon the rents."

IV. In every English Loan Act the dividends are declared "free from all taxes, charges and imposition whatsoever," but that provision has never been held to exempt them from income-tax, only from any "special charge" on the property exempted.



V. Not only is the zemindar's liability "of strict right," but "a high and paramount policy."

14. That your Petitioners do not rely upon any incidental remark in any despatch or minute as a ground of exemption, they have endeavoured to make apparent in this their petition. But the terms of the first objection, and the remarks accompanying or referring to it, go to show, that the Right Honorable framer of the Bill treats the *jumma* of the zemindar as rent paid for use of the land to the Government as owner, not as a tribute or tax from subject to sovereign. Probably this view may not (it seems to your Petitioners that it does not) detract from the reason or grounds of objection to the Bill, as above stated and argued; but your Petitioners submit, that it is a mistaken view. It assumes, that one object of the Permanent Settlement was to vary the rights and conditions of ownership in the soil, an assumption opposed to the best authorities, whether contemporaneous or modern.

It is unnecessary again to refer to the well-known sentiments on this head of the Marquis Cornwallis. Sir George Barlow (reputed author of the famous minute of Lord Cornwallis,) when adverting to the constitutional changes effected by the Regulations (framed by himself) of 1793, wrote—

"The change did not consist in alterations in the ancient customs and usages of the country, affecting the rights of persons and property. It related chiefly to the giving security to those rights," (*Kaye's Administration, &c.*, p. 93). "The East India Company," said Mr. St. George Tucker in his evidence before the Committee of the House of Commons of 1832, "received from the Nawab Meer Jaffier sunnuds or grants for several pergunnahs or districts: but I do not understand those grants as conveying any thing more than the fiscal dues of the Mahomedan Government, the rights of all zemindars, talookdars, chowdries, remaining precisely the same as they existed before such grant was made."

Mr. Fortescue, formerly Commissioner for Delhi, also a Bengal revenue Officer, in his evidence before the same Committee, answering the question 'on what basis do you think the right of the ryot is fixed?' said,—

“On this point I looked into the nature of the Mahomedan law, as applied to India, and found that it was that of conquest, which enables the conquerors to dispose of the conquered territory in different ways. It authorizes the conquerors to carry off the inhabitants, and to make them slaves; to bring in others in their stead, or to divide the territory amongst themselves, in which latter case a demand is made from each person who shares, being but a tithe. There are other modes; one of which is to let the original inhabitants remain on the conquered territory, paying a tribute, called *Khiraj*, or revenue. The conduct adopted by the Mahomedans to India was of the last description, namely, that of permitting the conquered to remain on the soil, imposing upon them the *Khiraj*.”

Such, your Petitioners deem, was the real relation: the rights of empire and sovereignty were in the Government, not the proprietary right. The despotic interference with that right did not negative its existence; the soil belonged to the subject, *Khiraj* to the State.

And what said Lord Teignmouth?—“We have admitted the property in the soil to be vested in the zemindars; and although it should be proved, under the Mogul system, to have belonged to the Sovereign, which I deem impossible, the Company ought, in my opinion, to relinquish it.”—(*Minute, June 1789.*)

15. The Right Honorable framer of the Bill relies, in the second place, upon the expressions used by Lord Cornwallis. To those expressions your Petitioners also venture to appeal. Your Petitioners submit, that they abundantly prove, that his Lordship, on behalf of the British Crown and Nation, freely and determinately relinquished the rights to deduct one other cowrie from the land-owner's income or land-profit beyond the assessed *jumma*.

To the internal duties, duties on commerce, to the merchants and inhabitants of towns, to the owners of untaxed land, to all save already taxed "land-holders and cultivators of the soil," His Lordship pointed as sources of revenue and taxable for future exigencies, but, to use His Lordship's words, "varying the assessment on the lands is not the mode of carrying into practice the maxim that all subjects of a State ought to contribute to the public exigencies in proportion to their incomes." Again: "If at any future period the public exigencies should require an addition to your resources, you must look for it in the increase of the general wealth and commerce of the country, and not in the augmentation of the tax upon the land." (Letter to Court of Directors, 6th March 1793.)

16. Such is the doctrine in the preamble of the Sayer resumption Regulation, also in that to Reg. XXIII of the same year, the Police Tax Act, for which an indirect tax (stamps) was afterwards mainly substituted. (Reg. VII. 1797.)

17. But the Right Honorable Member contends, that ~~the gener-~~ality of the now proposed tax, *i. e.* its incidence upon all *others*, whether before excluded from taxation or not, is an exception implied by Lord Cornwallis with a promising immunity to zemindars. That any words of his Lordship raise such an implication, your Petitioners respectfully deny.

His Lordship's sentiments were, your Petitioners respectfully insist, precisely those of his experienced colleague and successor, who scouted the notion that a fixed tax could possibly, *ex vi termini*, be elastic. The Right Honorable Member but reiterates the wishes and the fallacious reasoning of Mr. Law.—(*Supra*. 11th para.)

18. The Right Honorable framer of the Bill likened the perpetual *jumma* to the English land-tax. The similarity, your Petitioners contend, is confined to the incidence of both taxes being upon the landlord's receipts from his land.

The English Government or Parliament never undertook that the net income left to the land-owner should be exclusively his, and free from State demands, to bear which other objects for direct taxation (other than land income) should be found. Such your Petitioners have contended to be the right construction of the Permanent Settlement.

Among the resolutions brought forward and carried by Mr. Pitt in 1798 for perpetuation of the land-tax and its redemption, was a provision "that the lands on which the tax should be redeemed should be discharged from the tax other than such as should be imposed thereon in proportion to the annual value of the same, in common with all other property of the same description."

19. The fourth reason urged by the Right Honorable framer of the Bill, why land income should not be free from taxation, is, the analogy to the English fund-holder. Mr. Pitt in 1798 was successful in inducing a majority of the House of Commons to adopt his views, "that when a general assessment upon income is to take place, no distinction ought to be made as to the sources from which that income may arise—and, that no fair objection could be taken by the stockholder." Mr. Pitt's argument, deprecating bad faith, was put very much in the terms of the Right Honorable introducer of the present measure. But the key to Mr. Pitt's theorem would seem to be contained in the sentence, "when it is no longer in the power of the stock-holder to say, I could avoid this tax by removing my property from the funds to landed security, or to trade, every argument against including him in the assessment is withdrawn:" and the reservation is made, "all that part of the public annuities which have been redeemed by the nation is to be exempted from the charge of the tax."

What then is the analogy between the construction put by Mr. Pitt and his supporters upon the Parliamentary exemption given to holders of long annuities, and the construction put by this Bill upon the covenant of the Permanent Settlement? Your Petitioners contend, that the two are essentially distinct and different. Your Petitioners are not under the



principle of Mr. Pitt's doctrine, inasmuch as its very terms distinguish it from the doctrine of the present Bill said to be analogous.

The fund-holder possessed his property, in its integrity, and might, at any time, realise its 10-10ths.

The zemindar before the Permanent Settlement had his rents subjected, it is true, to the prescriptive *kheraj*: it was for him in short to supply the Revenue, in return for his power, his status, his means of wealth. The bargain of the Permanent Settlement alienated permanently from him the maximum *kheraj* that he could bear, and also alienated his own despotism and indefinite power, giving him in return for this alteration, the benefit of permanency alone, *scil.*, future immunity from State demands. So that, the land-owner had not any longer his 10-10ths to alienate; he had only the 1-10th (in truth less) which his bargain with the State had left him: the tax was taken from him for all time, and was a permanent diminution of his property and capital; but then, his 1-10th left to him was redeemed, it was perpetually protected and bought off from all claim for Revenue.

Moreover, the construction of an exceptional exemption from existing charges or duties, does not amount (as your Petitioners contend the Permanent Settlement does) to a contract never to impose duties.

20. With regard to the practice of deducting at all from compensation by way of interest, given by the State for loan to the State, your Petitioners would refer to the judicial reasoning in the decision of the Supreme Court of the United States as to the power of the Maryland State to tax the public creditor. The case is quoted and observed on by Dr. Story in his Commentaries. (Bk. III., cap. 14.) The Court held on general grounds, that so to tax the public creditor was unconstitutional.

21. Your Petitioners do not lengthen this petition by dwelling upon the grounds urged in support of the policy and expediency of insisting upon (supposing the existence of) the *strictissimum jus* of including the Zemindar's net income in the incidence of the income tax. Your Pet



ioners venture to doubt the policy of the tax in its entirety : no debate as tested its policy or applicability to the circumstances of this country. Your Petitioners, in common with all classes, feel it to be a mere exercise of power, a well-meant but arbitrary (very possibly, mistaken) exercise of executive power, though bearing the form of the decree of a deliberative and *quasi* representative assembly.

To represent the impolicy of excluding the zemindars of Bengal, as such, from further deduction and impost for Revenue, is simply to impugn the policy of the Permanent Settlement. This has been often done; as often have devices and expedients been proposed to elude its consequences, but hitherto in vain.

22. Your Petitioners appeal to your Honorable Council, to decide, judicially,—1st, whether your Petitioners have or have not established the right and legal construction of the Permanent Settlement to be as they have in this petition contended, *viz*, the immunity of the zemindar from increase of *jumma* or tax upon his land income?—And, 2nd, if so, whether the circumstance, that other classes, that other subjects are, however generally, brought within the sphere of a new tax—or, the circumstance, that the new tax is called a duty or tax on income—or, the circumstance, that the machinery used and the means resorted to for collecting and estimating the new tax differ from that used for the *jumma*,—whether any or all of these circumstances can, legally and rightly, alter that construction, or prevent the new tax when imposed, in addition to the *jumma*, upon the land-income, from being a violation of the Permanent Settlement?

23. It may be expected that your Petitioners should notice the public letter of the Rajah of Burdwan expressing that land-owners' concurrence with the views of Government as to the liability of the proprietors under the Perpetual Settlement to an Income Tax upon their rents. The Rajah's letter was thought worthy of presentation to your Honorable Council; though, as must be obvious to your Honorable Council, it is a mere expression of opinion, and neither proves nor argues the liability which it admits.

As the opinion of an individual proprietor, your Petitioners cannot allow the declaration of the Rajah of Burdwan to be of weight. His example on this occasion carries with it no influence; especially seeing that the question under discussion is one of law and right, and not of feeling.

24. Your Petitioners having, in self-defence, conscientiously and under a sense of duty, represented their views of the proposal further to tax the income derived from their Permanently-settled Estates, desire in all loyalty and sincerity to express their willingness (in which they believe but few of their brother zemindars will refuse to join) to aid in the great exigency which has arisen. They are most willing and anxious to have the opportunity of supporting in any way that their position may fairly enable them the carrying out those just principles which the Government desire to make the basis of taxation, *viz.*

*First.*—"That whatever measures are proposed, they shall at least be based upon perfect equality and justice to every class of the community;" — and, *second*, "That they shall be in conformity with sound financial and commercial policy."

It is not, however, upon that willingness that they base their earnest, though humble demand and prayer that your Hon'ble Council do not pass the Bill described in the first paragraph of this petition into Law unless and until it be so altered and modified as to exempt the net annual profits coming to your Petitioners and all others as proprietors of Permanently-settled Estates from taxation.

And your Petitioners, as in duty bound, shall ever pray, &c.

Signed By two hundred and forty-eight Land-holders.

The 25th May 1860

That the only answer vouchsafed to your Petitioners, or notice taken of their Petition by or in the said Legislative Council, was, the speech by the Member for Bengal, Mr. Sconce, upon the occasion of the passing of the first Section of the Act by a Committee of the whole Council, on the 25th June last.

That the Hon'ble Member relied, for support of his view, that "the profits of estates comprised within the Permanent Settlement of Bengal were rightly brought under the Income Tax assessment," upon the reasons and grounds following :

I. The terms of Regulation 1 of 1793 gave no guarantee, that the proprietors of those estates should never be called upon to aid in relief of the future necessities of Government, by contributing according to their means and incomes.

II. The revenue or *jumma* assessed on behalf of the State, was a charge payable absolutely to the State, in its own right, and was not, in any proper sense, a diminution of the rents enjoyable by Zemindars.

III. Some expressions of Lord Cornwallis in his minute of February 1790, showed, that the authors of, and original parties to, the Settlement held, that, at a future time, when the public necessities required larger revenues, the increase must be demanded from the wealth of the whole people, inclusive of the rents and profits from Permanently-settled estates, and further, that there was then no intention to decide for successors in the Government, or once for all, between direct and indirect taxation.

IV. Regulation XIX of 1793 having provided, that no revenue at all should be demanded in respect of certain estates, *viz.* *lakhiraj* estates, that the exemption contended for by your Petitioners would lead to the necessary inference, that proprietors of *lakhiraj* estates were absolutely exempted from liability to contribute to the general taxation of the country ; which had not been and could not be supposed.



Your Petitioners submit, that each and all of the said reasons and grounds have been fully met and anticipated by the quotations and arguments in the Petition above recited, to the Legislative Council.

The Permanent Settlement, in terms, limited "the public demand upon the lands" which was, in terms, "fixed for ever".

Your Petitioners have never contended, that any particular class of persons are to be exempted ; but they have contended, that a direct tax upon zemindary profits (which the *jumma* is) is not to be imposed anew.

The owners of Permanently-settled Estates have, almost invariably, other sources of income, other property than their lands. *Lakhirajdars* are, by the conditions of their grants or *sunnuds*, exempted from existing State burdens : your Petitioners humbly submit, that the attempted inference and *reductio ad absurdum*, by comparison of the *malgoozar* (land revenue payer) with the *lakharajdar*, is neither logical nor candid but forced and fallacious. No question has yet arisen with the *lakhirajdar*, who is one excused and indulged to a certain specified extent.

Construction of the extent (not permanency) of that excuse and indulgence, *i. e.* whether it include future or only existing imposts, surely bears no analogy to the question, whether a land tax, which was in effect a severe (indeed ruinous) rack-rent, can be constitutionally added to, after being legislatively "fixed for ever". The purview of the Regulations in the matter of rent-free tenures (as they are called) is, your Petitioners submit, to deal with the recognition and validity, or with repudiation of any such claim or grant, rather than with construction of the grant itself.

The passage in Lord Cornwallis' Minute quoted by Mr. Sconce is as follows :

"The question that has been so much agitated in this country, whether the Zemindars and talookdars are the actual proprietors

of the soil or only officers of the Government, has always appeared to me to be very uninteresting to them; whilst their claim to a certain percentage upon the rents of their lands has been admitted and the right of Government to fix the amount of those rents at its own discretion has never been denied or disputed."

Your Petitioners respectfully ask, whether such a passing allusion, by the Hon'ble author of the Settlement, to the *de facto* position of the land-owner under an Asiatic Government, (where the will of the monarch was the prescriptive guarantee for any and every right, and where the land was the milch cow of the State,) can outweigh the opinions and declarations quoted in the 11th paragraph of their petition to the Legislative Council? The opinion of Lord Cornwallis that the Zemindar was really a proprietor, not a mere tenant, is strongly and unequivocally admitted in the very same Minute. That opinion is and was notorious.

With respect to any assertion, suggestion or insinuation at this day that the Zemindar is not proprietor of his estate, but only of that estate *minus* the State demand; your Petitioners respectfully refer to the 14th paragraph of their Petition to the Legislative Council, in proof of your Petitioners' counter assertion, that the *jumma* is a strictly fiscal and not a proprietary claim.

Your Petitioners here beg leave to reiterate the declaration contained in the 24th paragraph of their petition to the Legislative Council. Your Petitioners feel, that they should fail in their duty, as hereditary owners of valuable property, as representing one of the parties to a great State covenant, of which they would transmit the full benefits to their heirs and successors, did they fail to persist in maintaining what they are advised and believe to be, their right and privilege under that covenant, a privilege dearly bought. They humbly seek therefore from each branch of the Imperial Legislature a final construction and disposal of this (to them and to tens of thousands yet unborn) most important question *viz*; whether a tax upon the profits of their

lands, in excess of what they now pay as the *jumma*, be, or not, consistent with the Permanent Settlement. The decision of Her Majesty's Secretary of State for India has been already published and acted on.

Your humble Petitioners pray ; That the contents of this their Petition be taken into consideration by your Hon'ble House, and that your Hon'ble House will please to come to such resolution thereon, or take such steps in respect thereto, as to your wisdom may seem meet.

And your humble Petitioners, as in duty bound, will ever pray, &

# CONSIDERATIONS ON THE LAND REVENUE OF INDIA.



## I.

NOTWITHSTANDING its great importance to the prosperity of the country, and to the stability of our Government, the Land Revenue of India has received but little scientific elucidation. It is called indiscriminately Assessment, Revenue, Rent, Tax; and the number of terms used to represent it, is an index to the confusion which exists in the public mind on the subject. When merchants make calculations of the cost of growing a certain amount of cotton or indigo, the first item which they take account of is the "land-tax." Thus Mr. Thomson, late President of the Madras Chamber of Commerce, as quoted by Mr. Norton, "estimates the effect of the land-tax on the value of cotton as follows:—In round numbers  $5\frac{1}{2}$  cowries of land produce one candy of clean cotton. The land-tax in the Madras district on dry land ranges from a maximum of

Rs. 3 5 5 per cawnee to a minimum of

1 3 1

Rs. 4 8 6 to 2 4 3 per cawnee as an average.

"If we multiply this by  $5\frac{1}{2}$ , we get the amount of land-tax borne by every candy of clean cotton, Rs. 12-7-4. To shew the bearing of this charge on the value of cotton, let us take the present price of the article as sold by the ryots, free from seeds, at Rs. 58 per candy, and on this the land-tax paid amounts to 22 per cent. If we take the best cotton land, paying a land-tax of Rs. 3-5-5 per candy, the proportion will be upwards of 33 per cent."

This is a fair example of the popular ideas regarding the incidence of the land assessment. From it and similar statements, it would appear that the land assessment is generally considered to be wholly a tax which affects the price of agricultural produce, just as the tax upon malt affects the price of beer. Taxes of this description are borne by the consumers, or ultimate purchasers, of the articles produced. If

this were the case with the land assessment, if it raised in proportion to its amount the price of agricultural produce in the country, its effects, though of vast importance, would not be difficult to estimate; it would fall on the cultivators of the land only in so far as they were consumers of what the land produces. The idea, so generally entertained, that the Indian ryots contributed much more than their fair proportion to the revenue of the country, would be erroneous: as cultivators, the land-tax manifestly would not touch them, at least not directly, for they would recover its amount from consumers. In an indirect manner, however, such a tax would seriously affect their interests. The cheapness with which a country can supply itself with foreign produce is proportional to the foreign demand for its own produce. If the land tax raised artificially the cost of the produce of the land, it manifestly would retard the demand for that produce abroad, and, in fact, act as a protective duty in favour of countries where the same commodities were produced for export. All imports would thus be paid for at a dearer rate, and India would be excluded from her fair share of the produce of the skill, and superior advantages, of other countries. *Cæteris paribus*, a heavily taxed country cannot produce as cheaply, or as profusely, as one subject to lighter taxation. It is expected that the load of taxation, to which the American States must at some future time subject themselves, in order to liquidate the expenses of the war now in progress, will seriously detract from their power of cheap and extensive production, and give to rival countries an advantage which these have not hitherto enjoyed. The cost of production of American produce must be raised, or the rate of profit lowered, probably both; and thus the productive powers of other countries, and the attractions of other investments, will be relatively increased. Under our supposition regarding the incidence of the Indian land assessment, the domestic demand for the produce of the soil would be restricted, as well as the demand of foreign consumers; population would be restrained; cultivation impeded; and the growth of a large non-agricultural class retarded artificially, by abnormally dear food. If the Indian land

assessment be an element in the cost of production of agricultural produce—if in estimating the cost of a candy of cotton, or a garce of paddy, we are to include the average assessment of the land on which they are produced, the question of its reduction becomes one of paramount importance. To reduce it, would be to lower the value of agricultural produce without any injury to the producers; to stimulate population, and the extension of cultivation; and to create a fresh foreign demand for Indian raw produce, the exports of which would form a cheap mode of payment for all articles which the country would require to import. Under such circumstances, the same beneficial results might be expected to follow the reduction of the land assessment in India, as have ensued in England from the abolition of the corn duties; production and wealth would increase; the burden of taxation would be lightened; and, as in England, even the owners of the land would ultimately share in the general prosperity.

The Government of India is, however, sometimes called the sole *landlord* of the country, and the return which a landlord obtains for the use of his land, is termed by us, *rent*. The ryots of India hire land from the Government for a yearly payment, much in the same way as an English farmer takes a lease of a farm, for a shorter or longer term, from his landlord. Let us assume for a moment, that the Indian ryot and the English farmer are similarly circumstanced; that both pay rent to the proprietors of the soil. There is no better established principle in the science of Political Economy, than that *rent* (the rent that an English farmer pays for his land) does not enter into the cost of the produce of the land. The wheat that is grown on the carse of Gowrie, and that produced on the bog of Allen, do not sell at different prices, because the rent of the former land may be £3, and the latter 3s. per acre. We could draw no conclusions of any value as to the cost of producing wheat at home, by taking the average of the above two rents, and endeavouring therefrom to infer the bearing of the charge on the value of wheat; nor could we infer, as Mr. Thompson does of Indian cotton, that the lower rent bore one proportion to the produce of the land, and



the higher rent another, and a greater, proportion. The rent of the land in any locality does not affect in any degree the price of wheat; the reverse is, indeed, the case—it is the price of wheat which affects the rent of the land.

In order to understand the position of the Indian ryot, under our supposition of the similarity of his condition to that of the English farmer, let us take a country, say England; let us assume that it contains ten different qualities of soil, which a farmer can obtain at rents varying from one pound to ten pounds per acre; and let us suppose that it also contains a certain amount of valueless waste. What is it that gives to these eleven different soils, their different values? Manifestly, *cæteris paribus*, their varying degrees of fertility. The farmer derives equal profit from the cultivation of any one of them. If for a while, one quality were more profitable than another, an increased demand for it would spring up; its rent would rise; and it would take rank in a higher class. If on the other hand, any soil became less than normally profitable, it would be abandoned, and the demand for it would diminish, until its owner would be compelled to offer it at a reduced rent, and it would then subside into a lower class. Land is thus simply an instrument of production of varying efficiency, and in proportion to its efficiency is the rent, or price, that is paid for it. Rent simply equalizes the profits, derived from the cultivation of the land. Nor is rent any burden on those who pay it. The hire of labourers, horses, or steam-engines, is no burden on the railway contractor. He selects whichever is most economical, or probably uses all three, in varying proportions. In like manner the farmer selects his land, and when, as is usually the case, all the land is monopolized, he pays to the proprietors thereof an equivalent for the use of it, which is determined by the price of agricultural produce, and the fertility of the land he selects for his operations. If he chooses waste land, he pays nothing, as its cultivation barely rewards him for his labour and capital. If he selects any of the other qualities, which pass by unappreciable differences into each other, he pays whatever sum he can make, over and above the average normal profits of his occupation. "Rent, in short," writes

Mr. J. S. Mill, "merely equalizes the profits of  
 "different farming capitals, by enabling the land-  
 "lord to appropriate all extra gains occasioned by  
 "superiority of natural advantages. If all land-  
 "lords were unanimously to forego their rent, they  
 "would but transfer it to the farmers, without  
 "benefiting the consumers, for the existing price  
 "of corn would still be an indispensable condi-  
 "tion of the production of part of the existing  
 "supply, and a part could not obtain that price  
 "unless the whole obtained it. Rent, therefore, un-  
 "less artificially increased by restrictive laws, is no  
 "burden on the consumer; it does not raise the  
 "price of corn, and is not otherwise a detriment to  
 "the public, than inasmuch as if the State had  
 "retained it, or imposed an equivalent in the shape  
 "of land-tax; it would thus have been a fund applica-  
 "ble to general, instead of private, advantage."

We have assumed that the Indian land assessment was *rent*, or, as Mill observes, an equivalent of rent in the shape of a land-tax. If this were the case, its economical effects would plainly be very different from those which would obtain under our first supposition, that the assessment was a *tax* raising the price of agricultural produce, and limiting both foreign and domestic consumption. If it be a *tax*, it is an artificial burden on the whole country, an obstruction to the free course of internal and external trade, a weight which places India at a disadvantage compared with other countries in the race for commercial prosperity; if on the other hand it be a *rent*, it is no burden; it does not affect the price of agricultural produce; nor in any way retard, or diminish, the home or foreign demand; it is simply a sum which the possessors of labour and capital are enabled, without any injury or sacrifice, to pay to the State for the use of a valuable and necessary instrument of production; and their ability to pay it, depends on the price they are able to obtain for the commodities they produce.

It is manifestly of the first importance, to determine under which head to place the land revenue of India. Its annual amount is £20,000,000, a sum which must exert no small influence for good or evil, for prosperity or impoverishment, even throughout so large an empire as that which contributes it. Is this



vast sum, then, an artificial burden on the first necessities of life, increasing the price of the poor man's food, restricting our exportations, and compelling us to pay dearly for everything we import? Or is it simply a fund, which must always exist in populous countries, which in other and more civilized lands falls to the lot of a few private monopolists, but which in India is the property of the sovereign, who dispenses its revenues for the common benefit? Is it a *tax* falling on consumers, but crippling at the same time the industry of producers? Or is it a *rent*, which the competition of the world for the produce of the land enables the owner of the land to obtain for it, without placing the producers who contribute it, under any peculiar burden? To determine this question, to settle this incidence of the land assessment of India, and investigate its economical effects, is the object of these "Considerations."

## II.

THE principle of *Rent* has been so fully explained by Ricardo and subsequent economists, that we must here presume a general acquaintance with it. It is strictly true as regards farmers' rents, such as those which obtain throughout the greater part of the United Kingdom. *Ceteris paribus*, all investments of capital in a country, must yield the same rate of profit. There are incidental circumstances which influence the rate of profit in different occupations, but abstracting these, all must be equally profitable. If one enjoyed a temporary advantage, there would be a pressure of capital to it, which would soon reduce the extraordinary profit to its normal proportions. Thus the agriculturalist must make a rate of profit on his capital, equivalent to that made by the merchant or the manufacturer; and *vice versa*. The landlord accordingly cannot gain any unfair advantage over the farmer, nor can the latter profit in any wise at the expense of the former. If agricultural produce rises in price, the landowner has all the advantage of the increase; if on the other hand produce falls in price, he has equally to sustain all the loss.

In countries, however, where capitalist farmers do

not exist, where the land is cultivated by peasants who work on their own account, and derive their subsistence directly from the soil they till, Ricardo's theory of rent is not of such clear application. Such countries offer fewer facilities for the transference of capital, from one occupation to another. In the wide sense every one is a capitalist, in so far as he possesses physical strength and intelligence to use it. If, then, a country be so circumstanced that the alternative of the capitalist is to let his capital lie waste, or else to employ it on the land, and if the land be in the possession of others, a rent which would leave the cultivators barely a subsistence, might be extracted from them, provided the landowners combined to extort it. Land, under such circumstances, would be an essential to existence; and any sum would be paid for the use of it, which would leave existence possible to the payors. If on the other hand the landowners were too numerous to combine, the rent would depend on the proportion the whole population bore to the area of land. As population increased, competition would raise rents, till their ultimate limit would be such a proportion of the produce of each man's labour, as would leave him a bare subsistence for himself.

The famous cottier system of Ireland, eventuated 20 years ago in this condition; and Irish landlords derived rents from their estates far in excess of those obtained in the sister countries. The mass of the people, however, were steeped in poverty, and were subsequently swept off the face of the country by disease and emigration, till a population of nine millions was reduced to 5½ millions in the course of a few years. Even to this economical condition, however, Ricardo's theory of rent is more applicable than is at first apparent. As the capitalist farmer first alluded to, will gradually withdraw his capital from agriculture should that occupation become less than normally profitable, so will the peasant farmer, whose capital consists principally of his strength and intelligence, ultimately transfer these to other countries or employments, if they be mealy rewarded. As the capitalist—using the word in its popular sense—must get the ordinary profit on the investment of his capital, or otherwise he will transfer it to other occupations or countries;

so the free labourer must get a certain rate of wages, otherwise he will also change his locality or occupation. Capital, however, is more mobile than labour, and adjusts itself more quickly to the demand for it. Labour, even in highly civilized countries with good communications, is much more sluggish and less amenable to change. Still, times do occur when capital becomes redundant, when profits fall, and when investments are recklessly made, and distress and ruin ensue. Similarly there are periods when labour becomes abundant; when in the competition wages fall; when men find it difficult to earn a subsistence, and either die or abandon their country. Times do come when the return yielded by the land to capital as well as to labour, becomes too small to induce further investments, and capital like labour is transferred to other employments.

Some of the greatest changes recorded in history are due to these adjustments. Money panics, transference of capital from one country to another, barbarous inroads, and modern emigrations, are all due to men trying to make the most of their capital, their intelligence and their strength. In highly civilized countries, the similarity in these respects between the capitalist and the mere labourer, becomes very striking. In such countries, there is a large amount of floating capital, ready for immediate investment in the most profitable venture that offers. The quantity of capital thus offering for investment, regulates the rate of interest on the whole capital of the country. Similarly, there exists in such countries a large quantity of floating labour, and the amount of it offering for employment, regulates the wages of labour in general. This strong resemblance, if not identity, between the law which governs the investment of capital, and that in obedience to which the mere labourer seeks the best wages he can obtain, will be found of the greatest importance in the following investigations. In proportion as this analogy exists between labor and accumulated labor, will the Ricardian theory of rent be applicable to countries, in which the soil is held and cultivated by peasants principally with their own labour, who thus derive directly from the land an equivalent for their exertions, and for any small additional capital they may expend upon it.

We have seen that the rents paid by capitalists, who choose the land for the investment of their capital, are not an element in the cost of production. It has been questioned whether peasant rents enter into the cost of agricultural produce. Mill seems to think they may (Book iii. chapter vi); yet it is difficult to understand the grounds of his opinion. "The peasant must labor," he states, "till he produces sufficient food for himself and family, where-withal to purchase the necessaries he is compelled to buy, and to provide for his rent." But is not the capitalist farmer in precisely the same predicament?—has he not to provide for the payment of his labourers, the wear and tear and renewal of his stock, and for his rent? He has also to obtain the normal profit on his capital, an item which the peasant producer is able to neglect only because the capital he employs is so trifling, compared with the return due to his individual labour. The few and simple implements he uses are of little value. Still he must and does provide for their renewal. Both the farmer and peasant are capitalists, only in a different degree. Both act in the long run in obedience to the same law, which requires that man should seek to turn his possessions whatever they may be to the most profitable account.

It seems difficult, then, to shew good cause for placing peasant rents and farmers' rents, in essentially different categories as regards cost of production. The peasant producer is often enabled to pay a higher rent than the capitalist, because he will frequently rest satisfied with simply the wages of his labour. He has indeed individually little capital on which to require profit. On the peasant system, land is cultivated, speaking popularly, with little expenditure of capital, with present labor rather than with accumulated labor. When land is cultivated by capitalists, rent consists of the whole produce, *minus* the sum of the wages of labour and the profits and renewal of capital expended. When it is cultivated by peasants, rent consists of the whole produce, *minus* the wages of the cultivators, and very little else. And since the peasant must, in the long run, get the normal equivalent for his exertions; in the same manner, that the capitalist must get the normal profit on his capital, and since the land cultivated on both

systems is of varying fertility and consequently affords rent, there seems no sufficient reason for excluding peasant rents so completely from the application of Ricardo's law.

It may, however, be granted, that in countries under peasant cultivation, the law is more sluggishly conformed to; principally because there are few opportunities for changing either the employments of labour or capital. But if a country like England, abounding in a general demand for labour, and with colonies tempting its inhabitants to emigrate, were cultivated by peasant tenants, there seems no good reason to maintain that Ricardo's theory would not apply equally to the rents these peasants would pay, as to the rents paid by the capitalist farmers who now for the most part cultivate the soil. If, then, the producer be free; if there be abundance of waste land which he can occupy, and a fair demand for agricultural produce, and if the rents paid to the owner of the land be the voluntary offers of the competitors for its possession, such rents are simply the indices of a differential advantage, and do not enter into cost of production. They do not affect the value of the produce of the land, or place those who pay them in a disadvantageous position, compared with other producers. They constitute the equivalent which the ruling price of agricultural produce enables the cultivators of the soil to pay for the use of it. The fund thus derived, is a contribution from the united labours of the whole community, without being a peculiar burden on any class, and would, therefore, if we were framing a model political system, be assigned to the State to be administered for the common benefit of the whole nation. The remarks that follow will, it is hoped, contain some suggestions for ascertaining how far the land revenue of India, approximates to such a fund.

### III.

THE land tenures of India are various. It is consequently necessary to select one for consideration. The following remarks will more particularly refer to the Ryotwari tenure, as we find it exemplified in the Presidency of Madras. This is selected because, in the first place, it is the one to which the



greater portion of the land of India is manifestly tending ; and secondly, because the information concerning it is more full, certain, and satisfactory than that referring to other systems. The leading principles of the ryotwarri tenure are, according to Bourdillion, " a separate permanent assessment for each minute subdivision of land, fixed by Government officials to be paid when the field is cultivated, and not when it is not cultivated, with certain exemptions and certain additions." A certain portion of the produce has been fixed upon as an equitable proportion for the Sircar, and this has been converted into money at certain fixed rates, which however are not recognized as permanent. Every one who has read Mr. Dykes " Salem," or who is conversant with Mr. Norton's political works, must be aware how minute, irritating, and obstructive, was the meddling with the cultivators, under the ryotwari system in Madras. Unfortunately prices fell considerably from the commutation rates that had been adopted, and the assessment became a greater burden on the ryots than was ever contemplated by those who made the settlement. " Crack collectors" however, and active Tahsildars, were naturally loath to report the revenues of their districts or taluks on the decline, and energetic means were often taken to force cultivation. A ryot could not regulate his holding as he pleased. To surrender land, to reduce the area under cultivation, was always an invidious proceeding. Bad land could not be surrendered, without at the same time giving up a portion of good land. Restrictions were placed on the ryots moving from place to place ; leases, or pottahs, had to be taken out every year ; and the frequent interference with the cultivators, which was practised, together with the usual effects of a heavy assessment, prevented the extension of cultivation which was naturally due to the large increase of population in the ryotwarri districts of Madras, during the first half of the present century.

The measures thus adopted to force cultivation, were not however necessarily a part of the ryotwari system, any more than protective duties are necessarily a consequence of commercial intercourse. Some time since we arrived at the sound conclusion, that freedom is the life of commerce. It re-

quired a longer period to convince us, that the same may be predicated with equal truth of the cultivation of the land, which is the basis of all commerce. This opinion has now been promoted into a maxim, and of late years all our most important measures regarding the tenure of land in India, have been dictated by it. There is now no artificial forcing of cultivation. The ryot may regulate his holding as he likes, and add to or diminish it, by any quantity or quality of land he chooses, subject to the payment of the assessment on the portion he retains. If he pleases, he can even give it up altogether, and emigrate. He is not required to take out a new lease every year; unless he specially apply for a fresh pottah, his old one remains in force. He can thus reduce the interference of the Government officer to a very small minimum, and will soon probably have as little to complain of, in this respect, as a peasant farmer in England.

In a ryotwari district of the Madras Presidency, the soil is divided into a variety of classes, to each of which a different rate of assessment is affixed. The number of these rates varies considerably. In a single taluk of the collectorate of Tanjore for instance, they number over two thousand, while in the taluks of other districts, as Arcot or Canara, there may be only twenty or thirty rates. The rates of assessment are all based on one-third of the produce, valued in money at the commutation prices. They consequently represent the comparative fertility of the different classes of soil. The three great divisions of the soil are wet, garden, and dry soils, and these are assessed in the order we have placed them; the wet paying the highest, and the dry the lowest, assessment. In these great divisions there are numerous subdivisions, assessed at rates varying from between thirty and forty rupees to a few annas, and occasionally a few pice, per acre. The assessment for *nunjah* (wet) land frequently amounts to ten, fifteen, and sometimes to twenty, and thirty, rupees. Its general rate would perhaps be about four or five rupees. The average rate for garden land would fall probably between two and three rupees, and that for dry land between one and two, but the fluctuations in the rates of all three divisions, are very great.

With respect to a ryotwari collectorate, we may briefly quote Mr. Norton, and describe it as having an average area of 7000 square miles, and a population of 1,100,000; as being divided into fourteen or sixteen taluks, which contain from 200 to 500 villages spread over an area of from 300 to 1000 square miles, and each village as containing from 500 to 2000 fields. Now, keeping in mind the improvements that have been made in the ryotwarri tenure of late years, we have here an arrangement of the land approximating more closely, than is at first sight apparent, to the system obtaining at home. Granted there is but one landlord, still he exercises his right with moderation. The Indian ryot can select any land he pleases--wet land, garden land, or their various subdivisions. He has perhaps one hundred different qualities to choose from; if he find any part, or the whole, of his holding unprofitable, or if he think some other description of land would give a better return to his exertions or his capital, he has simply to apply for it, and speaking generally there is land to be had on application. If he determine at the commencement of the season to keep his holding unaltered, he is spared the visits of the Government officer, and can carry on his cultivation without interference; if he prefer working on railways, public works, or emigrating, there are ample opportunities for his doing so; and there is besides a considerable demand, now-a-days, for his labour amongst other rich and well-to-do ryots. Thus he is perfectly unfettered. He can either work on his own account on the land, if he has a little capital to commence with, or he can work on hire for other people. Guided by the natural desire for acquisition, he invests his labour in what to him appears the most profitable manner, and acts in obedience to the same law as the capitalist seeking investment for his capital.

With respect to the assessment of the land, though it is fixed by Government in the first instance, this fact lessens the similarity of position between the English and the Indian farmer, only in proportion as Government has failed to fix the amount at the fair value of the land. In England, there are also various classes of soil, but the rent of each is fixed by



on its fertility. Now in India the assessment of the land, though fixed by Government, has been also determined according to the varying fertility of the several classes into which the soil is divided. Competition is decidedly a more efficacious mode than the most enlightened investigation, for settling the true value of anything. The value of a thing is what it will fetch in exchange ; and this is continually varying. Still the valuation of the land of a large country by Government directly, is not necessarily unjust or inaccurate because it is arbitrary. If the whole land of England were assessed by the Government, and divided into various classes to which suitable rents were affixed, and if it were then offered to farmers at the rates thus settled, very little change would ensue in the tenure of land, assuming that the valuation had been equitably made. If, to reverse the supposition, the cultivated land of India were thrown open to the competition of the ryots by the Government, and if we assume that the present assessment fairly represents the value of the land, no change would ensue in its distribution. The rents offered by competition would not differ from the assessment ; because each would represent the fair equivalent for the producing powers of the soil.

English rents, and ryotwari assessment, then, are fixed on the same principle, viz., the efficiency of the soil as a producing instrument, and though the two may not conform with equal exactness to this principle, there exists no sufficient discrepancy to compel our regarding them from essentially different points of view. The great difference between rent and assessment is, that the points between which they cannot fall, and above which they cannot rise, are set wider apart. Rents cannot long encroach on the capital of the rent payers. Once they acquire this tendency, they receive an immediate check by the withdrawal of capital from agriculture. Neither can rents rise so as to place farmers in a better-position than other capitalists, for these, by embarking their capital in agriculture, would soon reduce that occupation to its normally profitable condition. The limits of the ryotwari assessment are much wider. It can be arbitrarily raised until its oppressive amount may cause the depopulation of the country, or it may be

reduced at the will of the imposer, and even abolished altogether. But as the Government of India evidently desires that the land assessment should not unduly exceed the fair value of the land, the difference alluded to between it and rent is at least now-a-days to a great extent theoretical.

As a further proof of the great similarity between English rents and ryotwarri assessment, it is worth observing, that any irregularity in the latter has a strong tendency to self-adjustment. When the land of a district is divided into numerous classes, and variously assessed, it is plain that those portions which by chance or otherwise have been lightly assessed, will constitute a property to their occupiers. The advantage thus gained by some fortunate individuals, may enrich them, but cannot be said to injure others; and the comparative value of the various classes of land is thus ultimately equalized, with benefit perhaps to a few, but without material injury to any, of the cultivators. In former articles we have endeavoured to prove that labour and capital are subject to the same economical laws, and that consequently peasant rents and capitalist rents, may be placed in the same category. In the present article we have made use of the conclusion thus established, to compare the ryotwari assessment in India with the rent paid by English farmers for their land, and to show that, assuming the former to be equitably fixed by Government, as the latter are by competition, according to the value of the land, they are both determined by the same principle, and may so far be subjected to the same course of reasoning.

#### IV.

In comparing the ryotwari land assessment with the rents paid by farmers in England, we assumed that the former, like the latter, represented the true value, in exchange, of the land to the cultivator. If the land of any ryotwari district were thrown open to the competition of the ryots, if offers for the various holdings in a talook were received by the collector, and the assessment thereon based on these offers, for a certain period—our assumption would approach as nearly to the true state of the

case in India as it does in England, and the analogy between the two systems would stand in need of little explanation. The ryotwari assessment, however, is arbitrarily fixed, and it is perhaps on this account that it is so frequently called a tax. We have already pointed out the vast importance of determining whether it really be a rent or a tax. To assert that it is wholly a tax, is equivalent to stating that the land has no value in exchange at all; that in common parlance it is not worth anything, and that the sum obtained for it by the Sovereign, is an arbitrary exaction from the people. Utility it might and would have, just as the air we breathe has that quality; but it could not be said to possess value, unless it would fetch something in exchange. No one will pay anything for a mouthful of air, because he can get as much of it as he pleases, for nothing; but if it were in the power of a Government to monopolize the air, people would give for such an essential to life, any sum demanded within their ability of payment. To maintain on the other hand that the land assessment is purely rent, is equivalent to holding that it represents a sum not exceeding the true value of the land to the cultivators, and that the much abused Indian Government only charges a fair price, perhaps a low price, for the use of the land of the country; a sum in fact which the cultivators are just as able and willing to pay, as shopkeepers are able and willing to pay the rent of their shops.

The following question then, now offers for solution: Is the ryotwari land assessment of India a rent or a tax? The case is put by Mill as follows:—"It is at once evident, that rent is the  
 " effect of a monopoly, though this monopoly is a  
 " natural one, which may be regulated, which may  
 " even be held in trust for the community  
 " generally, but which cannot be prevented from  
 " existing. The reason why landowners are able to  
 " require rent for their land is, that it is a commodity  
 " that many want and which no one can obtain but  
 " from them. If all the land of the country belonged  
 " to one person, he could fix the rent at his pleasure.  
 " The whole people would be dependant on his will  
 " for the necessaries of life, and he might make  
 " what conditions he chose. This is the actual state  
 " of things in those Oriental kingdoms in which

"the land is considered the property of the State,  
 "Rent is then confounded with taxation, and the  
 "despot may exact the utmost which the unfor-  
 "tunate cultivators have to give." India is one of  
 the Oriental kingdoms alluded to by the great econo-  
 mist, and in it "rent is confounded with taxation."  
 Even in the rudest agricultural community, rent  
 must exist; no matter in what profuse abundance  
 land may be obtained there will always be a portion  
 enjoying some natural superiority of fertility, or situa-  
 tion, which will render it a peculiar object of desire,  
 and enable its owner to derive peculiar advantages  
 from its possession. India is an agricultural country,  
 and a populous one. The ryotwari districts in parti-  
 cular are very thickly inhabited, and frequently,  
 even with their extensive wastes, contain a greater  
 population per acre than England. In such a country  
 rent must exist, but as the equivalent paid for the  
 use of the land has been fixed arbitrarily by the  
 Sovereign, and is not the free-will offering of the  
 cultivators, the difficulty is to determine how much  
 is due to the Royal will, and how much would be  
 the voluntary contributions of the people, if they  
 were consulted on the subject. In short, in India  
 "rent is confounded with taxation," and we want  
 a principle to separate them. In a former article it  
 has been said that rent varies with the fertility of the  
 soil. This statement, indeed, will be regarded as a  
 truism by most people, though few give sufficient  
 thought to the subject, to perceive the important  
 consequences involved in so palpable a fact. Fol-  
 lowing it out to its natural consequences, we soon  
 find that there must be some land, which on account  
 of its low degree of fertility pays no rent. It by no  
 means follows, however, that this land will not be  
 cultivated. It will suit the capitalist to cultivate  
 it, if he can derive from it a fair return to his capital.  
 It is no benefit to him to pay rent; he pays it because  
 he cannot otherwise obtain the use of the land he  
 desires to cultivate. But as a tradesman sometimes  
 finds it to his advantage to avoid paying shop-rent  
 by selling his wares in the open air, so a farmer may  
 prefer valueless soil for his operations, and thus also  
 escape the necessity of paying anything for it. Unless  
 however he get the usual profits on his capital, he will  
 not embark in the manner supposed. He is generally

led, indeed, to cultivate very poor land by the hope of obtaining something more than the usual returns from it; but these if they exist, the competition of other farmers ultimately enables the landowner to exact from his enterprising tenant. If, on the other hand, the farmer be deceived in his expectations, he will soon withdraw his capital and attention from the unprofitable investment. Land, however, from which the capitalist farmer can only derive his fair rate of profit, and for which consequently he will not pay any rent, may nevertheless enable a peasant producer to pay rent. As a general rule, the latter seeks rather a return for the labour of himself and his family, than for any capital he may invest in his land. His capital, compared with the produce he raises, is of little amount; still he is guided by the same principle as his more extensive fellow-producer. He will not cultivate land which does not give him the usual return for the labour he expends upon it, but he will cultivate the poorest land that will yield him this return. In every country then, there is some land which barely returns to its cultivators the profits due to their labour or their capital, and which consequently does not enable them to pay any rent to its owners. It does not necessarily follow, that this land should be of a bad description. Its quality will depend upon the demand for agricultural produce in the country. If this demand be great, or the price of food high, poor lands will be cultivated, and *vice versa*. Rent in a country varies from *nil* to a fluctuating maximum. The best lands are first taken under cultivation, and tillage then descends to inferior soils, until, if there be a great demand for food, the bleak mountain side or the barren sea shore is brought into subjection by the energies of man, and made to yield a profitable return to his industry. The worst land under cultivation in point of fertility and situation, the most inconveniently located and the lowest quality of soil resorted to, affords no rent, and every other quality pays a rent proportionate to the advantages it possesses as a productive and profitable agent.

In endeavouring to apply this part of Ricardo's theory to the ryotwari revenue, we are met at once by the cardinal difficulty, that every ryot pays Government for the land he cultivates, that all land pays assessment. We are practi-



cally correct in stating, that no land can be had without some payment to the landowner. For every acre that the ryot cultivates, he is subjected to a certain liability to the Government. We want then to discover how much of that liability he would voluntarily undertake, and how much is imposed on him by superior authority. We have seen in a former article that the comparative immobility of the labour and capital of peasant producers is the chief, if not the only, reason why they are sometimes compelled to submit temporarily to greater sacrifices than the large capitalists. The peasant clings more tenaciously to the few acres of land with which all his labours and interests have been associated for years, than the extensive farmer does to the large fields, which he regards much in the same light as his horses and his implements. The small variety of occupations, other than those connected with the land, in agricultural districts, is at once a cause and a consequence of this immobility. As, however, the difference in the above respect, between the small and the large capitalist, is purely one of degree, we may assimilate the two by taking the former within a narrow district, and the latter over an extensive area. We might assume, for instance, that the capital (including the labour) of the peasant is as mobile within a square mile, as that of his more wealthy neighbour is within ten or twenty square miles. Thus the temptation which would induce a peasant, cultivating on his own account, to leave his parish, might be sufficient to cause a capitalist to emigrate to a new country. The barriers which restrict the capitalist's operations are wider than those which confine the peasant's industry; but they are the same in essence. It is altogether an error to suppose that the capitalist is always so free an agent, that on the least reduction of his profits he can alter his plans or change his occupation. Even capitalist farmers will submit to great privations to avoid change. In applying the laws of political economy, it is necessary to make allowance for what may be termed moral friction, or the habits, and customs, which impede their free operations; and this force, though acting with greater energy in India than in England, exists in both countries.



This comparative immobility of peasant farmers being a very important consideration to our subject, let us, in order to make full allowance for it, divide the whole of a ryotwari collectorate into imaginary portions, within the limits of which the objection of the ryots to change their holdings, may be assumed to be inappreciable. To simplify matters, let us suppose the talooks of the collectorates to comply with these conditions. In a talook there are generally thirty or forty different classes of land, each with a different assessment. As then by our supposition the ryot has no particular feeling of regard for his own holding more than for any other within the limits specified, a slight expectation of advantage will induce him to change it, or to alter it, in whatever way he may think beneficial. We must also assume that all the land in the talooks is assessed according to its comparative fertility, that the differences in the assessments of wet land, dry land, and garden land, and their numerous subdivisions, represent the actual excesses of value of the one sort of land over the other to the cultivator. That this should be the case has evidently been the intention of Government in fixing the assessment, and it has been already mentioned, that any irregularity is certain of ultimate correction—by the preference which the fairly assessed lands are sure to command. If the assessment in our supposed district is fixed on this principle, if it simply “equalizes the returns to different farming capitals,” allowing no ryot to have any advantage over another by the possession of comparatively cheaper land, it matters little to our present argument, what the *absolute* amount of assessment may be. There is a minimum assessment, a maximum assessment, and a variety of others intervening, and regulated according to the various advantages which the soils offer to the cultivators, compared with each other. Now it would not perhaps be a violent assumption to suppose, that in the talooks most of the different classes of soil existed in greater abundance than the demand for them. Accordingly if a strange ryot were to arrive with his family and few pairs of bullocks, he would look around him and select whatever quality of land was likely in his estimation to

yield him the best return to his industry. As the ryots in one talook are (by our supposition) at perfect liberty to change their lands as they please; to augment, reduce, or alter their holdings every year according to their pleasure; they would all act, in the arrangement or selection of their land, in the same manner as our supposed new-comer. It follows then that the only assessment that is compulsory is the lowest. All the higher classed lands are selected by the ryots at their own will and pleasure, and the respective assessments are voluntarily undertaken. The lowest assessed (and consequently the lowest quality of) land, is the limit below which no land can be obtained. It regulates the extent of the other and better lands under cultivation, for these must all yield returns equal at least to those which can be derived from the lowest assessed land. If they did not, the latter would gradually be taken under cultivation, and the better lands abandoned, till the equality was restored. Thus in consequence of the freedom of selection accorded to the ryots, and of the abundance of land offering for cultivation, the returns to the various classes of land in a ryotwari district, may be retained in beautiful equilibrium. The lowest assessment within the limits of migration, is the only compulsory charge, and is consequently a tax which every cultivated acre pays. Every sum over and above this which the ryots pay is voluntary, and consequently constitutes rent; it is simply an additional payment for a superior article, it is a fair *quid pro quo*, which they need not give unless they choose, but which they choose to give because they can derive an equivalent advantage from the possession of the soil they thereby obtain.

We have here then a principle by which to separate the ryotwari assessment into its two elements of tax and rent. Assuming that within the limits of every talook, the ryots can and do change their lands freely, according as profitable opportunities offer, every acre of such a district is taxed by an amount equal to the lowest assessment per cultivated acre in the district, and every sum over and above this lowest assessment is rent; a free-will offering to the Government, in exchange for the possession of an adequate equivalent.

## V.

THE evil consequences of bad systems, like the evil deeds of bad men, live after them ; and though systems may be altogether reformed, and death cover with its veil of charity the acts of mortals, the stigma originally attaching to an evil reputation, is equally difficult to obliterate from both. Yet systems like men can change their character, divesting themselves of the bad accidents of their nature, and retaining only its essence. The ryotwari land tenure is undergoing, in public estimation, the penalties for the sins of its youth. Yet, in obedience to a natural law of development which opinion, long enlightened, has ceased to obstruct, it is now free from many of the reproaches which were justly levelled at it in former years. An assessment may be either heavy or light, but these are relative terms, and refer manifestly to the ability of the parties assessed to bear the burden, and to the advantages which the assessor gives in return for his exactions. Thus an assessment, though remaining absolutely stationary, may relatively altogether change its character, and from having been a very heavy burden, become a light and readily paid charge. One of the most important principles in political economy is, that the produce of the soil is only to be obtained by an expenditure of labour and capital, in a rapidly increasing proportion. It is a quality peculiar to the land, that it gives an ever-decreasing return to the outlay of the cultivator. If this were not so ; if, as in manufacturing industry, double labour gave double produce, or more—the whole population of a district might be supported on the food raised from a single acre. Hence men are scattered abroad, to seek “fresh fields and pastures new,” when the hard pressed land gives grudgingly in return to their increased efforts.

A different law governs “manufactures.” A greater quantity of these can be produced at a diminished cost, and such branches of industry accordingly become concentrated in masses, as we see them in Manchester and Birmingham. The two principles are antagonistic, like so many others in nature, acting in different directions, but producing a beneficial equilibrium. It follows, from the principle regarding agricultural produce which we have stated, that the price

of that produce must rise as the increase of capital and population creates an increased demand for it, and draws forth an increased supply. The rent of the land is determined by the price of the produce of the land, and consequently may vary from a nominal amount to any conceivable extent. We have seen that the land assessment of India is partly rent and partly tax. The rent element may accordingly vary, and as the whole remains the same, encroach upon the tax element, or *vice versa*. It may even obliterate the tax altogether, if the necessities of the country should require the whole land to be cultivated, but this is rather a conceivable case than one requiring practical consideration. We see now, how the ryotwari assessment, from having been a very oppressive burden, may have developed into an equitable and even a liberal charge on the land. To illustrate this position, let us suppose a talook settled at any particular time, say in the year 1800. The land is classified and assessed, according to its advantage of fertility and situation, &c. Let us suppose it to be divided into classes assessed at one rupee, two rupees, three rupees, &c. &c., up to ten rupees. Now if a number of ryots be invited to cultivate our supposed district, those plots of land, which by chance or otherwise had escaped fair assessment, would be at once occupied; and would constitute to the few fortunate individuals who obtained them, a property equal to the difference between their actual and assessed values. The ryots would then spread themselves over the land, and occupy it according to their varying intelligence and expectations of profit. If some of each class—save No. 1, the lowest quality—were taken under cultivation, manifestly then the lowest class of soil cannot give a return to the cultivator which will enable him to pay the assessment, and at the same time remunerate him fairly for his labour and capital; otherwise it too would be cultivated. No. 2 then being the lowest assessed land cultivated, and just returning the wages of labour, the profits of stock, and the assessment, will determine how much of the assessment on the higher classed lands is tax, and how much rent. The tax element will be two rupees on every acre cultivated, the rent element will be the whole assessment of the talook, minus two rupees per cultivated acre. Now



if we suppose an increased demand for agricultural produce to spring up, this demand would be supplied, but at an increased price. The increased price would, let us suppose, compel recourse to soil No. 1, and accordingly give it a value which it did not before possess; it would now be cultivated and its assessment would determine the amount of tax and consequently of rent paid by the whole district.

We thus see that the proportion of tax paid by a ryotwari district, may gradually diminish, according as the demand for agricultural produce and its price increases. Other things remaining the same, increased produce can only be obtained from the land at an increased cost. When this increase of produce is demanded, soils of inferior productiveness can be cultivated, because the small balance of produce yielded by them, over and above the wages of labour and profits of stock, will sell for an increased sum, thus enabling the cultivators to pay the assessment. Thus increased prosperity in a country like India, eventuating in an increased price of agricultural produce, tends to lighten the taxation which the land is subjected to, and to increase the rent which the State can legitimately exact for it.

Except, however, in the extraordinary case already alluded to, the agricultural produce of a country in which no land can be had unassessed, cannot escape being taxed to the extent we have already indicated. As the assessment of the land may, under the influences alluded to, gradually lose its character of tax in exchange for that of rent, so a contrary effect may be produced by the owner of the land arbitrarily augmenting the assessment. When the land-owners of a country are too numerous to combine together, to extort an arbitrary price for their possession, the rent of the land is, as we have seen, regulated by the competition of capitalists, or peasant cultivators, for its occupation. But when, as in India, the soil is the property of one individual, he can raise its rent according to his pleasure. If we suppose the land assessment of an Indian district increased, the element of tax contained in the assessment would also be increased. If the lowest assessment, and consequently the tax element, had been four annas per acre,

and the augmentation 25 per cent, the tax element would still be the gross amount of the lowest assessment for every acre cultivated—but that lowest assessment would not necessarily be five annas (four annas plus 25 per cent.); it probably would be more. The immediate effect of increasing the assessment, would be to throw back the margin of cultivation. Land which had returned barely sufficient to pay the wages of labour, the profits of stock, and an assessment of four annas, would not now be cultivated, and so of the highest assessed classes. A cultivator who formerly devoted all his labour to four acres assessed at 16 rupees, would now perhaps occupy himself with only three acres assessed at 15 rupees. The additional labour thus expended on his reduced farm, would give him an additional, but not a proportional, return. The supply of produce would fall off, but as no change is supposed to take place in the demand for it, the price would rise, till the necessary supply was brought to market. This quantity would probably be somewhat less than was required at the cheaper rate, but equilibrium would ultimately be re-established; and cultivation would extend down to that land which would return the wages of labour, the profits of stock, and an assessment of five annas per acre. No land returning less than this, would be cultivated; and lands giving a larger return would be cultivated in proportion to the superior advantages, all things considered, to be derived from their occupation. So long, however, as different classes of land were cultivated, so long would an element of rent exist in the assessment. Only under the supposition of the lowest assessed land being cultivated to the exclusion of all the rest, would the total of the assessment constitute tax; and only on the supposition that the necessities of the country required the whole land to be cultivated would the taxed element disappear, and the entire assessment merge into a *rent*.

A considerable time must of course intervene, before the adjustment we have just alluded to would take place, and meantime much loss of capital and probably of life might be sustained. A series of bad seasons, or a sudden fall in the prices of farm produce, produces similar disastrous effects at home, but a run of good seasons after an interval compen-



rates for the former misfortune, and rents ultimately adjust themselves to the reduced prices if these prove to be permanent. Where, as in India, self-adjusting forces are not allowed such freedom of action, the balance is differently equilibrated; the tenant cannot compensate himself as in England at the expense of the landowner. He must, however, get the fair return for his labour and capital, and this he will seek to do by limiting the extent of his holding, and concentrating his industry on a diminished area. To illustrate this, let us suppose, what may often be the case, that one acre of irrigated land yields as much produce, and requires as much labour to cultivate, as five acres unirrigated; the assessment being one rupee per acre on dry land, and the cost of irrigating, four rupees per acre. Under these circumstances, it is a matter of indifference to the cultivator, whether he cultivates five dry acres or one irrigated acre. But if the assessment be arbitrarily doubled, it becomes his manifest interest to cultivate one acre at a cost of two rupees assessment, and four rupees irrigation charge (total six rupees), in preference to continuing to cultivate five dry acres, assessed at ten rupees, which only yield him the same return. We have taken here an extreme case, and assumed that no charge is made for turning dry into irrigated land; but the principle holds good under all circumstances, that a general increase of assessment acts as a protective duty, so to speak, in favour of agricultural labour and capital. With a certain amount of labour and capital, ten acres may yield sufficient produce, over and above the wages of labour, and profits of stock, to enable the cultivator to pay an assessment of ten rupees. If the assessment be increased to rupees fifteen, he will manifestly be obliged, if he continues his cultivation as before, to sacrifice five rupees out of his wages or profits. But as for every acre of land he surrenders, he now saves a rupee and a half, and also the labour or capital expended on the acre, both of which are available for rendering the remaining part of his land more productive, self interest will manifestly induce him to diminish the extent of his cultivation, and to concentrate his industry and capital on a smaller area: neither the labour nor capital thus re-distributed, will give the old return

of produce; prices will consequently rise, and the cultivator will ultimately be indemnified for the increased assessment at the expense of the consumers of the produce, or in other words, of the people at large.

It is of course conceivable that an oppressive landowner might so increase the assessment, as to encroach on the wages and profits of the cultivator. In doing this, however, he would be acting the part of the clown who killed the goose that laid the golden eggs, and his avarice would be similarly punished. The capital of the cultivators would be either destroyed, or gradually taken from those who made the most profitable use of it. The revenue would fall off, and the country would be deserted. The remarkable fact that the population of the Madras Presidency nearly doubled, while the area of cultivation remained almost stationary, during the first half of the present century, may be explained on the principle just elucidated. Contrary to the expectations of those who settled the various districts, the prices at which the Circar's share of the produce was commuted into money, fell materially. The cause of this may probably be sought for in the comparative peace and security which the country enjoyed under British rule, and the great increase of production consequent thereon. The population steadily increased, but nevertheless cultivation was almost wholly confined within the old limits. The proportion of the produce of the land which the cultivators were compelled to sell at the reduced prices, in order to obtain command of the money assessment due on their lands, was so large, that their interest manifestly lay in trying to extract from the same acreage the wages and profits due to their increase, in numbers and wealth; and this they succeeded in doing to a very great degree, or the same extent of cultivated land could not have supported so large an accession of population.

#### VI.

Before proceeding to draw any practical conclusions from the principle laid down for discriminating the elements of tax and rent contained in the land assessment of India, it will be well to answer a little in detail, the chief objections that may be advanced against it. It may be said that the Indian

ryots are not a migratory race ; that they seldom change their location save on compulsion ; that through apathy or ignorance they submit to inequalities and oppression, which they might easily avoid by the exercise of a little more vigor and intelligence. It is undoubtedly the case that these allegations are to a very considerable extent true, and in so far as they are true must we modify any inferences which we may draw from the premises established. But it is no less certain that in all countries, even the most civilized, the same causes are in operation, and prevent men, and more especially those engaged in agriculture, from following the exact course to which their manifest interests would lead them. The science of Political Economy pre-supposes that men always strive to buy in the cheapest, and sell in the dearest, market, and this they most certainly do in the main, though the activity of races and nations in this respect exhibits very remarkable differences. In assuming a state of things which does not in reality exist, Political Economy is not among the sciences. In the practical application of general laws, the astronomer, the mechanician, the engineer, must also take account of obstacles and drawbacks. It is theoretically true, that if a rolling body receive an impulse it will move on for ever, but this law pre-supposes that the body moves in pure space, free from any conditions that may retard its progress. It is manifestly impossible for us to realize this supposition. The force of friction must always exist, and ultimately overcome the other by slow but gradual counteraction. What friction is to mechanics, the habits and customs of mankind are to Political Economy. They compel the modification of her theories in their practical application, and when the statesman seeks to utilize the discoveries or deductions of the student, he must not omit to make due allowances for the influences that so frequently vitiate the purely drawn conclusions of the closet. We are not, however, disposed to give as much attention to the supposed immobility of the Indian ryot as will probably be demanded ; and the last report of the Madras Board of Revenue will bear us out in our determination. It is more than probable that his stationary and apathetic ha-

bits, were the natural consequence of the restraints and interference to which he was so long subjected. And if they have not altogether vanished with the causes that produced them, they have at least greatly diminished of late years. The last report of the Madras Board informs us, that "The extent of the ryots' holdings at the commencement of the year 1861-62 in the whole Presidency (with the exception of North and South Canara and Malabar) was acres 1,53,60,226 assessed at Rs. 3,13,29,516; of this, acres 6,20,275, assessed at Rs. 1,11,823, were re-inquired; while on the other hand, acres 10,47,454, assessed at Rs. 18,00,089, were newly taken up."

Such numerous changes as these figures indicate, give proof of anything but immobility. One-fifteenth of the whole cultivated area of the presidency was subjected to re-arrangement at the commencement of the year by the voluntary action of the ryots. We have not, unfortunately, an analysis of the numerous changes thus recorded. It would be both interesting and important to know the causes which, in the face of a great rise in prices, led to the surrender of so large an extent of land as 6,20,275 acres. These causes might have been the poverty of petty occupiers, the increased demand for labour, or the natural wish of the most intelligent ryots, to re-arrange their holdings with a view to more profitable returns. Each of these causes doubtless had some influence; but the high prices prevailing, and the fact that the average holding was larger than that of the previous year by  $\cdot 083$  of an acre, induce us to give precedence to the last. Again, notwithstanding the large increase of nearly half a million acres in the cultivated area, the number of pottahs (or leases) extant was less by 5,000 in 1861-62 than in the year immediately preceding. This would seem to point to concentration of cultivation in the hands of the wealthier ryots, and to shew that they possess both the will and ability to extend, contract, or re-arrange their holdings, according as it seems to them profitable to do so. It also exhibits the tendency that prosperity has to produce a class of industrious and well-to-do yeomen in the ryotwari districts, and shows that freedom of cultivation and a fair assessment, are the main condi-



tions necessary to the existence of so important a body of citizens.

Another proof of the readiness of the ryots to change or alter their holdings, may be found in the number of pottahs renewed, most of which now testify to some alteration. Of a total of 20,22,526 pottahs, 7,83,469 or 38 per cent. were renewed or granted afresh in the year 1861-62. The foregoing observations clearly demonstrate that the ryot is not quite the apathetic and stationary being so generally supposed; and justify our assumption, that within certain limits, which at present may be narrow, but which tend every day to become wider, he does not hesitate to reconstruct his little farm, under the temptations of manifest self-interest. It is recorded, indeed, by Mr. Dykes, that so great was the demand of the ryots some years ago to surrender good but over-assessed land, that the revenue was protected by a regulation, providing that a portion of the inferior land which the ryots preferred to cultivate, should always accompany in certain proportions any fertile land surrendered by them. The policy that dictated this regulation, is very questionable. Happily now-a-days there is little chance of its being repeated. Perfect freedom of cultivation, and a moderate assessment, are alone necessary to develop the population of the ryotwari districts into an independent, intelligent, and prosperous community, a profitable tenantry to the State, and an industrious body of contributors to the general wealth.

The demand for labour has greatly increased of late years, and removed the poorer cultivators from that total and immediate dependence on the soil, to which they were formerly subjected. The large requirements of the Public Works establishment, and of the railways; the necessities of planters; the demands of Colonies for coolies; and the yearly extension of cultivation, have already more than absorbed the surplus labouring population, and by their influence on wages raised the standard, below which it is more profitable to the labourer to work for daily hire than to extract directly from a plot of ground his own subsistence. The greater independence and self-indulgence which it admits of, may probably confer on the latter mode

of life some superiority in the minds of the ignorant and indolent, but this advantage an additional inducement will always overcome. When the advantage becomes palpable and considerable, self-interest will always resume its sway, and triumph over self-indulgence. It was not, then, an unreasonable assumption of ours, that the Indian cultivator must at least derive from his land the current wages of the labour he expends on it, the profits of his little stock, and the assessment. This is the minimum, below which if his remuneration fall he will throw up his land and hire himself out to his wealthier neighbour, or to the railway or road contractor; or perhaps determine like many of his fellows to seek higher pay in Ceylon or the Mauritius. The existing demand for his labour protects him from the oppression of his fellow-ryot, and renders him also independent of the land, from which in former days he could alone gain subsistence.

It may still further be urged as vitiating our principle, that the Indian ryot has not the option possessed by the British farmer, of transferring his capital to other occupations, in case the profits derivable from the cultivation of the land, should sink below those obtaining in other employments. We have endeavoured to prove, that within the limits of agriculture, the ryot can and does transfer his industry and his capital from one position to another, but outside of that occupation there exist, it may be argued, but few others to excite his envy, or kindle his ambition. This is undoubtedly the case, yet the admission cannot be made use of to controvert the principle we have established. The absence of other employments of capital, gives no power to the landlord that he did not already possess. The State can at any time raise the assessment of the land as high as mistaken policy, or criminal avarice, may dictate. If the landlords of England could and did combine as one man, to raise their rents, the profits of agriculture would fall, and agricultural capital would be transferred to other investments, till the increased price of produce, due to a diminished supply, would re-establish the harmony between agriculture and other occupations. The landlords would thus be enabled to levy a tax on the whole country, for their own immediate benefit. But British landlords cannot,

by reason of their numbers, and the Indian Government does not, by reason of the justice that guides its conduct attempt any such exaction. We have already pointed out, that as at home the true value of the land is determined by the competition of those who desire to cultivate it, so in India the value of the land, though fixed directly by the Government, has been based on a similar foundation. Any inequalities that exist in it, time soon fills up, provided the valuation has not been excessive. And this it was never intended or desired to be. Where an excessive assessment has been exacted, it has been the result of accident and not of intention.

The fact, then, that the Indian Government does not seek to obtain an extravagant price for their land assimilates the condition of the Indian ryot to his British contemporary. British farmers can escape an exorbitant rent, by transferring their capital to other occupations, but until Indian farmers are subjected to a like exaction, there is manifestly no necessity for them to seek to evade it. We are perhaps scarcely justified in saying, that the British government in India has never exacted an exorbitant revenue from the land, but we are correct in stating, that it never did so designedly; and we may unhesitatingly assert, that there is little fear of any such unjust, or impolitic, act being committed in the future government of the country. A very heavy assessment might of course be a great or peculiar burthen on the ryots, and might be increased so as gradually to annihilate their capital and paralyze their industry. So long as they could not recover from the general consumer the whole amount of the assessment, they would manifestly be subjected to an unfair and impolitic tax, which would first absorb their capital, and ultimately destroy their industry, and extinguish all hope. We are not, however, treating remote and improbable eventualities, but of extreme probabilities or established facts. England is not at all likely again to burthen her commerce with protective duties, to repeal the Reform Bill, or remodel her government according to the traditions of the Stuarts; and neither is it probable that her future administration of India will be aught but liberal, enlightened, and just. Our principles therefore cannot be impugned, in consequence of the few occupations

other than agricultural which tempt the capital and industry of the ryot class.

## VII.

PRESUMING that we have fully demonstrated our theory, and guarded it sufficiently from the objections which may be brought against it, we now proceed to notice the conclusions of practical importance, which may be deduced from the principles we have established. We have shown in a former article, that rent does not enter into cost of production. It follows then, that the rent element of the Indian land assessment does not affect the price of agricultural produce, and that any estimate of the cost of producing rice, cotton, &c., &c., in which that assessment is indiscriminatingly included, must be wholly fallacious, and misleading. An estimate of the cost of growing cotton, such as that made by Mr. Thomson and referred to in our first article, establishes nothing; since it is based on the fallacy, that the whole assessment of the land, is an element in the cost of the produce of the land. The "equation of demand and supply" determines the price of commodities in the first instance, and the cost of production is the ultimate limit below which that price cannot for any lengthened period fall. But the price which is readily and willingly paid for the use of a superior producing agent, is not a portion of that cost. The agricultural produce raised under the most difficult and disadvantageous circumstances, determines its own cost of production, and also the cost of the produce raised under more favourable auspices. The lowest assessed lands in India, like the unrented lands in England, are those whose profitable cultivation is the most difficult; and the produce of the lowest assessed cultivated land in India, like the produce of the cultivated land in England which pays no rent, is that by which the cost of the produce of all superior lands is ultimately regulated and determined. The cost of producing corn on the lowest quality of cultivated land, settles the price of the corn produced on all the higher qualities; and the superior advantages possessed by the latter, afford to the English landlord a rent, and to the Indian Government an assessment, of varying amount. The amount of tax, accordingly, which is contained



in the land assessment is much smaller than it is generally assumed to be, and the effect of the Indian land revenue on prices, has been grievously misapprehended. We possess a return of the lowest rates of assessment prevailing in most of the talooks of the Madras Presidency, and from these we find that the average lowest assessments of wet, dry, and garden lands in each collectorate, are as represented in the following table :—

Collectorates.	Wet.	Dry.	Garden.	Acres of Wet Land.	Acres of Dry Land.	Acres of Garden Land.
	Rs. A. P.	Rs. A. P.	Rs. A. P.			
Vizagapatam .....	0 9 10	0 1 0	0 2 9	14,252	12,275	40
Tinnevely...	2 3 3	0 3 9	0 10 3	1,77,913	10,43,802	17,134
Madura ....	0 11 7	0 4 4	1 6 4	1,31,908	4,99,436	27,856
Nellore .....	1 10 9	0 9 7	2 1 5	1,27,358	3,87,074	21,761
Gangam ...	0 13 7	0 7 3	3 14 9	1,53,687	81,591	1,960
Kistna .....	2 0 0	0 3 5	1 0 8	1,44,885	12,95,382	10,278
Bellary .....	1 0 0	0 2 0	0 0 0	1,52,315	19,86,811	.....
Karveel ..	0 12 6	0 1 0	0 12 8	21,189	10,16,590	13,968
North Arcot	1 9 6	0 5 8	0 0 0	2,70,400	3,95,301	.....
South Arcot	1 2 2	0 12 10	5 5 5	2,35,388	7,20,457	4,116
Tanjore ....	1 1 9	0 4 3	0 10 3	7,24,273	2,38,905	31,172
Trichinopoly	1 5 3	0 7 3	0 15 9	1,47,308	4,67,851	39,848
Coimbatore	1 13 4	0 2 10	1 4 11	80,783	15,15,245	1,58,679
Averages.	1 4 9	0 5 0	1 11 0½	23,11,639	96,70,620	3,26,812

The areas of cultivated land belonging to the three great primary divisions in each district, are also shown in this table ; and taking the three averages of the lowest assessments in all the districts, and multiplying them by the respective areas of wet, dry, and garden land, we find approximately that the amount of tax in the land assessment of those districts, is Rs. 65,19,209. The total ryotwari assessment of the same districts is Rs. 2,43,80,660 ; accordingly rather more than one-fourth of it is tax, and the remainder is rent ; and we may, without any violent assumption, adopt the same proportion for the whole ryotwari assessment of the Madras Presidency, amounting to Rs. 3,52,05,782.

It is assumed in these calculations, that within the limits of each talook the ryots change their holdings without hesitation, freely selecting the land which offers the most profitable investment for their capital and industry. The considerations which justify this assumption, have been already

fully referred to, in a preceding article. It also follows from our principle, that the immobility of the ryots, their reluctance to change the site of their operations for more favourable localities, increases the element of tax in the land assessment, and consequently has a similar effect on the price of produce. If a ryot is too apathetic to re-arrange his holding when greater profits evidently wait on his enterprise, his operations are continued under disadvantageous circumstances; and since he must get from the land the normal return for his labour, and the profits of his stock together with the assessment, or else submit to considerable privation, the public at large have generally to pay for his apathy, in an unnecessary high price of agricultural produce. The one ryot is a representative of the whole agricultural portion of the population. The apathy, indolence, and ignorance of the ryots; their objection to taking advantage of favourable opportunities; their refusal to give up highly assessed land, when lower assessed land would pay better for cultivation; the absence of enterprise and intelligence amongst them, so far as it prevails, all add to the amount of tax contained in the land assessment, and either raise the price of agricultural produce, or else entail poverty and misery on the cultivators, probably both.

If we do away with all these causes, if we strike at the root of the evil, the effects will cease to exist. The proper course is not to lower the assessment, which is now moderately light, or even to attempt to carry out a minute system of equalization; but to remove all obstructions from the cultivation of the land, and to encourage the ryots to turn their capital and industry to the best account; to allow, in short, perfect freedom of cultivation, with a fair assessment of the land based on its market value. So long as a ryot tills one class of land, when another class offers superior advantages, so long is he taxing the community to pay for his folly. For all purposes, theoretical or practical, he might just as well use his hands instead of a plough with which to till the soil, as prefer an indifferent holding to a superior one, or refuse to exchange a field, that was not giving him the needful return, for another that offered it. We have already pointed out that the land itself is simply an

instrument of production of varying efficiency, and to prefer land unfavourably, to land favourably, situated, is simply equivalent to preferring a bad implement to a better one which lies at hand, and only requires taking up and using. The consequence of indulging in such a preference is, that the produce of the land is obtained with a greater expenditure of labour and capital than there is any occasion for; and as the cost of production determines ultimately the price of that produce, a tax is levied on the consumer in consequence of the ignorance of the producer, or of his neglect of his own manifest interests.

The Government has already done much towards removing the obstructions which have heretofore impeded the freedom of cultivation, and all are now agreed that the ryots should be only limited in their operations, by the rights of other cultivators, and by the administrative necessities of the State. When all other impediments, but these, are removed, we may look confidently for the natural self-interest of the ryots to re-assert its sway, and urge them to that course which is at the same time fraught with the greatest benefit to themselves individually, and to the country at large. When the ryots of a ryotwari talook change their land with the same readiness displayed by the farmers of a Scotch county we may calculate that the tax element in the land assessment has been reduced to its minimum amount. All reform in the ryotwari tenure should be directed towards giving increased intelligence, freedom, and facilities to the cultivators, for thereby will agricultural produce be raised as nearly as possible at its natural price only, or the price of the labour and capital employed in its production; and the artificial element in its cost be reduced to the lowest point consistent with an arbitrary assessment of the land.

The foregoing remarks naturally lead us to the consideration of how the land assessment should be raised, so as to give the State only the increment of rent due to the increased prosperity of the country, without at the same time increasing the tax element contained in the assessment. One of the natural consequences of an increase of population and wealth in a country, is an increase in the value of the land. A greater demand springs up for the produce of the soil, more mouths have to be fed, and more bodies

have to be clothed. To supply the produce thus required, recourse is had to inferior soils, and all the superior soils are immediately invested with an increased value. The lowest cultivated land must return the wages of labour and the profits of stocks; and as the margin of cultivation advances and intrudes on poor and uncultivated soils, the value of the superior qualities as productive agents continually augments. When cultivation is perfectly free, this increase of value falls to the lot of the proprietors of the land. Where, as in ryotwari India, the land has been divided into classes, and assessed, the increment goes, but only temporarily, to the occupiers. They are in fact in exactly the same position as English farmers would be, if the landlords had declined taking advantage of a rise in prices, to reap the advantage which the increased prosperity of the country had placed at their disposal. Judicious landlords at home, act to a certain extent in the manner we have supposed. They know that the wealth and prosperity of the tenant form the best security for the revenue of the landlord, and they forbear accordingly from taking full advantage of the competitive principle. The portion of rent which they thus forego, becomes an insurance fund against unforeseen contingencies. The Indian Government, in its capacity of State landlord, desires to exercise the same prudence, as it possesses the same power. Competition amongst the farmers in England enables the landlords to raise their rents. Despotism places the Indian Government in a similar position with regard to the land assessment. If prices have risen, and land has become more valuable in a country, not from private expenditure thereon, but simply from the increase of population and wealth, the increment is then the due of the proprietors of the soil, and its exaction, subject to the limitation already referred to, is no hardship to the tenant. To omit to exact it, would be to place the occupiers of land in a better position than other possessors of labour and capital. To this general principle, the particular case of India is no exception. The increment in the value of land in India, which is due to the improved circumstances and civilization of the country, is a fund which the Indian Government has the right to draw upon, to whatever extent its administrative necessities may require.



But, assuming that the supposed contingency has arisen, that prices, and consequently the value of land, has permanently increased from the causes above mentioned, and that Government deems it prudent to take a portion of the increment; assuming for instance that the 30 years' leases now current in the Bombay Presidency have expired, and that Government desires to raise the assessment so as to derive a greater revenue in future from those lands, we have to solve now this is to be done so as not to augment the tax, which, to the extent already demonstrated, the arbitrary nature of the land assessment imposes on the soil. It is manifest that under the circumstances supposed, the rent element of the assessment is the only portion which Government is entitled to augment; and that to increase the whole assessment indiscriminatingly by, say, 25 per cent., would be equivalent, if there be any truth in our principle, to laying an additional tax, to that amount or upwards, on the produce of the assessed lands. To place this in a clearer light, let us assume that the land of some talook is divided into ten classes represented by the first ten letters of the alphabet; that the lowest assessed land, or A, is assessed at one rupee per acre, that the rest are assessed, each class 25 per cent. higher than the class immediately below it; and that all the lands but class A, the lowest, are fully cultivated. The land tax paid by the talook will then be 15 rupees per cultivated acre. Now let us suppose an increase to take place in prices, causing an increase in the value of the land of 25 per cent. Class A will now be cultivated, since the increase of prices has enabled it to return the wages of labour, the profits of stock, and an assessment of one rupee per acre, and the land tax paid by the district will be one rupee per cultivated acre. Supposing now that Government wishes to take to itself for administrative purposes the 25 per cent. increase in the value of the land; how is this to be done? The lowest assessed land, or class A, by our supposition pays no rent; it only returns the wages of labour, the profits of stock, and the tax element of the assessment. Accordingly to augment it by 25 per cent. would be manifestly not carrying out the intention of Government, which is supposed to be merely to take advantage of the increment of value due to the rise of

prices, to monopolise in short the 25 per cent. increase of rent, leaving the tax, reduced by the rise of prices to one rupee per cultivated acre, untouched. It is for the interest of Government, as the representative of the whole community, that the tax element of the assessment should bear the smallest possible proportion to the *rent* element. The former, as has been already shown, enters into the cost of production; while the latter is the simple equivalent for a superior producing agent, and in no way affects the price of the commodities produced. In augmenting, then, the land-assessment of India, so as to obtain the fair dues of the landlord, and nothing more, Government should avoid altering the assessment of the lowest class of land cultivated, and should augment the assessment of the higher classes, in some moderate proportion to the new value conferred on them by the rise of prices. In this way, the tax element of the assessment would be gradually reduced, and the State would derive from the land that fair rent which the circumstances of the country enable the cultivators to pay.

We have already alluded to the incidence of the tax element of the land assessment. It is paid, in the first instance, by the cultivators, and recovered by them from the consumers, or the people at large. Theoretically, then, the ryots are not taxed exceptionally by the land assessment; but practically, the changes which are constantly occurring in an advancing country, subject them to many hardships, from which the other classes of the community are exempt. Being, moreover, the creators of an immense amount of wealth, and the source from which the State draws so large a proportion of its revenue, they are decidedly entitled to more than ordinary consideration, in the revision or arrangement of taxation. They do not pay tax on their produce, any more than the merchant or the malster; but the revenue which they contribute, while no peculiar burthen on them, is an immense advantage to the country at large; for without it, organized government in India would be simply impossible.

The manner in which the incidence of the Indian land assessment has been generally treated, is a strange instance of popular misapprehension. Frequently, and almost in the same breath, it has been

attacked as artificially raising prices, and thus obstructing trade, and as grinding down the ryots by its exorbitant amount. But if it be an element in the price of produce, it is borne by the consumer, and consequently affects the ryots in no way exceptionally. If, on the other hand, it affects the ryots exceptionally, and constitutes a tax on their industry and intelligence, it must leave the price of produce unaffected, and in so far promotes, rather than obstructs, trade in that produce. Its real incidence we have endeavoured to point out, and the true way to reduce the tax element it contains, is to allow perfect freedom of cultivation; to give the industry and enterprize of the ryots free play, and to remove, as far as possible, all obstructions to and interference with their operations. The existence of these impediments, and the apathy and ignorance of the ryots themselves, occasion a far greater tax on raw produce, than any direct action of Government through the land assessment.

### VIII.

SOME remarks on the contemplated Permanent Settlement for all India, may not unfitly close this series of articles. Admiration for the splendid generosity of the gift, and the far seeing and noble policy which dictates it, is dimmed in the minds of many by a conviction that the measure is at best not required, and that the advantages which are expected to flow from it resemble, to a great extent, the calculations of an ethical philosopher seeking to draw from the first principles of human nature, a judicious system of administration, but omitting to modify his general laws to suit particular circumstances. The old argument, founded on a contrast between the poverty of the Madras Presidency and the comparative wealth of Bengal, is now out of date. Setting aside the greater fertility of the soil of the more northern Presidency the disproportionate revenues which have been drawn from the inhabitants of the two provinces through so long a period, would in itself go a great way to account for the prosperity of the one and the poverty of the other. If it could be demonstrated clearly and indis-

putably, that Ireland had contributed for generations a revenue greater in proportion to her population by 20 or 30 per cent. than had England to the common exchequer, the geometrical proportion in which wealth increases might go far to explain the existing difference in the condition of those two sections of the United Kingdom. There are numerous reasons, without having recourse to her Permanent Settlement, for accounting satisfactorily for the superior wealth of Bengal. But granting that wealth and the alleged cause of it, events of recent years have pretty well established the fact, that riches do not necessarily bring content and comfort to the mass of an Indian population, and that the great majority of the Bengal ryots are by no means as happily circumstanced as their ryotwari fellows in other presidencies—still the very term, “ryotwari” has become a byword in the mouth of Indian politicians. It is considered to be synonymous with poverty and oppression; with swarms of greedy and meddlesome officials, roaming over the land and practising an organized system of corruption, which their European superiors are wholly unable to suppress. But these evils, though they undoubtedly existed, and partially continue to exist in a greatly modified degree, are not of the nature of the ryotwaritenure. They are mere accidents, the result of other circumstances, and are unfairly debited to the system upon which they have brought so much obloquy and reproach. The substitution of money for produce rents, is a great step in civilization; but it has not been made without entailing serious losses and much distress in the ryotwari districts into which the change was introduced. Prices fell, but as the assessment remained stationary, Government obtained for a long period far more than its fair proportion of the produce of the cultivator's industry. The exigencies of the State rendered the immediate sacrifice which was necessary to ensure future prosperity, impossible. The Permanent Settlement in Bengal precluded the Government from interfering with rents in that province, but even there the old zemindars were ruined, and gave place to new men, while in the ryotwari districts the most ill-judged and desperate means were taken to keep up the land revenue and force cultivation; and only in very



recent years, when prices rose and peace was established, have the ryots begun to taste the prosperity and independence to which they had been so long strangers. Is there then such a thing, it may be ironically objected, as a prosperous ryotwari district? Let us examine the last Revenue Report of the Madras Presidency, "The net increase," (we quote from the Report), "in the area under cultivation" (not including the extent in Canara and Malabar, "the area in which districts is not known) amounts "to upwards of 7½ lacs of acres (in a total of about "1½ crores), with an assessment of 12½ lacs of rupees, "besides 1½ lacs in the two divisions referred to. "A better season, the enhanced prices obtainable for "every description of agricultural produce, and the "encouragement given to agricultural enterprise by "reductions from time to time of the assessment in "several districts, have all contributed to this favourable results. The increase in the cultivation of unirrigated lands is general, in every district, except "Coimbatore, in which there is a decrease of 31,741 "acres. In irrigated and garden land, the increase "of cultivation, as also that of the second crop assessment; is with few exceptions found in every "district." In another place the Board write as follows: "In the above occupancy of acres 1,542,015, "acres 3,67,249, consisting of whole survey fields, "were left unsown, from causes beyond the ryot's "control; and the assessment Rs. 8,67,555 on this "area was consequently remitted. This remission "is less than the similar remission in Fasli 1270 by "rupees 2,59,637, indicating that the local officers "continue to enforce the rule, requiring the ryot to "pay the assessment of the entire holding under "ordinary circumstances; which is still more apparent from the fact, that a larger assessment was "charged this year for waste, than in the preceding "year. In the year under report, the waste charged "was Rs. 19,23,958 against Rs. 18,82,598 in the "preceding Fasli 1270. The sum is large, but "under existing circumstances it would no doubt be "easily paid by the ryots."

The ryotwari settlement for the year 1861-62, showed an excess over the preceding year's settlement, of Rs. 14,50,400 or about 1-24th of the whole land revenue. One of the greatest ob-

jections urged against the ryotwari system, is the amount of official interference with the cultivators which it entails. Even this objection, however, is getting out of date, in consequence of the improvements made in the administration of the system. "The system," to quote again from the Report. "of permanent puttahs, or more properly the plan of not issuing a new puttah every year, when no material change has taken place, was, during the settlement under report, very generally introduced in every district except Frichinopoly, in which district it is incompatible with the peculiar character of the assessment, which at present is not fixed on the land, but varies every year with the crop grown. As soon, however, as the new settlement rates are brought into operation, this system will be fully introduced into this district also. Of a total of 2,022,526 puttahs, only 78,340 or 38 per cent. were renewed or granted afresh in the year; the rest were old puttahs which remained altogether unchanged, or were modified by a few additional entries." By this system of not requiring the puttah of the ryots to be renewed, save when they wish to make material changes in their holdings, Government interference will gradually be reduced to a small minimum, and will in fact never be exercised, except when it is invited by the ryots themselves.

The increase in the revenue of Madras is not confined to the ryotwari land assessment. "The following abstract" (to quote from the order of Government on the same Report) "shows the actual collections from all sources of each of the last six years, and presents a gratifying proof of the steadily advancing prosperity of the country—

Fasli—1856-57.....	Rs. 5,01,23,687
1857-58.....	4,89,35,707
1858-59.....	5,37,00,846
1859-60.....	5,57,14,163
1860-61.....	5,74,72,980
1861-62.....	6,01,55,412

"Large as the revenue of 1271 was, it was collected with remarkable ease, the value of property sold for non-payment being under '035 per cent." "The trade of the Presidency" (to quote from the same order) "is in a satisfactory state and steadily increasing every year, as the

“ following abstract of the annual value of exports  
“ and imports shows—

1857-58.....	Rs. 9 62,84,797
1858-59.....	8,48,49,334
1859-60.....	9 19,23,558
1860-61.....	10,47,75,815
1861-62.....	11,61,90,884”

It would be difficult, we apprehend, to exhibit a steadier or more indisputable progress than the foregoing figures indicate. Why then should we seek to improve a condition already so satisfactory, for the purely theoretical reasons assigned by the Permanent Settlement party? Is not the condition of the specimen ryotwari province in India, a clear proof that the ryotwari system of land tenure is by no means the scourge that it is represented, but that it admits of a rapid and steady development of the resources of the country, and at the same time retains for the State a safe, simple, and adequate source of revenue, expending and contracting according to the capability of the country to contribute it.

The advantages derivable from a Permanent Settlement are supposed to be—1st, encouragement to capitalists, small and large, to expend money on the land; 2nd, a diminution of Government interference with the cultivators; 3rd, the attachment of the population to the Government, on whose stability the Settlement would depend. It certainly admits of grave question whether the first-named advantage can only be purchased by the State surrendering all further interest in the soil beyond the present land-assessment.

Is it to the landlords or to the tenants, that the vast improvements in the soil of Great Britain are principally due? We apprehend that by far the greater proportion of those improvements have been effected by the tenants. The same remark is applicable to Tuscany and Lombardy, the matchless cultivation of which is due to the enterprise of the occupiers, whose industrial order has ever been but feebly assisted by their landlords. In England, of late years, landed proprietors have begun to invest capital in the land; but this course has been forced on them by the large farm system, and the extensive buildings and expensive arrangements &c., which it involves. Even in civilized Europe, then, the great landlords are not

generally an improving class. They usually live up to their incomes, and rarely possess the ability, even when they have the wish, to expend capital on their lands. And in those European countries where the soil is held principally by petty proprietors, the state of agriculture and of society is certainly not so satisfactory as to justify an unqualified judgment being passed in favor of that system. The most prosperous and advancing districts in Europe, are those in which the land is cultivated by tenants, who rent it on leases for 20 or 30 years, and where a fair proportion of the increased value, conferred on the land by the progress of society, falls to the lot of the proprietor of the soil. What good reason then exists, for placing a cultivator of the land in any exceptional position as a possessor of labor and capital? Why confer on him a monopoly of the most valuable possessions of the State? It would be almost as reasonable to give Sheffield a monopoly of iron ore, or Manchester a monopoly of the cotton trade, as to grant deliberately as an act of policy to a particular class, the sole ownership of the land of a country. Perfect freedom of labour and capital is amply sufficient to ensure the industry and enterprise of a population; and it admits of grave doubt whether any such artificial stimulus as is contemplated in the Permanent Settlement, would not counteract the very tendency it is supposed to strengthen. What would be said if it were proposed to confer the privilege of using the sea as a carrying agent on British seamen in perpetuity, subject to the present dues on shipping, &c.? Could any one be found to maintain that such a measure would encourage maritime trade, lead to the investment of capital in that particular branch of industry, and ensure the loyalty of the mariners to the Government which granted their monopoly?

The second named advantage which a Permanent Settlement of the land is supposed to confer, is, "a reduction of Government in reference with the cultivator." This is a pure assumption, based on the hypothesis that the increased wealth of the population consequent on the measure, would augment the revenue derived from other taxable sources. Our experience in levying new taxes in India, has not hitherto been of an encouraging nature. With



increasing years, an increased revenue will certainly be required. The question then is, what is the most efficient and least burdensome mode of obtaining that increase? It is very evident, that if we give up one taxable fund, such as the cumulative value of land, to tax other funds, such as the values of the food, the clothing, or the incomes of the population, we are not diminishing Government interference, but probably increasing it. But the Permanent Settlement party assume, that their measure will be successful in promoting the prosperity of the country; and then deduce from that assumption an argument in favour of their proposition. We have already shown, that in the ryotwari districts Government interference can be, and is being, rapidly reduced to a small minimum. While the Permanent Settlement of Bengal has eventuated in compelling Government to interfere, in the most unprecedented manner, to enable landlords and tenants to settle, by appeal to a court of law, what is the fair and equitable rent of their land! And though the Permanent Settlement now contemplated for the rest of India is to be made with the actual occupiers of the soil, it is more than probable that similar complications will spring out of a measure, unsuited to the circumstances of the country, based on unwarranted assumptions, not demanded as a remedy for existing abuses, but adopted with a view to improving a condition already highly prosperous and progressive.

The third named advantage, viz., "the increased attachment of the population to Government," we have already touched on. If we are to bribe particular classes into loyalty in this way, we should plainly not confine our gifts to the ryots. The vast number of labourers for him, are also entitled to consideration, and the bulk of the trading community should share in our liberality. Why should we not do something similar for the fishermen along our coasts, or for the manufacturers of our large towns, or for the labouring servants of the ryots? A still more serious fallacy, however, lurks in this argument. The Permanent Settlement to the unsophisticated mind of the ryot, is a simple delusion; for, in making the settlement it will be necessary to declare that it is done, without prejudice to the power of

the State to levy, according to its necessities, additional taxes in whatever way the government of the day may think proper. Thus we say in effect to the ryots, we will not increase your land-assessment; but if we want more revenue, we will tax your salt, or your clothes, or your houses, or your horses instead. It is greatly to be feared that this nice distinction is beyond the comprehension of a Hindoo peasant, and all the supposed good effects of the measure, the increase of land improvements, of loyalty, &c. cannot, of course, be expected to follow, unless the value of the gift is fully understood and appreciated by those on whom it is conferred.

There is one other argument against revisions of the assessment at long intervals, such as thirty years, which is used in Sir Charles Wood's able despatch of July 1862 on this subject, and which deserves explanation and observation. "Revisions of the assessment," it is there argued, "demand for a considerable period previous to the expiration of the leases, the attention of the already fully worked revenue officers. Under the best arrangements this operation cannot fail to be harassing, vexatious, and even oppressive to the people affected by it. A large staff of native officers is required, and as the time for re-adjustment approaches, the cultivators, with the view of evading a true estimate of the actual value of their lands, contract their cultivation, cease to grow the most profitable crops, and allow wells and water-courses to fall to decay." The Secretary of State assumes here, that the revisions, after thirty years, would entail minute examination of every ryot's holding, in order to settle the new value of the occupancy of each individual. But the relative value of each holding being already fixed, it would, consequently, be only necessary at the expiration of the leases to ascertain what proportional amount the Government were justified in adding to the assessment, by reason of the augmented value of the land in the interval. If prices had risen 25 per cent., or if silver had fallen twenty-five per cent. in value, and if the change appeared to be permanent, the Government might justly raise the assessment by a portion of that percentage, without any reference to the individual occupancies. The recent great rise in prices, and

The advancing prosperity of the country, prove what a respectable addition might thus be made periodically to the Indian revenue. The cultivation and improvements of the ryots would be left quite unaffected. They would have no object in contracting the one, or in undoing the other, because the assessment would be raised uniformly on all lands according to the general improvement of the whole country, and not on separate holdings according to the increased value conferred on these during the term of the lease by the industry and intelligence of the occupiers.

When some of the ablest political thinkers at home, maintain that the State would be even justified in breaking the Permanent Settlement which the landlords of Great Britain enjoy, and taxing the future increment in the value of land due to the common efforts, eventuating in the common prosperity, of the whole population—it is not inopportune to inquire, why we should fix on India the fetters, from which men of the greatest ability and maturest experience propose that England should be set free. The greatest question to decide then is, this: Is a Permanent Settlement, or is a periodical revision of the land assessment, the better system for advancing cultivation, and increasing the public revenue and the public prosperity? All experience, we maintain, is in favour of periodical revision, and the advantages derivable from a Permanent Settlement, are of a purely theoretical and very doubtful nature.



9076(3) **REPORT**

FROM

**THE SUB-COMMITTEE**

OF THE

**POONA SARVAJANIK SABHA,**

**APPOINTED TO COLLECT INFORMATION  
TO BE LAID BEFORE**

THE

**EAST INDIA FINANCE COMMITTEE,**

*ON MATTERS RELATING TO INDIA.*

---

**P O O N A :**

PRINTED AT THE "POONA OBSERVER" PRESS.

---

**1873.**



# REPORT

FROM

THE SUB-COMMITTEE

OF THE

POONA SARVAJANIK SABHA.

APPOINTED TO COLLECT INFORMATION  
TO BE LAID BEFORE

THE

EAST INDIA FINANCE COMMITTEE,

*ON MATTERS RELATING TO INDIA.*

---

**P o o n a :**

PRINTED AT THE "POONA OBSERVER" PRESS.

---

1873.

REPORT FROM THE SUB-COMMITTEE OF THE POONA  
SARVAJANIK SABHA, APPOINTED TO COLLECT INFOR-  
MATION TO BE LAID BEFORE THE EAST INDIA  
FINANCE COMMITTEE ON MATTERS RELATING TO  
INDIA.

---

INTRODUCTION.

The Select Committee appointed to inquire into the state of the agricultural classes, the pressure of the land revenue under the old and the new assessments, the increase of local and Imperial taxation, and the working of the forest and other departments of revenue, have examined a considerable number of witnesses, and received written statements in reply to certain questions framed

*Vide Appendix (a).* (a) from the Sarvajanic Sabhas at Kurrar, Ahmednuggur, Mirajgaum, and Oombergaum, and from several private gentlemen who were not able to attend in person before the Committee to give evidence.

In all, the Committee obtained evidence from eight Districts of the Deccan in the Bombay Presidency, *viz.*, Poona, Sattara, Sholapoor, Ahmednuggur, Khandeish, Tanna, Colaba, and Rutnaghiri. With regard to the Poona District, witnesses were examined from seven out of its eight Talookas. A written statement from Berar was received giving full information with regard to the state of the ryots in that part of the country, where the system of land revenue is the same as that which obtains in this Presidency.

In the selection of witnesses examined, due care was taken to exclude one-sided information, or, at least where it could not be excluded, to check it by the evidence of witnesses who represented opposite interests. General competence, and special acquaintance with the condition of the agricultural classes, were also regarded as necessary qualifications in the witnesses examined.

The *modus operandi* observed by the Committee was as follows :—A number of questions, copies of which are appended (a), were framed, and the witness was examined as to such matters as he thought himself competent to speak about. His replies, corrected or modified by a cross-examination from the Members of the Committee, were reduced into writing and read over to him. As to the written statements, it was not possible to test their correctness except by a second reference, which in most cases was not practicable owing to the shortness of the time at the disposal of the Committee. A considerable portion of these written statements was also found to be vague and irrelevant.

The witnesses were chiefly examined upon the following points :—

1. Prices of agricultural labour and produce.
2. Cost of husbandry in the different Districts.
3. Reasonableness, or otherwise, of the old and revised assessments.
4. Present condition of the agricultural and labouring classes.
5. Nature and extent of the present Imperial, Local and Municipal taxation.
6. The working of the forest laws ; the practice of impressing carts and labourers by revenue and other officials while on tour ; comparison between the departmental and the contract system in the Commissariat and Public Works Departments.

A list of the witnesses examined, showing the locality from which they came, and their special qualifications, is given below. In the body of the Report, in summarizing the evidence on each head, reference will only be made to the number of the witness, so that it will not be necessary to state his name and his qualifications every time there is any occasion to allude to him. In the following list, the names of private individuals from whom statements were received are also given, and when a statement was received from a public body, the

name of its Secretary is mentioned as the person from whom the statement came. The order in which the witnesses are numbered in the list is not the order in which they were examined. The numbers have been fixed so as to bring witnesses relating to the same District together, commencing with Poona, taking the Desh Districts next, and lastly the Conkan Districts. The evidence taken, together with the statements, grew upon the hands of the Committee to such a size that it was deemed quite impossible to turn it to any practical account by translating the whole body of the evidence received. It was therefore arranged to summarize the evidence upon each head separately, and append the remarks and observations which the Committee had to make thereto. This system has been accordingly followed throughout in the following Chapters :—

- |     |  |   |
|-----|--|---|
| 1.  | Pandoorung Vinayak Thakar, pensioned Mahalkari, Poona and Sattara Districts ... ..                         | 26th Dec. 1872.   |
| 2.  | Gungadhur Govind Gokhale, inhabitant of Guraude, Talooka Poorundhur, Zilla Poona, trader and farmer ... .. | 27th do.  |
| 3.  | Pandoorung Sakharam Deshpande, Zemindar and Inamdar, Poona ... ..  | do. do.   |
| 4.  | Ramchandra Vishoo, Secretary, Kurnar <i>Sarvajanik Sabha</i> ... ..  | 28th do.  |
| 5.  | Panachunda Ambaram Goojera, inhabitant of Chakan, a trader and shopkeeper, Chakan and Poona ... ..         | do. do.   |
| 6.  | Ambalwan Aya Pille, agriculturist farmer Bharatgaum, Talooka Havelli, Zilla Poona ... ..                   | 29th do.  |
| 7.  | Aroonageer Kesheva, Moodliar, Commissariat Contractor ... ..   | do. do.   |
| 8.  | Gunesh Babajee Mate, Vice President, Sholapoor <i>Sarvajanik Sabha</i> ... ..                              | 9th March 1873.   |
| 9.  | Sadasiva Pandoorung Kelkar, inhabitant of Chakan, farmer and cultivator, Chakan ... ..                     | 30th Dec. 1872.   |
| 10. | Gopal Nursingrao Deshpande, Inamdar and farmer and the ryot's Agent at Indapoor ... ..                     | do. do.   |
| 11. | { Balajee Eshwant ... ..<br>Rungoorao Trimbeck... ..   | { Secretaries to the Ahmednuggur <i>Sarvajanik Sabha</i> ... ..<br>31st do. |
| 12. | Anundarao Venkatesh Ghoole, Inamdar and Deshpande of Ratanjan, Talooka Barsee, Zilla Sholapoor ... ..      | do. do.   |



13.	Krishnajee Govind Barve, Khote and Inamdar, inhabitant of Jalgaum, Talooka Dapode, Zilla Rutnaghiri ... ..	5th Jan. 1873.
14.	Kashinath Mahadeo, Koolkernee of Delwadee, Talooka Bhimthadee, Zilla Poona ... ..	9th do.
15.	Sukharam Babajee Joshee, inhabitant of Rahu, Talooka Bhimthadee, Zilla Poona, cultivator and farmer ... ..	18th do.
16.	Dowluttrao bin Abajee, Patel of Pargaum, Talooka Bhimthadee, cultivator ... ..	20th do.
17.	Rajaram Sadasiva, Koolkernee of Kedgaum, Talooka Bhimthadee, farmer and cultivator ...	do. do.
18.	Raghoojee Janoojee, Patel of Nangaum, Talooka Bhimthadee, Zilla Poona, cultivator ...	26th do.
19.	Babajee bin Hummuntrao, Patel of Dapoode, Talooka Bhimthadee, cultivator... ..	do. do.
20.	Nursoo Jagannath Joga, farmer and cultivator, Poona ... ..	do. do.
21.	Vittalpant, Pleader, Colaba ... ..	do. do.
22.	Shivaram Rookmangada, Koolkernee of Wadagaum, Talooka Mawal, Zilla Poona ... ..	9th Feb. do.
23.	Vinayek Bhivajee, of Oombergaum ... ..	9th March do.
24.	Krishnajee Rughoonath, Kothavale Sowcar, inhabitant of Wai, Zilla Sattara ... ..	
25.	Martund Khunderao Bungale, Patel of Khavasi, Talooka Amulnair, Zilla Khandeish and Deshpande, of Talooka Jaloda, farmer and cultivator ... ..	18th Feb. do.
26.	Dhodo Rajaram Patuk, trader at Oomawatee in Berar, and farmer ... ..	
27.	Patalajee bin Luximan, Patel of Dolimba, Talooka Bhimthadee, cultivator... ..	9th March do.
28.	Mhuskajee bin Hurjee, Patel, inhabitant of Boree Aindee, Talooka Bhimthadee, Zilla Poona, cultivator ... ..	do. do.
29.	Vittalrao Wassoodeo Phudke, Karbhari to the Bhao Maharaj, 1st Class Sirdar ... ..	

## CHAPTER I.

### PRICES OF LABOUR AND PRODUCE.

It is attempted in this Chapter to state the comparative prices of labour and produce ten, fifteen, or twenty years ago, and what they are now, and ascertain the nature and range of the changes which have taken place. General prices being always fluctuating, the information available to the witnesses on this head was naturally of a very vague kind. Their evidence regarding prices cannot therefore be expected to be very full and accurate, and it has been found necessary to supplement it by information available from other sources, including among them the published Records of Government.

Witness No. 2, speaking of the Saswad Talooka of the Poona Collectorate, states that the prices of produce are double now of what they were 15 years ago. The prices of labour are from 3 to 4 annas a day for an adult male, and from  $1\frac{1}{2}$  to 2 annas for a woman or a boy. The cost of maintaining a labourer's family is Rs. 150 a year, while 15 years ago it was Rs. 50.

Witness No. 3, speaking of the Havelli Talooka of the Poona District, states the prices of articles to be as follows :--

	<i>From 1850 to 1855.</i>	<i>In 1872-73.</i>
Jowaree per pulla (measure)...	Rs. 3	Rs. 6
Bajree, do. do. ...	" 4	" $7\frac{1}{2}$
Wheat, do. do. ...	" 5	" 10
Pulses, do. do. ...	" 5	" 12
Rice, clean, do. do. ...	" 9	" 11
Salt, at 6 pylees per rupee, ...	" 5	" 10
Coarse sugar, per pulla (weight) ..	11	" 15 to 20
Ghee, do. do. ...	" 40	" 80
Oil, do. do. ...	" 17	" 40
Firewood, per khundee ...	" 3-8	" 10-12

Milk, which was from 8 to 10 seers per rupee in 1872, was 20 seers from 1850 to 1855. Kurbee which cost Rs. 5 per 100 bundles last year, cost before only 1 rupee. Grass last year cost per 100 bundles Rs. 2, and formerly 8 annas. The price of teak-wood was 12 annas, and of other wood 6 annas per foot formerly; last year the price was Rs. 2-8, and 10 annas respectively. Chunam, which was Rs. 7 per khundee before, sold last year at Rs. 20. Pearls sold for Rs. 5 a *chava* formerly; last year they were Rs. 12 for a *chava*. Diamonds were Rs. 20 for a *ruttal* formerly; last year the price was Rs. 80 per *ruttal*.

The prices of labour the same witness states to be as follows :—

<i>From 1850 to 1853.</i>				<i>1872.</i>
Adult male labour per day...	Ans.	2		Ans. 4
Women, do. ...	"	1½		" 3
Carpenters, do. ...	"	5		" 10
Bricklayers, do. ...	"	5		" 12
Masons, do. ...	"	4		" 14
Cart hire, do. ...	"	7		Rupee 1

The rates of the wages of washermen, barbers and bhungies are now double of what they were 15 years ago.

Witness No. 9, speaking of the Khed Talooka of the Poona Collectorate, states that the cost at present of maintaining a labourer's family of five persons is Rs. 100.

Witness No. 22, speaking of the Mawal Talooka of the Poona Collectorate, states that rice was 24 seers per rupee 10 years ago; it was 8 seers during the last 10 years; now it is 12 seers.

Witnesses Nos. 14, 15, 16, 17, 18, 19, 20, 27, and 28, speaking of the Bhimthadee Talooka of the Poona Collectorate, state the prices of corn to be as follows :—

<i>Ten years ago (1850-60.)</i>	<i>During the last 10 years (1860-70.)</i>	<i>Last year (1872.)</i>
Jowaree, per pulla...Rs. 4	... Rs. 7	... Rs. 4
Bajree, do. ... ,, 5	... ,, 10	... ,, 5

The prices of labour were formerly 2 annas a day for an adult male, and 1 anna a day for a woman; last year they were respectively 4 annas and 2 annas a day.

Witnesses Nos. 4 and 24, speaking of the Sattara District, state that during the last 10 years Jowaree cost Rs. 10 per pulla, and that 20 years ago the same cost Rs. 4. In the Wai Talooka the prices are double of what they were 20 years ago. The rates of wages were formerly 2 annas per adult male labourer, and  $1\frac{1}{2}$  annas for a woman; now they are 4 annas and 3 annas respectively. The cost of maintaining a labourer's family is now from Rs. 100 to Rs. 150 a year; formerly it was from Rs. 50 to Rs. 75.

Witness No. 11, speaking of the Ahmednuggur District, states that the price of Jowaree 20 years ago was Rs. 3 per pulla, 10 years ago Rs. 7-8; at present it is Rs. 6. The wages of labour are 2 annas for a male and  $1\frac{1}{2}$  annas for a female. The cost of maintaining a labourer's family is Rs. 125 now; formerly it was Rs. 65.

Witness No. 21, speaking of the Khandeish District, states the prices of articles to be as follows :—

	<i>Ten years ago (1860-70.)</i>	<i>Last year (1872.)</i>
Jowaree per pulla.....	Rs. 3	Rs. 6
Bajree .....	„ 4	„ 8
Wheat .....	„ 6	„ 11

The rates of wages at present are 3 annas a day for a male adult,  $1\frac{1}{2}$  annas for a female, and 1 anna for a boy.

Witness No. 22, speaking of the Berar Province, states the prices and rates of wages to be as follows :—

	<i>1850.60</i>	<i>Last year (1872.)</i>
Jowaree per rupee.....	60 to 80 seers	20 to 26 seers.
Rice .....	20 to 25 „	6 to 12 „
Pulses .....	25 to 30 „	8 to 10 „
Wages of adult Male per day	$1\frac{1}{4}$ to $1\frac{1}{2}$ annas	2 to 3 annas.
Do. of Female .....	$\frac{3}{4}$ to 1 do.	$1\frac{1}{2}$ to 2 do.
Do. of Boy.....	$\frac{1}{2}$ to 1 do.	1 to $1\frac{1}{2}$ do.



The cost of maintaining a labourer's family was from Rs. 48 to Rs. 60 twenty years ago ; now it is from Rs. 150 to Rs. 175.

Witnesses Nos 13 and 21, speaking of the Conkan Districts, state the rates of wages to be 2 annas a day for a male, and  $1\frac{1}{2}$  annas for a female formerly ; now they are 4 and 3 annas respectively. The cost of maintaining a labourer's family is Rs. 60 a year now.

Witness No. 29, speaking of the Belgaum District, states that the wages of a labourer are at present from 3 to 4 annas a day.

Witness No. 8 speaking of the Sholapoor District, states that the rates of agricultural labour are for an adult male 3 annas a day, and for a female  $1\frac{1}{2}$  annas a day.

It will be seen from this Summary (1), that the prices of agricultural produce have nearly doubled during the last 20 years ; (2), and that one effect of the rise in prices has been to double the cost of all labour, skilled and unskilled. The prices of produce rose first, and the wages of labour rose in consequence.—In all calculations regarding the actual benefit derived by the agricultural classes from the recent rise in prices, this fact should never be forgotten, that the rise in the wages of labour has absorbed a considerable proportion of the profits derived from the high prices, and, of late, while prices have been going down, there is no corresponding indication seen in a general lowering of the rates of wages.

The next point to be borne in mind with regard to this question of prices is that (1), it is not safe to prophesy a continuance of the enhanced scale of prices for any fixed term ; (2), that in this Presidency general prices have a large range of oscillations, that (3), the tide which set in with the Russian war, and which was borne upwards by the American war, has already ceased ; and (4), that during the last 3 or 4 years, prices are steadily re-

turning to the level at which they stood about 15 years ago. The following statement has been prepared with the assistance of the information supplied by the late Professor H. Green's Pamphlet on the Deccan ryots, the Bombay Price Commissioner's Report of 1863, the statistical Reporter of 1869, and the price currents published in the *Bombay Government Gazette* of 1872-73. The prices of four chief staple grains at Poona and Belgaum have been selected for comparison. With regard to Poona the period covered over is nearly 100 years, while with regard to Belgaum the period covered over is about 40 years :—

*Statement showing the average market prices of different commodities at Poona and Belgaum for the following years :—*

	Professor Green's pamphlet.				Price Commissioner's report				Statistical reporter.	Govt. Gazette.
	Average from 1775 to 1781.	Average from 1794 to 1804.	Average from 1817 to 1828.	Average from 1837 to 1844.	Average from 1845 to 1852.	Average from 1853 to 1859.	Average from 1861 to 1862.	For 1863.	For 1869.	For 1872-73.
	Seers.	Seers.	Seers.	Seers.	Seers.	Seers.	Seers.	Seers.	Seers.	Seers.
POONA—										
Bajree .....	23	13	19	28	26	...	...	...	13	18
Jawaree ...	27	13	23	34	32	27	17	10	15	20
Wheat .....	17	10	14	17	21	20	11	8	9	13
Salt .....	35	19	39	...	..	...	...	...	17	12
Rice .....	14	9	15	11	17	11	8	6	7	10
BELGAUM—										
Wheat .....	...	...	...	...	30	27	13	7	11	11
Jawaree ...	...	...	...	31	37	26	15	7	14	18
Rice .....	...	..	...	14	18	14	10	6	11	8
Salt .....	...	...	...	...	...	...	...	...	17	13
Bajree .....	...	...	...	...	...	...	...	...	...	17

It will be seen from this Statement, that taking the prices which obtained in Poona 100 years ago, between 1775 and 1781, as the standard, the prices of the next two periods, being the latter years of the Peishwa's rule, were out of all proportion high. People in these parts still re-

member those years as of great scarcity and famine. After 1837 when the first settlements of the Land Revenue were made, prices began to fall under the combined influence of extending cultivation, the substitution of cash payments for the old payments in kind, and the absence of easy and thorough communication between different districts ; and this tendency continued uninterrupted till about the year 1850 or 1852, the fifth period selected in the Statement. From 1852, the export trade staples first engaged the attention of the agricultural classes, and, aided by better communications, there was a change for the better, and prices began to rise. Between 1853 and 1860, prices of all kinds of grain rose rapidly, till in 1860, prices were nearly the same with what has been taken to be the standard for comparison, namely, the prices between 1775 and 1781. After 1860, prices had a further lift far above the normal standard, till in 1863 they were nearly double the standard rate. The dearest years were between 1863 and 1866. After 1866, the tendency towards a further rise was stopped, and in 1869-70 prices had fallen 30 per cent. from the height they stood in 1863. This year (1872-73) there has been a further fall owing to timely and abundant rains, and the prices which obtain now in the Poona bazar have for the most part reached the standard level which obtained between 1853 and 1859. To a certain extent the same observation holds good about Belgaum, with regard to which the information is not so complete. It will be seen from this history of the prices in Poona, that during the last 100 years, there have been two upward and two downward oscillations in prices, and in the general effect, prices now are steadily falling to the level of what they were a century back. When Colonel Francis made his report on the Indapoor re-settlement in 1867, he calculated that during the 30 years for which the settlement was to be made, prices would not fall below the level of the second half of the second decade of the first 30 years' settlement. His prediction has not been realised by the subsequent changes in

prices. If the present year happens to be as propitious as the last season, there is no doubt that prices will fall still lower. The following positions may therefore be safely laid down with regard to the changes in the prices of produce, and they will be found to be of material significance in the sequel of these observations.

(1). That looking back over a period of 100 years, prices of produce have thrice oscillated over a large range of variations. It is not safe therefore to assume that the prices of any particular period of these oscillations will continue at that level for a period of thirty years, much less that the rise in prices which took place between 1860-65 will be permanent at that level.

(2). That, in fact, the downward tendency has already commenced, and prices now are steadily approaching to what they were 15, 50, and 100 years ago, and if a succession of propitious seasons follows the present, it is not unlikely that they will reach the normal standard.

## CHAPTER II.

### COST OF HUSBANDRY.

In regard to this subject it is not possible to tabulate the evidence given by the witnesses under any uniform statement, as over and above the accidental differences between different districts, the nature of the husbandry in the districts above the Ghauts is so entirely different from the system which obtains in the Konkan country, that they must be both separately studied in all their details. Besides, variations in the quality of the soil, the number of the acres, the nature of the property claimed by the cultivator in his land,—all these make any systematic comparison impossible. Subject to these qualifications, the following statements made by the witnesses as regards the cost of husbandry and the gross produce obtained, may be accepted as representing correctly in the general result the present condition of agricultural industry in the several districts to which the witnesses belong :—

Witness No. 6, speaking of the Bharatgaum village of



the Havelli Talooka in the Poona District, states that he holds a number of 25 acres, the assessment on which is Rs. 24 in the village of Bharatgaum. He states that he has held this land from 1868 to 1872. The land is Jeerayet ; only one crop is grown on it. In 1869-70, the rains were favourable, and there was a good crop. He cultivates the land on his own account, and employs servants ; but he lives in Poona where he follows other occupations. The receipts and expenses of the year 1869-70 were as follows :—

<i>Receipts.</i>	<i>Expenses.</i>
Jawaree, 28 pullas, at Rs. 7	The cost of one family of
a pulla .....Rs. 196	servants, man, woman
Kurdaee or oil-seeds, 6 pul-	and 3 children.....Rs. 94-8
las, at Rs. 7-8 ..... „ 45	Wages..... „ 50
Kurbee, 6,000 bundles, at	Cost of temporary labour
1 rupee per 100 bundles. „ 60	for reaping, mowing, &c.. „ 15
Rs. 301	Seed ..... „ 8
Deficit ..... „ 10-8	Charge for fodder of cattle
Total...Rs. 311-8	for 8 bullocks for 6
	months..... „ 70
	Charges for renewal of agri-
	cultural cattle ..... „ 20
	Repairs to implements..... „ 5
	Village servants and luck-
	dars ..... „ 25
	Rs. 287-8
	Government Assessment... „ 24
	Total... „ 311-8

This result is for the best year, showing that, if a year of scanty rain occurs, the two ends will not meet, and there is no return of profit proper in agricultural industry, *i. e.*, no return for capital invested to one who does not actually cultivate the land.

Witness No. 9, speaking of Chakan in the Khed Talooka of the Poona District, states that he owns one *Mirasi* number on which the Government assessment is Rs. 14. He cultivates it by letting it to a sub-tenant under an agreement by which the sub-tenant pays half the assessment and half the expenses, the other half

being paid by the witness. They divide the crop between themselves in the proportion of 3 to 2, the tenant takes 2 and the witness 3 shares of the produce. In this number, there is a permanent supply of water, and crops are raised in all seasons. On the whole the witness receives 9 per cent. interest upon the capital employed by him on this land. The cost of food and clothing of one cultivator's family consisting of himself, his wife and three children, is about Rs. 100, Rs. 84 for food, and Rs. 16 for clothing. The witness has besides other lands mortgaged to him by the owner on which he has advanced Rs. 2,500. Taking good and bad years together, the witness states that during the last 15 years he has received 12 per cent. interest on the capital advanced by him. In regard to this Talooka, however, it is to be noted that the witness states that the rains never fail, and there is a plentiful supply of water all the year round.

Witness No. 22, speaking of the Mawal Talooka of the Poona District, where rice is the chief crop, states that he owns two numbers, one *Guddee* (rice producing) and the other *Jeerayet*, in all measuring 6 acres, which he cultivates on his own account. The receipts and the disbursements are estimated by him as follows:—

<i>Receipts.</i>		<i>Expenses.</i>	
Rice, 4 khandees for the best year.....	Rs. 80 to 160	Wages of 2 servants, Rs. 20 each.....	Rs. 40
„ 2 khandees for the worst year ...		Their feeding charges.....	„ 54
Nachaney, from 5 to 15 maunds, for the worst and best year .....	10 to 30	Fodder for cattle .....	„ 0
		Cost of burning the ground, sowing the seed, and reaping.....	„ 15
	Rs. 90 to 190		Rs. 109
Pendha, which serves as fodder for cattle .....	0 0	Government assessment ...	„ 8
			Rs. 117
Total...Rs. 90 to 190		Total...Rs. 117	

In the Mawal Districts the rains never absolutely fail, so that, even in the worst year, some crop can be grown. Besides these two numbers, the witness owns another *Guddee* number, which is of a superior quality,

and is very lightly assessed. He lets it to a tenant to cultivate; the tenant pays him annually 18 maunds of rice, valued at Rs. 36, out of which the witness pays Rs. 5 as assessment.

Witness No. 10, who is an Inamdar and Zemindar in the Indapoor Talooka of the Poona District, has given an elaborate estimate of the comparative cost of cultivating one Chahoor or 96 acres of land in his part of the country, first for the 20 years from 1842 to 1861, and secondly for the ten years from 1861 to 1872.

<i>Expenses.</i>		<i>First period.</i>	<i>Second period.</i>
Agricultural implements which require renewal every 5 years, total value Rs.46 for the first, and Rs.69 for the second period, 1-5th of which to be disbursed each year...Rs.		9	14
Price of 16 bullocks ; Rs. 160 for the 1st, and Rs. 320 for the 2nd period, 1-5th of which is..... „		32	64
Wage: 5 permanent servants being 4 adults, each at Rs. 36, and one boy at Rs. 18 for the 1st period, and for the 2nd Rs. 60 and Rs. 48 respectively .....		162	281
Temporary servants .....		48	72
Fodder for cattle .....		114	234
Cost of seed .....		17½	50½
Village servants and huckdars .....		27	50½
Government assessment .....		31½	77½
Total Rs.		440½	Rs. 850¾
<i>Receipts.</i>			
Jawaree, 6 khandies .....	Rs.	192	384
Bajree, 1 „ .....	„	32	64
Cotton, 5 „ .....	„	60	100
Kurbee, 13,000 bundles .....	„	78	156
Sundry produce .....	„	88	174
Total Rs.		450	Rs. 878

These results are for the best year. In the Indapoor Talooka, however, such a year comes once in 5 years. In the other years when the crops are 50 or 25 per cent. of those of the best year, the expenses remain pretty much the same, while the receipts dwindle down

to Rs. 200 and Rs. 100, thus leaving a heavy balance against the cultivator.

Witness No. 14, who is a Koolkarnee of Delvadee in the Bhimthadee Talooka of the Poona District, and is an Inamdar of 4 or 5 villages, states that he owns 2 numbers measuring one *Chahoor* or 96 acres in extent, on which under the previous settlement he paid Rs. 46, and has now to pay Rs. 90 under the re-assessment. The expenses and receipts in the last year when the crops were middling were as follows :—

<i>Receipts.</i>		<i>Expenses.</i>	
Jawaree, 3 khandies	..Rs. 240	Fodder for 10 bullocks, 10 bundles for each bullock per day, at 100 bundles for a rupee...	Rs. 360
Kurbee, 12,000 bundles	... „ 120	Wages of 9 servants...	„ 140
Kurdaee ... ..	... „ 50	Temporary labourers...	„ 200
	Rs. 410	Seed .....	„ 24
			Rs. 724
<i>N. B.</i> —In the best season the crops are valued at Rs. 820, which exactly cover the expenses; the margin to the cultivator which enables him to cultivate the land from year to year consists only in the item of his own wages.		Government Assessment, including local cess	... 95 $\frac{5}{8}$
			Rs. 819 $\frac{5}{8}$

Witness No. 15, who owns 2 numbers measuring in all 45 acres, at Rahoo in the Bhimthadee Talooka, states that he has let these numbers to a sub-tenant on condition that he himself should pay the Government assessment, and provide half the seed, and receive from the sub-tenant half the gross produce. The details of the receipts and disbursements are as follows :—

<i>Receipts.</i>		<i>Expenses.</i>	
Jawaree, 1 khandee	...Rs. 60	Government assessment..	Rs. 31
Grain, 4 maunds	... „ 12	Half the cost of seeds ...	„ 5
Kurdaee, 1 maund	... „ 2	Expense of keeping up the boundary marks	
Kurbee, 1,000 bundles	... „ 10	Sundries .....	„ 5
	Rs.... 84		Rs. 41

*N. B.*—This represents half the gross produce of the crops of the best year which comes once in 3 years. In the other 2 years, the crops are middling or bad, when the receipts do not cover the expenses.



The witness states details regarding another field in the same village, of which the assessment under the first survey was Rs. 76, and has lately been raised to Rs. 181 besides the local cess. The owners of this number are 4 brothers who employ 3 additional servants, and cultivate the land on their own account, with 16 bullocks. The charges and receipts are as follows :—

<i>Receipts.</i>		<i>Expenses.</i>	
Jawaree, 10½ khandies	...Rs. 630	Wages of 3 servants at	
Kurdaee	... „ 40	Rs. 30 per each	...Rs. 90
Kurbee	... „ 210	Charges for feeding do....	„ 108
	Rs. 880	Kamlee and shoes for do.	„ 12
		Cost of feeding 16 bul-	
		locks for 7 months....	„ 228
		Seed	... „ 17
		Sundries	... „ 6
		Wages of temporary servts.	„ 63
		Replacement charges of	
		bullocks	... „ 60
			Rs. 584
		Government Assessment...	„ 181
		Total	Rs. 765

*N. B.*—This result is obtained without making any allowance for the wages of the 4 brothers who are the owners of the field. When the assessment was Rs. 76, the balance of Rs. 220 represented their wages. This balance has been mostly encroached upon by the enhanced assessment.

Witness No. 17, who is a Koolkernee of the village of Kedgaum in the Bhimthadee Talooka, has 10 or 12 numbers on which he paid Rs. 125 under the 1st assessment, and has to pay now Rs. 400. He employs 12 servants and 32 bullocks; besides he and his two brothers personally work with the servants.

<i>Receipts.</i>		<i>Expenses.</i>	
Jawaree	...Rs. 936	Wages of 12 servants at	
Bajree, 4 khandies	... „ 300	Rs. 25	... Rs. 300
Kurdaee	... „ 50	Feeding charge of do.	„ 288
Kurbee	... „ 150	Kamlee and shoes	... „ 36
	Rs... 1,436	Wages of temporary servts.	„ 144
		Fodder for Cattle for 6	
		months; for the rest	
		of the year, the bul-	
		locks feed on kurbee.	„ 150
		Replacement charge of	
		bullocks	... „ 50
		Seed	... „ 50
		Sundries	... „ 5
			Rs... 1,023
		Government Assessment	„ ... 400
			Rs... 1,423

*N. B.*—When the assessment was only Rs. 125 there was a balance left of Rs. 275, which represented the wages of the 3 brothers who owned the field. This margin has been absolutely eaten up by the enormous increase in the new assessment.

Witness No. 20, who holds 2 *Mirasee* numbers measuring 72 acres at Pimpulgaum in the Bhimthadee Talooka, on which the former assessment was Rs. 48 and the reassessment at present is Rs. 85, states that he bought the land in 1867 for Rs. 475, subject to a condition that after 5 years the seller, on payment of the cost price, should have his land back again. The witness does not cultivate the land on his own account, but has let it to a sub-tenant who pays him half the gross produce, while the witness pays the whole of the assessment and half the charge for the seeds. This witness has kept detailed written accounts of the receipts and charges for the last 5 years, from which he produced the following extracts :—

1st year 1789 (*Shake*) corresponding to 1867-68.

<i>Receipts.</i>		<i>Expenses.</i>	
Jawaree, 1 khandee	...Rs. 48	Government assessment	...Rs. 48
Kurdaee, 6 maunds	... „ 30	Half the seed charge	... „ 15
Kurbee, 3,000 bundles	... „ 15	Sundries	... „ 5
	<u>Rs. 93</u>		<u>Rs. 68</u>
		Profit	... „ 25
			<u>Rs. 93</u>

2nd year 1790 (*Shake*) corresponding to 1868-69.

<i>Receipts.</i>		<i>Expenses.</i>	
No grain owing to bad season	Rs. 0	Government assessment	...Rs. 48
Kurbee, 3,500 bundles	... „ 35		
	<u>Rs. 35</u>		
Loss	... „ 13		
	<u>Rs. 48</u>		

3rd year 1791 (*Shake*) corresponding to 1869-70.

Bajree, 1 khandee	...Rs. 60	Government assessment	...Rs. 48
Jawaree, do	... „ 35	Seed wages	... „ 12
Kurbee	... „ 96	Sundries	... „ 6
	<u>Rs. 191</u>		<u>Rs. 66</u>
		Profit	... 125
			<u>Rs. 191</u>

4th year 1792 (*Shake*) corresponding to 1870-71.

Jawaree, 1½ khandee	...Rs. 60	Government assessment...	Rs. 48
Kurbee, 2,200 bundles	... „ 22	Seed and sundries	... „ 8
Kurdaee	... „ 10		
			Rs. 56
	Rs. 92	Profit	... 36
			Rs. 92

5th year 1793 (*Shake*) corresponding to 1871-72.

Jawaree, ¾ khandee	...Rs. 30	Government assessment	...Rs. 48
Kurbee, 1,800 bundles	... „ 18	Seed	... „ 11
Kurdaee	... „ 12	Sundries	... „ 14
			Rs. 73
	Rs. 60		
Loss ..	13		
	Rs. 73		

Taking the 5 years together, there were two years of deficit ; and 3 years of profit. The receipts of the five years were in all 471 Rs., the charges were 311 Rs., leaving a balance of 160 Rs. as net profit, which, spread over 5 years, gives an average profit of 32 Rs. a year. These. 32 Rs. on the original capital of 475 Rs. represents interest at 7 per cent. Under the reassessment, the whole of this margin of 32 Rs. has been more than absorbed by the enhancement, so that, if this same man were to allow his money to remain in the land for another 5 years under the same conditions as before, there will be no profits, and a considerable loss on his investment.

Witness No. 12 is a Deshpandia, has Inam and *Mirasi* lands in the Barsee Talooka of the Sholapoor Collectorate, and is besides in the service of the Inamdar of Dhamangaum and Wakavee. He gives details of the receipts and charges of the cultivation of one number at the latter village, measuring 45 bighas, and on which the assessment by the Inamdar is 49½ rupees. This

extent of land requires 4 bullocks and two permanent servants :—

<i>Receipts (best year).</i>	
Jawaree 5 Khandles	...Rs. 400
Kurbee 15,000 bundles	... „ 150
Sundry produce	... „ 50
	Rs. 600

*N. B.*—This is for the best year on the best soil. In every 10 years, there are five such years, 2 years of middling crops and 3 bad ones, during which years the expenses remain the same, and the profits are *nil*.

<i>Expenses.</i>	
Charges for fodder for 6 months only	...Rs. 50
Servants' wages and feeding charges	... „ 100
Sundry charges for reaping, mowing &c.	... „ 25
Seed charges	... „ 10
Village servants and huckdars	... „ 60
Hire of Bullocks	... „ 20
Sundry	... „ 10
	Rs. 275
<i>Add—</i>	
Assessment	... „ 50

Rs. 325

The witness owns land in the Government villages of Ratanjun, Sarolee and Ambegaum, in all 160 acres, in which the assessment was 125 Rs. The witness cultivates 50 acres at Ambegaum on his own private account. The assessment on this was 38 Rs. It is a Bagayet number, and gives employment to 8 bullocks and 4 servants. The receipts and charges are as follows :—

<i>Receipts.</i>	
Jawaree between 4 and 5 khundies.	...Rs. 400
Kurbee between 10,000 and 12,000 bundles	... „ 120
Wheat, 1 khundee	... „ 100
Gram	... „ 50
Kurdace	... „ 5
Chillies	... „ 50
Sundry	... „ 25
	Rs. 750

*N. B.*—This is for the best year, which comes once in 3 years. The other years are either middling or bad, when the expenses are the same, but the receipts are either *nil* or scanty. Taking the three years together, there remains little or no room for profits.

<i>Expenses.</i>	
Servants' wages at 50 rupees for each servant	...Rs. 200
Fodder for cattle for 6 months	... „ 100
Sundry charges	... „ 75
Seed charges	... „ 25
	Rs. 400
Village servants and huckdars	... „ 75
	Rs. 475

<i>Add—</i>	
Government Assessment...	... „ 33
	Rs. 508



Witness No. 8, speaking of the Sholapoor district, states that for cultivating a field of 60 bighas or 50 acres, four bullocks are required, and gives the following estimate of Receipts and Expenditure.

<i>Receipts.</i>		<i>Expenditure.</i>	
Grain 4 Khandies	... Rs. 400	Wages of 2 servants at 5	
Kurbee 8,000 Bundles	... " 80	Rs. each per mensem...	Rs. 120
	Rs. 480	Cost of feeding Bullocks...	" 100
		Seed	... " 5
		Repairs to implements	... " 20
		Village servants and huck-	
		dars	... " 19
		Government assessment in-	
		cluding local cess	... " 21½
			Rs. 285½
		Cost of maintaining the	
		farmer and his family	
		not included in the above	
		according to the lowest	
		scale.—	
		Food	..... Rs. 144
		Clothing	..... " 22
		Sundries	..... " 8½
			174½

Total Rs. 460

Witness No. 24, speaking of the Wai Talooka of the Sattara district, states that one pair of bullocks, with the occasional assistance by way of interchange of a neighbours' bullocks, are sufficient to cultivate from 6 to 10 acres of land, on which from 1½ to 2 Khandies of Jawa-ree are raised, the value of which in the years of scarcity prices ranged from 90 to 150 Rs. Out of this sum one-half is absorbed by the expenses. The Government assessment amounts to 25 or 30 Rs., and about as much remains for the ryot's support. He has therefore to supplement his resources by other employment, during the dry six months when he is not engaged on his farm.

Witness No. 29, speaking of the Belgaum district, states that one pair of bullocks suffices to cultivate 2 bighas of Bagayet land, and about 6 bighas of Jeerayct

land, the value of the yield in such case in good years being about 200 Rs. The details of the charges of cultivation of Bagayet and Jeerayet land are as follows :—

<i>Bagayet 2 bighas.</i>		<i>Jeerayet 6 bighas.</i>	
Wages of 2 servants, for 12 months	...Rs. 96	Wages of 2 servants, for 8 months	...Rs. 64
Bullocks fodder including oil-cakes &c., for 7 months	.. " 72	Bullocks fodder exclusive of Kadbee produced in the field	.. " 48
Seed and sundries	... " 20	Seed and Sundries	.. " 10
Reaping, mowing &c.	... " 16	Reaping and mowing	... " 10
Hire of additional bullocks for the 1st two months.	.. " 25	Hire of additional bullocks.	.. " 25
Village servants and huckdars	... " 20	Village servants and huckdars	... " 20
Government Assessment...	.. " "	Government Assessment...	.. " 22

On the whole the profit to the cultivator consists in his wages.

Witness No. 15 is a Deshpandia in the Amulnair Talooka of the Khandesh Collectorate, owns lands and besides deals in cotton. He states that he owns 15 numbers of Jeerayet and Bagayet land, in all 100 *bighas*, on which he pays 225 Rs. as assessment. The receipts and charges on this land are as follows :—

<i>Receipts.</i>		<i>Expenses.</i>	
Cotton, 2 Khandies	...Rs. 300	Fodder for 32 bullocks, besides the Kadbee produced in the field, viz. 1,000 bundles	... Rs. 80
Jawaree, (12 Mapa)	... " 150	Grain, oil-cakes &c.	... " 240
Bajree, (9 do)	... " 150	Wages of 8 servants	... " 400
Gram, (10 do)	... " 180	Wages of temporary servants	... " 100
Plantain, crop	... " 925	Seed	... " 25
Ground nut-seed	... " 40	Sundry	... " 75
Rice	... " 120		
	Rs. 1,865		Rs. 920
		Government Assessment...	.. " 225
		Village servants and huckdars	... " 115
			Rs. 1,260

This land is most favourably circumstanced, and cannot be accepted as a specimen number for the district. Moreover, it is to be remarked about Khandesh, that the ryots of many parts of that zilla are well-to-do, and independent of the Sowcar, and the soil has still much of the virgin character about it.

As regards the Konkan districts, only three witnesses were examined. Witness No. 13 is a *Khote* in the Rutnagherry district, and Koolkernee in the Jalgaum Mahal, and is besides an Inamdar. In the Konkan district, lands are either Tari, (rice land), Bagayet, and Warkas, or hill-side lands. The receipts and charges of one acre of khareep or rice land are as follows :—

<i>Receipts.</i>	<i>Expenses.</i>
Rice in husk $1\frac{1}{2}$ Khandee at 25 Rs. per Khandee. Rs. 37 $\frac{1}{2}$ Pendha ... .. " 5 <hr/> Rs. 42 $\frac{1}{2}$	For burning $\frac{1}{3}$ rd of land in which planting operation takes place... ..Rs. 12-3-0 For Seeds ... .. " 2-0-0 For Sowing ... ..As. 7-0 For Ploughing the land for 12 ploughs, four ploughs 3 times ... ..Rs. 4-8-0 Cost of transplanting, viz., the wages of 40 labour- ers for one day ...Rs. 7-8-0 For Reaping, wages of 20 labourers... .. " 3-12-0 For Mowing, wages of 16 labourers... .. " 2-8-0 <hr/> Rs. 32-14-0 Government Assessment ,, 10-0-0 Khote's profits ... ,, 5-8-0 <hr/> Rs. 48-6-0

The receipts and expenses of cultivating one acre of Warkas land are as follows :—

<i>Receipts.</i>	<i>Expenses.</i>
Nachaney from 10 to 12 maunds valued from Rs. 25 to 36, being the yield for the first year ...Rs. 30	Cost of burning $\frac{1}{8}$ th of the land ... ..Rs. 6
For the second year, Waree 10 to 12 maunds ... „ 20	Cost of Seed ... .. „ 0-3
For the third year, Harik about the same quantity. „ 7	Sowing ... .. „ 0-4
	Ploughing for $7\frac{1}{2}$ ploughs... „ 3-0
	Transplanting ... .. „ 4-0
	Reaping and mowing ... „ 3-0
	<hr/> Rs. 16-7
	The same charge for the second year for Waree ... „ 16-7
	The same for the third year for Harik ... .. „ 16-7
	<hr/> Rs. 49-5
	Government Assessment for 10 years... .. „ 2-8
	Khote's profits for 10 years. „ 1-0
	<hr/> Rs. 52-13

*N. B.*—After this for 5 to 10 years nothing can be grown.

Witness No. 21, who is a pleader in the Koolaba district, states that the receipts and expenses of cultivating one *bigha* are as follows :—

<i>Receipts.</i>	<i>Expenses.</i>
Rice in husk from 1 to 2 Khandies Rs. 25 to 50. Rs. 37-8	Cost of burning the land...Rs. 15-0
Pendha ... .. 10-0	Sowing... .. „ 4-0
<hr/> 47-8	Ploughing ... .. „ 8-0
	Transplanting ... .. „ 5-0
	Reaping and mowing &c. „ 11-0
	<hr/> Rs. 43-0
	Government Assessment varies from 5 to 10 Rs. per bigah (average) ... „ 7-8
	Khote's profit... .. „ 3-12
	<hr/> Rs. 54-4

Witness No. 23, speaking of the Oombergaum Talooka of the Tanna Collectorate, gives the receipts and expenses from different sorts of cultivation. There is

not what is called Agari Bagayet land in the Oombergaum Talooka. It obtains however in the Talookas of Bassein and Mahim, where the receipts and cost of cultivation for one acre of land are as follows :—

<i>Receipts.</i>	<i>Expenditure.</i>
For an average good year...Rs. 150	Interest on the price of two bullocks or their hire for 8 months ... ..Rs. 8
<i>N.B.</i> —When the year is middling or unfavourable, the profits are net, and the owners do not get sufficient wages, and if the land is cultivated by a sub-tenant, a portion of the surplus goes to the owner, and must be charged in the cultivator's accounts.	Fodder for 2 bullocks for 8 months ... .., 16
	Watchman's wages ... .., 25
	Repair to water-drawing machine ... .., 2
	Interest on the value of land ... .., 18
	Government Assessment... .., 30
	<hr/> Rs. 99
<i>N.B.</i> —The Government assessment on one acre is generally Rs.15, but as this sort of land requires to be left fallow every alternate year, double the sum has been charged.	

The receipts and cost for Kharreep or rice land for an area of 3 acres, which is the maximum extent that can be cultivated by one plough is as follows :—

<i>Receipts.</i>	<i>Expenses.</i>
For the best sort of land paying from 4 to 5 Rs. rent per acre, the rice produced is, at 25 maunds per acre, 75 maunds, whose value according to the present rates is ...Rs. 75	Repairs &c. to the plough..Rs. 5
	Hire for bullocks .. .., 10
	Government Assessment ... .., 15
	Miscellaneous charges including wages, &c., reaping &c. ... .., 15
	<hr/> Rs. 45

*N. B.*—When the prices are high the labour is also dear, and consequently the profits are not greater.

When the same land is of an inferior kind, the Government assessment is from 1 to 2 rupees per acre, and the produce per acre is 15 maunds, so that 45 maunds,



the yield of 3 acres, fetch Rs. 45, while the cost is as follows :—

Repairs to the plough &c. ....	Rs. 5
Hire for bullocks .....	„ 10
Government Assessment .....	„ 6.
Wages &c., miscellaneous .....	„ 15

Rs. 36

This leaves a profit of 9 Rupees for the best year.

Warkas land is assessed at 4 annas per acre. Only such crops as those of Nagli, Warree &c., are grown in this kind of land, whose yield per acre is about 12 maunds. But the expenses eat up the whole produce, and for one acre of cultivated land 3 or 4 acres of fallow land are required for *rab*. Therefore the ryots cultivate such lands only during the available intervals from other agricultural labour, so that when there are 9 acres of land, only 3 acres can be cultivated, the cost of which is as follows:—

Repairs to the plough .....	Rs. 5-0
Labour .....	„ 10-0
Government Assessment .....	„ 2-4
Rab .....	„ 5-0
Hire for bullocks .....	„ 10-0

Rs. 32-4

When the rains are uncertain the crops fail altogether. The above is the proportion of profit when the holder himself is the cultivator, but when the latter is a sub-tenant, then one-third of the profits goes to the holder. This completes the summary of the evidence on this head.

Before proceeding to lay down the positions to which the evidence leads, it may be necessary to state what is meant by the cost of husbandry. There are those who deny that the labour of the cultivator engaged in cultivating his own land has any value, or that it in any way makes up the cost of husbandry. There is neither reason nor authority, however, for such exclusion, and throughout the following observations, cost of husbandry includes the wages of the labour, whether of the ryot

himself, or his family, or of servants hired by him, as well as a return for the capital, (cattle and implements employed), sufficient to pay the charge of their first purchase, and subsequent renewal.

From the whole of the evidence summarized before, the following conclusions may be safely laid down :—

1st. With regard to the Konkan districts the cost of husbandry in Tari and Warkas land, allowing for slight inaccuracies in the statement, may be taken to be from  $\frac{2}{3}$ rd to  $\frac{3}{4}$ ths of the gross produce, and the remaining one-third or one-fourth is made up of the assessment and Khote profits. Thus, taking good and bad years together, there remains no margin of profits proper, much less of rent proper, to the cultivator. The fact is, that the Konkan districts have been excessively assessed all through, both under native and under British rule, and the recent operations of the survey have in no way remedied this great evil, and in many cases have greatly aggravated it. The exaction of one-third of the produce from such a poor soil as that of the Konkan is rack-renting, and, as matters stand, the poor cultivator has to supplement heavy his resources from other channels to enable him to pay the assessment.

2ndly. In the Desh Districts, the proportion of assessment to the gross produce is not so great, it ranges from 1-10th to 1-20th of the gross produce. But the cost of husbandry except in Bagayet lands is very much the same, absorbing from  $\frac{2}{3}$ rd to  $\frac{3}{4}$ th of the gross produce. In this cost, the wages of the cultivator and his family are of course included, as there is no reason why the holder of Government land should not regard his labour spent in the cultivation of his own land to be entitled to the same rate of wages which he himself pays to the hired labourers he employs on his farm. Including these wages in the cost of husbandry, there remain from 10 to 20 per cent. out of the gross yield, from which the Government assessment and the interest due to the sowcar have to be paid. After deducting the fixed Government assessment, and taking good and bad years together,

there remains nothing; or but an insignificant fraction, of the net profits of cultivation. Agricultural industry in this country, being carried on for the most part by way of small farms, with little or no capital employed except the necessary implements and the cattle, is simply sustained from year to year by millions of poor cultivators, whose chief return consists of the wages of their own labour employed in the cultivation of their own lands. The small margin of profits earned in a year of plenty, is wholly absorbed by the total failure or scanty yield of another year of absolute dearth or of middling crops. The cultivator labours from year to year, every year expecting the seasons will prove propitious, and too often his only return is the value of his own wages, which are not always sufficient to maintain the cultivator and his family all through the year, and have therefore to be supplemented from other resources, during the months in which the cultivator and his family are not employed on their farm.

*3rdly.* From the whole of the figured statements, it is plainly established that farmer's profits proper there are none in agricultural industry, so far as Jeerayet lands are concerned, that is to say, in nearly 90 per cent. of culturable land in this Presidency of small rivers and scanty rains. In other words, there is no room for profits proper to a man who cultivates Jeerayat land by hired agency, and seeks his reward in the return of capital invested by him.

In Bagayet land, there is such a margin as the crops are reared in all seasons. But in Jeerayet lands it does not pay to men, who have capital to spare, to buy land in the country, and cultivate it by employing subtenants. The annual net yield is not sufficient to pay from 6 to 10 per cent. interest on the sum invested. It is not necessary to state that in cases, where the farmer's profits as such are *nil*, there is no fund out of which to pay the rent proper, *i. e.*, the difference due to special advantages enjoyed, after deducting the profits and the wages. And the sum exacted by Government by way

of land revenue is not therefore a payment out of rent proper, but is a positive charge upon the resources of the land, and eats up the profits, and often-times encroaches upon the wages fund of the cultivator.

*4thly.* It might be urged, and in fact it has been urged, that the assessment would neither absorb profits nor encroach upon wages, if the ryot was not so indebted to the sowcar as he at present most undoubtedly is, and that it is the sowcar, and not the State, who eats up the profits, and too often the wages fund also by his usurious interest. The sowcar's charges for interest, great as they no doubt often times are, cannot, however, be said to represent profits proper, because the money borrowed is not invested in the land, but is spent away, as often in marriage expenses as in enabling the ryot to pay the Government assessment promptly to the day, and tide through bad seasons. The seasons being admittedly so irregular, it becomes the duty of the State, while it fixes its demand permanently, to see that the fluctuations of the seasons do not bring the ryot in trouble. If the Government assumes the position of a co-sharer in agricultural profits with the ryot, it ought to take up the place of the sowcar, and lend money to help him through bad seasons. When no care is taken to do this, and the assessment is levied indifferently in all seasons under penalty of forfeiting the land, is it any wonder that the ryot is involved in bondage to the sowcar. What the sowcar receives from the ryot is too often the whole of the crop after paying the assessment, and the ryot lives on fresh advances during the greater part of the year. The sowcar's charge for interest on money advanced does not represent any portion of the profits proper, but is paid out of the wages fund of the ryot. No argument can therefore be built upon that foundation controverting the broad position laid down in the third paragraph of the observations on this head.

Lastly, it would seem from some of the statements that the old assessments were in some respects based upon a moderate estimate. Owing to the recent rise in



prices, these moderate assessments left some room for a small rate of profits, which enabled the ryot to tide through bad years, but this small margin in favour of the farmer has been more than absorbed by the enhancement under the re-assessments. If therefore prices return to their old normal level, as they have been gradually doing during the last 3 or 4 years, and the present re-assessments are fully levied, the ryots will find themselves worse off year by year than they were before the survey settlement.

These five conclusions, ascertained from and supported as they are by the 20 figured statements summarised before from the several districts, and the general understanding of the people of all parts of the country in those cases, where no specific expression has been given to it, may be depended upon to represent the actual condition of things as regards the proportion of the cost of husbandry and of the assessment of Government to the gross profits of cultivation. The significance of these facts will be fully understood in connection with the next Chapter.



## CHAPTER III.

PRESSURE OF GOVERNMENT ASSESSMENT ON LAND FIXED  
AT THE FIRST AND REVISED SETTLEMENTS.

Before proceeding to summarise the evidence on this head, it is necessary for a clear understanding of the subject to fix accurately what is the nature and character of the State demand on land. It is owing to a confusion of thought upon this preliminary point, that the interminable controversy regarding the land question originates, and, so long as this confusion lasts, the controversy can lead to no good. It is useless in this connection to cite the precedents of the old Hindoo and Mahomedan despotisms. The rule of the British Government has lasted sufficiently long in this country to have founded a policy and precedent of its own, and its action must be judged by its own deliberately made professions and guarantees. With regard to this question of land revenue, the late Court of Directors on two different occasions enunciated their views in language which leaves no room to doubt what their opinion on the subject was. As early as 1844, the Court of Directors in a despatch, dated 27th March 1844, observe, that the right of Government consists in its title to receive from the "Mirasdar" a share of the produce of the land, or, more strictly, "a share of the surplus produce after payment of the expenses of cultivation." The despatch lays down rules to regulate the relations between Inamdars and their tenants, and, as the Inamdar is the assignee of the Government interest in land, what the Court of Directors observed with regard to the title of Mirasdar as against the Inamdar, holds equally good as against the Government, whose alience the Inamdar is. In another despatch of the year 1856, which Sir Bartle Frere quoted in his evidence before the Parliamentary Select Committee on Indian Finance, the Court of Directors state the official view as to what the land revenue should be in the following terms :—"The Officers engaged in the duty of fixing the assessment should always bear in mind that the

“ right of Government is not a rent, which consists of  
 “ all the surplus produce after paying the cost of culti-  
 “ vation and the profits of agricultural stock, BUT IS A  
 “ LAND REVENUE ONLY, WHICH OUGHT, IF POSSIBLE, TO BE SO  
 “ LIGHTLY ASSESSED AS TO LEAVE A SURPLUS OR RENT TO THE  
 “ OCCUPIER, WHETHER IN FACT HE LETS THE LAND TO OTHERS,  
 “ OR RETAINS IT IN HIS OWN HANDS.” This despatch of the  
 Court of Directors accurately represents, to use Sir Bartle  
 Frere’s words “ the received official view in India as to  
 “ what the land revenue should be.” The ryots in this  
 country have, therefore, every right to appeal to these  
 solemn guarantees, and to ask to be judged by them.

That these same principles guided the action of the  
 founders of the Bombay system of settlement will be seen  
 from the “ following Extract, Para. 17 of the Joint Re-  
 port.” :—

“ From the difficulty of ascertaining the true rent of  
 “ different descriptions of land, we have not assumed any  
 “ theoretical proportion of this, for the standard of our as-  
 “ sessment ; but we fully coincide in the justice of the prin-  
 “ ciple of limiting the Government demand to a portion of  
 “ the true rent, and believe 50 to 80 per cent. thereof, as  
 “ laid down by the Board, would form a liberal assessment,  
 “ and that this principle, if capable of being carried into  
 “ practice, would prove an invaluable blessing to the agri-  
 “ cultural classes of India, and introduce a new èra in  
 “ their history. And we further ascribe to the fact of a  
 “ portion of the rent having been seldom, if ever, left to  
 “ the proprietor or cultivator in India, the characteristic  
 “ wretchedness of its agricultural population, rather than  
 “ to any peculiarities marking its different systems of re-  
 “ venue management.”

The information summarized under the last  
 Chapter leaves no room to doubt that, if this defi-  
 nition of the rights of Government and of the culti-  
 vating ryot be accepted, the assessment on Government  
 land should be a portion of the rent, large or small, for  
 which the land would let, if farmed out by the owner to  
 another person, or, in other words, the assessment should

consist of a portion of the net profits of land, after deducting the expenses of cultivation including the wages of the cultivator and his family, and the charges for the purchase and renewal of agricultural stock. It has been shown before that the present assessment of the Government and the charge of the Khote profits in the Konkan Districts absorb from one-half to one-third of the gross produce, which, by all accounts, means that the Government assessment is a rack-rent in the worst sense of the term. In the Desh Districts, also, it has been shown that the ryot is enabled to continue the cultivation of land from year to year, not because he receives any fraction of the proprietor's rent, or true farmer's profits, but chiefly, if not solely because he earns the wages of himself and family in its cultivation. In fact, there is no surplus produce left after paying the costs of cultivation, (including his wages and the charge for the renewal of agricultural stock), and the assessment of Government. No surplus produce is left, and therefore there can be no rent. In many cases, the ryot has to provide for the payment of the assessment from other sources, and his only remuneration consists in the wages of his own labour. These results cannot be gain-said by any one who accepts the Court of Directors' views to be the correct ones on the subject of land revenue.

Of course, in contrast with this moderate view, there are two extreme views. In order to avoid all cause for confusion, it is necessary to state them here. There is the view which is now gaining in favour with the ruling classes which takes its stand upon the old Mahomedan notion, that, by the fact of conquest, the rulers of the country have become the absolute proprietors of the land in the same sense in which private individuals are owners of their moveable or immovable property, and that, as such owner, Government is entitled to demand the whole of the rent proper of the land. As there is no intermediate class of farmers in this country, and the holdings are mostly in small plots, the extreme limit of Government demand would include all the produce of

the land after deducting the actual cost of cultivation, not however including in this last item the wages of the cultivator and his family labouring on the farm. The other view regards land to be the absolute property of private individuals, and as such liable to assessment along with all other property. Both these views are stated here only to be rejected, for, as has been shown before, they are opposed to the intermediate position taken up by the supreme Government, which alone can be taken into account in judging of the pressure of the existing assessments in this Presidency. The evidence on this point is summarised below :—

Witness No. 2, speaking of the Saswad Talooka of the Poona District, states that the first assessment was fixed in accordance with *Mamool Wahiwat*, or old usage, but, in contravention of assurance given that no cess would be levied, the Government, before the thirty years term expired, have levied a local cess in breach of that faith. The enhanced assessments have been from 50 to 100 per cent., and as these are fixed after a re-survey and classification of lands according to their present condition, the ryots are discouraged from making any improvement for which they are asked to pay more by way of assessment. The new assessments themselves are very oppressive.

Witness No. 3, speaking of the Havelli Talooka of the Poona District, states that Mr. Pringle's settlement was in excess of the old Peishwa *Kamāl* fixed by Narro Appajee Toolsibagwale. The first assessment, made in accordance with the principles of Captain Wingate and Lieutenant Nash, fixed the rates at a figure which was about one-third of the *Kamāl* rate. The ryots were thus encouraged to take up more land, and waste lands were soon brought under cultivation. The new assessments are from 50 to 100 per cent. in excess of the old rates, and exceed the *Kamāl* rate considerably. Additional water rates are also levied, although owing to scanty rains, the wells have been dried up. The local cess has been levied in breach of the as-



surance, and a restriction has been placed upon the ryots' right to cut wood in his own land. Under the new survey, inferior and barren lands are assessed at low rates, whereas under the previous survey they were allowed to be free.

Witness No. 22, speaking of the Mawal Talooka of the Poona District, states that in the village of Sangvee in the year 1871-72, about 15 numbers were sold for arrears of revenue. No ryot could be got to buy those numbers. Accordingly Government nominally bought them for one anna each, and they are now lying waste. About 10 or 12 more numbers are likely to fare the same fate this year.

Witness No. 10, speaking of the Indapoor Talooka of the Poona District, (which was the first Talooka settled and re-settled) states that in his Talooka, the land, being black soil, is classed by the survey officers at a high rate according to its natural capacity. But as the rainfall is very scanty and precarious, there being only one good season in five years, the necessary deduction is not made in the rates fixed solely according to the quality of the land. The first settlement made by Captain Wingate and Lieut. Nash, took due account of this fact, and the ryots were thus able to tide over two bad years from the savings made during one good year. The settlement officers, in re-assessing the District, have reclassified all the lands, by reason of which, although the average enhancement has been between 50 to 60 per cent. upon the whole Talooka, there are an immense number of holdings on which the enhancement under the reclassification enormously exceeds the average rate. This witness has given a list of 246 holdings in 22 villages verified from the ryots' receipt-books, in which he gives full details regarding the name of the holder, the numbers of the holdings, the measurement, and the assessment, under the old and new settlements, from which it will be seen that the enhancement in many cases ranges from 300 to 600 per cent. Under



the new settlement, *Mal* and *Kural* land and other kinds of inferior land which were included, but not assessed, under the previous survey, have been assessed at rates slightly below the average rate on black soil. The main test adopted by the survey officers for classifying lands according to the depth of the soil, as measured by the length of the iron bar fixed in the ground, is not a correct test, as regards the quality of the land in all respects. Such soil requires a heavy rainfall before the moisture penetrates a foot or two below the surface. Such rainfalls once in ten years in this District. In all the other years, the moisture hardly penetrates below the surface, and the crops are therefore very scanty. This circumstance, as well as several others affecting the seasons, were taken into account by the officers of the first survey, and have not been duly attended to in the recent settlement. The survey officers assign the rise in prices, as a reason for enhancing the assessment, but prices have of late again fallen. *Secondly*, the survey officers do not make sufficient allowance for the fact that with the rise in prices, the cost of cultivation increases proportionately. *Thirdly*, it should be remembered that the rates fixed at the time of the first survey were not advisedly lower than what could safely be levied. The assessment at the time of the first survey was fixed by striking the average of the actual receipts for the previous 30 years, barring remissions. The rates then fixed were thus simply what the ryots were shown to have paid during 30 years. These rates were therefore moderate, and as one result of this mode of rating, during the 30 years of the survey there were no arrears and no remissions. The new assessment has been made on the supposition that the rise in prices would remain permanent, which assumption has not been justified by subsequent experience. The result has been that the ryots have paid with difficulty the increased assessment since 1868. The crops for the years 1870-71 and 1871-72 were very scanty, and in the latter year, the ryots could not pay the assessment, and about

Rs. 75,000 out of a revenue of 1,50,000 remained unpaid as arrears of revenue. During the last 25 years, there has been no year in which such a large sum remained to be collected. In fact during the 20 years, from 1846 to 1866, there was an average of Rs. 6 only as arrears. This fact therefore shows that the rates are much higher than what the ryots can well bear, and if prices fall still lower, as they are likely to do, the impoverishment of the ryot will be complete. Under the new settlement, the rates on Bagayet land have been lower comparatively, and those on Jeerayet land higher than those which obtained under the first settlement. And as Bagayet land is about one-tenth of the whole area under cultivation, the pressure on the majority of Jeerayet holdings has been much greater than it need be by the amount of the relief given to Bagayet holdings. Under the new settlement, an additional water cess on wells sunk by the ryots during the 30 years period was levied for the first year, but upon the representation of the ryots, the Government were pleased to remit this cess which amounted to 3,300 Rs. a year for the Talooka.

Nine witnesses from the villages of Delvadi, Rahu, Pimpulgaum, Nandgaum, Pargaum, Kedgaum, Dapooddee, Dalimb, and Boree Aindee in the Bhimthadee Talooka, being representative villages out of those which have been reassessed, state that the rates of the recent enhanced assessment of the Talooka are more heavy than what the ryots can with difficulty bear, in consequence of which last year only one instalment could be paid. The other half was allowed to remain in arrears by reason of the ryots' inability to pay, and is being exacted under pressure of attachment, and sale of the goods this year. This Talooka has been exceptionally unfortunate this year in its rainfall, which was both scanty and untimely. The enhanced assessment

will be seen from the following comparative statement with regard to these villages :—

<i>Names of Villages.</i>	<i>Old Assessment.</i>	<i>New Assessment</i>
Delavadee.....	2,106.....	3,386
Pimpulgaum.....	1,800.....	4,500
Rahu .....	4,100.....	7,800
Pargaum .....	4,449.....	8,464
Nandgaum .....	2,905.....	5,026
Kedgaum .....	2,718.....	4,245
Dapoodee .....	1,519.....	3,195
Dalimb .....	800.....	1,664
Boree Aindee .....	1,550.....	2,500
	<hr/> 17,947	<hr/> 40,780

It will be seen from this statement that the assessment has been increased in the case of these villages 150 per cent., excluding the local cess which has been increased in a similar proportion. Besides these, *Chilhar* and other village charges are not now deducted as before, but are credited to the state, and the villagers are left to themselves to make their own arrangement for village charities and amusements. Besides, land which was previously left unassessed for the village grazing ground is now separately sold by auction, and has become an additional item of charge in these villages. The Bhimthadee Talooka was famous for horses. In one village there were so many as two hundred mares for breeding purposes. By reasons of this appropriation of grazing land, the Talooka has now no breed of horses left.

This general enhancement of Rs. 150 per cent. upon villages is not a correct measure of the enhancement in the case of individual ryots, large numbers of whom appeared before the Committee complaining of the injustice of the disproportionate enhancement of the State demand in their individual cases. Four ryots from Dapoodee who paid under the first settlement Rs. 43 on their holdings have now been assessed at Rs. 129, being an increase of 200 per cent. Witness No. 17 from Kedgaum, who paid Rs. 125 before, has now been assessed at Rs. 400, being an increase of more than 225 per cent. Four ryots from

Nandgaum, who paid before Rs. 48 on their holdings, have now to pay Rs. 128, being an increase of more than 175 per cent. Six ryots from Pargaum, who before paid Rs. 54, have now to pay Rs. 166, being an increase of more than 200 per cent. Thirteen ryots holding 42 numbers at Rahu, who were previously assessed at Rs. 511, have now to pay Rs. 1,157, being an increase of 210 per cent. Five ryots from Pimpulgaum holding 17 numbers, who formerly paid Rs. 263, have now been assessed at Rs. 520-8, being an increase of nearly 200 per cent. Four ryots from Dalimb holding 21 numbers, who previously paid Rs. 107, have now to pay Rs. 290, being an increase of nearly 300 per cent. Seven ryots from Boree Aindee, holding 11 numbers, who were formerly assessed at Rs. 210, have now to pay Rs. 447-8, being an increase of more than 220 per cent.

Witness No. 1, from the Sattara District, states that the rates of the 1st settlement, being based upon an average of the previous 30 years, were moderate, but the rates fixed at the re-settlement have been oppressive, as no account is taken of the increase in the expenses of cultivation which takes place in consequence of the increase in prices.

Witness No. 24, speaking of the Wai Talooka of the same District, states that the rates fixed at the first settlement were not minutely adjusted to the wants and advantages of each village. The scale of rates for the Talooka was fixed by taking the average of the 20 years of a few villages in it, by reason of which the adjustment was not properly made. The ryots are obliged to accept these rates under penalty of losing their land, which is otherwise put up to sale. This witness advocates a permanent settlement as the only way to protect the ryot from this oppression.

Witness No. 12, speaking of the Barsee and Madhe Talookas in the Sholapoor District, states that the enhancement in the Madhe Talooka has been about 75 per cent. In the village of Bavee, 7 numbers belonging to 3 ryots were sold for arrears of revenue last year. At the



auction nobody made any bid for those numbers, which were therefore taken up by Government at mere nominal prices, and kept as waste numbers. About one-third of the villages in the Madhe Talooka complain that the recent enhancement has been very heavy.

Witness No. 8, from the Sholapoor District, states substantially the same as witness No. 10 from Indapoor, in regard to the disregard, shown by the survey officers in fixing the rates of reassessment, of all the variable circumstances affecting the condition of husbandry in this country, as compared with the conduct of the officers of the first survey. He states that 3 ryots at Mohol in Madhe Talooka, who formerly paid an assessment of 2 Rs., have now to pay Rs. 8, two ryots from Kalegaum, who formerly paid 10 Rs. are now assessed at Rs. 71-11. He gives the following instances regarding increase of assessment in two of the villages :—

	1st 10 Years before the first survey.	2nd 10 Years before the first survey.	3rd 10 Years after the first survey.	New assess- ment from 1871.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Mohol .....	2,084 12 9	1,804 1 13	2,393 11 1	6,669 3 0
Kalegaum .....	300 0 0	300 0 0	600 0 0	1,800 0 0

Two other statements furnished by this witness are appended and marked C. D. vide Appendix.

Witness No. 11, speaking of the Ahmednuggur District, states that there has been as yet no re-settlement in that District. The rates fixed at the first survey were moderate as regards superior soil, but they were oppressively heavy upon all inferior lands. If the present rates were to be doubled, it would be a great calamity.

Witness No. 25, speaking of the Khandeish District, states that the rates of the settlement range from Rs. 1 to Rs. 2 per acre on Jeerayat land, and Rs. 5 on irrigated land. These rates the witness thinks are moderate, and such as the ryots can well bear. As a consequence, the ryots are not largely indebted to the sowcars, and a



drought for one year is not felt to be so great a calamity in Khandeish as in other parts of the Presidency, The ryots complain of the levy of the local cess, as having been made in breach of the assurance given at the introduction of the survey.

Witness No. 13, speaking of the Ratnagiri District, states that his Talooka (Dapoodee) was surveyed in 1864. He owns two Khote villages, Jalgaum and Sakhrolee. Jalgaum was assessed at Rs. 1,800 before the survey, and the assessment has been raised to Rs. 2,100 by the survey. The other village Sakhrolee, which was previously assessed at Rs. 800, has now had its assessment reduced to Rs. 600. The survey rates are disproportionately heavy on Tari or rice land, being from Rs. 10 to Rs. 11 per acre. On Bagayet land the rates are from Rs. 12 to Rs. 13 per acre, besides from Rs. 4 to Rs. 5 are charged for every toddy producing palm-tree growing on the land. On Warkas land, the rates are from 4 to 6 annas, but they are levied for all the years, whether the land is cultivated or not. Tari lands before the survey were sub-let by the *Khotes*, who received about 12 maunds of rice as rent, out of which one-third or from 2 to 3 maunds costing from Rs. 3 to Rs. 4 were paid to Government as revenue, and the remaining two-thirds were appropriated by the *Khotes*. At present the Government pay about Rs. 5-8 to the *Khote* for his profit, and appropriate the rest to their own use. As regards Warkas land, when the *Khotes* had the management, they used to take 3 maunds of Warkas grain, in value Rs. 9, as rent. The Government assessment now is 4 annas per acre, and Government pays to the *Khote* from 1 to  $1\frac{1}{2}$  annas per acre, the *Khotes* being in this respect great losers. But the ryots have been benefited to the extent of the *Khotes'* loss. As regards Tari lands, neither the *Khotes* nor the ryots have been benefited, and the *Khotes* have been the losers to the extent that the Government have been the gainers.

Witness No. 21, speaking of the Koolaba District, states that the rates fixed by the survey have been nearly double of those which obtained previously. The ryot paid

to the *Khotes* about 10 maunds of rice on good land, being about Rs. 10 per acre. The Government rates at present are from Rs. 5 to Rs. 10 per acre according to the quality of the land, and besides this a sum equal to half the Government assessment is paid to the *Khotes* for *Khotes'* profits, so that the ryots have to pay now 50 per cent. more than what they paid to the *Khotes* previous to the settlement. Before the survey, land lying fallow was not assessed; since the survey this exemption has ceased. The Bagayet rate of Rs. 8 or Rs. 9 per acre is levied upon all land which is classed as Bagayet, whether any trees grow on it or not. Formerly the rate was adjusted to the number of trees growing on the land. Besides, an Abkaree cess of one Rupee per every toddy producing tree is levied.

Witness No. 23, speaking of the Oombergaum Talooka of the Tanna District, states that the 30 years' settlement on land is convenient both to the ryot and to the Government, but if during the term of the settlement there is an year of absolute dearth, it is necessary Government should allow remissions. The settlement rates were fixed upon an average of 10 years previous to the survey. During these 10 years a bad year had not occurred, and in fact such a bad year as the year 1871-72 had not occurred in that part of the country within the last 40 or 50 years. The Government officers, however, did not allow any remissions, and the ryots' lands were sold for small balances, and, as in the case of many numbers, no purchasers were found, these numbers were forfeited to Government. As the arrears of revenue were not discharged by the sale of the land, the Government officers distrained the ryots' moveable possessions to recover these arrears together with the heavy interest due upon them. In this way about Rs. 5,000 were recovered in the year 1372.

From the evidence summarised above on this head, as also from other information available to the Committee in the published records of Government, and from private sources, the following propositions may be laid down as proved :—*Firstly*, that, on the whole, the rates of the first

settlement were moderately low, and were fixed after a due consideration of the circumstances of the soil and the character of husbandry in each Talooka. *Secondly*, that although, by reason of the rates being moderate the Jamabundee of the Talookas showed an apparent falling-off for the first few years from the nominal figure at which it stood before the survey, yet as the rates were based on an average of the actual receipts of the previous 30 years, not only was there no real falling-off, but, on the contrary, in the course of a few years, by reason of the extension of cultivation, the Jamabandee of the Talookas was increased by a large percentage. *Thirdly*, the survey and settlement operations have had the undeniable effect of making the relation between the State land-lord and the ryots rigid and unyielding to an extent wholly unsuited to the habits and wants of the people, and to the circumstances of the country. One of the first effects of the settlement is that the Collector's Jamabundee work becomes a mere form, the most urgent representations from the ryots for remissions in bad years are not heeded, and the seasons being so precarious in this country, the ryots from want of provident habits feel in bad years the rigid pressure of the revenue system to be simply crushing. *Fourthly*, while the witnesses on the whole agree that the first rates were moderate, there is an equal unanimity of opinion from the Indapoor, Bhimthadee, Madhe, Sholapoor, and some Talookas in the Kaladgee District that the new rates, being based chiefly upon an expected continuance of the high prices which obtained from 1860 to 1866, are felt to be oppressively heavy and almost crushing, especially as prices in general have steadily declined during the past five years. *Fifthly*, in fixing the new rates, there has been to all appearances a most capricious exercise of the discretion of the settlement officers with regard to many entire villages, and many individual holders of land in all villages, whose assessments have been enhanced quite out of proportion to the average enhancement of the Talooka, thereby most

materially affecting the value of the property of these holders.

As regards the first position, the summary of the evidence given before is sufficient by itself to substantiate its correctness, and needs no supplementary remarks. The villagers from the Bhimthadde Talooka, who came in crowds to the sittings of the Committee, gratefully acknowledged the moderation of the old rates about which they said they had nothing to complain. As regards the Indapoor District, the fact noticed in Colonel Francis' Report, that, during the last 20 years of the first settlement, no remissions were found necessary in that Talooka, where before more than half the revenue had on an average to be remitted every alternate year, strongly confirms this same view. The statements and witnesses examined from the Sattara, Khandeish, Ahmednuggur, and Sholapoor Districts give the same favourable testimony regarding the old rates. Two things ought however to be remembered in connection with this subject, first that the rates when they were first introduced were not advisely intended to be low, and in their practical effect for the first 10 years, they produced no sensible relief to the ryots. *Secondly*, it was the subsequent gradual rise in prices, which was the great economical fact between 1848 and 1866, that made the ryots feel these first rates to be conveniently low.

With regard to the second position, a statement is herewith appended and marked *B* for the Mooddebehal Talooka in the Kaladgee District, and the Hangal Talooka in the Dharwad District, and the Parasgad Talooka in the Belgaum District, showing the details of the proportion between cultivated and uncultivated land in the year previous to the survey, the year of the survey, the 10th year after the survey, the 20th year after the survey, as also for the year 1870-71. It will be seen from that statement that while at the time of first introduction of the survey rates, the area of uncultivated land in the Talookas of Mooddebehal and Hangal was considerably larger than that of the cultivated land, within



twenty years from the time of the survey, the whole of it was brought under cultivation, leaving only an inconsiderable fraction of one-twentieth to be reclaimed.

Besides, the following statement for the three Zillas of Kaladgee, Belgaum, and Dharwad, will show that while the Kaladgee District with its 953 villages, showed a falling off in the year of the survey of 8,000 Rs. over a Jamabundee of  $6\frac{1}{2}$  lacs for the year previous to the survey, the receipts in 1870-71 were  $10\frac{1}{4}$  lacs, or nearly double the revenue received in the first year of the settlement. The same observation holds true to a more or less extent with regard to the other Zillas :—

Zilla.	No. of Villages.	Revenue for the year before the survey.	Revenue according to the survey settlement.	Revenue for the year 1870-71.
		Rs.	Rs.	Rs.
Kalladgee .....	953	6,52,000	5,72,000	10,21,000
Belgaum.....	930	8,60,000	7,68,000	11,39,000
Dharwad .....	1,238	11,52,000	9,46,000	15,65,000
	3,121	26,64,000	22,86,000	37,25,000

Taking the three Zillas together, while there was a falling off of nearly  $3\frac{3}{4}$  lacs in the revenue of the first year of the settlement over the previous year, there was an increase in the year 1870-71 of  $10\frac{1}{2}$  lacs over the revenue of the year previous to the settlement, and fully  $14\frac{1}{2}$  lacs over the revenue received in the first year of the settlement, so that long before the 30 years period of settlement will expire, the revenue of the three Zillas has increased about 75 per cent., without any change of rates. Throughout all the other Zillas, this same increase has occurred to a more or less extent. This important fact is well brought out and illustrated by Professor Green, in his pamphlet on the Deccan Ryots, published in 1852. It is not quite correct to say therefore



that by reason of the thirty year's settlement, the Government has derived no additional revenue from the settled Districts during the term of the lease.

As regards the 3rd position, that the introduction of the revenue settlement has had the effect of making the connection between the State and lord and the ryot more unyielding and rigid than is suited to the habits of the people, and the circumstances of the country, the fact is so patent that it is not necessary to give any details regarding it. In Districts where sufficient and timely rainfall is assured, this rigidity is not felt to be very oppressive; but the Districts of Poona, Sholapur, Ahmednuggur, and to a less extent, Khandeish, Sattara, and Belgaum, do not enjoy a certain and equable rainfall, the climate is subject to drought, and the crops are liable to frequent and extensive failures; when a large portion of the agricultural capital, the labouring cattle, are generally swept away. "This uncertainty of climate and the calamitous losses it occasions to the cultivators, which no forethought on their part can avert, has probably had a large share in making the Deccan population what it is," improvident and unthrifty. With such a population, unless the rates are low enough to be conveniently borne in the worst years, demands for remissions will be frequent, and though they may not be complied with, the failure of crops which necessitates the demand is none the less felt to be a disastrous calamity. This year 1872-73, which has been a remarkably good year in the other Districts, has been a year of drought in the Bhimthadee Talooka, and large numbers of the people from this poor Talooka came to Poona to complain to the Assistant Collector in charge of the Talooka, Mr. Spence, who referred them to the Collector. They next complained to the Collector, who pleaded his inability to help them. They next went up to Bombay to petition the local Government, who referred them back to the Collector. All that these poor people wanted

was that the revenue officers should make a local inspection of the crops, and, if they were satisfied that the crops had failed, to grant remissions. In this Talooka, the crops had failed last year also, and by reason of it only one instalment could be taken; and this year, with equally bad crops, these poor people were called upon to pay up the last year's arrears, and this year's full revenue according to the enhanced rates. This is only one instance of the stiffness of the present revenue system which was prominently forced upon the attention of the Committee during their sittings. In another respect, the same rigidity of the system affects the cultivating classes in an unseen manner. The village *Gayaran* land, expressly set apart for the village cattle, has been gradually encroached upon by the revenue officers who sell portions of it by public auction, and these encroachments, once made, receive the sanction of the settlement officer's register. In the case of *Mali* land, (*i. e.* land on the banks of large streams or rivers, which lies for some time under water during the rains, and on which, when the water retires, there remains a deposit which is called *Mali*, and which gives the name to the land), while the owner of the number close to the bank receives no compensation, or has not his assessment reduced, if a portion of the bank be washed away, yet if there is a considerable accretion on the bank, the owner is not allowed the advantage of it, but the *Mali* is separately numbered and heavily assessed. In the fourth Chapter of this report, this point and many other points in which the action of the executive Government through its various departments presses hard upon the cultivating classes, have been touched upon at some length. It is not necessary, therefore, to go over the same ground here again by anticipation.

With regard to the 4th and 5th positions laid down above, the general effect of the evidence leaves no room for doubt that the recent enhancements have not been

made with a due consideration of the circumstances of the classes to be affected by them. They were based upon an erroneous apprehension that the inflated prices which obtained during the first half of the last decade would continue. The fact is, as has been shown at some length in the first Chapter of this report, that prices have steadily declined, and this year in many parts of the country, the prices are just where they were between 1856 and 1859. The chief justification for the enhancement of rates, viz, this alleged rise in prices, falls therefore to the ground. But even if it be allowed to have any weight, it will only warrant a moderate enhancement. At present, there is no rule laid down to guide the discretion of the officers employed. The settlement officers at their discretion select a few years out of the 30 year's term, and base their calculation upon it. Now in one sense, while it may be perfectly legitimate to suppose that the next 30 years will in their climatic characteristics, (and none but climatic changes seriously cause variations in prices in this country), be like the past 30 years, it will not do to take any arbitrary portion of this 30 year's period, and assume that the rates during the next 30 years will not fall below this assumed standard. If the settlement officers therefore had taken the average of the prices for the whole of the 30 years of the last period, and, according as this average was higher or lower than the average of the 30 years preceding the first settlement, the rates had been adjusted for the next 30 years, their procedure would have been at least intelligible, and much could not have been urged against it. Even then the enhancement could not properly be made in proportion to the absolute rise in prices, but it would be some determinate fraction of the rise in prices, about 50 per cent., because by reason of the rise in prices, the expenses of cultivation increase proportionately, and the margin of the actual profits is not correctly represented by the difference between the average prices of the two periods. This distinction has not always been kept in mind by the settlement

officers. And it behoves the consideration of the executive Government, whether, in the settlements to be yet made, some such rules of limitation, (by which the average would be based upon the returns of the whole of the thirty year's term, and not any arbitrary portion of it, and the enhancement, grounded upon the fact that this average was higher than the average prices of the previous thirty years, would be only a determinate fraction, a moiety of the proportion of the rise in prices), should not be imposed upon the discretion of the settlement officers so as to enforce a just moderation in all their proposals. In the absence of some such rules, the controlling authorities, who have no special knowledge of the subject, feel their utter helplessness to reject or review the recommendations of the survey officers, and have to content themselves with an ignorant assent. The position above laid down, that the recent enhancements have been oppressively heavy, has received the sanction of the local Government, who in Resolution No. 798, passed in February 1873, have thought it necessary to enjoin upon all survey officers very moderate increases in the revision operations, and in pursuance of this policy, the local Government, in sanctioning the revised rates in the Pabul Talooka sensibly reduced the rates recommended by the survey Superintendent, the effect of which was to bring down the average enhancement from the 88 per cent. recommended by the survey officers to 75 per cent. In this same Talooka as in the previously surveyed Districts of Madhe and Indapoor, the Motasthal or additional cess on water obtained from wells sunk by the ryots at their own expense was recommended by the survey officers against the letter and spirit of the Survey Acts, and this increase was well nigh sanctioned, when at the eleventh hour, upon the representation of the ryots, the injustice was stayed, and the cess was given up. These incidents will prove how dangerous this enhancement mania is, and how necessary it is that general rules should be laid down to guide the discretion of over-zealous and unscrupulous officers.



With regard to these enhancements, it is next to be observed that in all the Talookas to which the enhanced rates have been applied, there has been a re-survey and a re-classification. There may be in the abstract sufficient reasons for thus going over work once done before, but when it is understood that this re-survey and re-classification involve the unsettlement of the established market values of an immense number of proprietary interests in land, the mischief of these measures will be seen in all its enormity. So far as the executive Government is concerned, only the total results are placed before it, and its sanction is seldom withheld; but these total results convey no adequate idea of the hardships inflicted in many individual cases where the assessment is raised not according to the average percentage, but by 3 or 4 hundred per cent. above the average. This disproportionate enhancement has virtually the effect of confiscating the land so unequally assessed. By the guarantee of 30 years, the ryot is led to suppose that he is the owner of the numbers entered against his name, subject to the payment of the fixed assessment to Government, and subject also to any increase that may be deemed just on general grounds at the periodical re-settlements. It does not follow from this, that after allowing a man to hold for 30 years a certain number of holdings subject to certain advantages or disadvantages, as compared with his neighbours' holdings similarly situated, he can be asked to vacate the land under penalty of paying 3 or 4 times as much as his neighbours are called upon to pay. Such interference with the rights of property in land, on the ground of an abstract equality which has and can have no place in fact, constitutes a just grievance on the part of those whose property has been thus virtually confiscated.

It has indeed been maintained that these unequal enhancements have resulted from two causes, the defective measurements of land at the first survey, and in cases where this cause does not explain the enhancement, it is alleged



that the first assessment was secured at an unduly low figure by the corruption of subordinate native officials. From the lists published in the appendices marked to this report, containing the details of such enhancements in the Indapoor, Sholapoor, and Bhimthadee Talookas, it will be plain that the first alleged cause has had no great effect. Most of the numbers show the same measurements, and yet the enhancements are most irregular. As regards the second allegation, there is no direct evidence coming forth, and supposing corruption possible, it proves too much, for the new measurements are also made by subordinate native officials. These pretensions to greater accuracy and purity are simply untenable, and will not stand examination for a moment. Allowing them however their full force, one fails to see how the incapacity or corruption of the agents of Government should be a ground for interfering with perpetual leases given by it to third parties, who on the faith that their properties under all circumstances would keep their place in relative value with their neighbours' properties, have dealt with them, sold them, mortgaged them, and created all manner of interests in them. Properties so settled ought to be as assuredly secured from all unequal taxation or interference as any other private property. If Government had sold building-sites, which its Officers from incapacity or corruption had under-measured at the time of the first appropriation, would any Court of Law allow it for a moment, after 30 year's term has passed, and houses have been built on the land, to get back its land on the plea that it was not properly measured at first by the default of its own agents. It is strange these considerations find no weight with professed publicists, where the irregular action of the settlement officers deals at one blow ruin to many hundred homesteads.

That the new enhancements are more than the people can well bear in all seasons has been sufficiently demonstrated by the experience of the last few years.

As one consequence of the enhancement of rates concurring with a fall in prices in the Talookas of Bhimthadee and Indapoor, it was found necessary in 1871 to allow nearly half the revenue to remain in arrears, a circumstance which has not occurred in these Talookas during the last 26 years. But a worse sign of the inability of the ryots to pay the enhanced rates, and in some cases even the old rates is seen in the circumstance, that in the Talookas, where arrears were not allowed to remain unrecovered, many numbers held for generations by the holders thereof have been put up to sale, *e. g.*, in the Indec and Shindgee Talookas of the Kaladgee Districts, in the Karmale and Madhe Talookas of the Sholapoor District, and in the Mawal Talooka of the Poona District. In the Shindgee Talooka of the Kaladgee District, in 17 villages about 25 holdings were sold last year by auction for arrears of revenue amounting to Rs. 280. With the exception of two numbers, the rest found no purchasers, and, in the column of the remarks against several of them, it is stated that the holders had absconded into the Nizam's territory from poverty. All these numbers, for whom no purchasers were found, are now lying waste. In the Karmale Talooka, 26 numbers, measuring 940 acres, were sold for arrears of 232 Rs. after allowing partial remissions. Nobody could be found willing to buy them. Nine numbers in the Madhe Talooka measuring 228 acres were sold for arrears of 56 Rs., after allowing as much by way of remissions. In a similar manner 15 numbers were sold in Sangwi, a village in the Mawal Talooka, for arrears of revenue in the same year, and found no purchasers. This is the most ominous sign of the times to those who can discern it, as it is not likely that, except from sheer helplessness, so many ryots in so many villages would abandon their hereditary fields, and seek refuge in foreign territory, as the Shindgee people have done in numbers. The returns for Shindgee and Karmale and Madhe are appended hereto, and marked *E.* and *C.* respectively. In 12 villages of the Indec Talooka, 29 holdings belonging to 25 holders

were sold in 1871-72 for arrears of rent. The total assessment on these numbers comes to about 354 Rs., and at the auction sale about 390 Rs. only were realized. This shows that the ryot's property in his land has been, by reason of the enhanced rates concurring with the fall in prices, so greatly diminished in value, that it is hardly in many cases worth one year's purchase, or, in other words, this property has ceased to be of any value in the market. The instances of private sales of numbers which the settlement officers select for the purposes of their report simply mislead those who have the responsibility to act upon those reports. The numbers given above for the Indee Talooka are not fancy numbers, or in any way artificially selected; they are extracted from the annual returns submitted by the Mamlutdar, and may therefore be depended upon as correct representatives of by far the large majority of the ryot's holdings. From these statements, it will be seen that if prices continue to fall, the levy of the enhanced rates will be more and more impracticable every year, and will necessitate periodical remissions, large arrears, or abandonment of land by the impoverished ryots.

While these effects are due to the general enhancement of the rates, the other evil noticed before, the unsettlement of landed property and its virtual confiscation by reason of exceptionally heavy enhancement on individual holders, is not of a sort which will be understood by those who cannot see beneath the surface of things. But the mischief of the unsettlement will be none the less certain on that account. Those who have invested their capital in these holdings so assessed out of all proportion to the average enhancement of the Talooka will be ruined, and others will be deterred from making advances to the ryots for improvements in the land. These periodical valuations and classifications undo all the moral effects of fixing the Government demand on land. In the words of Sir John Shore "the fraction of making frequent valuations of the land, and, where one estate

“ has improved and another has declined, of appropriating the increased produce of the former to supply the deficiencies of the latter, is not taxation, but is a declaration that the property of the land-holders is at the absolute disposal of Government,” or, in other words, is confiscation. It might be said, and has been said, that the cases of such exceptional assessments are few, and that in these few cases the settlement officers simply restore a disturbed equilibrium. The information summarised before shows that these cases are not few, but form a considerable minority, and as regards the plea of restoring the equilibrium, it is one which, in private transactions between individuals, nobody will be allowed to urge for a moment, and is most scandalous coming from the mouth of those whose default created the mistake. Property is INEQUALITY, and after 30 years guaranteed continuance, it is too late to seek to restore an ideal equilibrium at the sacrifice of all vested interests.

From what has been said before, it will be abundantly clear, (1) that the new enhancements are oppressive and unjust, (2) that the allegation of the rise in prices, which is the sole justification urged for such heavy increase, has been falsified by subsequent facts, (3) that even if the rise in prices be admitted to be a sufficient cause, the settlement officers can only by reason of it be justified in raising the rates so far as the rise was permanent and certain to continue, which could only be ascertained upon a survey of the whole 30 years' rates, and it in no way warrants them in selecting any portion of the 30 years' which appears to them to be the most convenient standard, (4) that even when the average of the last 30 years' rates is taken as the standard, the rise in rates should represent only a fraction, and not the whole, of the rise in prices, so as to allow a margin for increased cost of husbandry. (5) It has been further shown that the new assessments absorb more than the whole margin of the small profits which were earned under the first settlement, and that they are not paid out of rent proper, but eat up the profits, and encroach upon the wages. While these conclu-



sions are arrived at from general reasonings, the experience of the last five years strongly confirms the same view, that the new assessments are oppressively heavy, and such that the ryots will not be able to pay from year to year during the next 30 years. For the first time in twenty years Government has been obliged to allow large arrears to remain unrecovered; for the first time in twenty years the ryots have been asking for remissions on a large scale. For the first time also many numbers have been abandoned in different parts of the country by reason of poverty, and the ryots have left their native villages, and absconded into foreign territory. For the first time many more numbers have been sold at nominal prices. Over and above these facts, which demonstrate that the average increase has been in general more heavy than what the ryots can well bear, there is the cry coming from all quarters that individual villages, and individual numbers in all villages, have been exceptionally assessed, the enhancements ranging from 200 to 600 per cent., and chiefly on inferior lands. The ruin of property, and the total loss of confidence which this measure of confiscation has effected, are equally disastrous in the interests of Government and the people.

---



## CHAPTER IV.

## CONDITION OF THE AGRICULTURAL AND LABOURING CLASSES.

The result of the whole of the evidence on this subject before the Committee tends to show that, excepting the more favoured parts of Khandeish, and stray Talookas elsewhere which have the advantage of a permanent supply of water, the condition of the agricultural classes in all the other districts from which witnesses were examined is far from being comfortable and easy. The late rise in the prices of agricultural produce, together with the rise in the price of cotton, made the last 10 years between 1860 and 1870 generally of comparative prosperity and seeming affluence, but what, with the fall in prices, and, in some Districts, the enhanced assessments, the prospect before the ryots at present is a gloomy one. The short prosperity which they enjoyed did not last sufficiently long to assure them complete independence of the sowcar, or to raise their standard of living.

Witness No. 3, speaking of the Haveli Talooka of the Poona District, states that the present condition of the agricultural classes is worse than it was before for the following reasons:—1st (a) the rains do not fall abundantly or regularly as before; 2nd (b) there is unfavourable alteration in the number and period of revenue instalments. With regard to some villages while the crops are *Rubbee*, the instalments are adjusted to *Khurreep* crops; 3rd (c) heavy interest is charged on arrears of revenue; 4th (d) agricultural wages have not doubled although the rise in prices of agricultural produce has been double of what it was before; 5th (e) the numbers set apart for *Gayran*, (the common of the village), have been gradually encroached upon by the Collector, who farms them by auction from year to year, so that the ryots have less land for their pasture; 6th (f) inferior lands, which were before included in the survey numbers but not assessed, have been of late brought under assessment, thereby

materially increasing the burden of assessment upon the ryots without conferring any corresponding benefit on them; 7th (g) in bad years remissions are not allowed as before used to be the case; 8th (h) Tacavee advances are seldom or never made; 9th (i) for the smallest arrears of revenue, the ryot's ownership in land is put up to sale under the new rules; 10th (j) while the ryot was allowed before to cut timber trees or firewood from his field, of late restrictions have been placed upon this liberty. The ryot was at liberty also to draw *Toddy* from his palm-trees before;—of late he cannot do so without the Collector's permission; 11th (k) in the *Mawal* District, barren or wastelands, and hill-side lands, which furnished *rab* (decayed vegetable produce, leaves sticks &c., to be burnt on the land), required for rice cultivation, have been numbered and assessed instead of being enjoyed as appendant to the rice-land.

Witness No. 2, speaking of the Saswad Talooka of the Poona District, states (d) that the rise in wages has not been proportionate to the rise in prices, and (l) that the indebtedness of the agricultural classes has increased.

Witness No. 9, speaking of the Khed Talooka of the Poona District, states that the present condition of the agricultural classes in his Talooka is more prosperous than it was 15 years ago. The ryots are not as much indebted as before, and the crops requiring manure and Bagayet (*i. e.*, potatoe and plantain) crops are on the increase. The price of manure was formerly 4 cart-loads for a rupee, and at present is 2 rupees per cart-load. This Talooka is well provided with a good supply of natural as well as artificial water reservoirs.

Witness No. 22, speaking of the Mawal Talooka of the Poona District, states that (h) the indebtedness of the ryot has increased, and that the ryots are too strictly dealt with. He also assigns reasons (a), (b), (c), (i) and (k), Speaking of the indebtedness of the ryots, he adds that during the last 20 years, the number of Marwadees and Brahmin sowcars has increased many times in his Talooka.

Witness No. 10, speaking of the Indapoor Talooka, states the same, and assigns reasons (b), (i), and (g). This Talooka has a good crop once in 5 years, and there are often absolutely rainless years. During the last 10 years of high prices, cotton was largely sown, and the ryot had some measure of prosperity. During the last 3 or 4 years, however, the seasons have been very unfavourable, the price of cotton has fallen, and, contemporaneously with it, the assessment has been increased. Altogether the ryots feel great apprehensions for the future.

Witness No. 14, speaking of the Bhimthadee Talooka of the Poona District, states that the present condition of the agricultural classes is worse than before, and assigns reasons (a), (g), (h) and (j).

Witness No. 15, speaking of the Bhimthadee Talooka, states the same, and assigns reason (l). The number of cattle has decreased owing to the gradual absorption of the old grazing lands for cultivation purposes. This part of the country was famous for its breed of horses in which there was formerly a regular traffic which has now ceased, and there is not a single mare kept at present for breeding purposes. With regard to this Talooka, the ryots stated that they were comparatively well off under the old rates imposed by Lieutenant Nash, but the recent nearly cent. per cent. increase is more than the ryots can bear. Besides the reasons above assigned, owing to the shorter periods of the new limitation law, (m) the indebted ryot is placed most helplessly in the hands of the sowcars, who demand a renewal of their old bonds within shorter intervals, and thereby in effect charge compound interest for their money. The expenses of keeping the boundary marks are often felt to be heavy. (o). The additional burden of the local funds is also felt to be very oppressive.

Witness No. 16, speaking of the same Talooka, states the same, and assigns reasons (a), (i), (l), and (o).

Witness No. 17, speaking of the same Talooka, states the same.

Witness No. 18, speaking of the same Talooka, states the same, and assigns reasons (*g*) and (*l*), and that (*r*) the Peishwa's army and services in the last generation furnished employments to many people, who are now without any employment.

Witness No. 20, speaking of the same Talooka, states the same, and assigns reason (*l*).

Witness No. 27, speaking of the same Talooka, states the same, and assigns reasons (*a*) and (*l*).

Witness No. 28 speaking of the same Talooka states the same, and assigns reasons (*a*) and (*l*). Speaking of the Southern Districts of the Bombay Presidency, he states generally, that the condition of the ryot is now worse than before, and assigns reasons (*e*), (*f*), (*g*), (*k*), and states further that the ryots are now too strictly dealt with by Government while they were leniently treated before.

Speaking of the Sattara District, witness No. 1, states that the present condition of the agricultural classes is worse than it was during the last decade, and assigns reasons (*a*), (*b*), (*c*), (*d*).

Witness No. 4, speaking of the Kurrar Talooka of the same District, states the same as above.

Witness No. 24, speaking of the Wai Talooka of the same District, states the same, and assigns reasons (*c*), (*i*) and (*l*), and that (*p*) the cattle and implements of husbandry are sold by auction for arrears of revenue.

Witness No. 12, speaking of the Barsee and Vairag Talookas of the Sholapoor District, states the same, and assigns reasons (*e*), (*f*) and (*i*). Besides this, he states with regard to lands on the borders of rivers, that (*q*) if any portion of the land is washed away, the ryot has to bear the loss, but he is not allowed the benefit of any alluvial accretions, which are separately numbered, and sold by public auction at very high rates.

Witness No. 11, the Secretary to the Sarvajanic Sabha at Ahmednuggur, speaking of that District, states the same, and assigns reasons (*e*), (*g*), (*i*) and (*p*).



Witness No. 25, speaking of the Khandeish District, gives a good report of the present condition of the cultivating classes in Khandeish, especially of the parts bordering on the Taptee. In the western parts of that District, however, owing to deficient rains, indebtedness has much increased of late (*l*).

Witness No. 26, speaking of Berrar, states that the cultivating classes are now better off than before, that they are now not so dependent on the sowcar as before, owing to the rise in prices of cotton. But he complains of the (*a*) scarcity of rain, and (*g*) the restriction to cut timber &c.

Witness No. 13, speaking of the Rutnagiri District, says that the new assessment on *Warkas* or hill-side land being much lighter than what the *Khotes* used to take, the ryots are in a better condition than they were under the *Khotes*, while with regard to *Tari* or rice producing land, the ryots are in the same condition as before, the *Khotes* being the chief losers with regard to both the lands.

Witness No. 21, speaking of the Koolaba District, states 1stly (*k*) that only rice producing lands were assessed before; barren lands used for subsidiary purposes were not assessed; and on inferior soils the assessment was light, and was paid in kind, and the cultivator was permitted to collect decayed vegetable produce from the jungles and hill-sides, which he is not allowed to do now. 2ndly (*s*) Forest land has been of late reserved and marked into numbers, by reason of which the cultivators cannot get their wood for the plough and other agricultural implements without charge, and fuel has become dear for the same reason. 3rdly (*t*) The new assessments are double of what they were ten years ago, and absorb three-fourths of the produce, so that after deducting the expenses, there remains little or nothing to the ryots. 4thly (*u*) With regard to *Warkas* land, while before the assessment was confined to the portion cultivated during the year, under the new assessment the ryot has to pay for his number whether he cultivates it, or allows it to lie fallow.



*5thly (v)* In Bagayet lands, the assessment was before proportioned to the number of trees actually growing on the land. The new assessment has been fixed upon the land itself at Bagayet rates, whether there are trees on the land or not. *6thly* Between the Khote and the Sircar, the pressure upon the cultivator is as great now under the new assessment as it was before when the *Khotes* alone had the management. Besides this witness assigns reasons (c) and (i).

Witness No. 8, Vice President of the *Sarvajanik Sabha* at Sholapoor, speaking of that District, states that the condition of the agricultural classes is now worse than before, and assigns almost all the reasons mentioned above.

Witness No. 23, speaking of the Oombergaum Talooka of the Tanna District, states the same, and assigns reasons (c), (g), (i), (j), (k), and (p). In the case of the poorer ryots, a practice has been introduced during the last 5 years of requiring a security from the ryot for the payment of the assessment on his land. This practice obtained before the survey settlement, but was abolished by a resolution of the Government which declared that the ryot's land was his security. The security bond moreover is required to be on stamp paper.

From the whole of the evidence it appears that, excepting a portion of the Khandeish District, and the Khed Talooka in the Poona District, the complaint on the part of the ryots is all but unanimous, that their present condition is worse than it was about 10 or 15 years ago. The various reasons assigned for this altered state of things by the witnesses may be summed up as follows :—

(a) Rains are scanty and irregular.

(b) The Revenue instalments are less in number than before, and are not properly adjusted.

(c) Heavy interest on arrears of revenue and a heavy fee on notice served are exacted.

(d) The rise in wages has not been proportionate to the rise in prices.

(e) *Goyaran* numbers forming the village common have been encroached upon, and turned into private pastures.

(f) *Kharab* or inferior soils unassessed before have been separately assessed of late.

(g) Remissions are not allowed in bad years.

(h) *Tacavee* advances are not made.

(i) The Ryot's ownership in land is put up to sale often in bad years, and for small arrears.

(j) In some districts timber and firewood cannot be cut down by the ryot though growing on his own field without the Collector's permission.

(k) In the Mawal and Konkun Districts, land freely used before for securing *rab* for the rice land is assessed, instead of being enjoyed as appendant to the rice land as before.

(l) The indebtedness of the ryots has increased.

(m) Owing to the short intervals of the law of limitation, the pressure of debt is felt more heavily than before by the ryots. The compulsory renewal of the debt takes place sooner, and on terms more disadvantageous to the ryot.

(n) Boundary marks have to be kept up at the ryot's expense.

(o) The local cess has been levied before the 30 years' term expired, in the teeth of the assurance that all cesses on land were abolished.

(p) Cattle and implements of husbandry are sold by auction for small arrears and in bad years.

(q) While allowance is not made for land washed away, alluvial accretions are separately numbered, and heavily assessed.

(r) There is less occupation and employment now than before, *i.e.*, 30 years ago, in other than purely agricultural pursuits. The many thousands of young adventurers, to whom the armies and services of the *Peishwa* and the great Maratha Chiefs furnished employment before, are now without any other resource. Those who were previously engaged in numbers in the ma-

manufacturing industries find of late their occupation gone, and even the great railway works have been finished.

(s) By reason of forest laws, the ryots cannot get timber and firewood without charge, and fuel has become dear for the same reason.

(t) The rates of the new assessment are oppressively heavy in all parts.

(u) In the Konkan and Mawal Districts, assessment is levied upon *Warkas* land whether it lies fallow, or is cultivated.

(v) In the same Districts, *Bagayet* assessment is fixed on the measurement of the land itself, whether any trees grow there or not, instead of fixing the assessment as before in proportion to the number of trees growing on the land.

(w) A tax has been recently levied in the Tanna District from fishermen, for drying their fishes on the sea-shore. In the same District a security is demanded from the poor ryots for the punctual payment of the revenue.

It will be seen from this enumeration that a few of these evils are of a sort which no Government can well cure. With regard to the deficient and irregular rainfall (a), although popular opinion is strongly made up on the point that the rains are less abundant and more irregular since the British conquest than before, yet the information available to the Committee is not sufficient to warrant any positive opinion either way. That there has been a sad neglect in utilising and storing up the rain-waters cannot however be gainsaid. In most parts of the country, the old reservoirs have been filled up with the silt, and the old aqueducts and canal works have gone to ruin.

As regards the inconvenience to the ryot caused by improperly adjusted instalments (b), the evil is of a sort which the Government can remedy without in any way prejudicing its own interests. Before the passing of the Act of 1865, these instalments were four in number, they have been since reduced to two. The

consideration of saving trouble to the revenue officials ought to have no weight allowed to it in the face of the serious injury done to the ryot by this change. The number of instalments should be four as before, so as to enable the ryot as far as possible to meet the demand of the State without borrowing money from the sowcar, as under the present arrangement he is too often obliged to do. Besides increasing the number of the instalments, it is necessary also to adjust them properly, so as to enable the ryot to gather in his crops and to bring them to market, in part or in whole, before he is called upon to pay the tax. At present, the first instalment has to be paid while the crops are not ripe for cutting. In the village of Rahu in the Bhimthadee Talooka of the Poona District, while the prevailing crops are *rubbee* crops, the instalments are adjusted to the *kharreep* season. The adjustment therefore must be made with reference to the condition of each village, and not with exclusive reference to the condition of the general Talooka, as is the usual practice at present.

As regards (c) the grievance regarding the heavy interest of one-half a pie a day on every rupee of arrears, the evil is of a sort which Government officials themselves have admitted to be serious, and some efforts have been made on the part of Government to lessen the pressure of this enormous rate of interest. Seeing that, as a rule, under the old settlement, the land revenue was collected without any remissions or arrears, this terrible penalty appears to be entirely needless, and only sinks the depressed ryot deeper into debt.

As regards (d), this portion of the subject has already been considered in connection with the prices of agricultural labour and produce in the first Chapter. Prices rose first, wages took a long time to come up to the level of the prices, and never came up to the full rise in prices. Wages are regulated by custom more than by competition, which solely regulates prices. Wages also or not so dependent upon the fluctuations of the seasons as general prices are.



As regards the grievance enumerated as (l) in the previous list, and those others (a), (b), (c) (g), (j), (m), (s), which are subsidiary to this main grievance, and aggravate it in one or another way, there is no doubt that the indebtedness of the ryot has enormously increased during the last 15 years. Various causes may be assigned for this state of things; the improvident habits of the ryots, and their inordinate expenditure on marriages are the chief of these. This improvidence, joined with precarious seasons, and, in many Districts, the heavy assessment imposed on land, and the rigour with which it is exacted, without allowing remissions in bad seasons, throw the ryot entirely into the hands of the village sowcars, and, once in debt, always in debt, he never can free himself. The heavy interest charged upon advances made to the ryot in money and in kind by the sowcar absorbs all the surplus that remains after paying the assessment, and the ryot too often does not live upon his own stored produce so much as upon advances made to him by his sowcar. The systematic and indiscriminate operation of the Civil Courts aggravates this evil, in that the most usurious interest demanded by the plaintiff has to be allowed without abatement under the law as it stands by which usury has been legalized. Besides, owing to the change in the law of limitation, agreements for debts &c., have to be renewed more often than was the case before. Three-fourths of the suits for small debts in all the Civil Courts of the country are instituted, not with a view to secure their payment, but to obtain a renewal of the bonds which would otherwise become time-barred. This frequent renewal throws upon the poor ryot the heavy burden of the stamp and registration charges of the double transaction, and obliges him to bear the charge of compound interest each time that the renewal takes place. Besides these considerations, the indiscriminate sale of the ryot's property in land and of his cattle for arrears of revenue and in execution of civil decrees, often for small sums and in bad seasons, tends to seal with Government sanction this wretched



state of indebtedness. For in the place of the ~~man~~, who is thus sold out of his *Mirasi* rights, comes the auction-purchaser, who, in most cases of sales under civil decrees, is the sowcar himself. Being unfit by his habits to cultivate the land on his own account, he lets it on the most disadvantageous terms, most often to the ousted ryot himself, who becomes thus wholly his serf or his slave. The combined effect of all these causes is that, excepting some parts of Khandeish, there is not a District in the Deccan where the peasantry is not hopelessly involved in debt and have not become the serfs of the Marwadi or Brahmin money-lender. In the Ahmednuggur District, more than half the land is virtually in the hands of the Marwadi sowcars, and in the Mawal Talooka of the Poona District, Marwadies, and on a smaller scale the Brahmins, have the same hold upon the ryots. This enormous indebtedness is the grievance of the agricultural classes. To a great extent, Government can do little to remedy it except where its own laws aggravate it. A properly framed Insolvency law for the Mofussil, and the total exemption of land and agricultural cattle from sale, as also a greater discretion to the Civil Courts in allowing usurious rates of interest, these measures will go a great way to alleviate this most unfortunate state of things. No good can come from an indebted, and therefore impoverished, peasantry, and the fact that many millions of the actual cultivators of the soil are hopelessly in debt and impoverished, and that this impoverishment and indebtedness are aggravated to a great extent by the policy of Government, appears to be the most ominous sign of the times to those who have eyes to see. If the change of ownership forced by public sales were to transfer the land from the hands of improvident to provident and thrifty cultivators, it would be an unmixed good. As it is, the change is from bad to worse, the land is cultivated by the same class under the most debased conditions, and the least possible encouragement to prudence or

economy. Even if the sowcar were to invest his money in the land and add to its natural gifts, there would be a gain in the transfer of the direct ownership to him. As it is, the sowcar; more often than not, sinks no capital in the land itself, but speculates or rather drives an insurance business upon the improvident habits of the peasantry. ✓

Next in importance to the indebtedness of the ryot to the sowcar, does the action of the state in its various departments affect unfavourably the condition of the agricultural classes. Till of late, the direct assessment on land, or what was called such, was fairly moderate, and there were not many complaints heard about it. This moderation in the direct assessment was however to some extent nullified in its expected effects, by reason of the indirect pressure brought to bear upon the ryots in the curtailment, if not total deprivation, of many of the immemorial customary rights and advantages enjoyed by them as owners of *Mirasi* land, so that in effect the pressure of the state was felt more heavily than before. Of late, not only have the State's exactions been multiplied on all sides, but its dealings with the cultivators of the land have been of the strictly regulation kind, without any generous elasticity about them, and the full rights of a private landlord have been too often claimed and exercised without any consideration of the helpless condition of the ryots. So far as the witnesses were examined, the State's action is shown to be prejudicial to the ryot's interests in 16 different respects which constitute items—(b), (c), (e), (f), (g), (h), (j), (k), (n), (o), (q), (s), (t), (u), (v), (w), in the list enumerated before.

The first thing to be remarked about these items of grievances is, that many of these exactions have been of a recent date, most of them the direct results of the action of the settlement officers. As regards the encroachment of *Gayaran* land, it seems the settlement officers are not so much to blame, as it is the Collectors of revenue who gradually from year to year encourage this misappro-

priation. With the increase of cultivation which has followed since the survey, the number of the labouring cattle has increased, while the area of the common grazing ground of the village has been appropriated to other than its legitimate purpose. In the case of the Mawal and Konkan Districts, the rice cultivation, which is the chief husbandry in those parts, requires, besides the land actually appropriated to the rice crops, a large area of jungle and barren land unfit for any purposes except for furnishing what is technically called *Rab*, i. e., decayed vegetation, sticks, brushwood, and dried-up leaves, which are piled up with heaps of dry cowdung on the land, and burnt for preparing the rice land for the seeding operation. These subsidiary lands were never under the previous rulers, or till the late survey under the British Government, assessed or taxed. Only the rice land actually cultivated was taken into account for this purpose. The sides of the hills in the Mawal and Konkan Districts were similarly allowed to be the common property of all for collecting firewood as well as the materials for the *Rab* described before. Since the survey, these hill-side and barren lands have been numbered and assessed, and the cultivator of the rice land is called upon to pay nominally less on his rice land proper, but he is obliged indirectly to pay a heavier assessment than before, as he has to take up a considerable area of this inferior land assessed instead of free as before. In the same spirit, unarable (*Kharab*) land in the Desh Districts, which under the previous survey was left unassessed, though it was included in the numbers fixed by that department, has been under the new survey assessed at low rates, so that, in effect, though the increase under the new assessment has, over the declared area of the numbers, been moderate enough, yet by the assessment of the *Wajayee* or *Kharab* land, the pressure upon the individual ryots has enormously increased. A large portion of the land included in every large holding consists of inferior land. The previous assessment took no account

of this portion which was allowed as *Wajayee*, or deducted. Under the new survey, not only have the rates upon the land previously assessed been increased, but, over and above this, the *Wajayee* land has been brought under assessment, thereby doubling or trebling the rent on the holder of such land. In the Konkan Districts, *Warkas* lands, (which have to lie fallow for 5 or 10 years before any crops can be made to grow on them for one or more years), were before assessed only for the years that they were under actual cultivation, and no tax was taken for the years that they lay fallow. Under the recent survey, a uniform, though low rate, for all years has been fixed upon these lands. In the same Districts, the owners of Bagayet land are moreover taxed, not in proportion to the number of trees growing on the land, but according to the capacity of the land, whether or not there are any trees growing on the land liable to assessment. Generally speaking, the principle of looking solely to the capacity of the land, without making any allowance for the greater or less expenses required for its cultivation, which has been adopted by the survey officers, (vide joint Report para. 43), is one which is found in practice to be very unfavourable to the cultivators of inferior lands. While the gross produce of such lands, which is the only element taken into account by the survey officers, is oftentimes considerable, and in proportion to it the assessment fixed is an inconsiderable fraction, yet, as the expenses of cultivation are so great that after paying these expenses, the net produce on such lands is proportionately less than on better lands, the low assessment—, low in proportion to the gross produce—, is felt therefore to be a very heavy burden. This consideration explains the general complaint of the agricultural classes with regard to the work done by the settlement officers, that inferior lands are proportionately more heavily taxed than Bagayet lands under the survey operations.

In the case of most of the Districts in the Deccan, the rainfall is so scanty and unsteady, that a fixed assessment



on land, unless it is very moderate and low, causes serious embarrassment to the ryot in those years in which there is a scanty crop. In all the eastern Districts of the Deccan, there is on an average one bumper crop in every five years, there are two of absolute dearth or scanty crops, and two years of middling crops. The improvident habits of the ryots unfit them from seriously providing for the bad years out of the plenty they enjoy at times. They are thus necessarily thrown into the hands of money-lenders; for the survey assessment is rigidly exacted during all seasons. This fixed and rigid character of the levy is thus wholly unsuited to the condition of husbandry in these Districts. And one of the complaints of all the witnesses examined related to this head, that, since the survey, as a rule, not only no remissions and no arrears are allowed in bad years, but the full assessment is levied punctually to the day under a penalty of heavy interest on arrears, and the sale of the ryot's property in his land and his cattle. These sales of the ryot's interest in land and of his cattle needlessly aggravate the miserable condition of the cultivating classes. The ryots contend that Government should levy its full assessment from the standing crops, and if there are no crops, the Government should waive its demand for the time, and wait for better years. As it is, the land and the cattle are sold at the worst time in the interest both of the ryot and of the Government, when they fetch little or no value, so that the cultivator is deprived of his *Miras* possessions for small arrears, and has not his debt discharged in full, while the Government receive no corresponding benefit whatever, and, in most cases, get a worse tenant than before, or the same ryot more hopelessly involved.

The action of the forest and revenue officers oftentimes injuriously interferes with the cultivator's rights in timber and firewood growing on his own lands, or in jungle lands over which he has immemorial customary rights. These rights have been in fact done away with

at a stroke. There has been a similar stretch of the supposed proprietary rights of Government in the earth, sand, and stones, in the ryot's own fields, which cannot be used by the ryot for his own purposes without paying special fees on those accounts.

These and other exactions, joined with the heavy assessments, and the general cessation of the practice of making advances to the ryot in the nature of Taccavee, concurring with the fall in prices and increased indebtedness, go together to make the ryot's future condition hopelessly miserable. With regard to the Maratha Districts of this Presidency, it is to be further noted, that owing to the political predominance enjoyed by the Marathas, and the great field of service opened by the standing armies and the establishments of Maratha dynasties at Nagpore, Baroda, Gwalior, Indore, Dhar, Bundelkhund, Tanjore, &c., the excess population from this part of the country found, 30 years ago, unlimited employment in the armies and the civil services of these States. The armies have now been dissolved; and the civil services do not employ the same number of men as before, so that all classes of the population have now no other resource left except agriculture. The ruin of native manufactures in consequence of the rise of the import trade has also deprived numbers of their resources. The great railway works have been finished, and numbers who found employment before in the carrying trade find their occupation gone. The result of all this is, that there is no resource or outlet left open by which to alleviate the effects of the hopeless impoverishment of the agricultural classes. There is no prospect of this condition being improved, so long as the necessary measures are not taken to improve the ryot's position (1) as against the sowcar, (*a*), by the enactment of a cautious and provident Insolvency law, aided (*b*), by the encouragement of a liberal system of advances direct from the State Treasury to the ryot to help him to make improvement in land. *Secondly* (2) as against the Government, (*c*) by keeping the assessment advisedly so low as to be easily borne by

the ryot in the worst season, in other words as to allow a margin for bad years, and (d), exercising a greater leniency in exacting this assessment by taking it at such time and in such manner as the ryot can best bear, and (e), forbidding absolutely or conditionally the sale of land and of agricultural cattle for revenue arrears, or in execution of Civil decrees. These measures are so opposed to the prevailing theories with regard to the means of the cultivating classes and the rights of Government in this respect towards them, and the prospects of a rise in prices in the coming years, that not, until some great famine, like the one which devastated the North Western Provinces in 1861, takes place, will the crash come, and a change in policy follow. The ryots have ceased to have any stores of grain with them which was a salutary old custom, ; and as one effect of it, thousands in the Ahmednuggur and Khandeish Districts were thrown helplessly dependent on private charity only a few years ago, because the rains were a little postponed beyond their usual time. This crisis may be provided against in anticipation, if the ryot's cry is heard in time.

---

## CHAPTER V.

## INCREASE OF TAXATION.

Taxation has increased during the last 12 years under 4 different heads, Imperial taxes proper, Provincial, Local, and Municipal taxes. The following information has been digested from the evidence of the witnesses, and also from the published records of Government.

## I. IMPERIAL.

The operation of the stamp law was extended in 1867 from civil litigation and transactions of a civil nature to criminal justice and revenue petitions and ordinary receipts for money. With regard to civil litigation and civil transactions, to which alone the stamp law applied before, the scale of fees was doubled in 1867, (though it has since been lowered in some instances 50 per cent. by the last Act), and the scope of the law was extended in all directions. The stamp revenue, which was 45 lacs of Rupees in 1858, rose to 73 lacs of Rupees when the first general Stamp Act was passed in 1860. It was doubled by Act 10 of 1862, in which year the stamp revenue was  $1\frac{1}{2}$  crore of rupees; since then it gradually increased till in 1866 it stood at 2 crores of rupees. In 1867, it received a further lift, and became  $2\frac{1}{3}$  crores in 1868, and stands now at about  $2\frac{1}{2}$  crores of rupees. The revenue from this source has thus multiplied 5 times during the last 15 years. Between 1860 and 1870, the stamp revenue in the Bombay Presidency rose from 30 lacs to nearly 60 lacs. A comparative statement, showing the scale of fees chargeable under the successive stamp laws is herewith appended and marked (G.)

2. Assessed taxes including the Income Tax, the License Tax, and the Certificate Tax. As all assessed taxes have ceased, it is not necessary to speak here more on this head; when they were levied, they represented a charge of between one and two and a half crores under the various scales of the different Acts passed under this head.

3. Summary settlement of alienated lands under Acts II. and VII. of 1863 (Bombay), and Judee or quit-



rent on service Inams. The revenue derived from these heads cannot be ascertained separately, but that it represents a considerable addition to the burden of national taxation will be admitted by those who have any idea of the great extent of alienated land in this Presidency which has been resumed or settled under the operation of the settlement department.

4. Increase in land assessments under the re-survey and re-settlement operations. The land revenue of the whole of British India rose from  $18\frac{1}{2}$  crores in 1860 to  $21\frac{1}{2}$  crores of Rupees in 1873. In this Presidency, it has risen from  $2\frac{3}{4}$  crores to  $3\frac{1}{2}$  crores of Rupees, or nearly 75 lacs during the same period.

5. Forest revenue was a source of Revenue entirely unknown before, being reckoned as part of the Sayer revenue. During the last 10 years, it has assumed the importance of a separate department. In this Presidency, the yield from this source in 1870 was 12 lacs.

6. The scope and scale of the Registration Acts has been extended on all sides, and a separate department has been constituted which eats up nearly all the proceeds.

7. Increased duty on salt. The salt duty was increased first 33 per cent. in 1860-61, and again in 1861-62, a third time in 1865-66, and again in the year 1869-70. So far as this Presidency is concerned, there were in all four different enhancements in the course of 10 years. The price of salt was 36 seers, (9 pylees) per rupee at Poona when the British rule commenced. Owing to the salt monopoly, the price rose to 6 pylees or 24 seers per rupee, at which figure it stood before 1860. Owing to the successive enhancements of duty since, it is now 3 pylees or 12 seers per rupee, or three times as dear as it was when the British rule commenced. The salt revenue was two crores in 1858, and now exceeds 6 crores, or 3 times as much as it was 15 years ago.

## II. PROVINCIAL TAXES.

1. The non-agricultural tax, (Act II. of 1871 Bombay.)

## 2. Municipal Police tax (Act I. of 1871 Bombay).

*N. B.*—Both these taxes have been in abeyance this year, and as it is not likely that they will be re-imposed, nothing need be said about them in this place. They were imposed to make up a supposed deficiency of 10 lacs in the Provincial funds which deficiency never occurred.

### III. LOCAL TAXES OR LOCAL FUNDS.

1. The local funds represent a revenue of 50 lacs in this Presidency which has been entirely the creation of the last 10 years. It includes—
  - 1 Local cess of one anna on the land revenue. (Act III. of 1869).
  2. Toll fund (Act VIII. 1851 and XV. of 1854).
  3. Ferry fund (Act XXXV. of 1850).
  4. Cattle pound fund (Act 1 of 1871).
  5. Staging Bungalow fund.
  6. Sand and quarry fees.
  7. Sale proceeds of building sites.
  8. Fee on cotton pressed and exported, (Act IX. of 1863).

### IV. MUNICIPAL TAXATION.

Excluding the town and island of Bombay, the Municipalities of the mofussial raise in all about 25 lacs of revenue, most of it the creation of the last 15 years. The list of Municipal taxes given below contains an enumeration of the various taxes levied in different Municipalities.

1. House tax.
2. Octroi or town duties.
3. Tolls.
4. Fees for putting building materials on roads.
5. Fees for dinner parties on roads.
6. Wheel or carriage tax.
7. Cattle Pound.
8. Fee for supplying water to strangers (Gogo).
9. Fee on Mhowra liquor (Mumdabad).
10. Sunnud fees (Surat and Bulsar).
11. Fee on market stalls (Broach, Belgaum, Sattara).
12. Liquor shop tax.

13. Bhungy tax, (Tanna, Indapoor, Nassick, Ahmednuggur, and Wai).
14. Tax on Mandavas or booths.
15. License for music (Poona).
16. Juttra taxes (Saptashring).
17. Capitation tax on pilgrims (Alundee and Pundhurpoor.)
18. Tax on temporary booths, or *palpattee* (Alundee and Jejooree.)
19. Profession and trade tax (Bhingar).
20. Slaughter house fees (Dharwar).
21. Duty on sale of cloth (Pundhurpoor, Brahma-poorree &c.)
22. Snuff tax (Sattara).
23. Opium tax (Hydrabad, Sind).
24. Sale of poison ( , , ).

As a general result of the effect of increased taxation, it may be safely stated that the revenue of the whole of the Bombay Presidency has more than doubled during the last 15 years. There has been no accession of territory during that period except the transfer of the North Canara with its insignificant revenue of a few lacs. In the year 1850-51 the gross revenue of this Presidency was 4 crores and 43 lacs. In the year 1870-71 the gross revenue was 9 crores and 65 lacs. The average of gross revenue for the first 5 years 1850-1855 was about 4 crores 70 lacs. It stood at 5 crores the year before the mutiny, *i. e.*, 1856-57. As one effect of the mutiny, the revenue increased to 6 crores, and all by additional taxation, in two years, 1857 and 1858. In another two years, the revenue increased by another crore, also by additional taxation between 1859 and 1860, and one crore more was raised by additional taxation in 1860-61, in which year the revenue was  $8\frac{1}{2}$  crores. In the next year, 1862-63 there was a further increase of one crore, so that within the period of six years 1856-62, additional taxation to the extent of 4 crores was imposed. Since 1862-63, there has been no addition to the direct imperial taxation. But the increase of pressure upon

the people has not been the less on that account. An irresponsible source of additional taxation was discovered in 1863-64 in the shape of the local cess, and these local funds have gone on increasing year by year, till at present they stand at the magnificent figure of nearly 60 lacs including Sind. These funds and the Municipal taxation amounting to nearly 50 lacs, including the city of Bombay, represents an additional one crore. So that in the short space of 15 years, the people in this Presidency who paid before only  $4\frac{1}{2}$  crores on all accounts have been called upon to pay 6 crores of additional taxation under one or another head. It is not necessary to point out the percentage of increase on each item of imperial or local revenues so far as the Bombay Presidency is concerned, but it may be stated shortly that the revenue from excise duties has doubled in ten years. It was  $22\frac{1}{2}$  lacs in 1861-62, and rose to  $44\frac{1}{2}$  lacs in 1870-71. The revenue from stamps has also doubled in 10 years. It was 29 lacs in 1861-62, and rose to 56 lacs in 1870-71. While these sources show a double increase, the customs revenue has actually declined. It stood at 95 lacs in 1861-62, and it was only 75 lacs in 1870-71. The land tax has yielded a full crore of rupees more during the same period. The rest of the increase is represented by an additional duty of 400 Rs. per chest on opium, and by an increased salt duty, and by the Income tax which yielded various sums from 25 to 75 lacs of rupees during the 12 years that it existed. From the whole of these figures, it will be seen that the strain of additional taxation during the last 10 or 15 years has been wholly unprecedented, and yet the local Government was not satisfied with the experiment, and actually, from a fictitious apprehension of a deficit, put in its Provincial Budget an additional direct taxation of a most harrassing kind in 1870-71. Happily there has been a salutary change since in the counsel of the rulers, and it is hoped that the country will enjoy rest under the influence of these wiser and safer counsels.



## CHAPTER VI.

MISCELLANEOUS INCLUDING FOREST REVENUE, IMPRESSMENT OF CARTS AND PROVISIONS, AND COMMISSARIAT CONTRACTS.

## SECTION I.—FOREST REVENUE.

The Forest Department, though the latest born of the departments, has, in the Tanna District especially, been exacting and oppressive to a degree unequalled by any other department of Revenue. Not only have the guaranteed rights of private proprietors in the forests preserved by them been interfered with, but all manner of exactions and levies of a miscellaneous kind have been made without any legal authority. In consequence of this illegal interference with the rights of property, many suits have been brought against Government, in most of which the acts of the Government officers have been condemned by the Judges, and the Government saddled with the costs. As only a few have the courage to fight their disputes in Civil Courts, the illegal oppressions in the larger number of cases continue with more or less force even to this day. The full details of the oppression exercised by the Forest officers, backed by the Revenue and Magisterial agency of the Government, will be seen from the following summary which is too plain to need any further comment.

Witness No. 23, from Oombergaum Talooka of the Tanna District, states that by the custom of the country and the guarantee of Government, when a rate has been once fixed upon revenue-paying land, firewood and timber trees which the ryot plants in his own lands belong like other produce to him. The British Government has all along professed to act on this understanding (vide proclamation No. 108 of 1847, and Bombay Government Resolutions No. 49 of 1847, and No. 1240 of 1868, as also Joint Rules clauses 1 and 10). Of late, however, Government officers in the Forest department have shown a disregard of these guarantees, and disputed the ryot's claim of property in his own trees.

In those Talookas of the Tanna District which were

settled before 1863-64, the prohibition to cut timber growing in the ryot's own lands extended to teakwood and blackwood only. In the Talookas which were subsequently settled viz., Dhanoo and Shahpoor and Wadde, the ryots were expressly told at the time of the settlement that they should not cut teak and blackwood growing in their own numbers without the permission of Government, but that they might cut all other trees, without asking for such permission. In spite of this assurance given at the time of the settlement, the prohibition has been extended to every variety of timber trees. By a subsequent circular, it has been formally declared that the ryot is not the owner of the timber trees growing on his land. This subsequent circular was not explained nor published for the information of the people. This was made evident in the case of the Mamlutdar of Dhanoo, Mr. Trimbak Sadasheo, who was charged with having negligently caused loss to Government by allowing the ryots to cut their own trees against the orders contained in this unpublished circular. The enquiry was held before Mr. Trevor, first Assistant Collector, in which the Mamlutdar's innocence was established, chiefly by the favourable testimony of village Patels and Tullatees who stated the particulars of the assurance given to them at the time of the settlement, and denied all knowledge or publication of the prohibitory Circular. The Circular order No. 100, dated 6th March 1866, expressly affirms the ryot's right in his own trees by declaring that if any person wanted to cut down timber growing in land not his own, permission would be given to him with the consent of the owner of the number. This old circular could not be repealed by the unpublished private Circular, No. 1004 of 1866, issued by the survey department referred to before.

In the years 1869 and 1870, the right to remove dry wood from Government forests was sold by auction. The auction purchaser was subsequently, by an order of the Deputy Conservator of Forests, permitted to remove dry wood from the ryot's numbers. The ryots of Shah-

poor accordingly sent a memorial to Government, remonstrating against this oppressive order, which memorial was published in the local newspaper of Tanna, that the matter might be reported to Government through the reporter on the native press, but no notice was taken by Government of this complaint, and the oppression continues still unchecked. Independently of the Circular orders, before referred to, the ryot's claim to the trees growing on his land is good both in law and in equity, for it takes 40 years for timber trees to grow to a condition fit for cutting. During all that time, the owner bears the loss of the ground under the trees planted by him, and pays the full Government assessment, and yet when the trees grow, and are in a condition to be cut, the Government step in, and prohibit the owner from deriving the full benefit of his investment. Such a demand cannot but appear to be unjust and unreasonable.

Great oppression is at times exercised by the unauthorised orders of the Forest officers, obedience to which is secured by criminal prosecution and conviction before the Subordinate Magistrates.

In the year 1863-64, Mr. Ellis, Revenue Commissioner, issued an order that, in the case of those private forests from which it was customary to exact a share of the produce of the trees growing on them, the Government would give up its right for ever to interfere with the owners of such lands on receipt from them of 10 years' value of the estimated produce. Further it was ordered that, in future, Government forest numbers in which teak and other timber trees of full growth were found, should not be given to private individuals. If, however, any Government number contained only the inferior kinds of timber, a valuation should be made of the teak and blackwood trees, if any, growing on it, and the rest of the inferior kinds of trees should not be valued, but should become the property of the ryots who took up the forest number from Government. Rules were framed by the Collector of Tanna in accordance with this circular, but instead of confining the two last rules to Go-

vernment numbers, they were made to extend to lands which were the ryot's private property, and lists of timber trees of all kinds were made of all forest numbers, whether belonging to Government or to private persons.

Two years after, when the Government had received in full the commutation value of the 10 years' produce for the forest numbers which were the private property of the ryots,—so far from ceasing to interfere any further with the numbers so settled, Forest officers required that the ryots should not, without their permission, cut timber from trees growing on their own lands, if the trees were not included in the lists made as before stated for valuation purposes. The result was that a suit was filed against Government by a forest proprietor, which was decided by the Assistant Judge of Tanna in March 1869 against Government, and this decision was upheld by the High Court in December 1872. Notwithstanding the result of this suit, the Government officers still continue to interfere with the ryot's management of numbers settled under the 10 years' commutation rule, and many poor people are oppressed, and do not obtain any redress :—

“ Up to the year 1869-70 a practice obtained of levying a small fee for written passes or permissions to cut timber from private forests, and if the pass was not shown, the timber was confiscated as belonging to Government, and the party that cut the timber was criminally prosecuted. The levy of this fee and the confiscation were both illegal, and the illegality was established in a suit brought against Government by a man from the Bassein Talooka. In consequence of the decision in this suit the payment of the fee was made optional.”

## SECTION II.—IMPRESSMENT OF CARTS AND PROVISIONS.

The subject of the impressment of carts as well as the exaction of supplies and provisions &c., at unduly low rates by Government officers and their establishments, while on tour in the Districts, formed the point of one of the questions circulated by Mr. Dadabhoi



Nowroji and the Bombay Association. On this point, the evidence taken does not seem to show that this abuse of power obtains in all the Districts and at all times. At least it is not of such magnitude as to constitute a cause of general complaint. In the Poona and Tanna Districts, however, it seems that people suffer considerably from both these practices. Witness No. 5, who is a village Bunia, gave the details of the oppression practised under both these heads in his native town, Chakan, in the Kheda Talooka of the Poona District. "Being on the high road to Nassick, and only one stage from Poona, there is not a day when some Government officer or another does not stop at the place. The Collector and his assistants while on tour stop for days together at this place. The Collector's sepoy and his butler go to the shop of the village, and demand the supplies without fixing any prices at the time. The Bunia gives the supplies asked for, and debits those articles to the account of the sepoy or the butler, mentioning the name of the officer for whom he buys the provisions. No signatures are taken or given for the receipt of goods. In this way goods are supplied for any number of days that the officer stays in the place. On the day previous to the departure of the camp, the Bunia goes to the officer's tent, and demands the price of the things sold by him. He is obliged to take whatever the officer's servants pay. If he refuses to take what is offered, he is driven away. If he complains to the Mamlutdar, (the native revenue officer), he is detained at the cutcherry till the officer and his men go away, and he gets nothing. Oftentimes the sepoys who buy goods do not give their correct names, and when the Bunia goes to make the demand, he finds that there is nobody corresponding to the name, and he gets nothing for his goods. On an average, for 100 Rs. worth of goods sold, the Bunia is paid about 50 Rs., the loss being about 50 per cent. on the cost price. The witness had himself a retail grocer's shop at Chakan, which he was obliged to shut up and come to Poona on account of this oppression. There are

about 14 grocers' shops at Chakan. These shopkeepers have been obliged to come to an agreement between themselves to divide equally the burden of these oppressive daily exactions, by allotting one day to each to bear the burden of this loss. Each shop-keeper has to supply on his day all provisions required, and bear the risk. This agreement has been formed under the immediate pressure of the Mamlutdar. Witness had his shop at Chakan at the time (1863), and having refused to be a party to this agreement, he incurred the Mamlutdar's displeasure, who ordered that goods should be taken from his shop without his consent when his turn came for the supply. Witness complained of this oppression to the Assistant Collector, Mr. Ovens, who told the witness to refuse to supply provisions. The Mamlutdar thereupon took a recognizance from the witness that he would not sell his goods in his retail shop at Chakan, and ever since his shop has been closed.

When the provisions are purchased, no price is fixed, and the sepoy and the butler refer the Bunia to the *neeruck*, which *neeruck* is fixed by the Carkoons on the establishment according to what they say they have paid in the village last visited. Oftentimes cooking utensils, ponies, cots, are pressed into the service, and no payment is made.

Witness No. 9, an inhabitant of the same village, states that the impressment of carts and bullocks is a very general practice at Chakan. The Patel receives orders for keeping a supply of carts and bullocks ready for the conveyance of the European officers and their establishments on tour. The village servants are thereupon ordered by the Patel to unload all goods-carrying carts not belonging to the village, which may be stopping at the place at the time, and, if none can be had of this sort, the Patel seizes carts belonging to the village people. If a cart with its bullocks and a driver cannot be had, one man's cart, another man's bullocks, and a third driver,—cart, bullocks, and man, are all impress-

ed into the service. Two annas a *koss* or one anna a mile is in most cases the usual rate of nominal payment for which receipt is taken, but actual payment is not often made at that rate. The owner of the cart or the bullocks, being generally pressed from his work in the fields, is in great haste to return back to his village, and takes any sum that is paid to him. For the number of days that the carts are detained before they are actually on their way to another station, no payment whatever is made to the owners, who have to maintain themselves and the bullocks at their own charge, and in many cases have to pay the tolls on their return journey. This witness further confirms the evidence of witness No. 5 as regards the agreement of the 14 shopkeepers at Chakan relating to the equal division of the risk and loss incurred by reason of having to supply provisions at unduly low rates. He further states that the 14 shopkeepers of the league sent a petition to the Collector, complaining of the conduct of witness No. 5, who refused to be a member of the league, and requesting that he should be ordered to bear his share of the loss. Their prayer was however refused. He further states that it is a common practice to require the Bunia to remove his shop with the camp of the European officers in remote places like Bhimashunker.

Witness No. 23, speaking of Oombergaum in the Tanna Collectorate, states that the practice of requiring the village Bunia to accompany the camp is common in his District, and cites an instance which occurred in 1869-70, when the present Collector of Tanna, Mr. Robertson, had his camp for days together at a remote jungle place called Kodad. Here he stopped 10 or 12 days, during which time he exacted the enforced attendance of the village Bunias of Khuttawud in his camp, and by way of compensation for the insalubrious jungle climate and the hardships of exposure suffered by these shopkeepers, they were paid half the price of the goods bought from them.

## SECTION III.—COMMISSARIAT MATTERS.

The Commissariat and the Public Works Department are proverbial for their little thrift and great waste, and the recent failures at Allahabad, Saugor, and other places, and in this part of the country, the Neera or Kurrar bridges, the Government House at Gunesh Khind, the Council Hall at Poona, the Deolallee Barracks &c., were mentioned by the witnesses examined as prominent instances of waste of public money, and the frauds practised by the Contractors with the connivance of the engineers. The enormous cost of the military branch of the Public Works Department and the heavy establishment charges amounting to 30 per cent., of the sums spent, were also noticed by the witnesses as demanding serious inquiry. As an instance of the wastefulness of departmental agency compared with the contract system in the Commissariat Department, witness No. 7 gave the details of the cattle farm at Allegaum in the Poona District. This farm was established as an experiment in 1865 for one year, and has been continued since. At present its monthly establishment charges come to 1,875 Rs. or more than 22,000 Rs. a year. It has one superintending officer, on 900 Rs. a month, one Inspector on 100 Rs., one conductor on 80 Rs., and 2 clerks on 155 Rs. together. This establishment has in charge about 200 cattle and 400 sheep, whose maintenance charge comes to about 500 Rs. a month, and the servants' wages come to 140 Rs. This establishment, kept at such expense, sends mutton and beef to the European soldiers stationed in Poona. The mutton is found on calculation to be worth from 4 to 6 lbs. per rupee, and the beef from 9 to 10 lbs. While the mutton and beef produced at the farm is sold at these rates, the present market rates for the best kind of mutton are from 8 to 10 lbs. per rupee, and from 15 to 16 lbs. of beef. This market produce is of the best quality, and European officers prefer it to the farm produce, so that Government, while incurring a dead charge of 22,000 Rupees a year



for the establishment, gives inferior food to its soldiers at a dearer rate than what obtains in the market. When there was no farm, both these articles were supplied under the contract system at rates slightly in excess of the Bazar rates prevailing at the time, and the net result was that the cost to Government was only half its present expenditure. Even the quality of the articles supplied is not ensured under the departmental system, for the Committee, who examine these articles before they are supplied to the soldiers, often find it necessary to reject them, and buy from the market. Under the contract system, the contractor had to bear this loss, which now falls upon the Government.

---

## APPENDIX.

- (a.) Questions. (P. 1.)
  - (b.) Statement for the Moodeebahal Talooka in the Kalladgee District, Hunagul Talooka in the Dharwar District, and the Parusgud Talooka in the Belgaum District. (P. 43.)
  - (c.) Statements regarding the weight and inequality of the new assessments, in the Talookas of 1 Sholapoor, 2 Indapoor, 3 Madhe, 4 Bhimthadee. (P. 39.)
  - (d.) Sholapoor Statement. (P. 39.)
  - (e.) Sindgee Statement. (P. 51.)
  - (f.) Indee Statement. (P. 51.)
  - (g.) Stamp Act Schedule. (P. 72.)
-

## QUESTIONS A.

1. What is the condition of the land-holders, agricultural labourers, and men of other occupations at present, and what means are necessary to improve their condition.

2. Whether the rates of the 30 years' assessment fixed by the Survey Settlement Officers are fair and equitable?

3. What is the proportion of the enhancement made by Government in the new assessment in places where the 30 years' term has expired? whether the new assessments are just, moderate, and tolerable. If not, give examples of injustice caused by the new assessments.

4. What Imperial, Local and Municipal taxes are levied upon the people? Where are they in force? To what people the burden of these taxes is intolerable in the highest degree? Give instances of oppression practised by Executive Officers either in the levy or the recovery of these taxes and the land revenue, and mention cases in which parties have not obtained redress. Give examples of cases in which the people failed to obtain redress, simply because they were unable to pay for the necessary stamps for petition.

5. Cite instances of lavish and wasteful expenditure in the undermentioned departments of the service:—

1 Public Works, 2 Judicial, 3 Assessment and Revenue, 4 Salt, 5 Opium, 6 Custom and Excise, 7 Police, 8 Jails, 9 Medical, 10 Forest, 11 Registration, 12 Education, 13 Military, 14 Local Fund.

6. Mention sinecure posts and offices which are too highly paid. Specify cases in which retrenchment of expenditure is possible without impairing the efficiency of the public service.

7. Give information regarding the impressment of carts and labourers. Is the practice of compelling grain-dealers to send a shop to the encampment of a Revenue or Police Officer travelling in the Districts to supply his wants prevailing every where? At what rates are the Bantias paid for the supplies? At what rates are the cartsmen paid, and what is paid for detention of their carts &c.?

8. What are the prices of agricultural labour and of produce at present, and what were they 10 or 20 years ago.

9. What is the present condition of the agricultural and labouring classes, and what was it 10 or 20 years ago? What is the minimum amount of expense necessary for the subsistence of a cultivator's or labourer's family, and what was it 10 or 20 years before?

10. Mention cases in which Native subordinate officers have been ill-treated, reduced, or dismissed by the European superior authorities, and in which they failed to obtain impartial redress.

11. Give examples in which the Local Funds of one Zilla have been expended for the works in another Zilla.

12. Give information about the mismanagement of the Police accounts.

13. Give examples of cases in which the people are oppressed by the police or other officers.

---



## STATE

	THE PERIOD.	LAND UNDER CULTIVATION.				WASTE	
		Acres.	Amount of Assessment.	Amount of Remissions.	Revenue collected.	Acres.	Amount of Assessment.
Talooka Mooddeebahal, Zilla Kalladgee.	The year previous to the Survey 1843-44.....	107258	66898	1244	65654	145236	17446
	The year of the Survey 1844-45 .....	117673	66951	6304	60647	140899	61433
	Next year after the Survey 1845-46 .....	119898	67404	4791	62613	139863	60948
	10th year after the Survey 1855-56 .....	156604	77693	15	77678	115571	57472
	20th year after the Survey 1865-66 .....	263790	132694	...	132694	8388	2388
	The year 1870-71.....	263173	132380	...	132381	9102	2735
Talooka Hanugul, Zilla Dharwar.	The year previous to the Survey 1846-47.....	31869	58545	1423	57422	100405	73321
	The year of the Survey 1847-48 .....	36590	62943	11342	51601	54504	44596
	10th year after the Survey 1857-58 .....	83334	92056	..	92056	15735	11074
	20th year after the Survey 1867-68 .....	..	..	..	..	..	..
	The year 1870-71 .....	92681	101969	..	101969	9000	5600
Talooka Parusgd, Zilla Belgaum.	The year previous to the Survey 1848-49.....	70681	92164	1473	90691	33641	39377
	The year of the Survey 1849-50 .....	89442	71339	6173	65166	45915	24514
	The year 1870-71.....	161460	119787	..	119787	6777	1310

## MENT B.

LAND.		INAMS OF ALL SORTS.		TOTAL.			UNASSESSED WASTE LAND.		TOTAL.	
Revenue col- lected.	Acres.	Amount of Assessment.	Revenue col- lected.	Acres.	Assessment.	Amount of Revenue col lected.	Acres.	Revenue col- lected.	Acres.	Revenue col- lected.
2	73704	35947	669	326268	...	66325	26195	..	352363	...
1	73814	38490	9991	332386	166874	70639	19977	..	352363	...
3313	72637	38423	9154	332398	166595	75180	19965	..	352363	...
3758	60141	31363	7752	332216	166528	89188	20147	..	352363	...
369	59914	31395	9455	332092	166477	142558	20271	..	352363	...
483	61381	31367	9597	333656	166442	142450	18707	631	352363	143091
3302	47231	63632	33337	179505	...	93761	14150	181	193555	...
2528	52414	66647	30849	143608	174116	84978	41202	244	184810	...
4564	44461	59895	30841	143530	163025	127461	41288	2269	184818	...
..	35798	22804	12994	..	..	..	..	..	..	..
3294	41936	56754	32950	143617	164323	138213	43201	2432	184818	...
3498	120467	119710	37620	224789	251251	131819	28186	734	252976	...
3417	141601	111580	33800	276928	207433	102383	60957	590	337886	...
625	108642	84418	43627	276879	215515	164039	61079	2023	337958	...

# SHOLAPOOR STATEMENT C.

COMPARATIVE STATEMENT shewing the acres and assessment of different villages in the Talooka of Sholapoor according to the former and present revised settlement.

the Talooka of Sheikhpour												
No.	NAME OF VILLAGES.	Former Survey and Assessment.					Present Survey and Assessment.					REMARKS.
		Acres & Goontas.		Amount of Assessment.			Acres and Goontas		Amount of Assessment.			
1	2	3		4			5		6			7
1	Kashe Koombhari...	12783	7	3605	...	..	13705	13	8596	3	..	
2	Mowje Legan .....	6249	9	2131	8	..	6638	30	6114	5	..	
3	" Ladepoor ...	1078	10	344	12	..	..	..	821	2	..	
4	" Tarlgan .....	634	8	375	8	..	..	..	728	8	..	
5	" Lhelgi .....	2601	3	692	7	...	2183	24	1981	14	..	
6	" Dahitue .....	2214	12	647	13	...	2241	27	1798	15	..	
7	" Mardee .....	2320	2	1103	..	...	2361	3	2350	11	..	
8	" Oulhe .....	"	"	1434	10	..	..	...	2889	10	..	
9	" Lawaleshwar	3444	10	1452	8	...	3763	...	2645	10	..	
10	" Kondi.....	2133	37	585	7	...	2361	18	1258	..	..	

Office of the Sholapoor Sarvajanic

5th February 1873.

(Sd.) VISHWNATH NARAYEN,  
Secretary to the Sholapoor S. Sabha.

COMPARATIVE STATEMENT shewing the acres and assessment different holdings according to the former and present revision settlement in the following villages of Talooka Indapore :—

NAMES OF THE TENANTS.		AREA.		Assessment according to the old Survey.			AREA.		Assessment according to the		
		Acre.	Goutey.	Rs.	A.	P.	Acre.	Goutey.	Rs.	A.	P.
Kasabe Babade...	Sadasiva bin Bappajee Patel ...	5	39	0	14	3	4	35	5	0	
	Girmajee bin Narayen Rasal ...	41	6	9	0	0	50	27	25	8	
	Rama bin Bala Khoorga ...	13	31	6	7	0	26	13	21	8	
	Sadoo bin Mahadoo Vabala ...	23	32	6	11	0	25	25	14	8	
	Nana bin Dhondi Tale..	34	5	16	3	0	44	5	38	8	
	Jogoo bin Nursinga Dongre ...	27	3	4	4	0	25	13	9	8	
	Ramajee Moreshwar ...	15	11	2	14	0	18	6	8	0	
	Khundoo bin Jogoba Sinde ...	29	31	8	6	0	28	16	17	8	
	Pira wd. Boodhan Moolane ...	25	10	3	15	0	27	6	15	0	
	Phattoo wd. Boodhan Moolane...	2	29	1	8	0	7	6	15	0	
	Nanjee bin Ballajee Patel ...	31	11	4	14	0	34	0	19	0	
	Tookaram bin Krishna Chavan...	30	4	5	10	0	32	34	20	8	
Kasabe Indapoor.	Gungadher Nursingarao Koolkernee ..	34	29	13	0	0	34	9	32	8	
	Sadasiva Rughoonath Koolkernee	32	38	9	4	0	39	30	20	0	
	Gungaram bin Sawajee Bunsode.	24	9	5	5	0	39	38	15	0	
	Govind Bahirav Koolkernee ...	21	1	5	4	0	28	6	12	8	
	Mhapa wd. Somajee Galande ...	15	36	2	0	0	35	12	6	8	
	Ebrahim wd. Shake Karim ..	25	16	9	8	0	24	33	23	8	
Mouje Tarutgaum...	Raje Khan wd. Emam Khan Zare	30	9	7	9	0	30	28	19	0	
	Ehawane bin Dhonde Pawar...	27	8	6	6	0	29	25	18	8	
	Shalegaum... Khandoo bin Bhawane Choware.	77	18	10	14	0	139	39	44	0	
" Kumbhar-gaum ...	Moro Gopal Koolkerne ..	25	5	6	5	0	26	34	22	0	
	Esoo bin Babajee Patel Banager.	29	25	12	15	0	36	29	36	0	
	Narayan bin Sontajee Dhoomal.	17	27	9	15	0	20	28	21	0	
" Hingungaum	Bappoo bin Babajee Devaker...	32	12	12	5	0	58	10	34	3	
	Mahadoo bin Chimajee Kodam...	22	12	6	4	0	23	20	18	0	
	Mhapa bin Ranoo Kolee ..	28	32	9	14	0	32	0	22	8	
	Khetree bin Santajee Patel ...	15	5	1	14	0	16	16	4	0	
" Gorawallee...	Waman Bappoojee Koolkernee...	13	7	2	1	0	17	32	4	8	
	Sakharam bin Sivaram Wane ..	33	17	4	3	0	52	3	13	0	
	Dewajee bin Santajee Kale ...	16	29	2	1	0	21	11	6	8	
	Ramjee bin Santajee Patel Woghamode ...	20	24	4	8	0	48	22	19	8	



COMPARATIVE STATEMENT shewing the acres and assessment of different holdings according to the former and present revised settlement in the following villages of Talooka Indapore :—*Continued.*

NAME OF THE TENANTS.		AREA.		Assessment according to the old Survey.			AREA.		Assessment according to the new Survey.		
		Acre.	Goontey.	Rs.	A.	P.	Acre.	Goontey.	Rs.	A.	P.
ouje Awasaree...	Mahiputee bin Sidhoo Yadava ..	23	20	6	10	0	23	39	13	8	0
	Jayaram bin Vittoo Savata ...	30	36	3	14	0	37	39	12	0	0
	Tookaram bin Nagoo Nhavee ...	66	10	21	12	0	53	4	43	8	0
„ Bhat Limba-gaum .....	Ramajee bin Shettee Patel ...	6	39	2	6	0	8	11	8	0	0
	Vyankatesh Krishna Koolkernee	37	35	10	10	0	44	1	27	8	0
	Gopal Narraiyen Sarvadeva ...	12	23	3	2	0	14	31	10	0	0
„ Vedasinge...	Mahadeo Khanderow Koolkernee	4	1	1	4	0	4	27	3	0	0
	Shamrao Wamon Koolkernee ..	34	1	9	9	0	31	30	20	0	0
	Phakeera wd. Maree Mahar ...	15	25	4	11	0	14	15	10	0	0
„ Kalatana ...	Haree bin Kedaree Padoole ...	3	20	1	12	0	3	30	4	8	0
	Bundoo Jotee Jadhava...	3	22	1	5	0	4	28	5	0	0
	Bulwantrao bin Ramrao Patel...	33	27	11	9	0	41	22	28	8	0
„ Khanoar ...	Balajee Babajee Koolkernee ...	34	1	10	10	2	34	23	21	8	0
	Bappoojee bin Appajee Patel ...	35	20	8	14	0	37	7	18	8	0
	Rangoojee Goonajee Sakapal ...	23	35	13	6	10	41	0	36	0	0
„ Vigawadi ...	Gopala bin Rama Malee ...	35	15	6	10	0	43	26	16	8	0
	Marotee bin Babajee Patel ...	43	28	13	10	0	44	32	28	0	0
„ Loomewadi..	Balajee bin Vyankojee...	10	0	2	8	0	9	26	6	0	0
	Bappoo bin Haree Telee ...	11	21	5	2	0	16	13	11	0	0
„ Kalub ...	Narayen bin Raghoorjee Kasare..	40	18	12	10	0	51	2	32	0	0
	Abajee Eshwant Koolkernee ...	30	20	9	8	0	36	10	20	8	0
	Mahadoo bin Vittoo Nikam ...	20	20	3	6	0	30	22	25	0	0
„ Gotadee ...	Babajee bin Sadasiva Pansare ...	30	13	3	13	0	45	6	14	0	0
	Govinda bin Jotee Patel ...	46	23	5	13	0	48	28	15	0	0
„ Hatoorne ...	Mahapatee bin Kondjee Pore...	35	18	4	7	0	51	4	13	0	0
	Sawalaram Manohar Sonar ...	19	17	3	10	0	36	26	16	0	0
„ Lasoornee ...	Bhiva bin Oodajee Chorghoole.	33	20	6	4	0	35	35	15	8	0
	Shamrao Ramchundra Koolkernee	49	25	15	8	0	50	2	31	8	0
	Sadoo bin Kaloo Tanpooro ...	61	24	11	9	0	69	2	30	8	0
„ Bhandagaum	Heerachunda Tooljaram Goojara.	15	11	5	8	0	26	17	12	0	0
	Sawala Jotee Nhavee ..	8	31	3	7	0	10	10	9	8	0
	Mana bin Lingappa Dooke ...	25	0	8	9	0	25	33	19	8	0
„ Jamba ...	Arpa bin Pirajee ...	25	6	4	11	0	25	26	13	0	0
	Vittoo bin Jotee Manaker ..	37	4	4	10	0	40	10	12	8	0
	Gojaree bin Bappoojee Patel ...	36	15	13	10	0	38	28	29	0	0
„ Koorwaly .....	Khanderao Harreeher Oonde ...	21	32	5	15	0	34	0	17	0	0

# MOUJE KOLEGAUM OF TALOOKA MADHE.

NAMES.		AREA.			Assessment ac- cording to the old Survey.				AREA.			Assessment ac- cording to the new Survey.		
		No.	Acres.	Goontey.	Rs	A.	P.		No.	Acres.	Goontey.	Rs	A.	P.
Abajee Keshava Koolkernee	...	227	7	6	0	0		132	34	42	8	0		
"	"	130	8	8	0	0		230	3	30	0	0		
"	"	415	10	5	0	0		517	28	13	8	0		
"	"	528	16	13	0	0		1131	28	39	8	0		
"	"	853	4	17	0	0		1453	20	43	8	0		
"	"	1431	3	16	5	0	{	211	8	1	4	0		
"	"	1621	10	9	0	0		2332	20	38	8	0		
"	"	1726	14	10	0	0		2421	17	25	8	0		
"	"	1949	28	16	0	0	{	2725	33	30	8	0		
"	"	2026	35	12	0	0		2837	15	44	8	0		
"	"	2148	6	11	0	0		2915	18	13	8	0		
"	"	3023	32	9	0	0		3028	35	28	8	0		
"	"	3141	1	21	0	0		3150	29	44	8	0		
"	"	3820	27	3	4	0	{	4224	4	27	0	0		
"	"	3950	1	16	0	0		4352	0	48	8	0		
Naro Gopal Shete	...	742	10	11	0	0		5523	9	13	0	0		
Dada wd. Sadoo Waghmare	...	336	20	11	0	0		5619	20	2	8	0		
Rama wd. Bhiva	...	5623	7	11	0	0		5956	33	42	8	0		
Tookaram Bin Luxuman Ele	...	636	32	8	0	0		343	30	43	8	0		
Hari Bin Limbaji Takamoghe	...	1228	17	4	0	0		435	29	38	0	0		
Maree wd. Massa Mahar	...	2245	15	13	0	0	{	1241	9	38	8	0		
Luxuman wd. Maloo Waghmare	...	2417	36	4	0	0		2131	30	28	0	0		
Ramchandra wd. Mahadoo	...	2723	25	8	0	0		3220	21	22	0	0		
Sadoo wd. Eshwara	...	2815	26	5	0	0		3324	33	21	8	0		
Hari wd. Goondi Kolee	...	3426	7	8	12	0		3519	26	21	0	0		
Soobhana wd. Manoo Goorava	..	1340	18	18	13	0	{	3924	30	24	8	0		
								4017	0	19	0	0		
								4525	30	22	10	0		
							{	1922	15	22	8	0		
								2021	15	25	8	0		

## MOUJE VADAVALA TALOOKA MADHE.

NAMES.		AREA.			Assessment according to the old Survey.			AREA.			Assessment according to the new Survey.		
		No.	Acres.	Goontey	Rs.	A.	P.	No.	Acres.	Goontey	Rs.	A.	P.
Sadoo wd. Bhoojunga Sootar ..	30	9	31	3	0	0	37	10	1	12	0	0	0
Shitaram wd. Pataloba ...	76	14	38	5	0	0	90	16	26	11	8	0	0
Sadoo wd. Bhiva Saloonji ...	16	23	5	7	0	0	26	26	38	27	0	0	0
Nagoo wd. Ganoba... ..	117	24	10	10	0	0	129	26	10	28	0	0	0
Gopala wd. Tookaram ... ..	47	6	10	1	15	0	15	1	19	1	2	0	0
	0	0	0	0	0	0	57	5	26	4	0	0	0
	91	13	10	5	0	0	102	13	35	12	0	0	0
Appa wd. Nagoo Malee ... ..	8	7	0	3	0	0	12	7	14	8	8	0	0
Dasharatha wd. Poonjajee More...	74	21	31	6	0	0	88	22	20	15	8	0	0
Jayaram wd. Rama ... ..	33	22	1	8	0	0	48	23	27	23	0	0	0
Maroottee wd. Parabhoo Dhanai...	90	11	9	5	0	0	101	12	0	12	0	0	0
Nagoo wd. Ganoba... ..	81	9	6	3	0	0	36	9	23	11	0	0	0
	35	22	26	11	0	0	64	25	21	25	8	0	0
Waman Balajee Koolkernee ...	87	16	11	7	0	0	100	17	38	15	8	0	0
Esoobae Kome Krishna Mokase...	21	26	26	17	0	0	40	29	33	35	8	0	0
Ranchandra Gopinath Mokase ...	12	21	21	9	0	0	29	22	26	21	0	0	0
Babajee wd. Bala Poojaree ..	51	10	10	4	0	0	83	10	36	9	0	0	0
	37	11	37	6	0	0	25	12	9	14	0	0	0
	69	3	34	2	0	0	79	5	8	6	8	0	0
Nagoo wd. Ganoba... ..	17	15	14	7	0	0	33	15	7	16	0	0	0
	62	15	27	7	0	0	76	16	12	15	8	0	0
	118	19	16	5	0	0	128	20	8	14	0	0	0
Shiva wd. Bhoojunga Poojaree ...	82	33	15	9	0	9	92	33	0	24	8	0	0
Maloo wd. Rayapa... ..	46	8	5	3	0	0	16	8	37	9	0	0	0
	93	41	2	8	0	0	105	42	0	21	0	0	0
	98	19	38	7	0	0	111	22	32	20	0	0	0
Nathajee wd. Maloo More ...	104	30	29	12	0	0	113	33	8	33	0	0	0
	101	17	39	9	0	0	119	19	4	21	8	0	0
Nagoo wd. Maloo More ... ..	112	37	38	9	0	0	122	41	9	23	0	0	0
	95	15	6	5	0	0	107	17	32	15	8	0	0
Oodajee wd. Krishnajeet ... ..	96	22	4	8	0	0	110	27	25	24	0	0	0
	102	10	3	5	0	0	120	10	15	12	8	0	0
Appa wd. Sadappa... ..	101	11	29	6	0	0	130	12	10	16	0	0	0
	34	24	27	9	0	0	65	29	1	23	8	0	0
Bassapa wd. Bhoojunga Poojaree...	23	34	35	16	0	0	38	34	21	39	0	0	0
Sakharam wd. Yama Dalave ...	20	15	26	7	8	0	39	20	6	20	0	0	0

## MOUJE VADAVALA TALOOKA MADHE.—(Continued).

NAMES.	No.	AREA		Assessment according to the old Survey.			No.	AREA.		Assessment according to the new Survey.		
		Acres.	Goontey	Rs	A.	P.		Acres.	Goontey	Rs	A.	P.
Hari wd. Nimba Kale ...	105	22	31	10	0	0	114	22	32	25	8	0
Govinda bin Essoo Dodake ...	106	27	3	7	0	0	115	26	23	23	8	0
	6	17	13	9	0	0	10	18	31	19	0	0
Limba wd. Gomajee Marwadi.....	42	12	3	16	13	0	20	9	1	10	0	0
Limba wd. Yavagoo ...	53	23	5	7	0	0	81	22	13	16	0	0
Koondalya wd. Khandoo Mahar....	54	32	8	8	0	0	61	32	25	18	8	0
Rayajee wd. Manakoo        "	50	24	20	8	0	0	60	24	34	17	0	0
Bhooja wd. Wagoo               "	44	3	14	1	0	0	17	3	28	4	0	0
Nama wd. Shivanak Mange       "	2	15	32	3	7	0	3	10	10	7	0	0
Appa wd. Balabhai Moojawar... {	5	22	30	7	2	0	3	0	20	0	6	0
	0	0	0	0	0	0	8	22	26	19	8	0
Bappoo wd. Sadoo Powar        "	103	8	20	3	0	0	131	8	30	9	8	0

COMPARATIVE STATEMENT showing the Acres and Assessments of different holders of fields in the villages of Talooka Bhemthadi, according to the former and present Revised Settlement :—

NAMES OF THE TENANTS.	No.	Assessment according to the old survey.			Assessment according to the new survey.		
		Rs.	A.	P.	Rs.	A.	P.
MOUJE RAHOO.							
Narrayen bin Bappoojee Garood.....	2	30	0	0	88	0	0
Sivaba Malee .....	1	5	0	0	10	0	0
	1	21	0	0	42	0	0
	1	19	0	0	43	0	0
	1	27	0	0	55	0	0
Gunputrao bin Khandoojee.....	1	22	0	0	44	0	0
	1	7	0	0	14	0	0
Dhamadhare .....	1	8	0	0	16	0	0
	1	12	0	0	52	0	0
	1	10	0	0	20	8	0
Mahadjee bin Krishnaje Malee...	2	26	0	0	53	0	0
	1	4	0	0	12	0	0
	1	2	0	0	10	0	0
Abajee Malee .....	1	12	0	0	24	8	0
	1	12	0	0	24	8	0
	1	12	0	0	24	8	0
Madhevarao bin Hanamuntrao	1	13	0	0	32	8	0
	1	20	0	0	44	0	0
	1	9	0	0	18	0	0
Deshmookh .....	1	12	0	0	30	0	0
	1	8	0	0	16	8	0
Toolseeram bin Pandoba Joorge...	1	9	0	0	26	0	0
	1	19	0	0	75	0	0
Elaee kome Narrayenrao Sononee...	1	22	0	0	85	0	0
Gunoo Jadhava .....	1	6	0	0	11	0	0
Babajee Jawajee .....	1						
MOUJE NANGAUM.							
Jotee Telee .....	1	20	0	0	46	0	0
Rawajee Nimbajee .....	1	8	0	0	24	0	0
Govinda Vittojee.....	1	11	0	0	30	0	0
Telee.....	1	9	0	0	28	0	0



COMPARATIVE STATEMENT showing the Acres and Assessment of different holders of fields in the villages of Talooka Bhemthadi, according to the former and present Revised Settlement :—(*Continued.*)

NAMES OF THE TENANTS.	No.	Assessment according to the old survey.			Assessment according to the new survey.		
		Rs.	A.	P.	Rs.	A.	P.
MOUJE DAPODEE.							
Bappoo Gotra .....	1	15	0	0	44	0	0
Chimayee kome Ramajee .....	1	9	0	0	24	0	0
Narharce Koolkernee .....	1	9	0	0	27	8	0
Nana Waghmode .....	1	10	0	0	33	0	0
MOUJE PIMPULGAUM.							
Ramajee Janba Tapre.....	4	40	0	0	80	0	0
Luxuman Joteeba Thorat .....	1	13	0	0	28	8	0
Kashiram bin Sadasiva Natoo ...	1	18	0	0	44	0	0
	1	18	0	0	39	0	0
	1	8	0	0	20	0	0
	1	30	0	0	60	0	0
Ranoojee Dhonjee .....	1	17	0	0	40	0	0
Nurso Jagannath Joga .....	1	10	0	0	30	0	0

# SHOLAPOOR STATEMENT D.

COMPARATIVE STATEMENT showing the Acres and Assessments of different holders of fields according to the former and present Revised Settlement in the Sholapoor and Madhe Talookas :—

NAMES OF VILLAGES.	No.	NAMES OF HOLDERS.	FORMER SURVEY AND ASSESSMENT.			PRESENT SURVEY AND ASSESSMENT.		
			Acres	Guntas	Amount of Assessment	Acres	Guntas	Amount of Assessment
					Rs. A. P.			Rs. A. P.
Degaw .....	1	Sukharam wd Shidhram.....	33	0	8 0 0	33	16	45 4 0
Do .....	2	Basapa wd Chanurrapa.....	81	21	33 14 0	83	2	122 8 0
Do .....	3	Bhiwani wd Appa .....	65	17	16 0 0	67	16	86 8 0
Do .....	4	Shiwapa wd Rudrapa.. ..	38	15	10 0 0	39	31	44 8 0
Do .....	5	Parbhupa wd Anna .....	56	3	8 12 0	72	4	38 14 0
Do .....	6	Fatima com Malikbhai .....	25	7	6 13 0	26	38	28 14 0
Do .....	7	Gopala wd Yamajee.....	50	23	17 6 0	54	37	72 0 0
Do .....	8	Bhimanna wd Kushaba .....	20	37	6 8 0	29	3	36 0 0
Do .....	9	Shidhapa wd Nigapa .....	22	22	6 0 0	33	28	27 0 0
Do .....	10	Tatia wd Esao.....	27	5	8 13 0	33	18	37 8 0
Do .....	11	Nagon wd Shiwappa .....	22	35	6 7 0	24	27	32 8 0
Do .....	12	Kadaree wd Vithoba .....	18	8	3 0 0	11	3	14 7 0
Do .....	13	Dharmarao bin Anna .....	21	38	8 4 0	25	34	33 6 0
Do .....	14	Rama wd Bassapa.....	53	9	9 11 0	63	32	66 4 0
Do .....	15	Ladhoobhai wd Shaik Emam.....	21	30	5 14 0	27	3	31 0 0
Khumbhari .....	16	Surwa bin Gyana.....	17	22	3 6 0	18	35	15 0 0
Do .....	17	Veerpakshi wd Madwalapa.....	17	22	3 6 0	18	34	75 0 0
Do .....	18	Andu wd Somanna .....	128	6	28 0 0	142	34	103 8 0

## SHOLAPOOR STATEMENT D.—(Continued.)

COMPARATIVE STATEMENT showing the Acres and Assessments of different holders of fields according to the former and present Revised Settlement in the Sholapoor and Madhe Talookas :—

NAMES OF VILLAGES.	No.	NAMES OF HOLDERS.	FORMER SURVEY AND ASSESSMENT.			PRESENT SURVEY AND ASSESSMENT.		
			Acres.	Goontas.	Amount of Assessment	Acres.	Goontas.	Amount of Assessment
			Rs. A. P.			Rs. A. P.		
Khumbhari .....	19	Gyannan wd Shidapa.....	77	8	9 12 0	86	5	40 8 0
Do .....	20	Inzalanga wd Dharma .....	8	11	1 8 0	8	30	8 1 0
Belati .....	21	Jemaji wd Baslingapa.....	62	24	11 6 0	0	0	52 12 0
Samleshwar .....	22	Jotee wd Nama.....	9	19	1 0 0	17	19	5 8 0
Do .....	23	Kassum .....	51	31	9 6 0	85	8	37 0 0
Kondi .....	24	Ladu wd Balajee .....	20	11	4 13 0	28	7	17 1 0
Do .....	25	Nimba wd Satapa.....	8	4	2 0 0	10	8	11 0 0
Do .....	26	Bamji wd Andoji .....	2	33	1 0 0	3	32	4 0 0
Sadepoor .....	27	Satapa wd Mahadapa .....	8	17	3 0 0	20	28	15 8 0
Do .....	28	Vithoba wd Jemaji.....	4	20	0 12 0	17	32	17 8 0
Do .....	29	Balaji Vithal.....	25	3	7 0 0	31	21	27 8 0
Do .....	30	Do .....	1	22	0 8 0	16	11	15 8 0
Do .....	31	Rama wd Andoba.....	2	1	0 12 0	15	24	14 8 0
Do .....	32	Garyanak wd Shetia .....	0	23	0 8 0	19	30	13 8 0
Doddi .....	23	Rama wd Shidhapa .....	25	31	6 0 0	25	26	24 0 0
Shelgi .....	34	Kalapa wd Bundapa.....	36	36	10 8 0	38	11	42 1 0
Do .....	35	Ramaka kom Govinda.....	7	34	2 4 0	7	6	8 3 0
Do .....	36	Dondapa wd Shidram .....	45	8	8 0 0	47	0	38 0 0
Do .....	37	Virpakshi bin Goorungapa.....	25	32	6 0 0	25	14	31 3 0
Do .....	38	Ramchandra bhat bin Ababhat..	12	11	2 0 0	13	36	9 0 0
Do .....	39	Ginaji wd Malkunna .....	34	33	10 0 0	40	0	41 4 0
Dahitne .....	40	Sakharam wd Mahadeo .....	40	2	8 10 0	42	29	33 8 0
Do .....	41	Rahimankha wd Kaderkha.....	84	10	22 0 0	84	10	85 4 0
Madri .....	42	Baji wd Jagoji .....	15	35	8 0 0	14	25	41 0 0
Oulhi .....	43	Datatraya Ramajee.....	3	31	0 12 0	0	0	4 2 0
Do .....	44	Babaji wd Hussen .....	35	37	11 0 0	0	0	46 0 0
Do .....	45	Bundoo wd Mhatapa .....	30	31	6 0 0	0	0	32 0 0
Do .....	46	Ranjee wd Amroota .....	6	0	0 14 0	0	0	9 8 0

Office of the Sholapoor Sarvajanic Sabha,  
Sholapoor, 5th February, 1873.

(Sd.) VISHWANATH NARAYEN,  
Secretary to the Sholapoor S. Sabha.

## SINDGEE STATEMENT E

Names of villages.	Names of the land holders.	Assessment.			No.	Area.		Assessment.			Money realised by the sale in auction of the land.	Name of the auction purchaser.	REMARKS.
		Rs.	A.	P.		Acres	Goon ta.	Rs.	A.	P.			
Mouje Ernal.....	Moosthapa wd. Mulagun Saheb.	6	0	0	50	22	20	6	0	0	..	..	Went into the Nizam's territory and the land is reserved by Government.
" Kanolee .....	Moolapa wd. Dhurmapa .....	10	8	0	..	..	..	..	..	..	..	..	Unable to pay.
" Do. ....	Basaya wd. Nitya Mahar .....	9	0	0	..	..	..	..	..	..	..	..	Ditto
" Do. ....	Margya wd. Lkhyia Mahar .....	9	0	0	..	..	..	..	..	..	..	..	Ditto
" Jalwad .....	Ramchundra Shreeaniwas, Naik	17	0	0	..	..	..	..	..	..	..	..	Ditto
" Do. ....	Choudhary .....	19	0	0	..	..	..	..	..	..	..	..	Ditto
" Do. ....	Ayapa wd. Hanoomunta .....	2	0	0	..	..	..	..	..	..	..	..	Ditto
" Seerusgee ...	Moodlaya wd. Lada Mahar .....	7	0	0	..	..	..	..	..	..	..	..	Ditto
" Bungaloor ...	Govind Mal .....	20	3	0	..	..	..	..	..	..	..	..	Ditto
" Halagee .....	Neegaya wd. Satya Saladgee .....	20	3	0	..	..	..	..	..	..	..	..	Ditto
" Do. ....	Mashakha wd. Dharee .....	21	4	0	..	..	..	..	..	..	..	..	Ditto
" Bhutnoor.....	Seedlingya wd. Dhareeapa .....	31	0	0	..	..	..	..	..	..	..	..	Ditto
" Soogawana ...	Mulkya wd. Moornigapa Kham- gouda .....	8	0	0	52	21	14	8	0	0	7	0	Ditto
" Kadrappoor ...	Hanoomunta in Perpa .....	23	0	0	..	..	..	..	..	..	..	..	Went into the Nizam's territory for subsistence.
" Beby Ingulga..	Nigya wd. Bhana Mana .....	6	0	0	..	..	..	..	..	..	..	..	Unable to pay.
" Kodagalee ...	Rama wd. Shaya Naik .....	7	0	0	165	18	0	7	0	0	12	0	Ditto
" Baladeva .....	Keehya wd. Tama Wada .....	6	0	0	45	9	9	6	0	0	..	..	Went into the Nizam's territory.
" Do. ....	Bhoogoo wd. Kojya Koke .....	23	0	0	53	43	39	23	0	0	..	..	No one bought the land in auction, consequently it is kept by Government as waste.
" Ageemadoo...	Bhimajee Ma .....	15	0	0	11	23	0	15	0	0	..	..	Unable to pay.
" Bulganoor ...	Bhima wd. Hanoomunta .....	48	0	0	..	..	..	..	..	..	..	..	Ditto
" Hadginall ...	Malapa wd. Saw .....	15	0	0	..	..	..	..	..	..	..	..	Ditto
" Do. ....	Nigya Elya Mahar .....	6	0	0	..	..	..	..	..	..	..	..	Ditto
" Kasaba Ale- mul .....	Kalya wd. Esaulka .....	28	0	0	..	..	..	..	..	..	..	..	Ditto
" Do. ....	Sahebkhia wd. Shima Talawat ..	20	3	0	..	..	..	..	..	..	..	..	Ditto
" Kurvinal .....	Lala wd. Beda Surmaj .....	17	0	0	68	37	1	10	0	0	..	..	No one bought the land in auction and it is kept by Government as waste.
	Ningya wd. Anamya Wadar ..	17	0	0	69	21	1	7	0	0	..	..	

# INDIVIDUAL STATEMENT F

Names of Villages.	Names of the tenants or owners.	Survey Number.	Area.		Assessment.			Sum Realized in auction.		
			Acre.	Goon-ta.	Rs.	A.	P.	Rs.	A.	P.
Chudchan	... Satwirya bin Chnnwirya	105	33	18	16	0	0	8	0	0
Do.	... Shidaya bin Babajee	30	31	14	14	0	0	22	0	0
Do.	... Do. do.	138	49	25	20	0	0	20	0	0
Do.	... Pudmana bin Janapa	223	28	3	10	0	0	5	0	0
Do.	... Do. do.	224	36	8	10	0	0	5	0	0
Atharuga	... Shidya bin Gudgepa	11	22	36	5	8	0	7	0	0
Goondwal	... Basanak wulud Maniknal	5	25	2	10	0	0	14	0	0
Do.	... Do. Do.	89	29	5	16	0	0	14	0	0
Do.	... Tookaya wulud Sayabana	37	50	10	19	0	0	2	0	0
Do.	... Ramchandra Govind Patel	47	40	24	19	0	0	18	8	0
Havinal	... Sadur wulud Alsurbhaee	175	40	12	23	0	0	24	7	0
Do.	... Masha wulud Tamayamahar	165	36	2	16	0	0	8	0	0
Do.	... Aklovadin wulud Bavaba...	89	32	5	9	0	0	4	0	0
Bobwad	... Rachaya bin Ewana	35	47	23	15	0	0	15	0	0
Niranklugi	... Shidaya bin Klaoobulpa	39	35	37	24	0	0	12	0	0
Jugjiwari	... Bappoojee Shivaram	349	25	4	4	0	0	12	8	0
Zulkec	... Poorshotum bhat Jyahageerc	70	12	0	8	0	0	2	4	0
Chunegaum	... Kalkapa bin Nigappa	46	19	15	10	0	0	11	0	0
Argenal	... Gopala wulud Balba	133	23	32	9	0	0	9	9	0
Do.	... Galiva	19	21	8	6	11	0	10	4	0
Do.	... Do. do.	38	20	5	3	0	0	10	8	0
Do.	... Emam wulud Hussen	119	38	34	14	0	0	14	14	0
Argenal	... Vyankoo	136	39	33	12	0	0	12	12	0
Do.	... Lalapa bin Sidhaya	132	35	27	17	6	0	18	0	0
Do.	... Do. do.	134	14	35	10	0	0	11	0	0
Do.	... Rama wulud Abajee	126	39	7	16	0	0	16	8	0
Do.	... Shivagoda bin Bhimana	121	24	16	6	0	0	7	0	0
Bewanoo	... Takya wulud Malgonda Patel	166	12	24	11	0	0	69	0	0
Nibunkhoord	... Ramakeshava Krishna	13	11	39	7	0	0	5	12	0



## STAMP ACT, SCHEDULE

According to Act No. XVIII. of 1827.			According to Act No. XXXVI. of 1860.			According to Act No. XXVI. of 1867.			According to Act No. VII. of 1870.			REMARKS.
Sum for which suits are to be filed.		Stamps required for	Sum for which suits are to be filed.		Stamps required for	Sum for which suits are to be filed.		Stamps required for	Sum for which suits are to be filed.		Stamps required for	
From Rs. A. P.	To Rs. A. P.	Rs. A. P.	From Rs. A. P.	To Rs. A. P.	Rs. A. P.	From Rs. A. P.	To Rs. A. P.	Rs. A. P.	From Rs. A. P.	To Rs. A. P.	Rs. A. P.	
0 1 0	0 15 11	.....	0 1 0	.....	.....	0 1 0	.....	.....	0 1 0	.....	.....	.....
1 0 0	2 0 0	0 2 0	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2 0 0	5 0 0	0 4 0	.....	.....	.....	.....	10 0 0	1 0 0	5 0 0	5 0 0	0 6 0	.....
5 0 0	10 0 0	0 8 0	.....	15 15 11	10 0 0	10 0 0	.....	.....	.....	.....	.....	.....
10 0 0	20 0 0	1 0 0	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
20 0 0	30 0 0	2 0 0	0 0	32 0 0	10 0 0	.....	.....	.....	.....	.....	.....	.....
30 0 0	40 0 0	3 0 0	0 0	64 0 0	0 0	.....	.....	.....	.....	.....	.....	.....
40 0 0	50 0 0	4 0 0	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
50 0 0	75 0 0	5 0 0	0 0	150 0 0	8 0 0	.....	100 0 0	10 0 0	.....	100 0 0	7 8 0	.....
75 0 0	100 0 0	7 0 0	.....	.....	.....	100 0 0	.....	According to Rs. 3 for each Rs. 10 from 100 to 1000.	100 0 0	.....	12 annas for each 10 Rs.	.....
100 0 0	200 0 0	10 0 0	0 0	300 0 0	15 0 0	.....	.....	.....	.....	.....	.....	.....
200 0 0	300 0 0	20 0 0	.....	800 0 0	32 0 0	.....	.....	.....	.....	.....	.....	.....
300 0 0	500 0 0	30 0 0	0 0	1600 0 0	50 0 0	.....	1000 0 0	.....	.....	1000 0 0	75 0 0	.....
500 0 0	1000 0 0	50 0 0	.....	.....	.....	1000 0 0	2000 0 0	According to 5 Rs. per each 100 Rs.	1000 0 0	.....	According to 5 Rs. per each 100 Rs.	.....
1000 0 0	1500 0 0	70 0 0	.....	.....	.....	2000 0 0	.....	.....	.....	5000 0 0	275 0 0	.....
1500 0 0	3000 0 0	160 0 0	0 0	3000 0 0	100 0 0	.....	.....	.....	.....	.....	.....	.....
3000 0 0	5000 0 0	150 0 0	0 0	5000 0 0	150 0 0	.....	.....	.....	.....	.....	.....	.....
5000 0 0	7500 0 0	200 0 0	0 0	10000 0 0	200 0 0	.....	.....	.....	.....	.....	.....	.....
7500 0 0	10000 0 0	250 0 0	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10000 0 0	15000 0 0	350 0 0	0 0	15000 0 0	300 0 0	.....	.....	.....	.....	.....	.....	.....
15000 0 0	25000 0 0	500 0 0	0 0	25000 0 0	500 0 0	.....	.....	.....	.....	.....	.....	.....
25000 0 0	50000 0 0	750 0 0	0 0	50000 0 0	1000 0 0	.....	.....	.....	.....	.....	.....	.....
50000 0 0	100000 0 0	1000 0 0	0 0	100000 0 0	1500 0 0	.....	100000 0 0	1000 0 0	.....	.....	.....	.....
2000 Rupee's Stamp is required for a suit above 100,000 Rs.			Very little difference between the Act. XXXVI. of 1860 and this one.			Above 100000 Rs. at the rate of 8 annas Stamp per each 100 Rs.			.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....
									.....			.....

ON THE  
**RENT CONTROVERSY**  
IN  
BENGAL.

BY  
J. N. BHUTTACHARYA M. A. B. L.

---

CALCUTTA:

PRINTED BY BEHAR LAL BANNERJEE

AT MESSRS. J. G. CHATTERJEE & Co's PRESS

44 AMHERST STREET.

PUBLISHED BY THE AUTHOR.

1878.

---

ON THE

# RENT QUESTION.

---

1. THE relation between Zeminders and their Ryots in East and North Bengal, having of late years become extremely unsatisfactory, the attention of Government has been necessarily drawn to the question of preventing rent-riots and removing the causes which generally give rise to complications between the parties. As a temporary provision, the Agrarian Disputes Act was passed by the late Lieutenant Governor; but the provisions of that Act will, in all probability, remain a dead letter. This much, at least, is certain that Agrarian riots have been as frequent, since the passing of the Act, as before; and yet neither the Zaminders nor the Ryots, so far as I am aware, have in any case, deemed it expedient to have recourse to it.

2. Sir Richard Temple caused a good deal of inquiry to be made regarding the causes of ill feeling between Zeminders and Ryots; and ultimately came to the conclusion that the occurrence of rent riots may be prevented by the simple expedient of laying down a formula for the decision of suits for enhanced rent-rate. In order to give effect to this idea, Sir Richard Temple proposed to introduce a bill into his Council; then there commenced a sort of higgling between Government and Zeminders; the latter demanding a certain percentage of the produce, as rent; while Government would allow them to have a much smaller share. When these discussions were yet going on, Sir Richard Temple left the province and there is little likelihood that his successor would revive his scheme.

3. Our present Lieutenant Governor has not as yet declared his views on the subject. Mr. Eden knows too much of the

country to entertain the idea that the great question of reconciling the interests of landlords and tenants, admits of any such simple solution, as has been proposed. The Zemindars have much more reason to complain of the procedure than of the principle for the decision of suits for enhanced rent-rate ; when Ryots combine together in order to stop payment of rent, they are almost helpless ; besides under the existing law they must either have recourse to rack-renting and oppression or, in the course of a few years, their Ryots virtually acquire Mukurari title to their holdings. Notwithstanding all this, there are some among them who ask only to have a rule for the readjustment of rent-rate. Possibly their motive is that when this one point is won, any other concession would be superfluous ; for in that case, they would be in possession of a powerful weapon by which they might coerce refractory Ryots, to submit to any thing.

4. But the law should not be such as to increase the power of the one at the expense of the other. The duty of Govt. is to reconcile the just rights of Zeminders with the greatest good of Ryots. The safest course does not always lie in giving something less than is demanded. Something more must be done than mere passing a modified decree in favor of Zeminders. To solve the question satisfactorily, it is necessary that the causes, which generally lead to rent-disputes, should be thoroughly investigated and then the remedy be applied so as to cure the disease without giving rise to greater evils.

5. Nothing could be more erroneous than to suppose that the occurrence of rent-riots can be prevented by laying down a formula which should supersede the rule of proportion. It is true that the most serious agrarian disputes have hitherto arisen in consequence of the Zemindars attempting to exact increased rent-rate. But the rule of proportion is very little to blame in the matter ; the procedure, laid down for conducting and defending suits for enhanced rent, is so complicated, dilatory and expensive, that the parties naturally become induced to take the

law into their own hands. It should also be remembered, that when the spirit of opposition is once fairly aroused and the Zemindar is successfully set at defiance, the contagion spreads fast ; and then the most trifling causes suffice to lead to the most serious breach of peace.

6. The Zemindar is too powerful for any one Ryot ; when any individual tenant happens, to be refractory, the Zemindar can repress or ruin him in an infinite variety of ways—lawful and unlawful. But when Ryots are strongly combined for the purpose of resisting or harassing him, then the Zemindar is reduced to the position of a garrison in a besieged town ; the Ryots cut off his supplies and if his resources are small, he is obliged to concede to all that is demanded of him. The law has indeed placed some powerful weapons in his hand for wreaking his vengeance on the malcontents. But the Zemindar cannot avail himself of those means unless his purse is longer than is usually the case.

7. I have elsewhere pointed out the necessity of modifying the existing law, so as to deprive both Zemindars and Ryots of the power which they now have of harassing one another. In the present instance I shall occupy myself chiefly with the consideration of the principles on which rent-rates have been proposed to be readjusted. There has been a great deal of discussion on this subject ; and much has been said and written on it. The question has been authoritatively decided by the highest tribunal in the country and has been for a long time occupying the attention of some of the mightiest minds. It is therefore with the greatest diffidence that I venture to declare what I consider to be my own opinion on the subject.

8. The rule of proportion laid down by the High Court is proposed to be superseded—1st because the data required for its application cannot be obtained in all cases, 2ndly because the cost of production might increase in a higher or lower ratio than the value of the produce. Sir Barnes Peacock in his very able judgment, in the great Rent Case, pointed out clearly that



when the value of the produce increases in a higher ratio than the cost of production, the Zemindar is most unjustly made to suffer loss and the Ryot is vested with a right which he cannot claim. In the same way, it may be shewn, that when the cost of production increases, as it generally does, in a higher ratio than the value of the produce, it entails great hardship on the Ryot, if he be obliged to pay enhanced rent, according to the rule of proportion. As a matter of fact, it is well known that when a decree for enhanced rent-rate is made according to the rule, the Ryot is generally obliged to relinquish his holding unless the Zemindar is pleased to grant him an abatement of the decretal jumma. Even the indigo planters, who have been foremost in the enhancement of rent-rates, have not been able, in all cases, to derive full benefit from the decrees which they have obtained.

9. The rule of proportion being found inapplicable, it is proposed, that the rent, payable by occupancy Ryots, should be adjusted, either according to the *bhag* system or by taking as the standard the rate payable by non-occupancy Ryots. As regards the latter plan, it is objected on the ground that in a great many localities occupancy Ryots already pay a higher rate than non-occupancy Ryots. As a general rule, occupancy right exists only where the soil is rich and fertile ; and non-occupancy Ryots hold only the inferior classes of lands which are taken up and relinquished according as the season appears to be favorable or the contrary. It therefore happens that non-occupancy Ryots under the Zemindar pay a lower rate, in some cases, than occupancy Ryots in the same locality.

10. The other system, namely, that which proposes to adjust rent-rates, according to the money value of a certain share of the produce, is evidently open to objection on the ground that it would fall with unequal pressure on Ryots holding different kinds of land. The *bhag* system has been strongly advocated in an article on the Rent Question published in the Calcutta Review for July 1876. In reply to that article, Sir Henry

Ricketts has shewn that the system is open to the most serious objections. But Sir Henry's criticism is silent as to the merit of the suggestions recommended in the paper ; nor has he passed any opinion as to the grounds on which the writer maintains what he calls his system. Before proceeding to the main topic, I shall therefore make a few observations with reference to those points in Babu J. C. G's paper which have been left untouched by his reviewer ; the object which I have in doing so will appear in the sequel.

11. The bhag system is advocated on the ground that the metayer system originally prevailed in all countries ; and that in course of time, the system of fixed payment in kind or the *gula* sytem, as it is called, came into existence. Thus according to Babu, J. C. G. the metayer system, after passing through an intermediate stage of fixed payment in kind, at last developed into the present system of fixed money payment. Hence it is contended that rent-rates should in all cases, be readjusted according to the money value of a certain share of the produce. The Babu remarks

“The foregoing facts, as I think, show that the relation noticed above, between the several systems of rent is not only a logical one, but that these four kinds of rent disclose a real process of evolution ; that the various forms of land tenure which are found to exist in this country are all connected by natural causes and that they have grown out of the metayer system which at one time must have universally prevailed in India. I think also that the rights of the parties ought to be determined with reference to the several steps in this systematic evolution the various customs which are part of that evolution and the popular notions of justice which underlie the whole series of facts.”

In order to form an idea of the extent of the absurdity involved in this reasoning, it will be necessary to examine the several steps a little more minutely.

12. The general prevalence of the Metayer system is proved by what the author considers to be internal and external evidence. The external evidence is derived from the Ayin Akbari ; and Babu J. C. G. finds internal evidence in the following facts.

(a). Our author thinks it impossible to suppose that "the intense anxiety on the part of Ryots to keep up the standard pole could entirely be the result of their conservative character." The only way in which Babu J. C. G. can account for this anxiety "is by the theory that the *nirick* rents were originally assessed upon the basis of Gula or Shanja and these again upon *kankut* rents." It may here be observed that the anxiety of Ryots to keep the standard pole rather disproves than supports the Babu's theory ; for the metayer system requires neither measurement nor standard pole ; and the *nirikh* system requires measurement and standard pole, as much as any other system.

(b). The writer finds another trace of the prevalence of the metayer system in the custom according to which the Zemindar is entitled to something like a seigniorage upon every valuable tree cut or thrown down on the estate. In the same manner, the Zemindar levies *Khotagari* ; but what does that prove.

(c). A third link is traced in the custom, duly recognized by the Legislature, by which the Zemindar is entitled to distraint crops.

(d). Lastly the Babu says that the homestead lands of the cultivators are never charged with any rent. This, according to the writer would clearly bring the assessment under the bhag system. This is the most startling of all his arguments ; homestead lands are sometimes given rentfree for the purpose of attracting Ryots to thinly peopled localities like the Sunderbunds and other places where large quantities of arable land lie waste for want of cultivators. But as a general rule, rent is charged on *bastoo* land, as well as on *Khamar*, *Bhagar* and agricultural lands. The statement of fact is inaccurate ; and the inference is altogether groundless.

13. But supposing, for arguments sake, that the evolution of rent systems has been exactly according to Babu J. C. G's theory, still it does not necessarily follow that the enhancement of rent-rate should be made, as a matter of course, on the basis of the metayer system, unless it be shewn that such a method would, in no case, involve any undue hardship on the parties. Readjustment need not necessarily be made according to the process of development. When a machinery *e. g.* a steam engine is required to be readjusted, so as to be adapted to an alteration in the surrounding circumstances, it is not incumbent on the mechanic or the engineer to have recourse to the method by which Watt effected his improvements on the rude contrivance of Newcomen and Cawly. There is nothing in the nature of things which renders it inevitable that the metayer system should form the basis and groundwork of all other systems. If the metayer system prevailed in former times, it was probably because the precious metals were then rare and the art of measuring land was not so well known then as now. Admitting the correctness of the theory, still it is difficult to comprehend why the readjustment of rent-rates should be made, as a matter of course, on the basis of the metayer system.

14. Proceeding to the consideration of the external evidence furnished by the nirikh rents, our author says that "we cannot expect to see the process of evolution actually in operation ; but we can observe the process by which a variation or readjustment of the old nirickh is effected." The writer seems to hold that the nirikh rents have been obtained in the same way in which Akbar assessed the revenue payable by Zemindars. It is stated that the typical nirikh rent requires the following points to be attended to.

(a). The land has to be measured and the soil classified. The measurement must be separate for each tenant ; and the classification of the soil ought to be such as to bring the worst kind of land under the operation of this system of rent.

(b). The produce of each class of soil should be determined on the average of good and bad years.

(c). The proportion of produce due respectively to the Zemindar and the cultivator must be definitely known."

(c). "A commutation price should be determined upon for converting into money the landlord's share of the produce."

(e). "These principles will apply uniformly in respect of all cultivators within prescribed limits."

It is stated later on "that the process for varying the nirikh is familiar to Zemindars quite as much as to Ryots. It is called Jamabandi which according to the Babu is always preceded by Jarip ; but this is far from being true. A variation of the rent-rate may be and is often made without a Jarip. When a Zemindar desires to have enhanced rent, he generally causes the lands to be measured partly because by doing so he is enabled to obtain correct information, as to the state of things at the time and partly also because a Jarip serves the purpose of a general proclamation and has the moral effect of convincing the Ryots that he is determined to carry his point. There is no necessary connection between Jarip and a variation of the nirikh. The following passage in the decision of Mr. Justice Campbell in the Great Rent Case gives an account of the process by which the prevailing nirikh is generally altered.

"A common process seems to have been a mere repetition of the old process by which Toran Mull's assessment was enhanced. In spite of the prohibition against abwabs or cesses to the consolidated rates of the time of settlement, illegal cesses (almost always in the form of percentage or of so many annas or pic in the rupee) were from time to time added on and gradually annexed to the custom ; then as they became complicated and heavy and led to resistance, compromise was effected and the extra cesses were merged into a rate somewhat enhanced, to which the Ryots consented. Then as further increase of value took place, more cesses were superimposed on the rates and presently another compromise took place."



The writer seems to be aware of all this ; for in giving his account of Jarip and Jamabandi, he states, later on, that when the Chitha and Khatian are completed "the next step is to fix a nirikh for each class of soil in the village. In this the Zemin-dar has to take a part as well as the general body of Ryots. *The nirikh or nirikhs are fixed after a discussion long and tedious and is always closed by compromise.*" If this is the method in which rent-rates are altered, then in what manner does it support Babu J. C. G's theory. There is nothing in the above process from which it may be inferred that the metayer system has always formed the basis of all other rent systems. I may also state here that I cannot comprehend why Babu J. C. G. has given such a lengthy account of Chitha and Khatian. Perhaps our author forgot that he was writing a dissertation for the benefit of Statesmen and Legislators ; and not a text book for Sir George Campbell's Patshalas.

15. In conclusion, Babu J. C. G. recommends a scheme which is put in the following tabular form.

1	2	3	4	5	6	7
Class of land.	Cost of production gross produce being 9.	Net produce.	Share out of gross production due to		Zemindar.	Cultivator.
			Zemindar.	Cultivator.		
I.	0 to 3	9 to 6	6 to 4	3 to 5	6 to 4	3 to 2
II.	3 to 6	6 to 3	4 to 2	5 to 7	4 to 2	2 to 1
III.	6 to 9	3 to 0	2 to 0	7 to 9	2 to 0	1 to 0

It is impossible to believe that any thinking man could be the author of a scheme like this. In the name of common sense I would ask the writer whether he really believes that his scheme, if sanctioned by the Legislature, would remove at once all the causes of complication between those who receive and those who pay rent. The writer strongly insists upon the classification of land and condemns the Government, in no measured terms,

for neglecting it ; but a more curious classification, it would be hard to find. In the first place, I ask what difference is there between class I, class II, and class III. The scheme in the tabular form virtually amounts to this, that the rent charge should vary inversely as the cost of production. I should be very glad if he would point out that there is any deeper meaning in his array of figures.

16. The Babu has not told us in what manner he proposes to effect his classification ; certainly, it cannot be expected that a regular field survey of the whole country should be made every year : possibly he means that when a particular case requires to be decided, the Courts of Law should cause the lands to be regularly measured and classified according to a certain principle to be laid down by law. But a very little consideration will shew that in individual cases, classification of land, on the above principle, is altogether needless. If it be ruled that the rent-rate should vary directly as the value of the produce and inversely as the cost of production then the rent payable in respect of an entire holding may be determined at once and it is not at all necessary to ascertain the value of produce or the cost of production of each particular block. When a Moonsiff has to decide a suit for enhanced rent, the problem before him is quite different from that which Akbar and his ministers had to solve. The problem being different the solution cannot be the same.

17. The rent question is not to be solved by vague theormaking ; to determine the rule for the readjustment of rent-rates, it is necessary in the first place, to take into consideration, on what principle, the right to enhanced rent is conceded to Zemindars and on what principle again is that right held subject to limitations. The right to enhanced rent is a necessary consequence of the proprietary right vested in Zemindars by the Permanent Settlement. But there is nothing in the Regulations, under which the Permanent Settlement was made, from which the Zemindar can make out

a title to absolute proprietorship ; it is therefore justly held that the right of the Zemindar is subject to limitations ; but the Legislature has not defined what those limitations are. Upon a literal construction of the second of the three grounds specified in Sec. XVIII of the Rent Code, it would appear that the Legislature intended to limit the right of the Zemindar to enhanced rent, only so far as is necessary for encouraging Ryots to employ their capital and skill in improving the land held by them. The law does not expressly limit the right of the Zemindar in respect of cases in which the value of land increases otherwise than by the agency of the Ryot. But the High Court in laying down the rule of proportion apparently held that the right of the Zemindar to enhanced rent is subject to the correlative right of Ryots to appropriate to themselves a definite share of the produce. It is difficult, however, to conceive the existence of a right when there was no sanction to enforce it. Under the former rulers of the country, the land was never permanently settled ; the sovereign power of the realm was therefore directly interested in the increase of rent rates. No prudent administrator would extend his interference so far as to support Ryots in resisting the demand of the Zemindar and thereby provide the latter with an excuse for being defaulters. As a matter of fact, the Zemindar held supreme authority in his own estate. In adjusting the rent-rates, even the best of Zemindars hardly ever troubled himself with any solicitude for the rights of his tenants. Apart from prudential motives, the sole protection against rackrenting lay in the fact that a high rate compels Ryots to relinquish their holdings and thus leads to the diminution of the rental.

18. As a general rule, the Zemindars, in former times, exacted a very high rate of rent, wherever it was in their power to do so. At present, therefore, it cannot be just or proper to allow them to have, the same share of the produce, that they had in past times. Again, cases might arise in which a Ryot agreed to pay a high rate in the expectation that the land, let

out to him, will, in course of time, increase in value. Suppose a Ryot contracted to pay Rs. 100 for 100 Beegahs of newly formed chur land growing only grass and underwood which require no cultivation. Suppose that during the first four or five years the gross profit of the Ryot is just sufficient for payment of rent. Suppose again that, in the course of time, the productive power of the land increases in value. In such a case would it not involve great hardship on the Ryot, if he be obliged to pay the same share that he agreed to pay when the land was leased out to him for the first time ?

19. Admitting that according to the custom of the country, the right of the Zemindar to enhance the prevailing rate of rent is subject to the correlative right of Ryots, still it appears that the ruling, based on that theory, though meant for the benefit of Ryots, has in very many cases proved to be their ruin. The ruling of the High Court is "Let the Zemindar seeking to enhance the rent go back to any year he chooses and let him prove that the proportion was then more favorable to him than it has subsequently become." Such a ruling can be justified only if it be proved that it would not involve any hardship on either the Zemindar or the Ryot. True, that the parties are left at liberty to prove any special circumstances tending to show that the application of the rule of proportion would work injustice. But the High Court has not decided under what circumstances, the rule does not apply ; at any rate, it does not appear possible, that a Ryot would in any case, be allowed to plead that the proportion was extremely unfavorable to him at the time when it was favorable to the Zemindar.

20. Whether Ryots possess any correlative right or not, the Legislature is at liberty to restrict the right of Zemindars, by virtue of the power reserved to it by the Regulations under which the Permanent Settlement was made. I conceive that the object of Government in enacting rules for enhancement, should be to give the greatest advantage to Ryots, consistently with the just rights and expectations of those who are responsible for the

Revenue. The country can gain nothing by putting more and more money into the pocket of the Zemindar : nor can any good result be derived from a system which tends to convert industrious peasants into indolent Talookdars. The acquisition of property should be the result of industry and economy ; the operation of law should not be such as to enable any class of people to acquire a valuable right, without the application of any capital or skill. As I have elsewhere observed, let the rent rate be enhanced where it is too low, but the Zemindar should not be allowed to reduce the Ryots to the condition of cottier tenants of Ireland.

21. Having in view the ends and objects as explained above, I conceive that the Legislature should, first of all, make it binding on the Courts of Law, to see that the increased rate of rent in no case exceeds the maximum limit assigned by political economy. I do not mean that the rent-rate should be adjusted according to that theory ; all that I mean is that it should not be ignored altogether. Mr. Fawcett, in his treatise on political economy, says that the theory of rent is not to be imagined as available to the land steward ; but it should be borne in mind that there is a great deal of difference between the case of a Zemindar's naib who makes a Jamabandi and a Moonsiff who decides a suit for enhanced rent. The Zemindar's agent is well acquainted with all the circumstances which regulate the rent-rate ; and can therefore do without any scientific theory in making a Jamabandi ; but the Moonsiff in deciding a suit for enhanced rent, cannot do better, than take the rule into account, not as a thoroughly reliable test, but as a check on his calculations. An experienced surveyor may determine, the area of any plot of land by mere inspection, but it cannot therefore be said that the compass and the chain are altogether useless.

22. In deciding suits for enhancement of the prevailing rate, the Courts of Law should inquire, and ascertain carefully the following points.



(a). The price at which occupancy holdings are generally sold in the locality.

(b). The amount of premium paid to the Zemindar, when a vacant holding is let out to a new Ryot.

(c). The rent-rate paid to occupancy Ryots by their under-tenants.

When the above points are ascertained—and in any case at least one of the points may be ascertained with tolerable exactness—the Courts will have little difficulty in determining to what extent the prevailing rent-rate may be enhanced. If the result of this calculation agrees with that obtained by the application of the theory of rent, then it may be depended upon being as nearly correct as possible.

23. To me it seems that a general solution of the problem is impossible ; so endless are the varieties of cases which arise in practice, that it cannot be safe to prescribe a general formula ; all that can be done is to lay down particular rules to be applied in particular cases. The maximum rate being ascertained, allowance ought to be made for

(a). Economical condition of the locality. .

(b). Status of the Ryot.

(c). The capital or skill employed by him in making any permanent improvement.

(d). The premium paid by the Ryot at the time when the land was first leased out.

With regard to the first point, it should, be observed, that in localities, where occupancy holdings generally sell at a very high price, it may safely be assumed that the prevailing rent-rate is considerably below the maximum which the land can bear. Capitalists do not ordinarily lay out their money, unless they expect a fair return. The Ryot cannot justly complain, if he be obliged to part with a portion of the extra profit which makes his holding valuable in the money market. But a decree for enhancement ought not to be made against a Ryot, simply because he may be willing to pay a small

increment rather than surrender his holding or because a needy and destitute pauper is willing to pay a higher rate. Where the selling price of occupancy holdings is low and the rate of wages below what is fairly sufficient for a day laborer, there the prevailing rent-rate cannot be enhanced without risk of reducing Ryots to the condition of cottier tenants of Ireland. The Courts should therefore consider the economical condition of the locality viz : the rate of wages and the selling price of occupancy holdings, before making a decree for enhancement of the prevailing rate of rent.

24. The next point to be considered is the status of the Ryot. In the first place a distinction ought to be made between agricultural Ryots *i. e.* those who till the soil with their own hands and those tenant farmers who do not cultivate their lands with their own hands but by means of hired servants. The Zemindars at least those of the old type, generally shew the greatest consideration for these latter class of Ryots : they form an important section in the agricultural population of the country ; it is therefore much to be desired that there be nothing in the law to compel them to pay the same rate as ordinary agricultural Ryots.

25. A further distinction ought to be made according to the nature of the tenure. Although an occupancy Ryot is as free to relinquish his holding, at a certain period of the year, as any tenant at will, still it cannot be maintained that a Jotedar, a Chukanidar, a Kurfa and an Utbandi Ryot should all pay the same rate. The holder of a Jote or any other tenure of a similar nature has not the responsibility of a Talookdar ; yet it cannot be proper to place him in the same rank with occupancy Ryots who were originally tenants at will.

26. The third point to be considered is the capital or skill employed by the Ryot in making permanent improvements in the lands. It is provided by the Code, that when land is improved by the Ryot himself, at his own cost, he shall not be liable to pay enhanced rent for increased productiveness. But

it should be borne in mind, that the value of land may be made to increase immensely by the application of very little capital skill or labor. Large tracts of swampy low land may be materially improved simply by cutting a small channel or by opening an embankment. It is much to be desired that the Ryots should have the very greatest inducement to improve their land ; but I should think that there ought to be some proportion between the advantage gained and the capital or skill employed ; otherwise the object of the Legislature is likely to be defeated ; for the Zemindar will naturally try to prevent Ryots from making any improvement, if he finds himself debarred altogether from participating in the advantages derived therefrom. Zemindars not unfrequently recover damages from Ryots for digging a tank or well ; in the same way any other work of improvement may be represented as a cause of deterioration and made the foundation of harassing litigation.

27. The above is the plan which is least open to objection. The maximum rate, which any plot of land can bear, may be determined, in any case, without much difficulty. In making due allowance for the status of the Ryot and other circumstances some latitude is left, in my scheme, for the discretion of the Courts of Law ; but the Judge will experience little difficulty in making a judicious use of that discretion ; for in determining the various points suggested above, he will have a sufficient insight into the state of circumstance. If, in any case, the lower courts make a wrong use of their discretionary power, their judgements would be liable to be revised in appeal. No rule has yet been proposed which does not leave some margin for the discretion of the Courts of Law. The rule of proportion appears to be as comprehensive as possible, yet the High Court has laid down that cases might arise in which the application of that rule would lead to undue hardship. Sir Henry Ricketts recommends the appointment of umpires for assessing the rent-rate, in cases of dispute ; that would be a very good plan, if it were possible to find duly qualified men

who are able and willing to mediate between the parties. But in the remote mufussil nothing is more difficult than to find educated and conscientious men willing to undertake a task which is sure to expose them to the charge of dishonesty. Suits for enhanced rent-rate ought not to be disposed of except after a careful investigation of all the circumstances which bear upon the question. True that it would take up a great deal of time, to determine the various points suggested in my scheme ; but it should be borne in mind that *Jumma Nishast* cases are of the greatest importance, both to the Zemindar and the Ryot. The parties willingly subject themselves to any amount of trouble and expense, in order to conduct such cases. Considering the consequences which flow from an undue assessment of the rent-rate, it should be made incumbent on the Courts of Law to master the details of every question before passing their final judgment.

28. It is not to be supposed that the rule which I have proposed or any other rule would materially improve the relation between landlord and tenant. My belief is that the rule of proportion cannot be regarded as the original cause of agrarian disputes ; and that whatever principle be laid down for the enhancement of rent-rate, the occurrence of quarrels between Zemindars and Ryots will be as frequent as ever, so long as the procedure, in such suits, remains unaltered and so long as greater facilities are not afforded to the Zemindar in the execution of decrees. I have elsewhere shewn in what respects, the existing law ought to be modified, in order that rent-riots might be less frequent than they are at present.

FINIS.

---

# OBSERVATIONS

ON THE

## LAND IMPROVEMENT LOANS ACT, 1883.

---

"I think it must be admitted that the taxation of wells not constructed by the State is a deviation from the broad principles of the Bombay Survey."—*Sir Barrow Ellis.*

"We draw all we can out of Guj works of irrigation, and tax wells in way to be fore-armed for the evil hour expect it."—*Major C. J. Prescott, Survey, Gujarat.*

do not expend one shilling in it. I cannot think that is the way which may come when we least expect it."—*Superintendent, Revenue Survey.*

"The amount of annual assessment is small compared with the remainder of the revenue."—*Mr. W. G. Pedder.*

be immediately sacrificed in order to increase the assessment."—*Mr. W. G. Pedder.*

---

BOMBAY :

PRINTED AT THE BOMBAY GAZETTE STEAM PRESS, FORT.

1884.

---

PRICE EIGHT ANNAS.



## INTRODUCTORY NOTE.

---

I WILL add one word to what has been stated at length in the following pages, and that is, that the survey orders at present in force in respect of the revision of assessment on lands irrigated from wells are :—(1) That in the case of old wells constructed before the first settlement, all special water assessment should be abandoned, and the maximum *jerayet* rate alone levied ; and (2) that in the case of new wells constructed subsequent to the new settlement, the ordinary dry crop rate should be imposed without any addition whatever on account of the new wells.\* The fullest publicity has been given to the wishes of Government in this respect by means of instructions and circular orders from district Collectors to Mamlatdars, from Mamlatdars to the village Talaties or accountants, and the Talaties have been called upon to convey assurances to the great body of the peasantry in this Presidency that no increase of assessment will result on the revision of the rates in consequence of the construction of wells. A further step, taken last year in respect of the definition of 'built wells,' was also in the direction of a more liberal treatment of those who introduced improvements in the shape of wells in Gujarat. The survey orders did not extend exemption from the benefits claimable by law on account of 'improvements' to (1) masonry wells, unless a masonry trough and top (*Thala Mathala*), were added to them, and to (2) wells constructed of tiles and mud (instead of bricks and mortar), usually known as 'Khundia' wells. Both these descriptions of wells were classed under 'kachá' wells, and were charged from Rs. 6 to Rs. 12 a year for each 'Kos' or 'water-bag' employed. The result was that just at a time when the ryots' means for constructing the trough and top of a well were exhausted, and when he needed some help in the form of an untaxed return on his investment, down came the Survey Officer to impose a tax on quite an arbitrary interpretation of an 'improvement.' To Mr. Sheppard, the present Commissioner, N. D., belongs the credit of ruling that all 'built' wells of every description (and whether provided with 'top or trough or not) shall be treated

\* *Vide Nairne's Handbook*, page 158, Second Edition.

as *pucka* wells and as such shall be exempt from taxation. Now any such notion as that the wells so constructed on the plighted faith of Government would be liable to be taxed hereafter under section 107, proviso (b), of the Land Revenue Code would only tend to shake the confidence of the ryots, and discourage future investments of capital in them. So far no opportunity has been presented to owners of new wells to test the value of Government assurances already given, since the thirty years' leases in this Presidency have not expired. But the period of expiry is fast approaching. Next year will probably witness the commencement of revision operations in Dholka—the first of the Gujarat settlements made under the late Sir George Wingate's system. The mischief, therefore, resulting from the justification which the doctrine of the assessability of improvements will afford to settling officers in their assessment operations in districts in which cultivation has reached the extreme limit of 95 per cent., may be easily conceived. Hence the importance of determining the right policy cannot be overrated. I earnestly hope that the warning note sounded in the following pages will not go for nothing, but that the liberal policy announced by the authors of the Land Improvement Loans Act, and the encouragement therein held out to improvers of land through the aid of State loans, will be extended equally to owners of wells sunk by the help of private capital, and that the weighty considerations which have influenced the Government of India in carrying out this measure will be carefully borne in mind when dealing with the well-assessment policy during the forthcoming revision operations in the Bombay Presidency, if that policy is to 'inaugurate a new era of improvements, or give an irresistible impulse to the building of wells.'\*

Since the accompanying paper was written, certain articles on this very subject have appeared in the *Bombay Gazette* newspaper. And they seem to have led to the publication of Resolutions of the Bombay Government on non-assessment of improvements in this Presidency in the case of wells dug by the ryots at their own cost. I have the kind permission of the Editor of the

*Bombay Gazette* to reproduce the articles and republish the Government Resolutions in an Appendix to this Paper. These Resolutions of the Bombay Government throw additional light on the question and emphasize the view taken here of the effect of section 107, proviso (b) of the Land Revenue Code. The Resolution, dated the 10th November, 1881, for instance, declares that Government are now prepared to give a 'general' assurance that clause (b) will not be applied to wells dug from private capital. In the same breath, however, it is asserted in the Resolution that "Government are competent at any time to declare how they interpret that clause, and to notify that it will not be held to apply to any particular class of improvements." Is it to be supposed, then, that Government will blow hot and cold according to the varying circumstances of the hour under the temptingly elastic and vague wording of clause (b) in deciding what improvement shall, and what improvement shall not, really be said to have consisted of having utilized a natural advantage? The Famine Commission thought that such departmental orders and rules, good as they were, were liable to retraction and change of view, and suggested that the course best calculated to remove all doubts and anxiety of the ryots in the matter was to come to a 'precise and permanent understanding' and ratify that understanding by law. The Hon'ble Mr. J. B. Peile, who was a Member of the Famine Commission, would no doubt have set the Commission right if he had thought that the suggestion of the Commission was based on an incorrect view of clause (b). Again, it is to be remembered that when so able a revenue officer as the Hon'ble Mr. Hope had not in mind these Resolutions of the Bombay Government (he certainly made no allusion to them in his speech in the debate at Simla) in the discussion on the subject, how is a poor villager in a remote district to know what the departmental orders of the Government for the time being are? The villager's best referee and adviser is generally the local pleader and his advice, founded chiefly on clause (b) of section 107 of the Land Revenue Code, would probably be that it was at least doubtful whether his client will be exempted from taxation or not on account of the new well proposed to be sunk by him. To

set this doubt at rest all that Government need do is to introduce a short amendment of the Land Revenue Code, recasting clause (b) and embodying the very concession which Government are now prepared to make in a departmental Resolution. The effect of this procedure will be to give a fresh impetus to the sinking of new wells in the Presidency. That no system of irrigation is so well adapted as well-irrigation to the purposes and slender means of the peasantry in this country is shown by the remarkable testimony borne to it by so keen and competent an observer as Sir James Caird in his recent work on India. "Near Nariad," says Sir James, "there is very fine cultivation from wells, tobacco and garden crops beautifully farmed, and every sign of prosperity among the people. Their holdings are separated by low hedges; *every one has his well, and, where this is attainable and the water good, I believe no other irrigation in India can compare with it.* Each man can use it when and how he pleases, and as he must keep bullocks for the labour of his land, and he and his family do most of the work, they hardly feel the cost of lifting the water. Their villages are generally tile-roofed, the people are better clad, and their bullocks are stronger and bigger than I have yet seen. All this is the result of 'well' irrigation on a better soil, with a climate seldom so extreme in drought as to cause severe scarcity, never famine." Curiously enough, it was in respect of the Nariad settlement that thirteen years ago I discussed the policy of well-assessment in my "Notes on Kaira." And it is no small satisfaction to me to see that official opinion is veering in the right direction. I have little doubt that a great deal will have been effected in the direction of promoting well-irrigation in this Presidency if the change in the law now so anxiously desired is carried out.

JAVERILÁL UMIÁSHANKAR YÁJNIK.

105, Dady Sett's Agiary Lane,

Bombay, 3rd January, 1884.



## LAND IMPROVEMENT LOANS ACT.

---

The debate which took place at Simla, on the 10th October 1883, relating to the Land Improvement Loans Bill, was one of unusual interest and importance. Very interesting information was given regarding the present position of the Agricultural Banks scheme, which, it was stated, had formed the subject of considerable correspondence with the Bombay Government. Sir Steuart Bayley mentioned that the subject had been thrashed out, and that most of the details were about to be submitted to the Secretary of State. Pending an expression of his opinion upon the scheme no further action will be at present taken. Meanwhile, the Select Committee on the Land Improvement Loans Bill resolved to omit from that Bill all mention of Agricultural Banks which require, it is stated, a separate Act to itself on account of the great importance and the difficulty of the various questions involved. The measure, therefore, finally introduced by the Honorable Mr. Quinton, was one of a simpler character than was originally intended, and is meant merely to consolidate and amend the law relating to loans of money advanced by the Government for agricultural improvements.

The necessity for amending the existing Law which is contained in Acts XXVI. of 1871 and XXI. of 1876 was, as Mr. Quinton said, forcibly pointed out by the Famine Commission, which drew attention to the present defects in the system, and insisted on the great importance of the whole subject as affecting the agriculture of the country. Amongst the causes alleged for the failure of the previous Acts a prominent cause is stated by the Famine Commissioners to be the uncertainty of the landowners whether agricul-



tural improvements effected by means of Government loans are or are not to form the ground for increased assessments at the expiration of the present periods of settlement. The Government of India clearly recognised the fact that a doubt of this kind strikes at the very root of the policy which they are so anxious to encourage. That there is ample ground for the doubt is clearly shown by the fact that the practice relating to the assessment of improvements differs widely in different parts of India, and has in no place except the Bombay Presidency been placed on a precise and permanent understanding by means of a formal legislative enactment. The Supreme Legislature have, in the present Act, clearly recognised that all such doubts must be finally removed before the Act will be extensively used for purposes of agricultural improvement. If agricultural improvements are to form the ground of additional taxation, it is perfectly certain that such improvements will never be very extensively made, and will never, in fact, be made at all except under the pressure of necessity. Now it is quite clear that the question raised by the Famine Commissioners goes very far beyond the immediate question which was discussed by the Legislative Council, *viz.*, how best to encourage the agricultural classes to make use of Government loans for the purpose of agricultural improvements. The question raised goes in fact to the very root of the whole land policy of Government; for if the taxation of improvements or the fear of such taxation has already operated to prevent application to Government for loans it is certain that enormous injury has already been inflicted on the agriculture of the country. If a cultivator has been deterred from applying to Government for a loan it is equally certain that he has been deterred from applying to his ordinary money-lender for the purpose. In other words, if the facts stated by the Famine

Commission be correct, and I see no reason to doubt them, it is certain that a check of the most serious character has already been given throughout the country to agricultural improvements of all kinds. That any such check should have been given seems to me to be deplorable, bearing in mind the responsibilities of the State as supreme landlord and the vital importance of doing everything in its power to promote confidence and to encourage improvements. That such a state of things should call for the prompt interference of the Legislature must be patent to any one who reflects on the present condition of Indian agriculture as portrayed by the Famine Commission, and, more especially, by Sir James Caird, in his separate report to the Secretary of State, dated 31st October 1879, and headed "Condition of India." The present Land Improvement Loans Bill marks, then, the first serious attempt of the Supreme Government to grapple with a problem of a formidable character, *viz.*, how to encourage effectually agricultural improvements in India without parting with the State right to share sooner or later in the value of such improvements. A more difficult and more embarrassing problem no Government ever had to solve, and it is perfectly clear from the tenor of the whole debate that the subject is one on which official opinion is very sharply divided. Nothing can be easier than to assert on behalf of the State the general principle of the assessability of improvements and to frame elaborate provisions to secure the interests of the State. But it must be remembered that there are two parties to every bargain, and unless the cultivator can be induced to accept the terms offered the Government will be left practically in the same position as it is at present, *viz.*, that few improvements will be made. Is it likely, I ask, that any intelligent cultivators will apply for Government loans when they are told that some of the highest officials in the

land assert, in the most explicit way, that all improvements are assessable in accordance both with native practice and sound principles. It is notorious that the views expressed by the Hon'ble Mr. Hope are in entire accordance with the practice that has been followed in all parts of this Presidency. Both in the Deccan and Gujarat agricultural improvements have been systematically assessed, and it is now perfectly well known throughout the length and breadth of the land that the Government do not consider themselves to be precluded from taking full advantage of all improvements which have been effected during the currency of the existing settlements. Whether the policy of the local Government is good or bad we need not for the present consider, but the policy and practice of the Government being what it is, how, I ask, can any reasonable person imagine that much private capital will be invested in improvements under the provisions of the new Act? It is notorious, in all parts of the Presidency, that agricultural improvement in Government villages is practically at a standstill, except in cases where pressure of population and sheer necessity has compelled the landholder sorrowfully and grudgingly to spend his own money, well knowing that his improvements will only result in a heavier burden being imposed on him at the next period of settlement.

The practice followed in this Presidency appears to correspond very closely with the practice which is generally pursued elsewhere in India. There appears to be a consensus of agreement that the cultivators ought to be encouraged to make improvements, and there is also a tolerable consensus that the State landlord ought to share sooner or later in the benefit of all such improvements. Regarding the best means of encouraging improvements and the most convenient mode of protecting the State rights there is apparently much difference of opinion in the

Supreme Council. Mr. Crosthwaite proposed,—and the suggestion is one of great value—that all improvements made during the currency of existing settlements should be registered. “The value of the improvements was to be settled  
 “by a Committee of arbitrators and registered together  
 “with the improvement and the area covered by it. Then  
 “he divided his improvements into two classes, one of which  
 “might be specified as quasi-permanent and costly, the  
 “other more temporary and less costly improvements, and  
 “partaking of the nature of reclamation. The first class  
 “Mr. Crosthwaite proposed to exempt altogether. The  
 “second class he proposed to exempt absolutely for five years  
 “and thereafter to let him recoup his interest by deduct-  
 “ing  $6\frac{1}{4}$  per cent on cost of improvement from the full  
 “assessment of the land.” Mr. Crosthwaite thought that it would be possible to legislate on these lines; but when his proposal came to be discussed it was found that his proposals clashed seriously with the opposing official view that  
 “the Government is a joint proprietor with the landholder,  
 “and is, by ancient law and custom of India, entitled to a  
 “share in the produce of every bigah of land.” Sir Stuart Bayley explained very clearly what he called the rival theories on the subject of tenants’ improvements in India. The first main difficulty, he said, on the subject of Mr. Crosthwaite’s proposals was, perhaps, one of theory; “it  
 “was, in fact, to reconcile two conflicting theories—what I  
 “may call the English theory and the Indian theory. The  
 “English theory has regard to the relation between lessor  
 “and lessee, and from this point of view the English theory  
 “naturally urges that any increase in the letting value of  
 “the land caused by the lessee should be his and benefit  
 “him, and that he should get this benefit in the shape  
 “either of an increased length of lease on the old terms, or  
 “compensation for the unexhausted portion of his improve-

ments. The Indian theory, if I may say so, disregards altogether the relation between lessor and lessee and looks upon Government as a joint proprietor with the landholder, and that Government, as joint proprietor, is, by the ancient law and custom of India, entitled to a share in the produce of every bigah of land. The logical deduction from the English point of view would be that the landholder should have, as a permanency, the full benefit of any increased value caused by his improvement. Even here I think myself that the fact of the landholder in India having a permanent right of occupancy in his land really divides off his position in a very marked way from that of the leaseholder in England whose position is a temporary one. The natural outcome of the Indian point of view is that when the Government, as the sleeping shareholder in the land, has provided that the improver should receive full interest for his money spent on improvement, and that he has been recouped for his original outlay, thereafter the Government should retain its right to a share in the improved produce of the soil."

Sir Steuart Bayley went on to say that these two theories were no doubt antagonistic, but he thought that it might have been possible to come to a reasonable compromise between them. He concurred with Mr. Crosthwaite that public policy required that the Government should do all in its power to encourage permanent improvements of a valuable kind rather than look to future increase of revenue. But they were then met by the further difficulty that it was difficult to distinguish satisfactorily the two classes of improvements which Mr. Crosthwaite desired to distinguish. Finally the idea of legislating upon Mr. Crosthwaite's proposals was abandoned, because, it was seen to be inextricably mixed up with the very much larger question with regard to the whole principle of resettlement in Northern



India which was at that time under reference to the Secretary of State. In referring that question to the Secretary of State, we are told that the Government of India expressed in very general and broad terms its desire that improvements effected by landholders should hereafter be exempted from assessment, and in reply the Secretary of State in equally general and broad terms expressed his thorough approval of the principle. The general question, including the special point of assessing improvements, is now, we are told, under the consideration of the local Governments. It is clear from the very interesting speech of Sir Stuart Bayley that the extreme importance of the matter at issue is now fully apprehended by the Supreme Government; and the question of assessing improvements being now under consideration by the Secretary of State and all the local Governments, no time can be more opportune for a reconsideration of the whole subject.

Pace the Honorable Mr. Hope I assert that the "Indian theory," described by the Honorable Sir Stuart Bayley, is a most mischievous and deceptive theory, and one that is opposed to all sound principles. The State landlord can of course claim in behalf of the State whatever the Supreme Government chooses; but it is the duty of that Government to consider the practical tendency and effects of these ingenious theories. I assert that the so-called Indian theory, even as a theory, is monstrous, and that its effects are simply ruinous. I ask any one having the faintest acquaintance with practical agriculture how far it is in practice possible for the State landlord to ascertain, with any reasonable certainty, whether the cultivator has received full interest for the money spent on improvement, and whether he has been fully recouped for his original outlay or not. If it be impossible, as I assert that it is, to obtain this information, then the theory is a mere theory, the truth

of which there is no means of testing; and to make such a theory the basis of State policy is, in my opinion, simply disastrous, for in practice it simply amounts to this that whether the amount expended in improvements has been recouped or not, additional taxation is imposed. Again, the essential aim and object of expending capital in agricultural improvement is to create a fund for further improvement, but by the very terms of the theory, as described by Sir Stuart Bayley, this fund is to be swept into the coffers of the State as soon as the original outlay plus interest has been recouped. Is it, I ask, likely that any sensible person will voluntarily invest his capital on these terms? I think that Sir Stuart Bayley has performed an important public service in explaining in clear and intelligible terms what this so called "Indian theory" really is, and now that it is expressed in all its nakedness, I trust that the matter will not be allowed to rest where it now is, and that the Supreme Government will take steps to satisfy itself as to the real working of this marvellous theory in practice. I confidently anticipate that if it will do so, some startling revelations will be made; and it is quite possible that the inquiry will lead to the growth of a more rational and healthy view on the vital subject of the State's claim to make agricultural improvements the basis of enhanced assessments, or a pretext for imposing additional taxation.

There are many indications in the debate that official opinion is by no means unanimous on the subject of this Indian theory. The rival English theory of tenants' improvement, as explained by Lord Ripon and Sir Stuart Bayley, has several very influential adherents in the Supreme Council; and it is quite clear that some compromise of the rival theories is absolutely necessary if any consistent and rational policy is to be pursued. The more liberal views expressed

by Lord Ripon, Sir Steuart Bayley and Mr. Crosthwaite, seem to be the views of the Government of India as a whole; and it is gratifying to know that the Government of India and the Secretary of State seem to be unanimous in the desire that improvements effected by landholders should hereafter be exempted from assessment. That this principle is not only thoroughly sound but one of vital importance to the agriculture of the country, I entertain no doubt whatever; and now that the question of assessing or exempting from assessment agricultural improvements has been fairly raised, I trust that no time will be lost in coming to a definite decision on the point, and in taking effectual steps to ensure that one definite and consistent practice is observed by all the local Governments. It is one thing, be it remembered, to enunciate correct principles, and quite another to give effect to them, more especially, when the new doctrine may happen to run counter to the views and policy of a certain school of officials who are practically pledged to their own system. The Honorable Mr. Hope stated in the clearest and most explicit terms that the Bombay principle of assessing improvements was "not only in accordance with old custom in India, but is also sound in itself, and in accordance with well recognised principles of political economy." It is not at first sight easy to see what common ground can well be occupied by those who assert and those who deny the principle that agricultural improvements ought to be assessed. If the general view, stated by the Government of India and the Secretary of State that improvements should be exempted from assessment, be right, it would seem to follow irresistibly that the practice of the Bombay Government and the view expressed by the Honorable Mr. Hope is wrong. Sir Steuart Bayley read to the Legislative Council the Bombay law on the subject of assessing improvements as it now

stands in sections 106 and 107 of the Bombay Revenue Code. He did not make any comments on the practical working of the Bombay rules, as stated in the two sections quoted, and it was left for the Honorable Mr. Hope to express the opinion that the proviso contained in section 107 (b) stated very clearly and satisfactorily the true doctrine which underlay the whole subject of improvements effected by the State tenants. The proviso declares that nothing contained in section 106 shall be held to prevent a revised assessment being fixed "with reference to the value of any natural advantage when the improvement effected from private capital and resources consists only in having created the means of utilising such advantage." Proviso (c) goes on to declare that a revised assessment may be fixed with reference to any improvement which is the result of the ordinary operations of husbandry.

It would, I think, have startled the Council to have realised what is the undoubted truth, that all the ordinary agricultural improvements within the capacity of a Bombay peasant farmer are, in fact, covered by one or other of the extremely elastic provisos (b) and (c) inserted in section 107 of the Bombay Land Revenue Code. In other words so skilfully has the law been framed as to include all improvements that are ordinarily feasible with the means at command of an Indian peasant, and the fullest possible effect has now been given under legislative sanction to the principle asserted by the Honorable Mr. Hope that all agricultural improvements are by custom and sound principle assessable.

These facts show, I think, very clearly that the theory and practice of the Bombay Government is in complete accord. The theory and the rules state that all agricultural improvements are assessable, and assessed they are

accordingly. The only other point of importance that occurs to me in connection with the existing Bombay rules is this, that section 107 provisos (b) and (c) practically stultify section 106 which, I may observe, represents the former law as it stood in section XXX. of Bombay Act I. of 1865. What is the use of solemnly proclaiming that revised assessments shall not be fixed with reference to improvements made from private capital and resources when in the next breath you go on to say that improvements of a certain class, which are in practice the only improvements which a peasant farmer can make, are assessable? The concession, which is thus solemnly made with one hand, is immediately after taken away with the other; and the only result of this legal subtilty is, I fear, to create general discontent and infinite disappointment.

Now let us consider for a moment what are the commonest forms of agricultural improvement and see how an enterprising agriculturist is likely in practice to be treated under the Bombay Rules. The commonest and, in many parts of India, the most useful direction which agricultural improvement can take is the construction of wells and minor irrigation works such as dams, bunds, tanks, water lifts, &c., and the conversion of dry crop into garden land. The Famine Commissioners remarked that

“There are large portions of the country to which, from various causes, it is physically impossible that irrigation should ever be given by canals, and in these protection against drought must depend, apart from rain-fall, on tank or well irrigation. In many localities the irrigation supplied by canals requires to be supplemented at certain seasons by wells, and in some cases the character of the crop and the soil is such that wells are, on the whole, preferable as a source of water supply to canals. Many hundreds of thousands of acres in every province are now under well cultivation, and the question of how a more general construction of wells may be carried out with State aid as a means of protecting the country from famine, and



of the degree of protection which is thus attainable, has on various occasions been a subject of discussion."

The extension of well cultivation is one of those matters of public State policy which has always attracted much attention, and is universally considered to be of first rate importance. A large portion of the Bombay Presidency is admirably adapted by physical conditions for the construction of wells, and it might reasonably be supposed that every encouragement would officially be given to this useful and substantial form of agricultural improvement. But unfortunately the ease with which this form of improvement can in many places be carried out, and the great profits which well cultivation usually brings has presented too great a temptation to the survey officers of Government, and their ingenuity has accordingly been exercised to devise a plan for intercepting some portion of the profits for the benefit of the public treasury. It was found that Sir George Wingate, the greatest settlement authority on the Bombay side, had laid down the broad position that the State as landlord had a right to claim a royalty on the water of the wells sunk into Government lands; and if the State could justly claim a royalty it was considered to be entitled to levy that royalty in the shape of increased taxation on the land watered by such wells.

Sir George Wingate's reasons for this doctrine are stated in the following terms :—

"The application of the cultivator's capital to the construction of a new well or the repair of an old one does not *create* water for irrigation but simply provides means for raising the water stored in the subsoil to the surface and applying it to the land. The well is the production of the cultivator's capital, but the water is not. The operation is exactly analogous to the opening of a new mine, until which time the subterranean mineral lies useless to man and yields nothing to the proprietor of the land in which it exists. But when once capital supplied the means of bringing the mineral to the surface in a form

suitable to man's wants, it immediately acquires value, and yields rent or royalty to the proprietor of the land from which it is extracted. Water, like minerals, is a subterranean product of great value in tropical climates, and therefore capable of legitimately yielding a rent to the lord of the soil who is the Government in the present case."

And this doctrine has been generally accepted by the Bombay Government, and has been very extensively acted upon by the officers of the Settlement Department. The doctrine in question finally received public legislative sanction in section 107 (b) of the Land Revenue Code, and, as before stated, was quoted with approval by the Honorable Mr. Hope as expressing with clearness and precision the sound view of the subject.

It is only just to the Bombay Government to point out that they have not always insisted on acting up to the full rigour of the official theory ; and there are signs that more liberal counsels have occasionally prevailed. In proof of this I would invite attention to an important Resolution passed by Government on the resettlement of the Indapur Taluka under date 27th March 1868.\*

\* Bombay Government Selections, New Series, No. CVII p. 202-204.

In this Resolution Sir George Wingate's royalty theory was discussed by Government in the following terms, which clearly show that, in the opinion of Government, the question at issue is not only a question of abstract right but one of public policy.

"In regard to special taxation of wells, it is said with truth that water is, like mineral wealth, fairly taxable by the landlord when used by the tenant. His Excellency in Council, however, considers that the first principle of its taxation should be that which governs our taxation of the land itself, that is, the capability of being used rather than the use itself. If water of good quality could be easily available near the surface, it is more reasonable to tax such land by a light additional rate, whether the water be used or not, than to lay an oppressively heavy tax on those who expend capital and labor

in bringing the water into use. There is, however, a point at which this principle must be modified, for when the land is such that when water is not brought to it, it will bear nothing, and when water is used it will yield a fine crop, then even a light tax in the former case is impossible. Of this class are the sandy tracts in the Konkan, which under the influence of water become cocoanut gardens. It must be held that the right of Government to levy a rate by virtue of the water, below the surface is in abeyance, or dormant, till the water is produced, but it is doubted greatly, even in this extreme case whether it is politic, though it may be asserted to be just, to levy more than would be leviable from first class rice ground, which enjoys also the benefits of water, not created, it is true, by the tenant, but utilized by means of his preparation of the ground."

Notwithstanding the wise and politic decision contained in the passage above quoted a very different course has been followed in other parts of the Presidency. In Gujarat especially the taxation of wells led in 1868 to much complaint and public correspondence. The whole subject was elaborately examined in a pamphlet entitled "Notes on Kaira" published at the *Times of India* office in 1870, and it was on that occasion pointed out by the writer that Sir George Wingate's theory was itself based upon an important misconception, and that the policy of taxing wells in Gujarat was simply ruinous. That the views expressed on the subject of well taxation in Gujarat are substantially sound is, to some extent, at least attested by the fact that they are in complete accord with the general views of some of the ablest Bombay Settlement Officers. Here is what Major Prescott, Settlement Officer for Gujarat, has to say on this vitally important matter:—

"We attempt to defend the false principle of taxing capital expended in sinking wells by the argument that as the produce of garden land is greater, so the share thereof due to Government should be in the same proportion. I have never been able to understand the force of this argument, or to recognise the right which the State claims to a higher assessment on lands irrigated by wells constructed out of the hard earned savings of the cultivators; and with the liberal

provisions of section XXX. of the Survey Act patent to all, I see immense difficulty in convincing the ryots of the justness of our *present* claim on their wells. Why, sir, have we such difficulty in making the incidence of the well assessment equitable—whether we put it on the bag, the well or the soil? Simply, I submit, because we cannot make right in practice what is wrong in principle.

"I foresee that if any great calamity should overwhelm this Province—drought or famine, for example—our mode of taxing private capital expended in sinking wells, would be condemned by all sound economists.

"Colonel Baird Smith was of opinion (Report para. 101) that to keep an agricultural population above actual want, under all vicissitudes, one-third *at least* of the cultivated land should be provided with the means of irrigation.

"Now what is the present position of Neriad, in this respect the most highly irrigated Taluka in this Province?

"Of a cultivated area of 128,219 acres, 11,930 only or a little over 9 per cent (Government and alienated inclusive) is irrigated. Less than *one-tenth* of the whole available area.

"We draw all we can out of Gujarat, do not expend one shilling in works of irrigation, and tax wells besides. I cannot think this is the way to be fore-armed for the evil hour, which may come when we least expect it.

"I am well aware we cannot abandon this source of revenue at one fellstroke, but it is clear we must do it 30 years hence—when, as no new wells will be taxed, we cannot, possibly, levy a Kussur any longer on the old.

"I hope, therefore, notwithstanding the heavy profits which, I am well aware, accrue to all well-owners in Neriad and Borsad, we may be induced to look on this source of revenue as condemned to abandonment after 30 years, and prepare ourselves for it by imposing a moderate Kussur now on principle.

"If we do not, the Kussur will abandon us, for cultivators will take care never to repair old wells, or to prevent them falling to decay, well knowing that if they sink new ones, in the place of repairing old, they will be free of taxation for all time." (See letter from Major C. J. Prescott, Superintendent, Revenue Survey and Assessment, Gujarat, to A. Rogers, Esq., Revenue Commissioner, N. D., No. 37



of 31st January 1867, printed at pp. 192 to 198 of Bombay Government Selections, No. CXIV. new series, 1869, paras. 14 to 22.)

In other reports, printed in the same volume of Selections, it will be seen that the doubts expressed by Major C. Prescott on the policy of taxing wells in Gujarat were shared, to a great extent, by Mr. W. G. Pedder, now Revenue Secretary at the India Office, and by the then Revenue Commissioner, the present Sir Barrow Ellis, Member of the Indian Council. The latter in writing to Government, 30th March 1865, submitted to Government for consideration the propriety of abandoning in future survey settlements in Gujarat and Khandeish all assessment upon wells; and in this important letter he used the following words which have a most important bearing on the subject now under discussion :—

“I think it must be admitted that the taxation of wells not constructed by the State is a deviation from the broad principles of the Bombay Survey. All wells built hereafter by individuals will be free from taxation; it seems hard that wells, similarly built by individuals, but before the advent of the Survey, should be placed at a disadvantage and subjected to heavier taxation for no reason save that their owners were in advance of their neighbours in employing their capital in agriculture.

“On the other hand, it is quite consistent with the principles of the Survey that if the inherent qualities of the soil be such that water is produced by digging for it within a few feet of the surface, this capability should be taxed as well as other elements of fertility.”

Mr. Ellis' scheme was ordered to be tried experimentally, but broke down under the circumstances explained in the correspondence. The controversy finally closed by a new system of well assessment locally known as the Bagayat Kassur system, being proposed by Major Prescott, and sanctioned by Government. The effects and bearing of this system were fully examined in the pamphlet already referred to, entitled “Notes on Kaira,” in which it was



shown conclusively that the tax was unequal, arbitrary and unfair, and would infallibly impose a bar to all future agricultural improvement in Gujarat. The paper, it may be observed, was written just at the time when the Tukavi Act of 1871 had been introduced; and the following passage taken from it appears to have a very direct and obvious bearing on the present agricultural Loans Bill and the important debate now under review.

“The system of *Tuccavi* advances has more or less been in vogue in this Presidency, but of late it has hardly been much availed of, and it is doubtful whether, with the terms proposed for the securities to be offered to Government, many cultivators will at all be induced to receive any advances. But what the Government cannot hope to carry out by such offers, it can succeed remarkably well in promoting irrigation works by abandoning the cess altogether as being iniquitous in principle and obnoxious in operation, and as acting as a positive check to agricultural improvement. The removal of this most unpopular impost will at once afford a stimulus to every cultivator in Gujarat and the Dekkan, and will do more for advancing agriculture than any other inducements which Government may hold out. This can be done without much sacrifice of revenue. At any rate any sacrifice of revenue herein involved will be more than amply compensated for by the impetus which the measure will give to garden cultivation, so sadly neglected at present in Gujarat, notwithstanding the peculiar facilities that are there for it.”

The foregoing review appears to establish very clearly 1st, that the Bombay principle of assessing improvements, whether right or wrong, has been bitterly complained of, is by no means unanimously accepted by some of the ablest officers who have served in Bombay, and is at any rate disputable. Notwithstanding these notorious facts the principle of assessing wells has now received formal legislative sanction under the ingenious technical section which declares that revised assessments may be fixed with reference to the value of a natural advantage, such, for instance, as a water-bearing stratum, when the improvement effected

from private capital and resources consists only in having created the means of utilising such advantage, *e.g.*, by the construction of wells.

Under the circumstances explained it will at once be seen that the Famine Commissioners appear to be under some misapprehension regarding the practice of Bombay with reference to the important subject of well assessment, nor is there, as supposed by the Commissioners, any rule in this Presidency "that the assessment of land irrigated from a permanent well should not be liable to enhancement on account of the well at any revision of the settlement provided the well is kept in efficient repair." (See Famine Commission Report, Part II., p. 169, para. 5.) Had any such rule been recognised, the Neriad Settlement would have taken a very different shape, and the whole of the complaints and correspondence on well assessment might have been spared.

A similar process of reasoning will apply *mutatis mutandis* to all minor irrigation works suitable to the capacity of ordinary tenant farmers. Whether the work be the construction of a dam, a bund, a water-lift or what not, in all cases it may be predicated with certainty that the cultivator is merely utilising some natural advantage, the gift of God. He applies his private capital and resources to the means of utilising such advantage, and by so doing falls into the trap laid for him by clause (b) of section 107. If the Honorable Mr. Hope or any one else thinks that the assertion of the right of taxing all improvements for the benefit of the State will promote improvements, then all I can say is that he has a very strange idea of human nature, and of the motives which usually actuate peasant cultivators; but the matter is, I submit, too obvious for useful argument, and there are ~~few~~ persons, we imagine, who will dissent from Major

Prescott's sound view that it is impossible for the settlement officer to make right in practice what is radically wrong in principle. The disastrous effects of taxing wells cannot, in my opinion, be made more clear than in Major Prescott's own words :—

"Colonel Baird Smith was of opinion (Report para. 101) that to keep an agricultural population above actual want, under all vicissitudes, one-third *at least* of the cultivated land should be provided with the means of irrigation.

"Now what is the present position of Neriad, in this respect the most highly irrigated Talooka in this Province.

"Of a cultivated area of 128,219 acres, 11,930 only or a little over 9 per cent. (Government and alienated inclusive) is irrigated. Less than *one-tenth* of the whole available area.

We draw all we can out of Gujarat, do not expend one shilling in works of irrigation, and tax wells besides. I cannot think this is the way to be fore-armed for the evil hour, which may come when we least expect it."

If the facts be as stated by Major Prescott and they are undeniable, who can doubt that the Bombay mode of taxing private capital expended in well-sinking would be condemned by all sound economists? The suggestive passage above quoted I must be allowed to set against Mr. Hope's surprising assertion "that an enormous increase of wells and other improvements of a like nature involving immense expenditure of money," had been made by State tenants under the Bombay system. No such satisfactory result was recorded by the Famine Commissioners, and I cannot conceive to what district or what class of persons Mr. Hope's remarks can possibly apply. Either Major Prescott or Mr. Hope must, I submit, be under an entire misapprehension; and as the matter is one of great public importance it is to be hoped that the Government of India will satisfy itself regarding the reality of the improvements alleged to have been effected by State tenants under the

**Bombay system.** One word of caution is, however, no doubt necessary. Under the former law, as expressed in Sec. XXX. of Act I. of 1865, corresponding with Sec. 106 of the Land Revenue Code, it is stated categorically that improvements made from private capital and resource should not form the ground of revised assessment. No doubt a certain amount of capital has been expended in different places on the faith of this assurance which was made, be it observed, about the time when the correspondence above quoted took place. Those who so invested their capital and resources could never have dreamt that this assurance, which they must have regarded as their agricultural charter, would ever have been modified, as it has been modified, by the subsequent provisions contained in section 107 of the Land Revenue Code; and if any attempt be made, at any revised settlement, to tax the capital so invested, there can be little doubt what the persons concerned will then think about it. The subsequent proviso (c) declares that a revised assessment may similarly be imposed with reference to any improvement "which is the result of the ordinary operations of husbandry." A more elastic and convenient phrase could not easily have been invented. It will cover all the ordinary kinds of reclamation, and will include not only the conversion of unassessed waste into arable land, but all farming operations which fall under the general term of high farming. This comprehensive rule explicitly declares that all such improvements will be liable to taxation. Can any more fatal and suicidal land policy be possibly conceived than this? Not only are all improvements of the nature of irrigation works made taxable, but proper farming is, under the operation of the rule quoted, absolutely prohibited except at the price of the land being made subject to a revised assessment at the absolute discretion

of the settling officer. It is true that Sir Philip Wodehouse in 1874 insisted upon laying down fixed limitations to the discretion of the Survey officers, but these limitations are not embodied in the law, and merely depend upon the policy of the Government for the time being. Sir Philip Wodehouse also sanctioned a scheme by which unarable lands, included in the area but excluded from the assessment at the first settlement of a ryots' holding, were to be exempted from all additional taxation for the reason that the conversion of unarable into arable land was due to the labor of the ryot, and ought therefore to be regarded as an improvement exempted from taxation within the meaning of Section 30 of Bombay Act I. of 1865. But that liberal ruling, which seems to have been based both on good law and good sense, was overruled by the Government of India, doubtless on the ground that a liberal interpretation of Section 30 might form a very inconvenient precedent. The action of the Government of India on that occasion could, under the existing law, be amply justified, as the case is clearly covered, by proviso (c) attached to Section 107 of the Land Revenue Code.

The facts quoted abundantly show that the present law and practice of assessing all agricultural improvements has not been adopted in Bombay without a struggle. There are many traces in the official correspondence of liberal and reasonable counsels on this extremely important subject. But the broad fact remains that the moderate counsels have been overruled, and that the existing law on the subject of assessing improvements gives the most absolute power and discretion into the hands of the settlement officer. How this discretion is in practice exercised is abundantly clear from the revision settlements in the Southern Mahratta country where improvements have been



systematically taxed and the assessments enhanced enormously.

I have discussed in some detail the Bombay law and practice because, in my opinion, it furnishes the best illustration in India of the "Indian theory" of tenant's improvements described by Sir Steuart Bayley. My general opinion of this theory has been already stated in no ambiguous terms, and the best test of the merits of this theory is to be found in the ruinous effects which have already taken place. Major Prescott pointed out in 1867 that in Neriad the most highly cultivated Taluka in Gujarat, of the whole cultivated area less than 1-10th was irrigated, although the facilities for well irrigation are, perhaps, unique in Western India, and although 1-3rd of the whole area ought to be protected by such irrigation. This one fact will afford some measure of the disastrous consequences which have already attended the Bombay policy of taxing improvements, and the slightest reflection must convince any reasonable person that the avowed policy of taxing improvements can only have one result, *viz.*, to prevent improvements from being made, and to damage seriously the agriculture of the country. The taxation of improvements is, we believe, a principle entirely foreign to Wingate's system. The true doctrine on the subject is that which is laid down in Section XXX. of Act I. of 1865, which declares that a "revised settlement shall be fixed not with reference to improvements made by the owners or occupants from private capital and resources during the currency of any settlement under this Act, but with reference to general considerations of the value of land, whether as to soil or situation, prices of produce or facilities of communication."

The present system which is legalised by the provisos

invention of a recent school of settlement officers, who have made much use of one ambiguous passage of the late Sir George Wingate. I believe that that eminent officer would have been the first to repudiate the unscrupulous use which has been made of his well known comparison between water wealth and mineral wealth ; and the general right of Government to levy a royalty on water. He would undoubtedly appeal to the rule embodied in section 30 of Act. I. of 1865 as containing his matured views on the subject, and would have been puzzled to understand how so reasonable and sensible a rule could possibly have been distorted into its present shape. The recent enhancements so much complained of in Bombay have been caused mainly by taxing improvements, and if improvements were really exempt, as provided by Act I. of 1865, section 30, and section 11 of the new Land Improvement Loans Bill, there would be practically very little occasion for any resettlement to be made at all. There are several other ways of providing for the legitimate interests of Government, besides the particular way adopted in Bombay of taxing improvements. Nothing can be simpler than to arrange for a reasonable percentage increase of existing rates at the expiration of the present settlements in all cases in which any increase at all is deemed to be desirable with reference to general considerations of any increase in the current value of land, whether as to soil or situation, prices of produce or facilities of communication. If this percentage increase were a fixed increase determined by Government on the general considerations above mentioned, and publicly announced not later than five years before the expiration of the current settlements, enormous relief and advantage of every kind would accrue to all classes connected with the land. All business relations could then adapt themselves with some degree of certainty to the

new conditions, and there would be some sort of guarantee that the assessment would not be arbitrarily raised on grounds which not one person in a hundred is in a position to understand.

No doubt the question of the best mode of securing the interests of the State is a question of the greatest interest and importance both to Government and the community. I yield to no one in a desire to protect in every way the legitimate interests of the State. All that I contend for is that the particular way adopted in Bombay is a bad way and simply ruinous to the interests of agriculture. The broad question at issue in this correspondence has in one shape or another been perpetually debated since the commencement of British rule; and to all who are interested in the subject I would invite attention to the interesting and suggestive correspondence which passed in Bengal in connection with the settlement of the ceded and conquered Provinces. (See Bengal Revenue Selections, Vol. III., 1826.) Among the papers which have been printed in these interesting selections is an admirable minute by Mr. Stuart, dated 18th December 1820. (Selections, Vol. III., page 214.) In this minute a very ingenious plan is proposed for reconciling as far as possible the public interests and those of the cultivator by means of a fixed but very moderate annual rate of increase, subject to the proviso that no levy of the proposed increase shall commence or having commenced shall continue "whenever the proprietor shall be able to show that he does not derive from his estate a sum equal to 30 per cent upon the gross income."

The proposed scheme is thus stated by Mr. Stuart:—

"In order to correct one great evil of the system, that is, the frequency of the settlements, without adopting the opposite extreme of an assessment fixed in perpetuity, settlements for lives, or for very long periods have been proposed.

"Such a plan would unquestionably be highly advantageous to the

zemindars, compared with short settlements ; but seems, notwithstanding, open to formidable objections.

“ If the uncertainty of the demand be not remedied, a long settlement will only be a respite from the disastrous consequences which may ensue upon a new settlement ; when at last it may come ; and the zemindars must live in constant dread and anxiety of the approach of that fatal period.

“ The precarious condition of families upon such a tenure is manifest. They would often, no doubt, rise to ease and affluence during the long interval of exemption from increase : but when the expiration of their term should arrive, they would be reduced to comparative poverty and distress.

“ By frequent settlements, the demand, however severe, is imposed by degrees, and men become gradually inured to the burthen. They have seen nothing better, and their wretchedness is, at least, not aggravated by comparison with a happier state.

“ With long settlements, it is to be feared that prosperity and happiness might often be called into being, only to be annihilated by a new assessment. A new settlement might fall upon families as sudden ruin, reducing them from an ample to a scanty income, destroying the comforts and enjoyments which affluence had yielded, and repressing all the habits and notions which it had formed. Such a system might often operate as a confiscation or revolution.

“ Viewed in the most favourable light, lands held under a long settlement would be only regarded as a mere leasehold tenure, which, instead of improving by the lapse of time, would every day be losing a part of its value.

“ After much reflection on the subject, a plan has occurred to me which would enable the Government to reserve its rights, and afford, at the same time, a reasonable protection to the interests of the landholders.

“ Supposing, then, a settlement of an estate to have been made upon the best information procurable, I would suggest that it be further made liable to a small fixed annual proportion of increase to the Jumma.

“ Let it be declared, for instance, that from a given time after the settlement (say ten years), estates shall be liable for a given period (say twenty years) to an annual increase (at the rate of, say, one-half per cent) upon Jumma of Government that such rates of annual

increase shall, at the end of the first twenty years, be advanced an additional half per cent, and so on every successive twenty years.

“ Provided always, that no levy of the proposed increase shall commence, or having commenced shall continue, whenever the proprietor shall be able to show that he does not derive from his estate a sum equal to thirty per cent. upon the gross income.

“ If we are allowed to indulge hopes of the advancement of the country in prosperity and wealth, such a plan would hold out a prospect of an important addition to the public revenue, within a period not excessive for a Government to contemplate, with an unlimited power of raising that revenue, in course of time, to any amount required by the public exigencies, and compatible with the resources of the lands.

“ I contemplate it as a further important advantage of the scheme, that it would, in effect, save the Government from the serious measure of assigning its dues from the land for ever, and irrevocably to one, and that comparatively a confined class of the community; and that it might thus prevent the evils and inconvenience with which that sacrifice might be attended. It is obvious that if, in the progress of time, the Government should find itself enabled to dispense with any portion of its land revenue, it might make an abatement from its demand in favour of the chief engagers of any intermediate classes, or of the great body of the cultivators, as experience might show, was necessary for the interests of any particular class, or conducive to the general good of the whole community.

“ Any sacrifice of this nature might be made conditionally, reserving to the Government the power of re-imposing any portion of the land revenue which might have been remitted, if the exigencies of the State should require the revenue to be again raised.

“ Any portion of the revenue which the Government could spare might, from time to time, be usefully employed in relieving estates too heavily assessed.

“ To the chief engagers with the Government the benefits of the plan, as compared with any mode of assessment short of a perpetual settlement, seem apparent.

“ It would protect the landholder from that great source of dread and anxiety, the constant recurring demand of a wholly uncertain increase.

“ He would know that, at the worst, he could be called on only for a very small annual fixed increase, by the payment of which



he would have it in his power to defend himself from all inquisitions into his profits, and from all pretences of the native officers to exact bribes from him on that ground.

“The plan would also, at the commencement, give the landholder all the advantages of a long settlement, in proportion to the period of respite allowed after the final adjustment of his Jumma. I have suggested ten years for that period ; but, of course, any longer one may be adopted if judged expedient.

“As the increase would require a life-time to rise to importance, it would not be contemplated by the individuals with dread or alarm. Its gradual progress would likewise prevent its inconvenient operation on the habits and condition of families.

“To these benefits of the smallness and slowness of the demand, and of the entire certainty of the amount, is to be added the pledge, that no increase whatsoever shall be levied, so long as the landholder shall not derive from his estate a sum equal to thirty per cent. upon the gross income.

“The landholder would thus be sure that his income could never be reduced below a considerable portion of the assets of his estate, while he would be permitted to enjoy the whole excess beyond that proportion not absorbed by the progressive increase. Now, looking to the slow rate at which the increase would proceed for a long course of years, an estate must be very incapable of improvement which would not yield a growing profit to the landholder for a long course of years after the settlement. If so, the plan would hold forth to the landholders the most powerful incentive to improvement.

“It may be alleged against the plan, that it does not, more than that of periodical settlements, promise the landholders an absolute protection from uncertain exaction ; since, if errors should be committed, the percentage of increase may from the beginning encroach on the profit left to the landholder at the settlement and that in time, though, indeed, in a long time, the encroachment might become of serious amount ; that entire confidence could not be placed in the value of estates over which an uncertain demand would thus depend.

“The objection is, no doubt, valid to its extent : but admitting that the most moderate reliance could be placed on the integrity and ability of the British public officers, it will be seen that its extent is very limited.

“When it shall be considered how slight the amount of over-exaction from this cause must be, which could take place at any given

period, how long a time must elapse before errors could accumulate into importance, and how frequent must be the opportunities for correction, it will be conceded that the evil from this source could never be formidable in itself, nor even produce alarm or mistrust in the minds of the people.

“ The scheme is further open to what may be thought a far more serious objection. Allowing ten years for the period of exemption from increase after the formation of the settlement, the progress of the increase would be as follows :

“ At the end of thirty years the increase might be ten per cent. on the original Jumma ; at the end of fifty years, thirty per cent. ; at the end of seventy years, sixty per cent. ; of ninety years, one hundred per cent. ; at the end of a century the increase might exceed the original Jumma, and obviously must finally overtake any possible augmentation in the assets of estates. The whole profits of estates above thirty per cent. of the assets would be subjected to the demand of the Government, and the Zemindars, in respect of the excess, placed in the situation in which they stand.

“ It would be easy to diminish the force of this objection, by proposing a more complicated arrangement ; but it would seem preferable to leave the matter to the prudence of future Governments. The plan aims at encouraging the landholders to look forward with hope and confidence for nearly a century ; and, ultimately, to restore unimpaired to the Government the unshackled power of taxation and of remission of taxation. To attempt more would be to exceed the reasonable bounds of prospective legislation.

“ I do not know that my plan may not have to encounter an objection of a very opposite nature to that of its being unfavorable to the landholders. Whether it may not be urged against it, that the improvement of the land revenue, which it promises, is inadequate to the reasonable expectations of the State.

“ To such an objection I should first answer, that I only propose the scheme as applicable to estates which may be judged ripe for permanency of settlement. That the scheme is not meant to apply to estates on tracts, which hold out any just and solid hope of improvement consistent with a large and rapid augmentation of the revenue.

“ But I should also observe, that a great portion of the ceded and conquered provinces is indisputably very heavily assessed : that

according to all concurring opinions, neither the means, nor perhaps the feelings of the landholders and agricultural population of those provinces, will admit generally of any but the most moderate and gradual increase of the revenue. To the greater part of those provinces, therefore, I hold to be applicable a scheme which balances between the two extremes of renouncing for ever the essential prerogative of imposing or remitting taxation, or of continuing, by undefined exaction, to press upon the resources, the hopes, the spirits, and the affections of the people."

It seems to me that some plan of this sort will go far to meet the admitted difficulties of the situation, and now that the whole question of re-settlement is under discussion, I think that it may not be inopportune to invite attention to what seems to me to be a very valuable suggestion. In carrying out this or any other plan that may be suggested, many difficulties will no doubt be found, but Mr. Stuart's scheme has at any rate the cardinal merit of efficiently protecting all interests concerned, and of obviating all necessity for revision survey and re-settlements.

In conclusion it only remains to point out that matters cannot well be left any longer in their present position, for it is quite clear that section 11 of the new Agricultural Loans Bill is, as it stands, in direct opposition to Sec. 107 of the Bombay Revenue Code. A good deal of stress was laid by the Famine Commissioners on the importance of effecting a precise and permanent understanding on the subject of assessing improvements, and of ratifying such understanding by means of a formal legislative enactment. Legislation is no doubt in the highest degree important if based on sound principles. If not, it is far more mischievous and far reaching in its effects than any executive rules which are susceptible of modification from time to time. If my opinion of the Bombay rules be even approximately correct, it is clear that the Bombay Government has no cause for congratulation in being the only Government which has

as yet legislated on the subject. One other remark on the subject must also in fairness be made. The object of ratifying by law the precise and permanent understanding contemplated by the Famine Commissioners is to protect the material interests of Government and the cultivators. But in order to make such a law really effectual for the protection of the cultivator's interests, it must be capable of being enforced against Government whenever necessary. To enact a law which cannot be so enforced seems to be an act of very doubtful expediency. This, I fear, is much the position of the Bombay law referred to. It cannot possibly be appealed to or enforced against Government in the face of section 4 of the Revenue Jurisdiction Act which declares that

“ Subject to the exceptions hereinafter appearing no Civil Court shall exercise jurisdiction as to any of the following matters : —

“(a) . . . . .

“(b) Objections—

to the amount or incidence of any Assessment or Land Revenue authorized by Government, or

to the mode of assessment, or to the principle on which such assessment is fixed, or

to the validity or effect of the notification of survey or settlement or of any notification determining the period of settlement.”

The proviso to this section 4 of Act X. of 1876 declares that “ if any person claim to hold land wholly or partially exempt from payment of Land Revenue under—

(h) Any enactment for the time being in force expressly creating an exemption not before existing in favour of an individual or of any class of persons, or expressly confirming such an exemption on the ground of its being shown in a public record or of its having existed for a specified term of years, or

(i) . . . . .

(j) . . . . .

(k) . . . . .

Such claim shall be cognizable in the Civil Courts.

Among the illustrations to (h) above quoted No. 5 is as follows :—

“(5.) It is enacted that assessment shall be fixed with reference to certain considerations, and not with reference to others. This is not an enactment creating an exemption in favour of any individual or class ; and no objection to an assessment under such an enactment is cognizable in a Civil Court.”

The sections quoted abundantly show that effectual steps have been taken to prevent the possibility of any question being raised to limit the absolute discretion of the Settlement Officer.

Under these circumstances the protection afforded to the cultivator is wholly illusory, and if it be in contemplation to legislate on similar lines for other parts of the Empire it will be well to enquire first how the law stands in each place on the subject of withdrawing all settlement operations from the cognizance of the Civil Court.

If it be the case, as I believe it is, that similar provisions are in force in other parts of India, it should be considered whether any advantage is to be gained by embodying a precise and permanent understanding on the subject of assessing improvements in the shape of law. The only protection which the peasant cultivator asks for is the protection of the civil law of the land ; and as long as the usual civil remedy is withheld, he will be unwilling to risk his capital on the strength of any precise and permanent understanding, however ingeniously expressed, to which he cannot appeal.



## A P P E N D I X.

### THE LAND IMPROVEMENT LOANS ACT.

*(From the "Bombay Gazette," December 12, 1883.)*

The debate in the Vicerégal Council on the Land Improvement Loans Bill, which passed through its several stages a few weeks back, was of a very interesting character. The various points which were raised in it related to questions of high State policy on which depended the future of Indian agriculture and the welfare of the millions engaged in it. Whether it was the intention to deal with the subject of agricultural banks, or of the application not merely of State loans, but of private capital, to the improvement of land, at some future period, or only with the question of State loans for the present, the course of the debate showed that our legislators were endeavouring to grapple with some of the highest problems of practical Indian statesmanship. It is an acknowledged fact that the condition of Indian agriculture has been far from satisfactory. Its neglect has been often ascribed to the fact that the State landlord, while exacting every anna of revenue from the soil, has not always—even with the best intentions—treated the tenant so as to encourage him to make improvements, in the full confidence that he would enjoy their fruits without sharing them with the tax collector. The British Government in India can scarcely boast that it has made the Indian ryot grow two blades of grass now where he grew one before. Any effort made to wipe away this reproach must carry the sympathy of every one who wishes well to the people of India and prosperity to its revenues. The Land Improvement Loans Bill is a measure conceived in this spirit, and as such has our hearty approval. Various inquiries have made it tolerably clear that one of the chief causes of unwillingness on the part of the ryot to improve his land is the fear that Government on the expiry of the current settlements would tax such improvements and deprive him of the full benefit of the labour and capital expended on them. This fear has taken a firm hold of his mind, and has deterred him from constructing such works as wells and tanks, which go far in India to protect him from the effects of long-continued droughts. The new measure, therefore, is intended to disabuse the cultivator in

India of this impression so far as improvements made from loans obtained from the State are concerned.

It has been found that loans offered by the State under the Taccavi Acts at present in force all over the country have not been availed of to any considerable extent. The Famine Commission carefully noted this fact, and forcibly pointed out in their Report that no single measure was calculated to afford a better protection against famine than successful undertakings to increase the productive powers of the soil. Among undertakings of this kind in India, the construction of wells, tanks, and other works for the storage, supply, and distribution of water has in all ages been looked upon with favour and approval by the rulers. The Commissioners accordingly urged in their Report the desirability of the Government of India taking such steps as would remove the existing obstacles to the ryots taking full advantage of the proffered help of the State. The subject has had the serious consideration of the Government of India, and the Bill passed in the Viceroyal Council is the outcome of the proceedings adopted by the Government on the recommendation of the Famine Commission. In the course of the debate Sir Stuart Bayley described the various steps which the Government of India had taken to carry out the views of the Commission. It appeared from Sir Stuart Bayley's remarks that Mr. Crosthwaite had been consulted on the subject, and that he had drawn up a rough sketch of the lines on which legislation might be based. Mr. Crosthwaite proposed to provide for a registry of all improvements made by ryots during the currency of existing settlements. The value of these improvements was to be settled by a Committee of arbitrators. He proposed to divide improvements into two classes, namely, (1) quasi-permanent improvements of a costly nature, and (2) temporary improvements, partaking more of the nature of reclamations. The first class of improvements he proposed to exempt altogether from assessment; with respect to the second class, he provided for an exemption for a limited period, say five years, after which the tenant or the author of the improvements was to be reimbursed by being permitted to deduct  $6\frac{1}{2}$  per cent. of the cost from the full assessment of the land. Thus these proposals, without in any way neglecting the interests of the State, leaned on the side of liberality and encouragement to those who made it worth their while to improve the productive powers of the soil by expending capital and labour, whether their own or borrowed, under the belief that they would fully benefit by it. When, however, Mr. Crosthwaite's proposals came to be considered in the Select Committee, they appeared to run counter to the official view, that the Government is a joint proprietor with the landholder, and is by ancient law and custom of India entitled

to a share in the produce of every beegah of land. According to this theory, the total exemption from taxation of permanent improvements would deprive the State of the revenue that would otherwise accrue to it from the land being liable to increased assessment on account of its improved character. The English theory, it is true, permits the tenant to enjoy the full benefit of the improvements introduced by him, and is in this respect opposed to the so-called Indian theory. Mr. Crosthwaite's object was to do that which public policy required to be done in this country, namely, to encourage ryots in the improvement of their land, rather than to aim at the increase of revenue. And Sir Steuart Bayley, to do him justice, made the following admission :—

"In this view, as a matter of expediency, I most fully concur. I think it would have been very possible to arrange the two conflicting theories upon some such terms as these, if we had gone on and proceeded to legislate." But his chief objection to Mr. Crosthwaite's proposal was that it was difficult to distinguish between the two classes of improvements ; it was hardly possible to draw a line where the one class ended and the other began. The question, again, was intimately connected with the much larger question relating to the whole principle of resettlement in Northern India, which was at that time under reference to the Secretary of State. In making the reference the Government of India expressed themselves generally in favour of exemption from assessment of improvements by landholders, and the Secretary concurred in the principle in equally general terms. Sir Steuart Bayley, however, further proceeded to inform the Council that the general question, including the special point of assessing improvements, "is now under the consideration of the local Governments." Referring, therefore, to section 11 of the Bill, which, as it originally stood, exempted improvements from taxation, Sir Steuart observed : "When, therefore, section 11 was introduced in Select Committee, I had very great doubts as to whether it ought to be accepted. Not because I doubted the principle of it ; I quite accepted and most strongly endorse the principle that, as a matter of policy, we ought as a rule to secure to the improver the full value of his improvement ; but for the reason that the general question was then under the consideration of the local Governments, and that it appeared to me that modifications might have to be made by each local Government." It also became apparent that if one policy were adopted in respect of improvements made by money borrowed from the State, the policy in regard to improvements made from private capital could not be different. Sir Steuart Bayley's views, however, did not find favour with the majority in the Select Committee. Meanwhile it appeared that even in regard to the general principle of non-

taxation of improvements, that principle, if carried out, would result in a general diminution of assessments and consequent loss to the State, in the case, especially, of waste lands, which, as in the Punjab, might be made irrigable by a slight expenditure of money. The present practice in the Punjab is to give an exemption for twenty years. Under these circumstances the plan recommended to the Legislature was that it was far more important to improve existing cultivation than to bring additional land under plough, and on this principle an amendment to section 11 of the Bill was carried. It was to the effect that where the improvement consisted of the reclamation of waste land or of the irrigation of land assessed at unirrigated rates, the increase might be so taken into account, after the expiration of such period as might be fixed by the rules to be framed by the local Governments with the approval of the Governor-General in Council.

These were the chief points of the debate. Section 11 of the Bill, as it originally stood, exempted all tenants' improvements made with their own or borrowed money. The objection to this was that the provision was too elastic, and that the effect of it would be to cause a loss of revenue to the State, consequent on improvements made with small capital and little labour, as in the case of the reclamation of waste lands. It was, however, admitted both by the Viceroy and Sir Steuart Bayley that in districts where the land was wholly taken up and cultivated, where the population was large and the margin of waste small, it would be better for Government to act upon the broad principle of exemption. The Viceroy was distinctly of that opinion. "I think," His said Excellency, "that if a tenant, by his own exertion, and the expenditure of his own capital, adds to the letting value of my land, I ought, if he leaves his farm, to compensate him for the additional letting value of the land of which I am about to take possession. I think that is a perfectly sound and just principle with respect to land under full cultivation, because although it is, I know, said that there are two factors in the results of all improvement, namely, the expenditure of the tenant's capital and labour and the inherent qualities of the soil, in the case of cultivated land this second factor should not, as it seems to me, be regarded as constituting an appreciable element in the calculation of the value of a tenant's improvements. For the right to enjoy the inherent qualities of the soil is already covered by the payment of his ordinary rent, and the advantage to the letting value of his land arising from his improvements may therefore be treated as resulting only from his expenditure of capital and labour, and may fairly be taken as the measure of the compensation which should be given to him in respect of such improvements when he quits the land." In theory



probably no exception can be taken to the soundness of this doctrine, but the great point is to observe it in practice. It may be admitted that in the case of reclamation of waste land brought about by a small expenditure of capital and labour, it would perhaps not be a wise policy for the State to give up all prospective increases to revenue after the improver has had his fair share of compensation ; but in the case of districts where cultivation has reached almost its extreme limits, and where the improvements were of a solid and permanent character, and had cost a good deal of money to the improver, it was at best doubtful whether section 11 of the Act would stand him in good stead. There are many districts in this Presidency in which the benefits sought to be conferred by section 11 will at best be of a problematical character. At all events they will depend very much upon the view that the settling officer for the time being takes of the nature of the land, and the interpretation he puts upon section 11. The difficulties, at all events, are hardly less formidable than those pointed out in the working out of Mr. Crosthwaite's classification of improvements. On the whole it seems to us that that part of the amendment of Section 11 which has reference to lands in full cultivation will require to be put in force with great care if the object is to give encouragement to land improvement. How far the section will affect this Presidency we will take occasion to consider hereafter.

## ASSESSMENT OF IMPROVEMENTS.

*(From the "Bombay Gazette," December 29, 1883.)*

In the debate in the Viceregal Council on the Land Improvement Loans Bill, the Hon'ble Mr. Hope drew attention to a provision in the Bombay Land Revenue Code which, if literally carried out in course of revision of settlement operations, could not fail to affect in a serious manner the future of agricultural improvements in this Presidency. He remarked that although under the Bombay Code no assessment was to be levied with respect to improvements made during the currency of a settlement, yet proviso (b) of section 107 of the Code gave permission to settlement officers to take such improvements into consideration at the time of the revision. That means that settling officers would be perfectly justified in taxing improvements, if they were so minded. Mr. Hope admitted that in districts where cultivation had reached its full limits, where the population was a tax on the resources of the land, and where the land assessment was already heavy, it would perhaps not be



worth the while of the settlement officer to make any increase in the assessment at all. But the right of the State to make such increase must, according to Mr. Hope, be laid down clearly and definitely in the law. Mr. Hope further remarked that some persons might fear that, under the right thus reserved to the State, capital would not be forthcoming for investments in improvements. It was his impression, however, that such a result had not followed in the Bombay Presidency, and that statistics could be given to show that an enormous increase of wells and other similar improvements had taken place under the thirty years' leases. These remarks of Mr. Hope's are likely, we think, to have an important practical bearing upon the action of settlement officers on the one hand and on the ryots' stake in the agricultural improvements on the other in this Presidency. It may therefore be well to see how the facts really stand.

It is needless for us to state that the most ordinary form of land improvement known to ryots in this Presidency is the sinking of wells. But the ryots, fearing that such wells would be assessed at special rates at the time of the next revision, have been always chary of investing their capital in such undertakings. Be it said to the credit of the Bombay Government, however, that they have done much in the past to encourage the sinking of wells by offering to exempt them from assessment. "I think it must be admitted," wrote Sir Barrow Ellis in 1865, "that the taxation of wells not constructed by the State is a deviation from the broad principles of the Bombay Survey. All wells built hereafter by individuals will be free from taxation. It seems hard that wells similarly built by individuals, but before the advent of the Survey, should be placed at a disadvantage, and subjected to heavier taxation for no reason save that their owners were in advance of their neighbours in employing their capital in agriculture." This statement on the part of Sir Barrow Ellis, that all wells built hereafter by individuals will be left untaxed in the future, was embodied in section 30 of Bombay Act I. of 1865. That section provided that such revised settlements should be fixed not with reference to improvements made by the owner or occupants from private capital and resources during the currency of any settlement under the Act, but with reference to general considerations of the value of the land, whether as to soil or situation, prices of produce, or facilities of communication. Thus the tendency of the opinions entertained by the then school of revenue officers was in favour of affording all possible encouragement to the sinking of wells. "There can be no greater inducement," wrote the Government of Bombay on the 24th June 1866, "to the sinking of wells than the exemption of the same from assessment."

all wells from assessment. Of course this exemption could not affect retrospectively assessments now being levied, but whenever a revision takes place, the Survey commissioners and superintendents should consider whether the special rates imposed on existing wells may not be got rid of without a great sacrifice of revenue." The Bombay Government of 1865 was not content with a mere expression of these views. It desired that the fullest publicity should be given to its wishes, and accordingly circulars embodying them were sent round by the Commissioners of divisions to the district collectors, and by the district collectors to the mamlatdars; and in this way the word of Government was pledged to the mass of the peasantry in Gujarat in the north and the Deccan and the Southern Mahratta Country in the south. Personally, too, the district collectors exerted their influence in a similar direction, and encouraged the ryots in the sinking of wells by assuring them that such wells would not be taxed in future. To this circumstance mainly was due the construction of numerous wells in Gujarat and other parts of this Presidency to which Mr. Hope referred in his speech. If the honour and word of Government were not pledged in favour of this exemption, it is ten to one that we should not have witnessed the existence of so many wells. But these liberal counsels did not continue to influence Government for any length of time. On the contrary a retrograde policy seems to have moved the Government about the time the Bombay Land Revenue Code came to be enacted, nine years ago. Section 107, proviso (b) of the Land Code laid down that in spite of the exemption provided for in the previous section, nothing in it should be held to prevent a revised settlement being fixed with reference to the value of any natural advantage when the improvement effected consisted only in having created the means of utilizing such advantage. This proviso was in utter disregard of the views of many experienced district officers, who held that it was a violation of the liberal policy which had received the sanction of the Legislature in Act I. of 1865. Mr. Norman wrote:—"Omit this section. (a), (b), and (c) will lead to endless disputes and litigation." Mr. Monteath "would omit clause (b) as likely to interfere with the liberality of the previous section." Mr. Alexander Grey remarked that the section "requires more definiteness. Wells and tanks dug with private capital should be exempted. G. R. 3618 of 14th July, directing that drains, &c., may be constructed with the Collector's permission, and that a special rate may be levied for them, should be legalized, as otherwise no such increase of assessment is allowable during the term of the settlement." The result is that ever since the passing of that provision in the Land Revenue Code, which sets a trap for the

unwary authors of improvements, the ryots in this Presidency have grown more than ever suspicious of the real intentions of Government, and have been slow to invest their capital in wells. The first question that arises in the mind of Ramji bin Raoji, when inclined to sink a well, is whether in the revision survey the settling officer will not come down upon him and say: "You, Ramji, have built a permanent well during the currency of the last settlement, and your field, which has hitherto been assessed at dry crop rates, will be hereafter assessed at garden rates." Ramji has possibly only just succeeded in repaying the money he has borrowed for the purposes of the well, and is only just beginning to obtain any benefit from the improvement he has carried out, when he is called upon to pay to Government an assessment which may vary from Rs. 6 to Rs. 12 per each water-bag, called "mot" in the Deccan and "kos" in Gujarat.

It is strange, however, to find that while the Bombay Land Code thus discourages the sinking of wells, the course adopted by the executive officers in the districts has been in the direction of a liberal treatment. An instance which has just come to our notice aptly illustrates our remark. In Gujarat, where cultivation has, in some districts, reached the extreme limit, the improvements in agriculture have taken the form of wells. These wells are of several kinds. In the first place, there are masonry wells, built at a cost varying from Rs. 500 to Rs. 1,500. These wells are treated as improvements, and as such exempted from present and future assessments. The second class comprises wells which, although of masonry, have not been built up to the top, and are without troughs. Then, again, there are wells built of burnt tiles and mud, known generally by the name of "khundia" wells, which cost from Rs. 200 to Rs. 500 to build. Such wells were hitherto classed as "kutchas" wells, and were subjected to a heavy assessment. Where, however, the money necessary to build a well is not forthcoming the ryots have recourse to unbuilt pits, the sides of which are supported by gabions of wicker-work, grass, &c., on wooden rings, costing altogether from Rs. 60 to Rs. 100. Beside these, there are pits occasionally sunk in the ground without any capital worth naming. The last mode of irrigation to which the ryots have recourse is by means of water-lifts. Hitherto it was the practice of the Survey Department to assess all "kutchas" wells at rates varying from Rs. 6 to Rs. 12. Such "kutchas" wells, however, are seldom made use of by the ryots in the irrigation of valuable crops, such as sugar-cane, tobacco, ginger, plaintains, for the simple reason that there is great risk of their falling in; they are generally used for the irrigation of dry crops. Considering that upon the success or



failure of such crops depend the real results of the season, an assessment of Rs. 3 or 4 per acre must press very heavily upon the ryots. A cultivator who has no capital for extensive irrigation grows chillies, for instance, in one corner of his field, tobacco in another, brinjals in a third, and so on. The incidence of the well-cess in such a case is crushing. If water facilities were allowed free of charge, there is little doubt that many little crops of vegetables would be raised in ordinary seasons, while in case of deficient rainfall the cereal crop would be saved. Influenced by these considerations, Mr. Sheppard, the Commissioner, N. D., directed last year that all built wells, whether "khandia" or "kutchia," should be treated as "pucka" wells, and exempted from assessment. It is to be hoped that this wise and beneficent action on the part of our Government will not be allowed to be checked by such nice interpretations as the Hon'ble Mr. Hope put on the theoretic rights of Government, and that that course which commonsense and good policy alike have suggested as the one best calculated to promote agricultural improvements in this Presidency will be persevered in, and openly declared. The importance of discussing this question cannot be overrated, when it is borne in mind that the first of the thirty years' settlements in this Presidency will shortly expire in Dholka in Gujarat, and that the whole policy of assessing private property in wells will have to be reconsidered from a practical, business-like point of view.

## THE NON-ASSESSMENT OF IMPROVEMENT.

(From the "*Bombay Gazette*," January 1, 1884.)

The following papers have been sent us for publication :—

REVENUE DEPARTMENT,  
BOMBAY CASTLE, 10th November, 1881.

Letter from the Commissioner in Sind,  
No. 2202, dated 18th June, 1881.

Joint letter from the Commissioners, Central, Southern, and Northern Divisions,  
and the Survey and Settlement Commissioner, No. 2725, dated 28th Sept., 1881.

Note by the Commissioner, N. D.

Submitting the report called for by Government Resolution No. 1389 of 8th March, 1881, an extract section 3, Chapter IV., of the Report of the Indian Famine Commission, Part II., regarding

Government loans to facilitate land improvement.

RESOLUTION.—Government are unable to see that any discouragement to improvements made by private capital need be caused by section 107, clause (b) of the Land Revenue Code. Government are competent at any time to declare how they

interpret that clause, and to notify that it will not be held to apply to any particular class of improvements. Government are now prepared to give a general assurance that clause (b) will not be applied to wells dug at the expense of the owner or occupier of the soil. In the same way, in any other specific case, Government will decide, at the request of an applicant for an improvement loan, whether the clause applies to his project or not. Government are also willing to give general application to the two rules as to wells in force in the Deccan and Southern Maratha Country (Nairne's Hand-book, page 1589). The Survey Commissioner may prepare a notification in accordance with the above views, and report whether any modification in the way of greater liberality or security is called for.

## REVENUE SURVEY AND ASSESSMENT.

No. 1028.

REVENUE DEPARTMENT,  
BOMBAY CASTLE, 25th February, 1874.

Read again the following papers :—

Letter from the Survey and Settlement Commissioner, S. D., No. 1900, dated 17th November, 1873, soliciting, with reference to the revision of settlements in the Southern Maratha Country now about to be commenced, a reconsideration of the orders contained in Government Resolution No. 4050, dated 22nd August, 1871, regarding the assessment of well lands. Memo. from the Survey and Settlement Commissioner, N. D., No. 2247, dated 5th December, 1873, submitting remarks on the above.

Memo. from the Revenue Commissioner, S. D., No. 160, dated 15th January, 1874, forwarding the above, and stating that he hopes to submit his views in a few days.

Memo. by the Survey and Settlement Commissioner, S. D., No. 124, dated 26th January, 1874, stating, in reply to a reference made, that no inconvenience will result from the postponement of a decision on the above question, which has no practical bearing on the revision settlements of this year.

Resolution of Government on the above, No. 520, dated 30th January, 1874.

Read also a memo. from the Revenue Commissioner, S. D., No. 304, dated 27th January, 1874, submitting, as promised in his memo. of the 15th idem, No. 160, his views on the letter from the Survey and Settlement Commissioner, S. D., No. 1900, dated 17th November, 1873.

RESOLUTION.—Colonel Anderson requests that the orders of Government in respect to the revision of the assessment on lands irrigated from wells may be reconsidered. He objects to them as involving a needless sacrifice of public revenue.

Those orders are—

1. That in the case of old wells constructed before the first



settlement, in dry ~~and arid~~ districts, all special water assessment should be abandoned, and the maximum jerayet rate alone levied.

2. That in the case of new wells constructed subsequent to the first settlement, the ordinary dry crop rate should be imposed, without any addition whatever on account of the new wells.

3. The question has now been very fully discussed. His Excellency the Governor in Council has no hesitation in re-affirming the second order, which has been approved of by the Secretary of State, which has already been productive of good results in encouraging the construction of new wells, and which is based on the broad and liberal principle laid down in section 30 of the Survey Act, namely, that improvements made during the currency of a settlement are not to be taxed.

4. The opinions that have been elicited during the course of the present correspondence convince Government as to the policy and expediency of the first rule. It was intended in the first instance to be applicable to the drier talukas of the Deccan **Collectorates, where the rainfall is, as a rule, light and uncertain.** His Excellency the Governor in Council is now pleased to decide that it should be generally adopted in the Deccan and Southern Maratha Country, but that the Survey Commissioners should at their discretion be empowered, in the case of districts where well irrigation has been carried on on an extensive scale, to impose an assessment which should in no case exceed a well assessment previously levied.

5. Boorkies of permanent construction are to be treated as wells. There is no objection to the plan which Colonel Anderson states he has adopted, of classing at a higher rate land within a certain distance from a stream from which water can be obtained by means of a boorkie. The same principle may be adopted in the case of land which is found to derive benefit from its proximity to a tank. This should form part of the regular process of classification, in order that it may be tested by the classing assistants in the same manner as other classification returns.

## WELL ASSESSMENT IN THE BOMBAY PRESIDENCY.

*(From the "Bombay Gazette," January 3, 1884.)*

We published a day or two ago copies of certain Government Resolutions on the non-assessment of wells. Those Resolutions afford a remarkable confirmation of all that we urged in our article on Saturday last. We showed that whereas on the one hand the departmental orders and resolutions of the executive

Government in this Presidency displaying a tendency to liberality by directing the exemption from assessment of wells constructed while the thirty years' leases were running, on the other the effect of the provision embodied in law in section 107 (b) of the Bombay Land Revenue Code tended to discourage the sinking of capital in them. And this view was further confirmed by what the Hon'ble Mr. Hope said in the Viceregal Council with regard to the assessability of improvements provided for in that section. We were not alone in holding that view. Of the Resolutions published by us, that dated the 10th November, 1881, indicates that the Famine Commission, of which the Hon'ble Mr. J. B. Peile was a member, held exactly the same view as that to which we gave expression on Saturday. In Section 3, Chapter IV. of their Report, part II. (page 145), the Commissioners observed that "we think it important that a precise and permanent understanding should be come to on the subject, and ratified by law." And it was, we think, because the provision in the Land Revenue Code did not contain such a "precise and permanent understanding on the subject," as was desirable, but, on the contrary, emphasised the "assessability of improvements," that the Commission recommended that rules and orders on the subject should be "ratified by law." No doubt the Bombay Government's Resolution of the 10th November, 1881, conveys an assurance to the holders of wells of the good intentions of our Government. But this is not enough, because, as was urged by the Famine Commission, these departmental orders, resolutions, and rules "have not the force of law." It is scarcely necessary to say that a departmental order or a Resolution of Government is one thing, and a provision embodied in a law quite another. Such orders labour under the disadvantage, to use the words of the Famine Commission, of being subject to retraction and change of view. At best their usefulness to the ryots is liable to be questioned. Who that knows anything of the administrative changes in our Government is not aware of the fact that the orders and resolutions of one Government are frequently upset by those of its successor, rendering a continuity of policy almost impossible?

It is well known that Sir Philip Wodehouse published a Resolution limiting the increase of assessment rates to 30 per cent. in revised settlement operations in certain Deccan districts. But it was never acted upon by Sir Richard Temple, his successor, and it has remained a dead letter ever since. In the matter of Local Funds administration, again, Sir Philip Wodehouse repeatedly sent orders to collectors to spend village local funds for the benefit of the villagers who paid the local cess. But Sir Richard Temple did not agree with this policy, and set aside the orders of his predecessor. If, then, as urged in the Reso-

lution of November ~~the~~ Government are now prepared to give a general assurance that clause (b) of Section 107 of the Land Revenue Code will not be applied to wells dug at the expense of the owner or occupier of the soil, why should not such an undertaking be embodied in the form of law? This would make the understanding precise and permanent. But it appears from this Resolution of November, 1881, that Government still desire to keep to themselves the power at any time to declare how they interpret that clause, from which it is evident that the understanding which the Famine Commissioners would insist upon between Government and the landowners is neither "precise nor permanent," and that it has not the force of law. Seeing that the practice is so uncertain, or at least of doubtful utility, are we to wonder at the backwardness of Ranji bin Raoji to sink his well, or at his fears and doubts as to whether, on the expiration of a term of settlement, he will be allowed to enjoy the whole profits of such improvement? It seems to us that the Government can do nothing better adapted to allay anxiety in the matter, and to set at rest all doubts and uncertainties, than to give their good intentions precision and permanency, and remove all danger of retraction and change of view. By this single act on their part, we venture to affirm, they will do more to encourage the construction of wells in the Presidency than any number of departmental orders and resolutions are likely to do. There is also another doubt entertained by landowners which should be set at rest by law, and that is whether such wells as have been sunk during the currency of the present term of settlement will be exempt from assessment only during the next revision operations and not thereafter. What is needed is to give legal effect to the good intentions of Government in the matter, so as to give an impetus to this most effective means of land improvement in this Presidency.

---

THE  
INCOME TAX VADE MECUM

COMPRISING

A SYNOPSIS OF THE ACT, IN ENGLISH, TAMIL AND TELUGU, AND THE ACT II  
OF 1886, AN EASY READING OF THE ACT; ALSO READY CALCULATORS AT  
4 AND 5 PIES ON A RUPEE AND THE BYE-LAWS OF THE GOVERNMENT OF  
INDIA AND THOSE OF THE LOCAL GOVERNMENT, NOT ONLY IN ENGLISH  
BUT ALSO IN TELUGU AND TAMIL FOR THE USE OF THOSE WHO HAVE TO  
CARRY OUT THE PROVISIONS OF THIS IMPORTANT ACT, AND TO HELP  
THE TAX PAYERS IN COMPREHENDING THE ENACTMENT.

COMPILED BY

A. GOVINDA ROW,

*Of late License Tax Department, Madras, now of the  
Income Tax.*

MADRAS:  
PRINTED BY ADDISON & CO., MOUNT ROAD.  
1886.

[All Rights Reserved.]

THE  
INCOME TAX VADE MECUM

COMPRISING

A SYNOPSIS OF THE ACT, IN ENGLISH, TAMIL AND TELUGU, AND THE ACT II OF 1886, AN EASY READING OF THE ACT; ALSO READY CALCULATORS AT 4 AND 5 PIES ON A RUPEE AND THE BYE-LAWS OF THE GOVERNMENT OF INDIA AND THOSE OF THE LOCAL GOVERNMENT, NOT ONLY IN ENGLISH BUT ALSO IN TELUGU AND TAMIL FOR THE USE OF THOSE WHO HAVE TO CARRY OUT THE PROVISIONS OF THIS IMPORTANT ACT, AND TO HELP THE TAX PAYERS IN COMPREHENDING THE ENACTMENT.

COMPILED BY

A. GOVINDA ROW,

*Of late License Tax Department, Madras, now of the  
Income Tax.*

MADRAS:  
PRINTED BY ADDISON & CO., MOUNT ROAD.  
1886.

[All Rights Reserved.]



THIS  
INCOME TAX VADE MECUM

IS

BY PERMISSION

RESPECTFULLY DEDICATED TO THE

HONORABLE R. W. BARLOW,

*Member of the Legislative Council,*

*MADRAS.*

*Collector of Madras and the Sea Customs,*

*The Protector of Emigrants, President of the Port Trust  
Committee, &c., &c., &c.*

AS A TOKEN OF  
ESTEEM AND REGARD

BY HIS

Dutiful and Obedient Servant

THE COMPILER.

## P R E F A C E.

As soon as the Income-tax Bill became law, it struck me that some such Manual as this would be useful to the class of persons who would be assessed under the Act.

It is also essential that the establishment employed to make assessments under the Act should thoroughly understand the enactment to enable them to work its provisions with moderation and justice. To this end, I have added Telugu and Tamil versions of the Synopsis of the Act wherein, I have not only brought out prominently the salient points of the Act but also put in explanatory notes on certain points, which I thought, would be of use both to the Tax collectors and payers.

The Manual would have been out long before this, were it not for my wish to embody therein the Bye-laws of the Government of India and those of the local Government, and as the rules were published only the other day, the publication of this Manual has been so long delayed.

I do not take any credit for originality. The Manual is only a compilation and all available materials have been put together, so that full information on the subject up to date, may be handy and of easy reference.

Having had some experience in the working of the License Tax Act in regard to which most of the assessed pleaded ignorance of the law, as I had to explain to most people the provisions of the law, I considered some such Manual of this important enactment, which concerns all and every one in India, will not be unwelcome to the public.

A. GOVINDA ROW.

# CONTENTS.

---

		PAGES.			
1.	English Synopsis.....	1	—	22	
2.	Telugu do. ....	23	—	32	
3.	Tamil do. ....	33	—	42	
4.	Act II of 1886.....	43	—	79	
5.	Easy Reading of the Act.....	80	—	98	
6.	Ready Calculators at 4 and 5 pies.....	99	—	102	
7.	Government of India Bye-laws in English...	103	—	107	
8.	Do. do. Telugu....	108	—	112	
9.	Do. do. Tamil.....	113	—	117	
10.	Local Government Bye-laws in English.....	118	—	126	
11.	Do. do. Telugu.....	127	—	128	
12.	Do. do. Tamil.....	129	—	130	

# INCOME TAX ACT.

No. II OF 1886.

## SYNOPSIS.

1. An Act for imposing a tax on all incomes derived from sources other than Agriculture.

2. It imposes a tax on Incomes on the following heads:—and it comes into force on the 1st April 1886.

1. Tax on Salaries, Pensions, &c., of all servants.

2. Profits on Companies.

3. Interest on Securities.

4. Other sources of Income.

3. Tax is imposed on the following scale:—

1. Four pies on each Rupee on profits from 500 Rs. to 2,000 a year.

*Assessment and Classifications for profits on "other sources of Income" under 2,000 are as follows:—*

Rs.	Rs.
500 to	750—10
750 to	1,000—15
1,000 to	1,250—20
1,250 to	1,500—28
1,500 to	1,750—35
1,750 to	2,000—42

2. Five pies on each Rupee on profits from 2,000 and upwards. In calculating the amount of tax payable, the amount due on a fraction of a Rupee shall be neglected. The tax on pro-

fits of companies is always at 5 pies whether they are above 2,000 Rs. or not.

4. Salaries of Government officials, pensioners, &c., are liable to be deducted so much of the Income tax therefrom by the Accountant-General at Madras for credit to the Government of India.

5. "Salary" includes all pay and allowances of appointments, whether substantive, officiating, or temporary; it also includes all fixed allowances ordinarily paid with salary proper, if they are given without reference to the question whether the service for which they are given is actually performed or not, or whether the expense in re-imbursement of which they are given is actually incurred or not. An allowance, however, which is granted to cover specific expenses, and which is not paid unless those expenses are incurred, is not salary.

6. For example, house-rent allowance is salary if it is given independently of the question whether the officer to whom it is given actually rents a house or not; but if it is given only in charge on account of house-rent is incurred, then it is not salary.

7. It will be observed that salaries, annuities, and pensions paid in April 1886 are liable to the tax even if they are due in respect of preceding months. Payment in advance does not extinguish this liability. Salaries, &c., for March 1886 paid in April 1886 are liable to the tax.

8. Any sums, such as payments to regimental mess or band funds or the like, compulsorily stopped from salary, by the orders, or with the approval of, Government, shall be deducted from the salary previous to assessment.

9. A portion of salary withheld in pursuance of



an order of a Court is not a sum compulsorily stopped from salary within the meaning of this rule.

10. The assessment made under this Part is not made with reference to annual income; so that a salary paid even for a single day at the rate of Rs. 41-10-8 a month is liable to duty.

11. If any servant, annuitant, or pensioner of Government has insured his life or that of his wife, or has contracted with an Insurance Company for a deferred annuity on his own life or that of his wife, he may make application to the officer duly authorized in that behalf whose duty it is to deduct the tax from his salary; and on proving to the satisfaction of that officer the amount of any payment made on account of such insurance, during the year of assessment, he will be entitled to a re-fund of the tax on such payment: provided that no refund shall be allowed in respect of any sum by which such payment added to the subscription of the assessee to the Service Annuity and Insurance Funds may exceed one-sixth of his full salary.

12. A deduction made from the amount of salary, pension, or annuity liable to assessment on account of a payment made to a Life Insurance Company, must be supported by the receipt of the Insurance Company for the payment and a copy thereof. When the deduction is claimed by a servant of the Government or of a local authority, the officer paying the salary, pension, or annuity will compare the original receipt with the copy, return the original, and attach the copy to the salary, pension, or annuity bill, if the payee is a Government servant, and to

the statement forwarded to the Collector with the amount of the tax, if the payee is a local authority.

13. Where the Collector is satisfied that the original receipt of the Insurance Company cannot be produced without an amount of delay, expense, or inconvenience which, under the circumstances of the case, would be unreasonable, he may accept such other proof of payment of the premium as he may deem sufficient.

14. The amounts exempted from assessment by section 5, sub-section (1), clause (g), of the Act for insurance of life shall not be deducted from income for the purpose of determining whether the income is liable to the tax, or of determining the rate at which the tax shall be levied. No abatement under this rule, shall entitle any person to exemption from assessment on the ground that his monthly salary is thereby reduced below Rs. 41-10-8.

15. The tax due on the salaries of the semi Government Institutions are to be collected from the Heads of those Departments and remitted to the Collector appointed under the Act within one week from the date of payment of such salaries, &c., with a statement in the form given below :—

Name.	Period for which the salary has been paid.	Amount of salary paid.	Amount of Tax.

16. On failure they are to be held as personal defaulters and are liable to be prosecuted and a fine

of 10 Rs. imposed for each day of default. The whole or any portion of the fine thus imposed by the Magistrate may be remitted by the Commissioner appointed under this Act. Private servants employed in Firms or Companies receiving salaries, pensions, &c., of upwards of 500 Rs. a year, are also liable to be taxed at the above rates. The Collector may enter into an agreement with their heads for the tax being collected by them, and if no such agreement is made, the Firm or Company will have to submit a list of their names and salaries and pensions in the form noted below, and steps to be taken for the collection of the tax due, by the Collector.

17. The rules of the Government of India prescribe no conditions under section 9 (2) of the Act regarding arrangements for the collection of the tax from their employes by non-official employers. This proviso was inserted in the Act in order that employers may be induced by the remission or return of a small portion of the tax, and in order to save their employes from avoidable trouble, to undertake the collection of the tax and thus relieve Collectors of the difficulty of dealing directly with a large number of assesseses. The Madras Government however, sanctioned a commission not exceeding 2 per cent. of the collections to the employers, if they so undertake the task. The intention should be explained to Collectors with instructions that they should endeavour to make such arrangements whenever it may appear feasible; but it will, of course, be understood that no pressure is to be put upon employers to fall into an arrangement under this section.

Name of employe, pensioner, annuitant or receiver of gratuity.	Address.	Salaries.			Pension, Annuities.		Gratuities.	
		Employment.	Rate of salary.	Date on which payable.	Rate of pension or annuity.	Date on which payable.	Amount.	Date on which paid.

18. If any person assessable under Sections 8 (1) and 9 (1) has insured his life or that of his wife, or has contracted with an Insurance Company for a deferred annuity on his own life or that of his wife, he may make application to the Collector, and on proving to his satisfaction the amount of any payment made on account of such insurance during the year of assessment, he will be entitled to a refund on the amount of the tax on such payment: provided that such refund shall not exceed one-sixth of the income earned by the said person during the year of assessment. No abatement under this rule also shall entitle any person to exemption from assessment on the ground that his monthly salary is thereby reduced below Rs. 41-10-8.

19. Profits earned by Companies are likewise taxable at 5 pies on a Rupee whether they fall below 2,000 Rs. or not. They are solely based on the Returns of profits submitted by the Agents, Managers, &c., of such Companies, in the form noted below:—

Name of Company.	Place of business.	Sources of Income.	Amount of Income derived from.	Remarks.

20. If such Returns are disbelieved by the Collector, their books of account and documents to be sent for and examined; and if they fail to submit them on a specified date, they are liable to be prosecuted and a fine of 10 Rs. for each day imposed for default. The Commissioner has the power to remit the whole or any portion of the fine thus imposed.

21. Persons or Companies making or tendering false accounts will also be prosecuted under Section 177 of the Indian Penal Code. But no Criminal prosecutions will be made unless with the sanction of the Collector; a tax to be determined on the results shown in their accounts. They may also compound for the tax assessable under Part II or Part IV. Any proceeding held under this will have the force of a "Judicial proceeding."

22. A 'person' is defined to include a Hindu undivided family. It does not follow that the members of such a family may not possess separate income which is not the property of the family. Whether the income of an individual member of such a family is or is not the property of the family is a question of fact upon the decision of which must depend the answer to the question whether such income should be taxed as income of the family or not.

23. The Government of India trusts that the principle of composition may be extensively adopted, as it is evidently calculated to obviate friction and trouble in assessment. This sum will be recovered, as if the same was imposed by the Collector, under



the powers invested under the Act. On this point fuller information is given in the suggestions of the Board of Revenue, which I have given at the latter portion of this Synopsis.

24. Interest on securities are also liable to the Income tax. But interest on securities belonging to Service Funds shall not be assessed. This is collected by the Bank of Madras, on failure, the Secretary or Manager of the Bank will be considered a defaulter and he may be ordered to collect the same in a subsequent payment, or the Collector may collect the tax in his ordinary powers vested under the Act, and such Secretary, &c., may be prosecuted and fined 10 Rs. for each day of default. The Commissioner can remit the whole or any portion of the fine thus imposed. Tax on the interest of securities solely employed for religious or public charitable purposes will be refunded if already collected, on application in due form.

25. In the case of securities, the interest on which is payable by the Government of India, the amount deducted on account of the tax under section 13, subsection (1) of the Act shall be paid to the credit of the Government on the same day as the payment of the interest is made.

26. In the case of securities, the interest on which is not payable by the Government of India, the amount so deducted shall be paid to the credit of the Government within one week from the date on which interest is paid. The person deducting the amount should pay it to the credit of the Government by

remitting the amount to the Collector with a statement showing the following particulars :—

Name of owner.	Description of security.	No. of security.	Date of security.	Amount of security.	Period for which interest is drawn.	Amount of interest.	Amount of tax.

27. The last item of Income tax is "other sources of income." It comprises merchandize profits as well as other incomes from house rent, &c., of any nature save and except those from Agriculture and those purely of religious and charitable nature. Rental of houses, where a person resides, is also liable to be taxed.  $\frac{1}{4}$ th of such rental be freed from the tax and only  $\frac{3}{4}$ th of the rent to be taxed if the same is 500 Rs. and upwards a year. In fixing the tax on rents of buildings, the  $\frac{3}{4}$ th on the rent and  $\frac{1}{4}$ th of his whole profits, should be taken and whichever is less, that figure is to be adopted as the one on which the tax is to be imposed on. The building on which the rent is taxable must be free from Agricultural purposes. If a person has more ways of income than one, which alone brings him a sum less than 500 Rs. a year, all must be put together and a consolidated Income tax imposed on. If a person's income from the Government securities is less than 500 Rs. a certificate should be obtained from the Collector to the effect that all his income from different sources is less than 500 Rs.; the Bank of Madras will then free him from any deductions from such interest.

28. The Collector before fixing his assessments will have to send notices both in the Presidency

Towns and other places with prescribed forms, to the several persons supposed to be liable to the tax and ask them to return their profits within a specified time. On the receipt of these, if no doubt is entertained on the accuracy of the figures given, the tax should be calculated at 4 and 5 pies a rupee and assessments fixed. A list of those persons whose earnings fall below 2,000 Rs. a year on "other sources of Income" shall be prepared with their assessments and kept open at the office of the Collector for inspection at all reasonable times free of any charge. After imposing the assessments, a slip, containing the details of the assessment, as to the amount of profit and the places where they are earned, when and where and to whom to pay, and object, if any, within 30 days against the same, for modification or cancellation, to be served on the person concerned. If proper grounds are shewn, objections may be entertained, even after the 30 days. The tax is due and must be paid on the 1st June of every year. No coercive measures be adopted till after the 30th June.

29. In the case of decisions passed on objections, no coercive measures likewise be resorted to, for 30 days from the date of the decision.

30. The objection Petitions are only against assessments made on "other sources of income," and which petitions must bear a Court Fee Stamp of one anna, and they must be written in the prescribed form.

31. For the facility in the disposal of objection, the Collector can call for any evidence but only at the instance of the tax-payer and all proceedings held therein are considered to be "Judicial Proceedings"

32. If dissatisfied with the decision of the Collector, an application for revision of tax lies to the Commissioner appointed under the Act. This Officer may also pursue the same course for securing evidence and his proceedings are also to be "Judicial Proceedings," and both Original and Appellate authorities are empowered with Civil Court powers on this behalf.

33. In cases of default under this Act, a sum not exceeding twice the income tax may be recovered.

34. The Act allows two ways of recovering the arrears due under the enactment.

1st.—As arrears of Land Revenue, under Act VI of 1867 for the city of Madras, and II of 1864 for Mofussils.

2nd.—As arrears of any Municipal tax or local rate having recourse to the Criminal Courts.

35. The Local Government may direct by what authority any powers or duties incident under any such enactment as aforesaid to the enforcement of any process for the recovery of a Municipal tax or local rate shall be exercised or performed when that process is employed under section 30, sub-section (1) of this Act for the recovery of the tax chargeable under this enactment.

36. The order passed by the Collector on a defaulter will have the force of a decree of a Civil Court. Property may be attached and sold, the person may be arrested and sent to the Civil Jail and imprisoned, and inquiries to be held as to the claims of attached property and decided on merits. A copy of the deci-

sion sent to any officer for execution, may be executed by such officer as if he possessed all the powers under the Act. The Local Government has the power to direct any Municipality or Local Fund Board to collect the tax, along with, and in addition to, their own tax.

37. Taxes may be paid by instalments not exceeding 4 in number in a year as will be prescribed by the Local Government who lay down that they be collected by two instalments.

38. If money is paid or recovered as tax or fine under this Act, a receipt under the signature of the Collector will be granted in the prescribed form. Every such receipt shall be signed by the Collector granting it, or by such other officer as he shall from time to time empower in this behalf, and such signature shall be judicially noticed.

39. If a person or Company ceases to do business or suffers loss or becomes insolvent after the payment of the tax, a refund of the tax on the proportionate sum so suffered, will be made, after satisfactory proof before the Collector.

40. The Governor-General or any Local Government may make rules consistent with this Act, and may direct that a public servant committing a breach of the Rule prohibiting the disclosure of any particulars contained in the documents delivered or produced with respect to assessments on other sources of income, shall be deemed to have committed an offence under Section 166 of the Indian Penal Code, and with the sanction of the Local Government pro-



secutions under this must be conducted. These Rules are to be published in the *Official Gazette*.

41. No Civil Court shall entertain any suit to set aside or modify any assessment made under the Act.

42. The Collector under this Act may call for any information from any person regarding the salary, &c., of another, or lodging in the house of a person, &c., and that person is bound to furnish such information to that officer, making it penal in default, under Sections 176 and 177 of the Indian Penal Code.

43. Notices on persons under this Act may be served as follows :—

1. Either post registered.
2. Or simply by post.
3. Or on the person himself.
4. Or on any male adult member of the family.
5. Or by posting the notice at the door of the house where that person generally resides. If posted, in a Post Office, proper address, and the actual fact of the letter having been posted, are sufficient to presume that the same was duly served.

44. Company's or firm's principal place of business be declared by the Governor-General, if they have business in different Local Governments or by the Local Government if they have many places of business in one Local Government.

45. The same course is to be pursued in the declaration of the chief places of residences of persons

having places of business in different Local Governments or under one Local Government.

46. These powers may be delegated to such officers as the Governor-General or the Local Government may deem proper.

47. Where Income tax is in force, Pandhari tax or Capitation tax will be deferred.

48. All persons are indemnified to pay tax for others if others are liable to the tax, and if their money comes into their hands as Agents, &c.

49. These powers may be exercised as occasion arises from time to time by the persons empowered under the Act.

---

### *BYE-LAWS.*

---

50. In all Districts except Madras, the Collectors are *ex-officio* Assessing officers.

51. Collector of Madras is to be a Collector under the Act within the city of Madras.

52. Tahsildars and Deputy Tahsildars to be assessors of incomes below 2,000 Rs. the lower rate of duty.

53. The Act II of 1886 allows no appeals against assessments but gives powers to persons exercising the power of a Commissioner of Division to revise assessments. The Commissioner, however, is not legally bound to entertain an application for revision unless the amount of assessment is on 250 and upwards, or in other words unless the income assessed does not fall short of Rs. 9,600. The Board con-

sider that at all events at the initial stage and until the assessments settle down to their proper level, it is necessary that the Proceedings of the subordinate officers making assessments should be properly supervised. It is therefore provided in the Rules that the officers exercising the powers of Commissioners shall carefully scrutinize the assessments made by their subordinate officers and afford relief wherever needed.

54. The Board of Revenue has to be invested with the powers of Commissioners for assessments made by the Collectors of the Districts.

55. The Collectors of Districts will exercise the powers of a Commissioner in respect of assessments made by their subordinates.

56. The Divisional officers will have the same powers in respect to assessments made by their subordinates.

57. The power to sanction prosecutions and remit fines imposed under Section 34 (2) will be reserved to the Collector of the District.

58. In the Town of Madras, the Deputy Collector will assess all incomes below Rs. 10,000 and the District Collector will assess incomes amounting to Rs. 10,000 and upwards, as well as the tax on Companies.

59. In making arrangements with Companies, &c., for the collection of the tax for Government due from their employés, &c., that a remuneration should be given them for the trouble of collection, according to the circumstances of each case by the Collector, but the same should not exceed 5 per cent. of the

collection and that the Company or person agreeing to the arrangement should be bound to remit the collections minus the commission within a week.

60. The maximum limit of 5 per cent. commission is fixed, as the Municipalities are now paid at that rate for their collection of License Tax.

61. But the Companies and persons who have to collect the tax from their employés will not have the same amount of trouble as Municipalities and therefore discretion is given to Collectors to reduce the rate. The amount of remuneration allowed will, however, have to be appreciable, say 2 per cent. in order to induce the Companies, &c., to enter the arrangements contemplated.

62. As regards the composition of the tax under Section 31 of the Act, the Board of Revenue say that the Rules noted below which were provided for, in the Income Tax Act of 1860 may be adopted, with this modification that no annual increment of 5 per cent. should be made and that the assessment fixed should be unaltered for 5 years and that uniform Rules under this Section should be made by the Government of India.

1. Any person who is desirous of compounding for the tax should apply before his assessment is fixed by the Collector.
2. The period for composition should not be less than three years, and not more than 5 years.

3. The person compounding should sign a

date on which the assessment or the revised assessment is notified to him.

4. The contract should provide for an enhancement of the assessment in each year beginning with the 2nd year at the rate of 5 per cent.
5. The contract is to cease to have force on the death, bankruptcy, or insolvency of the person entering into it except as regards duty which has already accrued.
6. Fraud on the part of the person entering into the contract in stating his income or otherwise, to render the contract void.

63. In the Municipalities, the Board say, that the Government Officials should assess the Income tax and the Municipal Officers may collect the same. In head-quarter stations, the Treasury Deputy Collectors may be Assessors. The Municipalities may be allowed a commission of 2 per cent. for their trouble to collect the tax, but this point may be finally settled in communication with them.

64. The Board suggest that no Return should be called for, from those whose profits are below Rs. 2,000 at present, and even from those who earn more than 2,000 Rs. no Return should be demanded unless they happen to be at the Municipal stations.

65. In the town of Madras a special notice will have to be served on each person.

---



## *THE ARMY AND THE INCOME-TAX.*

---

The following Army Circular by the Government of India in the Military Department, dated Fort William, the 28th February 1886, has been issued:—

### INCOME TAX.

#### *Rules for enforcement of Act No. II of 1886.*

1. The following rules are prescribed for guidance in connection with the enforcement of Act No. II of 1886.

2. The Act will come into force on the first day of April 1886, and its provisions will, except in the cases mentioned in the following paragraph, apply to every person holding any paid office, employment, or commission, under Her Majesty, or under the Government of India, or under any local Government, or receiving any annuity or pension from Her Majesty or any such Government.

3. Nothing in the Act will render liable to the tax—

(a) The salary of any officer, warrant officer, non-commissioned officer, or private of Her Majesty's Forces, or of Her Majesty's Indian Forces who is not in an employment, which according to the ordinary practice, is held indifferently by military persons and civilians, and

whose salary does not exceed five hundred rupees per mensem ; or

- (b) Any person whose income from all sources is less than five hundred rupees per annum ; or
- (c) Such portion not exceeding one-sixth of the income in respect whereof a person would, but for this exception, be chargeable under the Act, as it is deducted from the salary of the person, under the authority, or with the permission of the Government for the purpose of securing a deferred annuity to him, or a provision to his wife or children after his death, or is paid by the person to an insurance company in respect of an insurance or deferred annuity on his own life, or on the life of his wife.

4. Salaries, annuities, and pensions paid in April 1886, though on account of March 1886, are liable to the tax.

5. The term " salary " includes the pay and allowances of appointments where substantive, officiating or temporary, as well as all fixed allowances ordinarily paid with salary proper, but it does not include house rent, travelling, tentage, or horse allowance, when either drawn separately or included in the consolidated or staff pay of the appointments specified in Article 91 of Army Regulations, India, Vol. I, Part I, or any other allowance, such as office

of a station staff officer, which is granted to meet specific expenditure.

5. Military Officers in civil employ drawing consolidated salaries are not

	Rs.	
General officer ... ..	400	entitled to exemption on
Bt.-Col. and Lieut.-Col. ...	200	account of tentage or house
Lieut.-Col. not Bt.-Col. ...	150	rent allowance unless such
Major ... ..	120	allowances is expressly in-
Captain ... ..	75	cluded in that consolidated salary ; but officers in
Lieutenant ... ..	50	any department drawing staff corps pay, or staff

corps pay, plus a staff allowance, are exempt from the tax on the sums noted in the margin, which are held to represent the tentage of such officers according to their respective ranks.

The tentage allowance and the horse allowance of regimental and other staff officers according to the scale laid down in Articles 412, 413, and 415, of Army Regulations, India, Vol. I, Part I, are similarly exempt.

7. The term " income " includes any salary, annuity, pension, or gratuity, payable by the Government, or by a local authority established in the exercise of the powers of the Governor-General in Council in that behalf.

8. No pensions are exempt from income-tax, provided that either alone, or in conjunction with, other sources of income, they reach the limit subjected to duty by the Act.

9. When military pensions, which, although drawn on one certificate, are sub-divided amongst relatives by order of Government, or by some legal necessity, then no income-tax should be deducted

from any portion less than Rs. 41-10-8 per mensem. But if the sub-division is simply optional, and at the wish of a pensioner who is entitled to the entire amount, such sub-division cannot be recognised as giving a claim to exemption from income-tax.

10. The assessment will be made at the following rates :—

(a)—If the income amounts to Rs. 2,000 per annum, or Rs. 166-10-8 per mensem, or upwards, five pies in the rupee.

(b)—If the income is less than Rs. 2,000 per annum, or Rs. 166-10-8 per mensem, four pies in the rupee.

In calculating the amount of tax payable, the amount due on a fraction of a rupee shall be discarded. Thus the tax to be realised on a monthly salary of Rs. 166-10-8 is Rs. 4-5-2 only.

11. All sums stopped under the authority of Government on account of payments to pension or annuity funds, to regimental mess or band fund, or the like, shall be deducted from the salary previous to assessment: but not such deductions will by bringing the net salary below Rs. 500 per mensem, in cases where the gross salary (exclusive of exempted allowances) amounts to that sum, exempt the net salary from tax.

A portion of salary withheld in pursuance of an order of a court is not a sum compulsorily stopped from salary within the meaning of this rate.

12. A deduction made from the amount of salary,

of a payment made to a Life Insurance Company must be supported by the receipt of the Insurance Company of the payment, and a copy thereof. The officer paying the salary, pension, or annuity, will compare the original receipt with the copy, return the original, and attach the copy to the salary, pension, or annuity bill.

13. The amounts exempted from assessment by rule 3, clause (c) above, shall not be taken into account in deciding whether the income is liable to the tax, or in determining the rate at which the tax is leviable.

---



1886 - వ సంవత్సరపు 2 - వ వెంబరుగల

## వచ్చుబడిపన్ను ఆక్టు యొక్క

సంగ్రహము.

1. వ్యవసాయకముమూలముగా వచ్చువరుమానముమీద తప్ప మిగత అన్నివరుమానములమీద పన్ను విధించెడు ఆక్టు. ఇది 1886 - వ సం || ఏప్రిల్ నెల 1 తేది మొదలుకొని అమలులోకి రాబడును.

2. ఈక్రిందజెప్పెడు అంశములమీద ఒకసంవత్సరమునకు 500 రూ పాయలకు తగ్గకుండ వచ్చు ఆదాయములకు పన్ను విధించబడును.

అయంశములు ఏవనిన :-

1. ఉద్యోగము, పింఛన్, విరాళము మొదలగువానిమీదను,
2. కంపెనివారి వరుమానములమీదను,
3. గవర్నెంటువగైరా బాండ్లమీద యివ్వతగిన వడ్డీలమీదను,
4. మిగత అన్నివరుమానములమీదను.

3. సంవత్సర మొకటింటికి 2 వేలరూపాయలకు లోబడిన వరుమానములమీద రూ. 1-కి 4 పైలవంతునను, 2 వేల రూపాయలకు బడిన వరుమానమునకు రూ. 1 - కి 5 పైలవంతునను పన్నువిధించబడును. అయితే కంపెనివారివల్ల పొందబడే ఆదాయములకు 2 వేలరూపాయలకు లోబడినను, రూ. 1 - కి 5 పైలవంతున పన్ను విధించబడును

4. ఆదాయములమీద పన్ను లెక్కించునపుడు ఆదాయ మొత్తములో వచ్చెడు అణాలు, పైలమీద పన్ను విధించబడదు.

5. 2 - వ సారిలో జెప్పియుండు అంశములలో 1, 2, 3 అంశములలో వచ్చు ఆదాయములమీద తప్ప 4 - వ అంశములో కనుపరచియుండు మిగత అన్నివరుమానముల మీదను వచ్చు ఆదాయములలో 2 - వ

ఈదిగువ నుదహరించియుండు తరగతులచొప్పున పన్ను విధించబడును.

			రూ.	అ.	పై.
500 రూపాయలు.	మొదలు	750 వరకు	10	0	0
750	„	1,000 „	15	0	0
1,000	„	1,250 „	20	0	0
1,250	„	1,500 „	28	0	0
1,500	„	1,750 „	35	0	0
1,750	„	2,000 „	42	0	0

6. గవరన్మెంటువారివల్ల పొందబడు సంబరము, ఫింఛ్, విరాళము ఇది మొదలగువాని వరుమానములమీద పన్ను చెన్నపురి కాంటాంటు జనరలువారు వారివారి సంబరములలోపట్టి వసూలుచేయవలయును.

7. 1886-వ సం॥ మార్చి నెల సంబరములలోగాని అందుకుముందు పొందవలసియుండిన బాకి మొత్తముగాని 1886-వ సం॥ ఏప్రిల్ నెలలో పొందేపక్షములో ఆ మొత్తముమీదను పన్ను వసూలుచేయబడును.

8. (Regimental mess) రిజిమెంటిలో మెస్ హాసులకును, (Band fund) బాణ్డు ఫండులకును మరియు యిటువంటి యితరవిషయములకు గవరన్మెంటువారి యుత్తరవులమీద సంబరము వగైరాలలో పట్టినమొదల వాటికి పన్ను వసూలుచేయబడును. అయితే కోర్టువారి అధికారమువల్ల పట్టబడె సంబరములకును పన్ను వసూలుచేయబడును. కోర్టువారి యుత్తరవులమీద పట్టెడు మొత్తము గవరన్మెంటువారి యుత్తరవుగా తలచనూడదు.

9. సంబరము, ఫింఛ్ వగైరాలలోనుంచి తనకుగాని, తన భార్యకుగాని (Life insurance) లైఫ్ యిన్సూరెన్సు కట్టియుండిన మొదల అంత మొత్తమునకు వసూలుచేయబడిన పన్నును తగుబాటి రుజువరచిన పక్షములో అధికముగా వసూలుచేయబడిన పన్ను వాపసుచేయబడును. అయితే అట్లు లైఫ్ యిన్సూరెన్సునకుకట్టె మొత్తము తన వరుమానమునకు, ( $\frac{1}{8}$ ) ఆరింట నెకభాగమునకు అధికరించకనుండవలయును. అట్లు  $\frac{1}{8}$  ఆరింట నెకభాగము బట్టవాడా చేసినతరువాత మిగత ఆయము సంవత్సరమొకటింటికి 500 రూపాయలకు తగ్గియున్నదనేకారణమువల్ల పన్ను

10. (House rent) హౌసురెంటు, (Tent allowance) టెంటు అన్వ, (Horse allowance) హార్సు అన్వ, మొదలైనవి వారువారు యే కార్యమునిమిత్తము నిర్బంధముగా ఉపయోగపరిస్తే దాయిచ్చెదని నిష్పత్తి యుండుదానిని సంబంధముని తలచక ఆ మొత్తమునకు వన్ను విధించబడదు.

11. ఆయా ఉద్దేశములను నెరవేర్చినను, నెరవేర్చకపోయినను ఇవ్వబడే మొత్తమును సంబంధముగా భావించి ఆ మొత్తమునకు వన్ను వసూలు చేయబడును.

12. మునిసిపల్ లోకల్ ఫండు వగైరా యిటువంటి గవర్నెంటు సంబంధమైన శిబ్బందీల సంబంధము పింఛన్ వగైరాలలోనుంచి ఆయా యిలాఖా సంబంధమువగైరాలు బట్టువాడా చేసే అధికారులవల్ల వన్ను వసూలు చేయబడవలయును.

13. ఇట్లు వీరలు వసూలు చేయు వన్ను వారు బట్టువాడా చేయు తేది మొదలు ఒకవారమునకులోగా యాయాక్ష్మప్రకారము అధికారము వహించి యుండు కలెక్టరువారికి నమూనాతో కూడ ఇరసాలు చేయవలయును. అట్లు వసూలు చేయుటకు తప్పిపోయినయెడల ఆపైకమునకు వారలే జవాబుదార్లుగా జేయబడుదురు. వారలను కేజిస్ట్రేటులో ప్రాసీక్యూషన్ చేసినయెడల ఆపైకము వసూలు అయ్యేవరకును దినమొకటింటికి 10 రూపాయలు అపరాధమునకు పాత్రులౌదురు. ఈ అపరాధ మొత్తములో కమిషనరువారు పూరాగాగాని యేయొక కొంతభాగముగాని మాపు చేయవచ్చును.

14. కంపెనివారివద్దనుండు నౌకర్లు, పింఛన్ దార్లు మొదలగువారలు సంవత్సరమొకటింటికి 500 రూపాయలకు తగ్గకవచ్చుబడియుండినయెడల పైజెప్పిన 5-వ పారాగ్రేటువంతున వన్ను వసూలు చేయబడును. ఈయాక్ష్మప్రకారము నియమించబడె కలెక్టరువారు ఆయా కంపెనివారి హెడ్ క్వార్టర్స్ నడులద్వారా ఒకయేర్పాటుచేసికొని వారిద్వారా వసూలు చేయించవచ్చును. అట్లు ఆ కంపెనివారి హెడ్ క్వార్టర్స్ వన్ను వసూలు చేయుటకు సన్నుతించకపోతే కలెక్టరువారే వసూలు చేయవచ్చును.

15. అయితే గవర్నరు జనరల్ వారు వారివారి యిలాకా అధికారుల ద్వారా వసూలు చేయుట యుక్తమనియు అట్లు చేయించి ఆపైకము వారి ద్వారా రప్పించుటవల్ల వారి తాబేదారులకు అధికమైన శ్రమనివారణమగు వనియు, కలెక్టరువారికి పని తగుననియు అట్లు చేయుటకొఱకై వారికి శ్రద్ధ

పుట్టుటకు కొంతవన్ను తోసిగాని వావసుగాని వారిశ్రమకు ఇవ్వబడవచ్చుననిన్ని అభిప్రాయము పొందియున్నారు. లోకలోగవరనైంటువారు 100-కి 2 ఖైదలు 5 వరకును కమీషను ఇవ్వవచ్చునని విధించియున్నారు.

16. కంపెనివారి ఆదాయములమీద పన్ను వసూలుచేయబడును. మైన కనుపించిన ప్రకారము 2 వేలకులోబడినను రూ. 1-కి 5 పైలవంతుననే పన్ను వసూలుచేయబడును. అట్లు కంపెనివారియొక్క యేజంటు, మానేజరులవల్ల రప్పించేలెక్కలమీద పన్ను విధించబడును. కలెక్టరువారికి అట్టి లెక్కలు సందేహస్పదమైయుండు పక్షములో వారి లెక్కపుస్తకములు వస్త్రాలను రప్పించిపరిశీలించబడును. వారు నిష్కర్ష చేయబడిన తారీఖులో అట్టి లెక్కపుస్తకము వస్త్రాలను హాజరుచేయకపోయినయెడల మేజిస్ట్రేటులో ప్రాసిక్యూషన్ చేయబడి తిరిగి ఆలెక్కవస్త్రాలను హాజరుచేయువరకును దినమొకటింటికి 10 రూపాయల అవరాధమునకు పాత్రులౌదురు. ఈ అవరాధమొత్తములో కమీషనరువారు పూరాగాగాని కొంత భాగముగాని మాపుచేయవచ్చును.

17. ఏయాసామీగాని, కంపెనివారి మానేజరు యేజంటువస్త్రాలుగాని తప్పలెక్కలు హాజరుచేసినయెడల ఇం. పి. కోడు 177-వ సెక్షన్ ప్రకారము ప్రాసిక్యూషన్ చేయబడుదురు. అట్లు క్రిమినల్ ప్రాసిక్యూషన్ చేయుటకు కలెక్టరువారి యుత్తరపు పొందవలయును. వారిలెక్కలవల్ల కనబడు ఆదాయములమీద పన్ను నిష్కర్ష చేయవలయును. ఇట్లు పన్ను నిష్కర్ష జేయుటకొరకు జరిపించిన తీర్మానమువస్త్రాలు జాడిషియల్ ప్రొసిడింగుగా అంగీకరించబడును.

18. వర్తకులతో కలెక్టరువారు లెక్కలుచూడకనే ఛోళయులు ఆలోచించి పన్ను నిష్కర్ష చేసి కొనవచ్చును. ఇట్లు నిష్కర్ష చేసికొను పన్ను కంపెనివారి ఆదాయములమీదను, (మిగత అన్ని వరుమానముల మీదను) ఈరెండు అంశముల మీదను నిష్కర్ష చేసికొనవచ్చును. ఇట్లు కేర్వరచి కొనిన పన్ను కలెక్టరువారు విధించిన పన్ను యెట్లు వసూలుచేయబడునో ఆమేరకే ఇదియు వసూలుజేయుటకు లోబడియుండును.

19. ఇండియా గవరనైంటువారు ఇట్లు ఆపనులో (Composition) పన్ను నిష్కర్ష చేసికొనుట మిగులయుక్తమనియు, విశేషముగా అనుసరణ

చేయ వలయుననియు, అట్లు చేసికొనినయెడల తెక్కలు హరిరుచేయడమనే కష్టము నివారణమగుటయేగాక, కలెక్టరువారికి వస్తు తీర్మానించుపని సలీసు అగునని అభిప్రాయము పొందియున్నారు. రివిన్యూబోర్డువారు ఈవిషయములో చేయవలసిన యేర్పాటును తపశులుగా నుదహరించియుందుటను ఈదిగువ కనపరచబడియున్నది.

20. పత్రములమీదపొందెవడ్డీలకు వచ్చుబడివన్న వసూలుచేయబడును. అయితే సర్వేసు వండ్లతో జేరిన పత్రములమీద వచ్చేడువడ్డీలకు వన్న విధించబడదు. ఈపత్రములవడ్డీల మొత్తమునకు వన్న మదరాసు బ్యాంకివారు వసూలు చేయవలయును. అట్లుచేయుటకు తప్పిపోయిన వత్సములో మదరాసు బ్యాంకి నెక్రటేరి లేక మానేజరునే డిప్యూటీగా తలచబడును. ముందు బట్టవాడా చేయు మొత్తములోనుంచి వసూలుచేయవలయునని ఉత్తరపు చేయబడును. లేక యీ యాక్టుప్రకారము అధికారమును వహించిన కలెక్టరువారు తమకుకలిగియుండు అధికారముచొప్పున వసూలు చేయవచ్చును. అట్లు వసూలుచేయుటకు తప్పిపోయిన బ్యాంకి నెక్రటేరి, లేక మానేజరువారిని మేజిస్ట్రేటువారియెదుట ప్రాసిక్యూషన్ చేసినయెడల ఆరూకలు వసూలు అయ్యేవరకును దినమొకటింటికి 10 రూపాయలు అవరాధమునకు లోబడుదురు. ఈ అవరాధ మొత్తములో కమీషనరువారు పూరాగాగాని కొంతభాగముగాని మాపుచేయవచ్చును.

21. కేవలము ధర్మార్థమునకుగాని, మతవిషయమునకుగాని, ఉపయోగించబడె పత్రములమీద వచ్చే వడ్డీలు యీ వన్నునకు లోబడదు.

22. గవర్నెంటుపత్రములకు వడ్డీలు యేలేదిలో ఆసాములకు బట్టవాడా చేయబడుచున్నదో ఆతారీఖుననే వాటిమీద వసూలుచేయబడిన వన్ను సర్కారులెక్కలో జమయైయుండవలయును.

23. సర్కారువారి పత్రములుగాకుండ ఇతర పత్రములమీద వడ్డీలు యేలేదిలో యెవరివల్ల బట్టవాడా చేయబడుచున్నదో ఆ లేదిమొదలు 2 కవారమునకులోగ అట్లు వసూలుచేసిన వన్నును ఈ యాక్టుప్రకారము అధికారమును వహించిన కలెక్టరువారికి నమూనాతోకూడ ఇరసాలుచేయవలయును.

24. కడపటి అంశము ఇతర వరుమానములమీద విధించఁగినపను. 6 వి.



మొదలైనగా : వర్తకముమీద లాభము, ఇండ్ల అద్దెలమీదవచ్చేదాపైకము ఇటువంటివిగానుంటున్నవి. అయితే వ్యవసాయమువల్లగాని, మతవిషయములమీదగాని, ధర్మవిషయములమీదగాని రాతగిన వరుమానములును, మరియు సంవత్సరముకంటికి (500) రూపాయలకులోబడిన వరుమానములును తప్ప మిగత వాటికన్నీటికిని పన్ను విధించబడును.

25. ఇండ్ల బాడిగెలమీదను స్వంతగాండ్లు వాసముచేయు ఇండ్లకునుసహ ఆయింటికివచ్చే బాడిగ మదింపు మొత్తముమీద పన్నువిధించబడును. ఇండ్ల బాడిగ మదింపు మొత్తములో  $\frac{1}{8}$  ఆరింట నైదుభాగముతోనీ మిగత  $\frac{7}{8}$  ఆరింట అయిదుభాగములమీద పన్నువిధించబడును. అయితే ఆ మొత్తము సంవత్సరముకంటికి 500 రూపాయలకు తగ్గకుండవలయును. కట్టడముల మీద ఉద్దేశించే బాడిగమీదవేయు పన్నువిషయములో ఈదిగువ నుదహరించిన సాధకమును అనుసరించవలయును.  $\frac{1}{8}$  ఆరింటనైదుభాగము ఇంటి బాడిగయు వీరికి మొత్తవరుమానములో  $\frac{1}{8}$  పదింట నైదుభాగమును యెత్తుకొని ఈరెంటిలో ఏదితక్కువ మొత్తమో ఆ మొత్తమే ఆయింటి బాడిగగా నుద్దేశించి వాటిమీద పన్నువిధించబడును. ఏకట్టడముగాని వ్యవసాయమునకు సహాయార్థముగానుండినయెడల వాటికి పన్ను విధించబడనేరదు.

26. వ్యవసాయమునకు ఉపయోగమనగా వ్యవసాయముచేయు నేలలకు సమీపముగానుండుటయును అట్లు వ్యవసాయముచేయువాడు కాపురముండుటకుగాని లేక వ్యవసాయఫలితములు ఉంచుకొనుటకుగాని ఉపయోగముగానుండడమని యర్థము.

27. ఒక ఆసామి పెక్కువిధముల ఆదాయములు కలిగియుండి ఒకవిషయములోమాత్రము సంవత్సరమునకు 500 రూపాయలకు తగ్గినవాటికి అన్నిటిని మొత్తముగాజేసి 500 రూపాయలకు తగ్గకనుండినయెడల దామాషాప్రకారము పన్ను విధించబడును.

28. ఒక ఆసామికి గవరన్మెంటుబాండ్లలో సంవత్సరమునకు 500 రూపాయలకు తక్కువగా వచ్చుబడియుండెనేని, కలెక్టరువారివద్దనుంచి ఇతని సకలవరుమానములు జేర్చియు 500 రూపాయలకులోబడిన ఆయమని సర్టిఫికేట్టు హాజరుచేసినయెడల మదరాసు బ్యాంకింగ్ అండ్ ఫైనాన్సియల్ కార్పొరేషన్ వారి వద్ద బట్టవాడాలలో పన్ను వసూలుచేయరు.

దుదురో వారికి సమూహావ్రతకారము సూత్రములుపంపి ఒకతేదినిక్కుర్చించి అతేదిలోగా వారివారి ఆయముల నుదహరించి కావనుచేయవలయునని కోరవలయును.

30. అట్లుపంపబడే లెక్కలలో అనుమానము లేనిపక్షమందు నాలుగు, లేక అయిదుపైలవంతున లెక్కజేసి పన్ను విధించవలయును.

31. ఇతర అన్ని ఆదాయములలో 2 వేలరూపాయలకులోపడిన వరు మానముందు వారికి ఒకజాబితా పన్నుతో నీర్ధవరచి కలెక్టరువారు తమ ఆఫీసులోనుంచుకొనవలయును. అట్టి జాబితాను కావలసినవారికి క్రమమై సకాలములో యేభర్ప లేక నే చూపించవలయును.

32. ఇట్లు పన్ను విధించినపిమ్మట ఈరీతి పన్ను విధించబడియున్నదనియు, ఆయాసామీలకువచ్చే ఆదాయములు ఫలానాఫలానా ప్రదేశములలోఇంతింత నుద్దేశించబడియున్నదనియు, వారు ఫలానావారు ఫలానాకాలమునకులోగ చెల్లించవలయుననియు, అట్లు విధించిన పన్నునకు ఆక్షేపణ కలిగియుండిన యెడల 30 దినములలోపల ఆక్షేపణ చేయవలయుననియు, ఒకస్టేటుమెంటు తయారుచేసి ఆయాసామీలకు బట్టవాడా చేయవలయును.

33. ఈపన్ను ప్రతిసంవత్సరము జూన్మొదలులేదిలో చెల్లించవలయును. అయితే సర్కారుద్వారా ఆనెల 30-వ తేదివరకును డిమాండు వగైరాలు వనూలనకు పంపబడదు.

34. పైన కనుపరచిన మేరకు ఆక్షేపణ అర్జీలమీద తీర్పుచేసిన 30 దినములవరకును సర్కారుద్వారా డిమాండు వగైరాలమూలముగా పన్ను వనూలుచేయజూడదు. ఇట్లుచేయు ఆక్షేపణ అర్జీలు ఇతరవిధమైన అన్నివరుమానములమీద వేసియుండు పన్నువిషయము మాత్రమే. అట్లుచేయు ఆక్షేపణ అర్జీలకు ఒక అణా కోర్టుఫీస్టాంపు అంటించియుండవలయును. ఆక్షేపణయర్జి విధించియుండు సమూహావ్రతకారముండవలయును.

35. ఇట్టి ఆక్షేపణ అర్జీలమీద విచారణజేసి తీర్పునములుజేయుటకొరకు ఆయర్జీదారులు కోరు సాక్ష్యత్వమును పిలుపించవచ్చును. ఈవిషయములో జరిపించిన సడవడికలు జాడిషియల్ ప్రొసీడింగ్సుగా భావించబడును.

36. కలెక్టరుచేసిన తీర్పునము అసంతుష్టియైన పక్షములో ఈయాక్టు ప్రకారము నియమించబడు కమిషనరువారికి దిద్దుబాటుచేయుటకు అర్జి

37. ఈ కమిషనరువారును కలెక్టరువారివలననే సాక్షాత్కారము పిలుపించి తీర్మానము చేయవచ్చును. వీరి నడవడికలు సహజుడిషియల్ ప్రొసీడింగుగా భావించబడును.

38. కలెక్టరువారును కమిషనరువారును. ఈ విచారణ తీర్పు విషయము లో సీవిల్ కోర్టువారి యధికారము వహించియున్నారు.

39. పన్ను చెల్లించు తగ్గవారలు నిర్ణయ కాలములో చెల్లించక తప్పిపోయినయెడల పన్నునకు రెండింతలు పన్ను వసూలు చేయవచ్చును.

40. ఈ యాక్టు ప్రకారము వసూలు చేయబడే పన్నులు రెండు విధములుగా వసూలు చేయబడును.

1. చెన్నపట్టణము సరిహద్దులో అముల్ జారిలోనుండు నేల పన్నులను వసూలు చేయబడే 1867-వ సం॥ 6-వ ఆక్టు టైటిబిల్లాలో అములులోనుండి 1864-వ సం॥ 2-వ ఆక్టు మేరకుగాని,

2. మునిసిపల్ పన్నుగాని లోకల్ పండు పన్నుగాని మేజిస్ట్రేటు మూలకముగా వసూలు చేయతగ్గ విషయముగాని,

41. ఈ రెండు విధములలో యేమార్గము యెవరివల్ల యేలాగున జారీ చేయబడవలయునో వాటిని లోకల్ గవరనైంటువారు విధించవలయును. లోకల్ గవరనైంటువారు లాండు రివిన్యూ బాకీ వసూలు చేయుచోప్పున ఈ పన్నునున్న వసూలు చేయునట్లు విధించియున్నారు.

42. నిష్కర్ష కాలములో పన్ను చెల్లించవలసినవారు అట్లు చెల్లించక తప్పిపోయినపక్షమందు అది వసూలు చేయవలయునని చేయు తీర్మానము, సీవిల్ కోర్టు ద్వారా సమానముగానుండును. సదరు ద్వారాయొక్క అభిప్రాయ మేమనగా సాక్షులను జప్తిచేసి యెలమువేయవచ్చును. ఆ సాక్షులను వారంటులోబట్టి సీవిల్ జయిలులోనుంచవచ్చును. అట్లు జప్తిచేసిన సాక్షులమీద హర్ష దాహావచ్చినయెడల విచారణచేసి తీర్మానించవచ్చును. ఆ ద్వారా నకలు మరియొక ఆఫీసరువద్దపంపించినయెడల వారికి యాపన్న వసూలు చేయు విషయములలో అన్నియధికారములు కలిగినట్లుగానే అముల్ జారీచేసి పన్ను వసూలు చేయవచ్చును.

43. లోకల్ గవరనైంటువారు ఈ యాక్టు ప్రకారము వసూలు చేయతగిన పన్నులను మునిసిపల్ వారినిగాని, లోకల్ పండు వారినిగాని వారలు వసూలు

లుచేసికొనే వారిపన్నులతోపూడ వసూలుచేయవలయునని ఉత్తరపు చేయ వచ్చును.

44. ఈ యాక్టుప్రకారము చెల్లించే పన్నులు సంవత్సరమొకటింటికి నాలుగువాయిదాలకు హెచ్చకుండా లోకల్ గవర్నమెంటువారు విధించే ప్రకారము చెల్లించవలయును. లోకల్ గవర్నమెంటువారు రెండు వాయిదాలుగా యీపన్ను వసూలు చేయవలయునని విధించియున్నారు. అయితే మొదటివాయిదా యివ్వవలసిన తేదీలో చెల్లించని పక్షమందు వాయిదాలు నిరీక్షించకనే పూరాపన్ను వసూలు చేయవలయును.

45. ఈ యాక్టుప్రకారము చెల్లించతగిన పన్నులకు రసీదు నమూనా ప్రకారము కలెక్టరు సైనుతో యివ్వవలయును.

46. ఈ పన్ను చెల్లించిన తరువాత యేయాసామిగాని, కంపెనివారుగాని ఆసంవత్సరమునకులోగా వారలుచేయు పనులను నిలిపినను, నష్టముపొందినను, ఇన్సూలువెంటు అయిపోయినను అట్లులు క్షామపొందిన సంగతి కలెక్టరువారికి తృప్తికరముగా రుజువురచినయెడల అంతమొత్తమునకు జాస్తిగా వసూలుచేయబడిన పన్ను వాపగుచేయబడును.

47. గవర్నరుజనరల్ వారుగాని, లోకల్ గవర్నమెంటువారుగాని ఈ యాక్టును అనుసరించి రూల్సు చేసి గజెట్టులో ప్రచురముచేసినయెడల ఆరూల్సు అముల్ చలాయించబడును.

48. మహియు యేయొక ఆసామిగాని కంపెనివారుగాని ఈ యాక్టుయొక్క విధులప్రకారము హాజరుచేయబడే యేదస్తవేజులో నమూదుజేసియుండుసంగతిని, యేసర్కారు నొకరుగాని బైలుపరచినయెడల ఇం. పి. కోడు 166 -వ సెక్షన్ లో కనుపించియుండు నేరమునకు పాత్రులౌదురనివిధించ వచ్చును.

49. ఈ యాక్టుప్రకారము విధించబడే పన్నులను రద్దుచేయడమునకు గాని మార్చడమునకుగాని, వీసీవిల్ కోర్టువారును దావాలను పట్టకూడదు.

50. ఈ యాక్టుప్రకారము కలెక్టరువారు యేమనిషిమూలముగాగాని మరియొకరియొక్క సంబంధమువల్ల రాలనుగురించిగాని, కాపురముందువానిగురించిగాని వారి బాడిగెలనుగురించిగాని వారికి తెలిసినమట్టుకు తమకు తెలిపించమని అడగవచ్చును. వారు అట్టిసవాలులకు తమకు తెలిసినంతవరకు జవాబుచెప్పవలసినవాగుగానుండునని.

డల ఇం. పి. కోడు. 176, 177-వ సెక్షన్ల ప్రకారము శిక్షకు పాత్రులౌదురు.

51. ఈయాక్టు ప్రకారము జారీ చేయతగ్గ నోటీసులు యిదిగువ నుదహరించిన మేరకు సర్వచేయవలయును :—

1. తపాలుమార్గముగా రిజిస్టరు చేసిగాని,
2. రిజిస్టరు చేయకనే తపాలులోగాని,
3. ఆయాసామికి రుజువులో సర్వచేసిగాని,
4. వారికుటుంబములో వయసువచ్చిన మొగవారియొద్దగాని,
5. వారు వాసముచేయు తలుపుమీద ఆ నోటీసు అంటించిగాని,

52. తపాలులో వేసిన పక్షములో ఆయాసామికి చేరతగ్గ సరియైన చిరునామా వ్రాసినట్లుగాను, ఆ లకోటా సరియైన తపాలులో వేయబడినట్లు రుజువైతే ఆ నోటీసు చేరినట్లు భావించవలయును.

53. ఒక కంపెనీ వారికిగాని (Firm's) ఫరక వారికిగాని పెక్కు లోకల్ గవరన్మెంటులో వ్యాపారమునుండేనేని గవర్నరు జనరల్ వారివల్ల వారి ముఖ్య వర్తకస్థలము తీర్చానించబడును. ఒకే గవరన్మెంటులో అనేక స్థలములలో వర్తకమునుండినయెడల లోకల్ గవరన్మెంటువాట తీర్చానించవచ్చును, ఆయాసాముల విషయములో వైసకనుపించినరీతిగానే వర్తకములుండినయెడల వారి ముఖ్యమైన వాసస్థలము గవర్నరు జనరల్ వారివల్లను లోకల్ గవరన్మెంటు వారివల్లను తీర్చానించబడును.

54. గవర్నరు జనరల్ వారికిని, లోకల్ గవరన్మెంటు వారికిని, ఈ యాక్టు వల్లనుండు అధికారమును మరి యే ఆఫీసర్లకుగాని మార్చవచ్చును.

55. ఇస్కంటాక్సు యెక్కడ అములులోనున్నదో అక్కడ పండ్లారి, కాపిటెషన్ పన్నులు నిలుపబడును.

56. ఏ ఆసామి ఈ పన్ను ఇవ్వవలసినవాడై ఉన్నాడో అట్టి ఆసామికి మరియొకడు యేజంటుగా పనులను నెరవేర్చుచుండినయెడల ఆ యేజంటు ఖామందునకుగాను తన వద్దవచ్చే రూకలలో తన యేజిమానుని నిమిత్తము ఈ పన్ను చెల్లించవచ్చును.

57. ఎవరెవరు ఈ యాక్టు ప్రకారము అధికారమును వహించబడుదురో వారువారు సందర్భానుసారముగా ఆయధికారమును నెరవేర్చుతూనుండవచ్చును.



1886-ஆம் ஆண்டு 2-வது நெம்பருள்ள

## வருமானவரி ஆக்ட்டின்

சுருக்கம்.

1. வியவசாயத்தின்மூலமாய் வரும் வருமானத்தின்பேரில் தவிர மற்ற எல்லா வருமானங்களின்பேரில் வரி விதிக்கும் ஆக்ட்டு. இது 1886-ஆம் ஏப்ரல் முதல்தேதி முதற்கொண்டு அமுலுக்குவரும்.

2. இதனடியில் சொல்லப்படும் அம்சங்களின்பேரில் வருஷம் ஒன்றுக்கு 500-ரூபாய்களுக்குக் குறையாமல் வரும் ஆதாயங்களுக்கு வரி விதிக்கப்படும்.

அவைகளாவன :

1. உத்தியோகம், பென்ஷன், விராஜம் முதலியவைகளின்பேரிலும்,
2. கம்பெனி வருமானங்களின்பேரிலும்,
3. கவான்மெண்டு வகைரா பாண்டுகளின்பேரில் கொடுக்கப்படும் வட்டிகளின்பேரிலும்,
4. மற்ற எல்லா வருமானங்களின்பேரிலும் வரி.

3. வருஷம் ஒன்றுக்கு 2000 ரூபாய்களுக்கு உட்பட்ட வருமானத்தின்பேரில் ரூபாய் 1-க்கு 4 பை வீதமும், 2000 ரூபாய்களுக்கு மேற்பட்ட வருமானத்திற்கு 5 பை வீதமும் வரி விதிக்கப்படும். ஆனால் கம்பெனியாரால் அடையப்படும் ஆதாயங்களுக்கு 2000 ரூபாய்களுக்கு உட்பட்டபோதிலும் ரூபாய் 1-க்கு 5 பை வீதம் வரி விதிக்கப்படும்.

4. ஆதாயங்களின்பேரில் வரி கணக்கிடும்போது ஆதாயங்களில் வரும் மொத்தத்தில் அனா, பைகளின்பேரில் வரி விதிக்கப்படமாட்டாது.

5. 2-வது காராவில் கண்டிருக்கும் அம்சங்களில் 1, 2, 3 தவிர 4-வது அம்சத்தின் பிரகாரம் மற்ற எல்லா வருமானங்களின்பேரிலும் வரும் ஆதாயங்களில் 2000 ரூபாய்களுக்குக் குறையானால் இதனடியில் சொல்லியிருக்கும் வகுப்பின்வீதம்வரிவிதிக்கப்படும்;

		ரூபா. அ. பை.		
500 ரூபாய்கள் முதல்	750 வரைக்கும்	10	0	0
750	1,000	15	0	0
1,000	1,250	20	0	0
1,250	1,500	28	0	0
1,500	1,750	35	0	0
1,750	2,000	42	0	0

6. கவரன்மெண்டாரால் அடையப்படும் சம்பளம், பென்ஷன், வீரானம் முதலியவைகளின் வருமானத்தின்பேரில் வரி சென்னப்பட்டணம் கவுண்டாண்டு ஜனரலவர்கள் அவரவர்களின் சம்பளத்தில் பிடித்து வசூல்செய்யவேண்டும்.

7. 1886-ஆம் மார்ச்சுமீத்தின் சம்பளத்திலாவது அதற்குமுன் அடையவேண்டியிருந்த பாக்கி மொத்தமாவது 1886-ஆம் ஏப்ரல்மீத்தில் அடையும்பட்சத்தில் அந்த மொத்தத்தின்பேரிலும் வரி வசூல்செய்யப்படும்.

8. (Regimental mess) ரிஜிமெண்டில் மெஸ் அவுஸ்களுக்கும், (Band fund) பியாண்டு பண்டிகளுக்கும் மேலும் இப்பேர்க்கொற்ற இதர விஷயங்களுக்கு கவரன்மெண்டாரின் உத்திரவின் பேரில் சம்பளம் முதலியவைகளில் பிடிக்கும்பட்சத்தில் அவைகளுக்கு வரி வசூல்செய்யப்படாது. ஆனால் கோர்ட்டார் அமுலினால் நிறுத்தப்படும் சம்பளங்களுக்கு வரி வாங்கப்படும். கோர்ட்டார் உத்திரவின்பேரில் பிடிக்கப்படும் மொத்தம் கவரன்மெண்டாரின் உத்திரவாக எண்ணக்கூடாது.

9. சம்பளம், பென்ஷன் முதலியவைகளிலிருந்து தனக்காவது தன் பெண்சாதிக்காவது (Life insurance) லைப் இன்ஷூயூரன்ஸ் கட்டியிருக்கும்பட்சத்தில் அந்தத் துறைக்கு வசூல்செய்யப்பட்ட வரியைத்தகுந்த ரூசுகொடுக்கும்பட்சத்தில் அதிகமாய் வசூல்செய்யப்பட்ட வரி வாப்செய்யப்படும். ஆனால் அப்படி லைப் இன்ஷூயூரன்ஸ்க்காக கட்டும் துறை தன் வருமானத்திற்கு ( $\frac{1}{8}$ ) ஆரில் ஒரு பாகத்திற்கு அதிகப்படாமல் இருக்கவேண்டும். அப்படிக்கு  $\frac{1}{8}$  ஆரில் ஒருபங்கு பட்டுவாடாசெய்தபிறகு மிகுந்த வருமானம் வருஷம் 1-க்கு 500 ரூபாய்களுக்குக் குறைந்திருக்கிறதென்கிற காரணத்தினால் வரி நிவர்த்தியாகமாட்டாது.

10. (House rent) அவுஸ்ஒண்டு, (Tent Allowance) டெண்ட்லவுன்ஸ், (Horse allowance) ஆர்ஸ்லவுன்ஸ் முதலியவைகள் அவர்கள் எந்த காரியத்தின்பொருட்டு நிர்ப்பந்தமாய் உபயோகித்தால்தான் கொடுக்கிறதென்று நிஷ்கரிவைஷ்யாபிசுக்கிறதை சம்பளமாக எண்ணாமல் அந்தத் துறைக்கு வரி விதிக்கப்படாது.

11. அந்தந்த உத்தேசங்களை நிறைவேற்றினாலும் நிறைவேற்றாமல் போனாலும் கொடுக்கப்படும் மொத்தத்தைச் சம்பளமாக எண்ணி அந்த மொத்தத்திற்கு வரி வசூல்செய்யப்படும்.

12. முனிசிபல் லோகல்பண்டி வகைரா இப்பேர்க்கொற்ற கவரன்மெண்டு சம்பந்தமான சிப்பந்திகளின் சம்பளம் பென்ஷன் வகைராக்களிலிருந்து அந்தந்த இலாகா சம்பளம் வகைரா பட்டுவாடாசெய்யும் அதிகாரிகளால் வரி வசூல்செய்யப்படவேண்டியது.

13. இப்படி இவர்கள் வசூல்செய்யும் வரி அவர் பட்டுவாடாசெய்யும் தேதிமுதல் ஒருவாரத்திற்குள்ளாக இந்த ஆக்ட்டின்படி அதிகாரம் பெற்றிருக்கும் கலெக்டர் அவர்களுக்கு நமூனாவுடன் கூட இருசால்செய்யவேண்டும். அப்படி வசூல்செய்வதற்குத் தப்பிப்போனால் அந்த மொத்தத்திற்கு அவனாயே உத்திரவாதியாகச் செய்யப்படும். அவர்களை மாஜிஸ்ட்ரேட்டில் பிராசிகியூஷன்செய்தால் அந்தத்துகை வசூல் ஆகும்வரையில் நான் ஒன்றுக்கு 10 ரூபா வீதம் அபராதத்திற்கு பாத்திரமாவார். இந்த அபராத மொத்தத்தில் கமிஷனரவர்கள் முழுமையுமாவது யாதொரு பாகமாவது மன்னிச்சலாம்.

14. கம்பெனியாரிடத்தில் இருக்கும் நவுகர், பென்ஷன்தார் முதலியவர்கள் வருஷம் ஒன்றுக்கு 500 ரூபாய்களுக்குக் குறையாமல்வருமானம் அடைந்தால் மேற்சொல்லிய 5-வது பாராவின் டோட்டின்படி வரி வசூல்செய்யப்படும். இந்த ஆக்ட்டின்படி நியமிக்கப்பட்டிருக்கும் கலெக்டர் அவர்கள் அந்தந்த கம்பெனியாருடைய ஹெட் ஆபீசரின் மூலமாய் ஒரு ஏற்பாடு செய்துக்கொண்டு அவர்மூலமாய் வசூல்செய்விக்கலாம். அப்படி அந்த கம்பெனியாரின் ஹெட் ஆபீசர்கள் வரி வசூல்செய்வதற்கு சம்மதியாமல்போனால் கலெக்டர் அவர்களே வசூல்செய்யலாம்.

15. ஆனால் கவர்னர் ஜனரலவர்கள் அவரவர்கள் இலாகா அதிகாரிகளின்மூலமாய் வசூல்செய்வது யுத்தமென்றும் அப்படிக்கு செய்வித்து அந்தத் துகையை அவர்மூலமாய் வருவிப்பதினால் கலெக்டரவர்களின் சிப்பந்திகளுக்கு மிகவும் சிரம நிவாரணமாகுமென்றும் கலெக்டரவர்களுக்கு வேலை குறைவாகுமென்றும் அப்படிச் செய்வதற்காக அவர்களுக்கு சிரத்தை உண்டாவதற்கு சில வரி தள்ளியாகுது, வாப்ஸாவது அவர்களின் சிரமத்திற்கு கொடுக்கப்படவேண்டுமென்றும் அபிப்பிராயப்பட்டிருக்கிறார். லோகல் கவரன்மெண்டார் 100-க்கு 2 - முதல் 5 வரையிலும் கமிஷன் கொடுக்கலாமென்று விதித்திருக்கிறார்.

16. கம்பெனியாரின் ஆதாயங்களின்பேரில் வரி வசூல்செய்யப்படும். மேற்சொல்லியபடி 2000 ரூபாய்களுக்கு உட்பட்டபோதிலும் ரூபாய் 1-க்கு 5 பை வீதம் வரி வசூல்செய்யப்படும். அப்படிக்கு கம்பெனியாருடைய ஏஜண்டு, மாணேஜர் அவர்களால் வரவழைக்கும் கணக்குகளின்பேரில் வரி விதிக்கப்படும். கலெக்டர் அவர்களுக்கு அப்பேர்க்கொற்ற கணக்குகள் சந்தேகாஸ்பதமாயிருந்தால் அவர்கள் கணக்கு புஸ்தகம் வகைராக்களை வரவழைத்து பரிசீலிக்கலாம். அவர் நியமிக்கப்படும் தேதியில் அப்படிப்பட்ட கணக்கு புஸ்தகம் வகைராக்களை ஆஜர்செய்யாமல்போனபட்சத்தில் மாஜிஸ்ட்ரேட்டாரால் பிராசிகியூஷன் செய்யப்பட்டு மறுபடியும் அந்த கணக்கு வகைராக்களை ஆஜர்செய்யும்வரையிலும் நான் 1-க்கு 10 ரூபாய் அபராதத்திற்கு பாத்திரமாவார்கள். இந்த அபராத மொத்தத்தில் கமிஷனர் அவர்கள் முழுமையுமாவது யாதொருபாகமாவது மன்னிக்கலாம்.

17. எந்த ஆசாமியாவது கம்பெனியாருடைய மாணேஜர், ஏஜண்டு வகைராக்களாவது தப்புக் கணக்குகள் ஆஜர்செய்யும்பட்சத்தில் இ. பி. கோடு 177-வது செக்ஷன்படி பிராசிகியூஷன் செய்யப்படுவார்கள். அப்படி கிரிமனல் பிராசிகியூஷன் செய்வதற்கு கலெக்டர் அவர்களின் உத்திரவு பெறவேண்டும். அவர்கள் கணக்கினால் ஏற்படும் ஆதாயத்தின்பேரில் வரி நிஷ்கரிஷை செய்யவேண்டும். இப்படி வரி நிஷ்கரிஷை செய்யும்பொருட்டு, நடத்திய தீர்மானம் வகைராக்கள் ஜூடிஷியல் புரொசீடிங்ஸ் ஆக அங்கீகரிக்கப்படும்.

18. வர்த்தகர்களோடு கலெக்டரவர்கள் கணக்குப்பாராமலே இருவரும் ஆலோசித்து வரி நிஷ்கரிஷை செய்துக்கொள்ளலாம். இப்படி நிஷ்கரிஷை செய்துக்கொள்ளும் வரி கம்பெனியாரின் ஆதாயத்தின்பேரிலும் இதர ஆதாயத்தின்பேரிலும் (மற்ற எல்லா வருமானத்தின்பேரிலும்) இந்த இரண்டு அம்சங்களின்பேரிலும் நிஷ்கரிஷை செய்துக்கொள்ளலாம். இப்படி ஏற்படுத்திக்கொள்ளும் வரி கலெக்டர் அவர்கள் விதித்த வரி எப்படி வசூல்செய்யப்படுமோ அந்த வீதமே இதவும் வசூல்செய்வதற்கு உட்பட்டிருக்கும்.

19. இந்தியா தவரன்மெண்டார் அவர்கள் இப்படி ஆபவரில் வரி நிஷ்கரிஷைசெய்துக்கொள்வது மிகவும் யுக்தமென்றும் விசேஷமாய் அனுசருணை செய்யவேண்டுமென்றும் அப்படிக்கு செய்துக்கொண்டால் கணக்குகள் ஆஜர்செய்யவேண்டுமென்கிற கஷ்டம் நிவர்த்தியாகிறதுமன்றி கலெக்டர் அவர்களுக்கு வரி தீர்மானம்

செய்யும் வேலை சலீஸ் ஆகுமென்று அபிப்பிராயப்பட்டிருக்கிறார். ரிவின்யூபோர்டார் இந்த விஷயத்தில் செய்யவேண்டிய யேர்ப்பாடுகளை தபசீலாய் உதகறித்திருக்கிறதை யிதனடியில் காணப்பட்டிருக்கிறது.

20. பத்திரங்களின்பேரில் அடையும் வட்டிகளுக்கு வரி வசூல் செய்யப்படும். ஆனால் ஸர்வீஸ் பண்டிகளோடுசேர்ந்த பத்திரங்களின்பேரில் வரி விதிக்கப்படமாட்டாது. மேற்படி பத்திரங்களுடைய வட்டிகளின் மொத்தத்திற்கு வரி மதுராசு பாங்கியார் வசூல்செய்யவேண்டும். அப்படிச் செய்வதற்குத் தவறிப்போன பட்சத்தில் மதுராசு பாங்கி செக்ரிடரி அல்லது மானேஜரையே (Defaulter) டிபால்டராக எண்ணப்படும். முந்தி கொடுக்கப்படும் மொத்தத்திலிருந்து வசூல்செய்யவேண்டுமென்று உத்திரவு செய்யப்படும். அல்லது இந்த ஆக்ட்டின்படி அதிகாரம்பெற்றிருக்கும் கலெக்டர் அவர்கள் தமக்கு உண்டாயிருக்கும் அதிகாரத்தின்படி வசூல்செய்யலாம். அப்படி வசூல்செய்வதற்குத் தவறிப்போனால் பாங்கி செக்ரிடரி அல்லது மானேஜர் அவர்களை மாஜிஸ்ட்ரேட்டார் முன்பாக பிரசிகியூஷன் செய்யும்பட்சத்தில் அந்த துறை வசூல் ஆகும் வரைக்கும் நாள் 1-க்கு 10 ரூபாய் அபராதத்திற்கு உட்படுவார்கள். இந்த அபராதமொத்தத்தில் கமிஷனர் அவர்கள் முழுமையுமாவது யாதொருபாகமாவது மன்னிக்கலாம்.

21. கேவலம் தருமத்தின்பொருட்டாவது மதவிஷயத்திற்காவது உபயோகிக்கப்படும் பத்திரங்களின்பேரில் வரும் வட்டிகள் இந்த வரிக்கு உள்படாது.

22. கவரன்மெண்டு பத்திரங்களுக்கு வட்டிகள் எந்த தேதியில் ஆசாமிகளுக்கு பட்டுவாடா செய்யப்படுகிறதோ அந்த தேதியிலேயே அவைகளின்பேரில் வசூல்செய்யப்பட்டவரி சர்க்கார் கணக்கில் வரவு வைக்கவேண்டும்.

23. சர்க்காராருடைய பத்திரங்களல்லாமல் இதர பத்திரங்களின்பேரில் வட்டிகள் யாரால் பட்டுவாடா செய்யப்படுகின்றதோ அந்ததேதிமுதல் ஒரு வாரத்திற்குள்ளாக அப்படிக்கு வசூல் செய்யப்படும் வரியை இந்த ஆக்ட்டின்பிரகாரம் அதிகாரம்பெற்றிருக்கிற கலெக்டரவர்களுக்கு நழுளுவுடன் இருசால்செய்யவேண்டும்.

24. கடைசி அம்சம் இதர வருமானங்களின்பேரில் விதிக்கக் கூடிய வரி. இவை அவையென்றால் வர்த்தகத்தின்பேரில் லாபம், வீட்டின் வாடகையின்பேரில் வரும் துறை இப்பேர்க்கொற்ற



வைகனாயிருக்கின்றன. ஆனால் வியவசாயத்தினாலாவது, மதவிஷயத்தின்பேரிலாவது, தர்மவிஷயத்தின்பேரிலாவது வரத்தக்க வருமானங்களும் மேலும் வருஷம் 1-க்கு 500 ரூபாய்களுக்கு உட்பட்ட வருமானங்களும் தவிர மற்ற எல்லாவற்றிற்கும் வரி விதிக்கப்படும்.

25. வீடுகளின் வாடகைகளின்பேரிலும் சொந்தக்காரர் வாசம் செய்யும் வீடுகளுக்கும் கூட அந்த வீட்டிற்கு வரும் வாடகை மதிப்பு மொத்தத்தின்பேரில் வரி விதிக்கப்படும். வீட்டு வாடகையின் மதிப்பு மொத்தத்தில்  $\frac{1}{3}$  ஆறில் ஒரு பாகம் தள்ளி  $\frac{2}{3}$  ஆறில் ஐந்துபாகத்தின்பேரில் வரி விதிக்கப்படும். ஆனால் அந்த மொத்தம் வருஷம் 1-க்கு 500 ரூபாய்களுக்குக் குறையாமல் இருக்க வேண்டும். கட்டடங்களின்பேரில் உத்தேசிக்கும் குடைக்கூலியின்பேரில் போடப்படும் வரி விஷயத்தில் இதனடியில் சொல்லிய சாதகத்தை அனுசரிக்கவேண்டும்.  $\frac{2}{3}$  ஆறில் ஐந்துபங்கு வீட்டுவாடகையும் இவருக்கு மொத்தவருமானத்தில்  $\frac{1}{5}$  பத்தில் ஒருபாகத்தை எடுத்துக்கொண்டு இந்த இரண்டில் ஏது குறைந்ததுகையோ அந்த துகையே ஷே வீட்டின் வாடகையாக உத்தேசித்து அவைகளின்பேரில் வரி விதிக்கப்படும். எந்தக் கட்டடமாவது வியவசாயத்திற்கு சகாயார்த்தமாய் இருக்கும்பட்சத்தில் அவைகளுக்கு வரி விதிக்கப்படமாட்டாது.

26. வியவசாயத்திற்கு உபயோகமென்றால் வியவசாயம்செய்யும் நிலத்திற்கு அருகாமையில் இருப்பதும் அப்படி வியவசாயம்செய்பவன் குடியிருப்பதற்காவது அல்லது வியவசாயபலிதங்கள் வைத்துக்கொள்வதற்காவது உபயோகமாயிருப்பதென்று அர்த்தம்.

27. ஒரு ஆசாமி பலவித ஆதாயங்களை அடைந்திருந்து ஒரு விஷயத்தில்மாதிரம் வருஷம் 1-க்கு 500 ரூபாய்க்கு குறைந்திருந்தவைகளுக்கு, எல்லாவற்றையும் மொத்தமாகச் சேர்த்து 500 ரூபாய்களுக்குக் குறையாமலிருந்தால் தாமாஷாப்படி வரி விதிக்கப்படும்.

28. ஒரு ஆசாமிக்கு கவரன்மெண்டு பாண்டுகளில் வருஷம் 1-க்கு 500 ரூபாய்களுக்குக் குறைந்த வருமானம் இருந்தால் கலெக்ட்டரவர்கள் இடத்திலிருந்து இவருக்கு எல்லா வருமானங்கள் சேர்த்தும் 500 ரூபாய்களுக்கு உட்பட்ட வரவு என்று சர்ட்டிபிகேட்டு ஆஜர்செய்தபட்சத்தில் மதுராசபாங்கியார் அவர்களுக்கு வட்டி பட்டுவாடாவில் வரி வசூல்செய்யுமா?

29. கலெக்ட்டரவர்கள் வரி விதிப்பதற்கு முன்னே யார் யார் இந்த வரிக்கு உட்படுவார்களோ அவர்களுக்கு நமஸு பிரகாரம்

நோட்டீசுகளனுப்பி ஒருதேதி நிச்சயித்து அந்த தேதிக்குள்ளாக அவரவர்கள் ஆதாயங்களை கண்டு ஷே நமூனாவில் வாபஸ்செய்ய வேண்டுமென்று கோரவேண்டும்.

30. அப்படி அனுப்பப்படும் கணக்குகளில் அனுமானமில்லாதபட்சத்தில் 4 அல்லது 5 பைலீதம் கணக்கிட்டு வரி விதிக்கவேண்டும்.

31. மற்ற எல்லா ஆதாயங்களில் 2000 ரூபாய்களுக்குக் குட்பட்டவரும்படியுள்ளவர்களுக்கு ஒரு ஜாபிதா வரியுடன் சித்தப்படுத்திக் கலெக்டர் அவர்கள் தங்கள் ஆபீசில் வைத்துக்கொள்ளவேண்டும். அப்பேர்க்கொற்ற ஜாபிதாவை வேண்டியவர்களுக்குக் கிரமமானகாலத்தில் யாதொரு செலவுமின்றி காட்டவேண்டும்.

32. இப்படிக்கு வரி விதித்தபிறகு இந்தப்படி வரி விதிக்கப்பட்டிருக்கிறதென்றும் அந்த ஆசாமிக்கு வரும் ஆதாயங்களை இன்னி ன்ன பிரதேசங்களில் இவ்வளவு இவ்வளவு உத்தேசிக்கப்பட்டிருக்கிறதென்றும் அவர்கள் பலானவர் பலானகாலத்திற்குள் ளாக செலுத்தவேண்டுமென்றும், அப்படி விதித்தவரிக்கு ஆகேஷ்பணை உண்டென்றபட்சத்தில் 30 தினங்களுக்குள்ளாக ஆகேஷ்பணை செய்யவேண்டுமென்றும் ஒரு ஸ்டேட்மெண்டு தயார்செய்து அந்தந்த ஆசாமிகளுக்கு பட்டுவாடா செய்யவேண்டும்.

33. இந்த வரி பிரதிவருஷம் ஜூன்மீ முதல்தேதியில் செலுத்த வேண்டும். ஆனால் சர்க்கார்மூலமாய் அந்த ஜூன்மீ 30உ வகைக்கும் டிமாண்டு வகைராக்கள் வசூலுக்கு அனுப்பப்படமாட்டாது.

34. மேற்சொல்லியபடி ஆகேஷ்பணை அர்ஜிகளின்பேரில் தீர்ப்பு செய்த 30 நாள்வரையிலும் சர்க்கார் டிமாண்டு வகைராக்களின் மூலமாய் வரி வசூல்செய்யக்கூடாது. இப்படி செய்யும் ஆகேஷ்பணை அர்ஜிகள் மற்ற எல்லாவித வருமானங்களின்பேரிலும் போட்டிருக்கும் வரி விஷயத்தில்மாத்திரமே, அப்படிச் செய்யும் ஆகேஷ்பணை அர்ஜிகளுக்கு (ஒரு அனு கோர்ட்டீஸ்டாம்பு) ஒட்டி யிருக்கவேண்டும். ஆகேஷ்பணை யர்ஜி விதித்திருக்கும் நமூனாப் படிக்கிருக்கவேண்டியது.

35. இப்படிப்பட்ட ஆகேஷ்பணை அர்ஜிகளின்பேரில் விசாரணை செய்து தீர்மானம் செய்வதற்காக அந்த அர்ஜீதார்கள் கோரும் சாஷியை வரவழைக்கலாம். இந்த விஷயத்தில் நடத்திய நடவடிக்கைகள் ஜூன்மீஷியல் பிரொவீடிங்ஸ் ஆக பாவிக்கப்படும்.

36. கலெக்டர் அவர்கள் செய்த தீர்மானம் திருப்தி இல்லாதபட்சத்தில் இந்த ஆக்ட்டிப்பிரகாரம் நியமிக்கப்பட்டிருக்கும் கமிஷனர் அவர்களுக்கு திருந்துபாடுசெய்யும்பொருட்டு அர்ஜி கொடுக்கலாம்.

37. இந்த கமிஷனர் அவர்களும் கலெக்டர் அவர்களைப்போல வே சாக்ஷிகளை வரவழைத்து தீர்மானம் செய்யலாம். இவர் நடவடிக்கைகள் கூட ஜூடிஷியல் பிரொவீடிங்சாக எண்ணப்படும்.

38. கலெக்டர் அவர்களும் கமிஷனர் அவர்களும் இந்த விசாரணைத் தீர்ப்புவிஷயத்தில் லீவில்கோர்ட்டாருடைய அதிகாரத்தை வகித்திருக்கிறார்கள்.

39. வரிசெலுத்தத்தகுந்தவர்கள் நியமித்த காலத்தில் செலுத்தத் தவறிப்போனால் வரிக்கு இரட்டத்தனை வரி வசூல்செய்யப்படும்.

40. இந்த ஆக்ட்டிப் பிரகாரம் வசூல் செய்யப்படும் வரிகள் இரண்டு விதமாய் வசூல் செய்யப்படும்.

1. சென்னப்பட்டணம் சரகத்தில் அமூல் ஜாரியிலிருக்கும் நிலவரிகளை வசூல் செய்யப்படும் 1867ஆம் ஆண்டு 6-வது ஆக்ட்டி. வெளி ஜில்லாவில் அமூலிலிருக்கும் 1864ஆம் ஆண்டு 2-வது ஆக்ட்டிப்படிக்காவது,

2. முனிசிபல் வரியாவது லோகல்பண்டு வரியாவது மாஜிஸ்ட்ரேட்டுமூலம் வசூல் செய்யத்தக்கவிதமாய்.

41. இந்த இரண்டு விதங்களில் எந்த மார்க்கம் யாரால் எந்தவிதமாய் உத்திரவு செய்யப்படுமோ அவற்றை லோகல் கவரன்மெண்டார் விதிக்கவேண்டும். லோகல் கவரன்மெண்டார் லாண்ட்ரிவினியூபாக்கி வசூல்செய்கிறபடிக்கு இந்த வரியையும் வசூல் செய்யும்படி விதித்திருக்கிறார்.

42. நிர்ணயகாலத்தில் வரி செலுத்தவேண்டியவர்கள் அப்படி செலுத்தத் தவறிபோன விடத்தில் அது வசூல்செய்யவேண்டுமென்று செய்யும் தீர்மானம் சீவில்கோர்ட்டி டிக்ரிக்குச் சமானமாயிருக்கும். மேற்படி டிக்ரியின் கருத்தாவது சொத்துகளை ஜப்தி செய்து ஏலம்போடலாம். ஆசாமிகளை வாரண்டிப்பிடித்து சீவில் ஜெயிலில் வைக்கலாம். அப்படிக்கு ஜப்திசெய், சொத்துகளின் பேரில் வார்சு தாவாவந்த விடத்தில் விசாரணைசெய்து தீர்மானிக்கலாம். அந்த டிக்ரி நகல் மற்றொரு ஆபீசரிடத்தில் அனுப்பின்பட்சத்தில் அவர்களுக்கு இந்த வரி வசூல்செய்யும் விஷயத்தில் எல்லா அதிகாரங்களும் உண்டாயிருப்பதுபோலவே அமூல் ஜாரி செய்து வரி வசூல்செய்யலாம்.

43. லோகல் கவரன்மெண்டார் இந்த ஆக்ட்டிப்படி வசூல் செய்யத்தக்க வரிகளை முனிசிபாலிட்யாரையாவது லோகல்பண்டாரையாவது அவர்கள் வசூல் செய்துக்கொள்ளும் வரியுடன் கூட வசூல்செய்யவேண்டுமென்று உத்திரவு செய்யலாம்.

44. இந்த ஆக்ட்டிப்பிரகாரம் செலுத்தும் வரிகள் வருஷம் 1-க்கு 4 வாயிதாக்களுக்கு அதிகப்படாமல் லோகல் கவரன்மெண்டார் விதிக்கும்படி செலுத்தவேண்டும். லோகல் கவரன்மெண்டார் இரண்டிவாய்தாக்களாக வசூல்செய்யவேண்டுமென்று விதித்திருக்கிறார்கள். ஆனால் முதல்வாயிதா கொடுக்கவேண்டியதேதியில் செலுத்தத் தவறினால் வாய்தாக்களை எதிர்பாராமலே பூரா வரி வசூல்செய்யவேண்டும்.

45. இந்த ஆக்ட்டின்படி செலுத்தத் தக்க வரிகளுக்கு ரஜே நமூனாவின்படி கலெக்ட்டரவர்கள் ஸயினுடன் கொடுக்கவேண்டும்.

46. இந்தவரி செலுத்தியபிறகு எந்த ஆசாமியாவது கம்பெனியாராவது அந்தவருஷத்திற்குள்ளாக அவர்கள் செய்யும் வேலைகளை நிருத்திவிட்டாலும் நஷ்டமடைந்தாலும் இன்ஸால்வெண்டான போதிலும் அப்படிக்கு நஷ்டமடைந்த சங்கதி கலெக்டர் அவர்களுக்கு திருப்திகரமாய் ருஜுசெய்த விடத்தில் அந்த துறைக்கு ஜாஸ்தியாய் வசூல்செய்யப்பட்டவரியை வாப்செய்யப்படும்.

47. கவர்னர் ஜனரல் அவர்களாவது லோகல் கவரன்மெண்டாராவது இந்த ஆக்ட்டை அனுசரித்து ரூல்செய்து கெஜட்டில் பிரசுரம் செய்தால் அந்த ரூல்கள் அமுலில் கொண்டுவரப்படும்.

48. மேலும் யாதொரு ஆசாமியாவது கம்பெனியாராவது இந்த ஆக்ட்டு விதிகளின்படி ஆஜர்செய்யப்படும் யாதொரு தஸ்தாவேஜில் நமோதுசெய்திருக்கும் சங்கதியை எந்த சர்க்காரின் வேலைக்காரராவது வெளிப்படுத்தினால் இ. பி. கோடு 166-வது செக்ஷனில் கண்ட குற்றத்திற்கு பாத்திரமாவார்களென்று விதிக்கலாம்.

49. இந்த ஆக்ட்டின்படி விதிக்கப்படும் வரிகள் ரத்துசெய்வதற்காவது மாற்றுவதற்காவது எந்த சீவில் கோர்ட்டாரும் தாவாக்களை பிடிக்கக்கூடாது.

50. இந்த ஆக்ட்டின்படி கலெக்டர் அவர்கள் எந்த ஆசாமியின் மூலமாயாவது வேறொருவனுடைய சம்பளம் வகைராக்களைக் குறித்தாவது குடியிருப்பவர்களைப் பற்றியாவது அவர்களின் குடைக்கூலிகளைப் பற்றியாவது அவர்களுக்குத் தெரிந்தவகையில் தமக்குத் தெரிவிக்கும்படி கேழ்க்கலாம். அவர்கள் அப்பேர்க்கொற்ற சகால் னுக்குத் தெரிந்தவகையில் ஜவாபு சொல்லவேண்டியவர்களாயிருக்கிறார்கள். அப்படிக்கு ஜவாபு சொல்லாமல்போனால் இ. பி. கோடு 176-177 செக்ஷன்களின்படி சினைக்குப் பாத்திரமாவார்கள்.

51. இந்த ஆக்ட்டின்படி ஜாரிசெய்யத்தகுந்த நோட்டீசுகள் இதனடியில் சொல்லிய வீதப்படி சர்வ் (Serve) செய்யவேண்டும்:

1. தபால்மூலமாய் ரிஜிஸ்தர்செய்தாவது,
2. ரிஜிஸ்தர் செய்யாமலே தபாலிலாவது,
3. அந்த ஆசாமிகளுக்கு நேரில் சர்வ்செய்தாவது,
4. அவர் குடும்பத்தில் வயதுவந்த புருஷர்களிடத்திலாவது,

5. அவர் குடியிருக்கும் கதவில் ஒட்டியாவது.

52. தபாலில் போடும்பட்சத்தில் அந்த ஆசாமிகளுக்குச் சேரத்தக்க சரியான மேல்விலாசம் எழுதினதாயும் அந்த லகோடா சரியான தபால்பெட்டியில் போடப்பட்டதாக ருகவானால் அந்த நோட்டீசு சேர்ந்ததாக எண்ணவேண்டும்.

53. ஒரு கம்பெனியாருக்காவது (Firm's) பரண் அவர்களுக்காவது பல லோகல் கவரன்மெண்டில் வியாபாரம் இருந்த இடத்தில் கவர்னர்ஜனரல் அவர்களால் அவர்களுடைய வர்த்தக முக்கியஸ்தலம் தீர்மானிக்கப்படும். ஒரே கவரன்மெண்டில் பல இடங்களில் வர்த்தகம் இருந்த பட்சத்தில் லோகல் கவரன்மெண்டார் தீர்மானிக்கலாம். ஆசாமிகளின் விஷயத்தில் மேற்சொல்லியபடியாகவே வர்த்தகம் இருந்தபட்சத்தில் அவர்களுடைய முக்கியமான வாசஸ்தலம் கவர்னர் ஜனரல் அவர்களாலாவது லோகல் கவரன்மெண்டாராலாவது தீர்மானிக்கப்படும்.

54. கவர்னர் ஜனரல் அவர்களுக்காவது, லோகல் கவரன்மெண்டாருக்காவது இந்த ஆக்ட்டினால் இருக்கும் அதிகாரத்தை மற்ற எந்த ஆபீசர்களுக்காவது மாற்றலாம்.

55. வருமானவரி எங்கே அமுலில் இருக்கிறதோ அங்கே பண்டாரி, காபிடேஷன் வரிகள் நிருத்தப்படும்.

56. எந்த ஆசாமி இந்தவரி கொடுக்கவேண்டியபடியை இருக்கிறானோ அந்த ஆசாமிக்கு வேறொருவன் ஏஜண்டாக வேலை நிறைவேற்றிக்கொண்டிருக்கும்பட்சத்தில் அந்த ஏஜண்டு ஏஜமானனுக்காக தன்னிடத்தில் வரும்பணங்களில் தன் ஏஜமானன் நிமித்தம் இந்த வரியை செலுத்தலாம்.

57. யார்யார் இந்த ஆக்ட்டின்படி அதிகாரத்தை வகிப்பார்களோ அவரவர்கள் சந்தர்ப்பானுசாரமாய் அந்த அதிகாரத்தை நிறைவேற்றிக்கொண்டிருக்கலாம்.



# ACT OF THE GOVERNMENT OF INDIA.

---

The following Act of the Governor-General of India in Council received the assent of His Excellency the Governor-General on the 29th January 1886, and is hereby promulgated for general information :—

ACT No. II OF 1886.

*An Act for imposing a Tax on Income derived from sources other than Agriculture.*

---

## CONTENTS.

---

### CHAPTER I.

#### PRELIMINARY.

#### SECTIONS.

1. Extent and commencement.
  2. Repeal.
  3. Definitions.
- 

### CHAPTER II.

#### LIABILITY TO TAX.

4. Incomes liable to the tax.
5. Exceptions.

## CHAPTER III.

## ASSESSMENT AND COLLECTION.

**A.—Salaries and Pensions.**

## SECTIONS.

7. Mode of payment in case of Government officials and pensioners.
8. Mode of payment in case of servants and pensioners of local authorities.
9. Mode of payment in case of servants and pensioners of companies and private employers.
10. Annual return by principal officer of company or association.

**B.—Profits of Companies.**

11. Annual statement of nett profits.
12. Power to require officers of companies to produce accounts.

**C.—Interest on Securities.**

13. Mode of payment of tax on interest on securities.

**D.—Other Sources of Income.***Ordinary Mode of Assessment and Collection.*

14. Collector to determine persons chargeable.
15. Mode of making assessment.
16. List of incomes under two thousand rupees.
17. Notices to persons with incomes of two thousand rupees and upwards.
18. Power to modify ordinary procedure in special cases.
19. Time and place of payment.

*Trustees, Agents, Managers, and Incapacitated Persons.*

20. Trustees, guardians and committees of incapacitated persons to be charged.
21. Non-Residents to be charged in names of their agents.
22. Receivers, managers, Courts of Wards, Administrators-General and Official Trustees.
23. Power to retain duties charged on trustees, &c.

*Occupying Owners.*

24. Provision for tax on occupying owners.

---

## CHAPTER IV.

### REVISION OF ASSESSMENT.

25. Petition to Collector against assessmen under Part IV.
26. Hearing of petition.
27. Petition to Commissioner for revision.
28. Power to summon witnesses, &c.

---

## CHAPTER V.

### RECOVERY OF ARREARS OF TAX.

#### SECTIONS.

29. Tax when payable.
30. Mode and time of recovery.

## CHAPTER VI.

## SUPPLEMENTAL PROVISIONS.

*Composition.*

31. Agreements for composition.

*Receipts.*

32. Receipts and their contents.

*Amendment of Assessment.*

33. Amendment of assessment.

*Penalties.*

34. Failure to make payments or deliver returns or statements.

35. False statement in declaration.

36. Prosecution to be at instance of Collector.

37. Sections 193 and 228 of Penal Code to apply to proceedings.

*Power to make Rules.*

38. Power to make rules.

*Miscellaneous.*

39. Bar of Suits in Civil Court.

40. Exercise of powers of Collector and Commissioner.

41. Obligation to furnish information respecting lodgers and employés.

42. Trustees and agents to furnish information as to beneficiaries and principals.

43. Trustee, &c., to furnish information as to income.

44. Obligation to furnish other information.

45. Sections 176 and 177 of Penal Code to apply to requisitions for information.
46. Service of notices.
47. Power to declare principal place of business or residence.
48. Saving in favor of payers of pándharí and capitation taxes.
49. Indemnity.
50. Powers exerciseable from time to time.

---

THE FIRST SCHEDULE.—ENACTMENTS REPEALED.

THE SECOND SCHEDULE.—SOURCES OF INCOME AND RATES OF TAX.

THE THIRD SCHEDULE.—FORM OF PETITION.

---

*An Act for imposing a Tax on Income derived from sources other than Agriculture.*

WHEREAS it is expedient to impose a tax on income derived from sources other than agriculture; It is hereby enacted as follows :—

CHAPTER I.

PRELIMINARY.

1. (1) This Act extends to the whole of British India, and applies also, within the dominions of Princes and States in India in alliance with Her Majesty, to British subjects in those dominions who are in the service of the Government of India or of a local authority established in the exercise of the powers

*Extent and commencement.*



of the Governor-General in Council in that behalf ;  
and

(2) It shall come into force on the first day of April 1886.

(3) Any power conferred by this Act to make rules or to issue orders may be exercised at any time after the passing of this Act ; but a rule or order so made or issued shall not take effect until the Act comes into force.

2. On and from the day on which this Act comes into force the enactments specified in the first schedule to this Act shall be repealed, except as to fees payable and other sums due under those enactments and the mode of recovering the same.

3. In this Act, unless there is something repugnant in the subject or context,—

(1) “ local authority ” means any municipal committee, district board, body of port commissioners or other authority legally entitled to, or entrusted by the Government with, the control or management of any municipal or local fund :

(2) “ company ” means an association carrying on business in British India, whose stock or funds is or are divided into shares and transferable, whether the company is incorporated or not, and whether its principal place of business is situate in British India or not :

(3) “ prescribed ” means prescribed by the Governor-General in Council by notification in the *Gazette*

*of India*, or by the Governor-General in Council or a Local Government by rules made under this Act :

(4) “ salary ” includes allowances, fees, commissions, perquisites or profits received in lieu of, or in addition to, a fixed salary, in respect of an office or employment of profit ; but, subject to any rules which may be prescribed in this behalf, it does not include travelling, tentage, horse or sumptuary allowance, or any other allowance granted to meet specific expenditure :

(5) “ income ” means income and profits accruing and arising or received in British India, and includes, in the case of a British subject within the dominions of a Prince or State in India in alliance with Her Majesty, any salary, annuity, pension or gratuity payable to that subject by the Government or by a local authority established in the exercise of the powers of the Governor-General in Council in that behalf :

(6) “ Magistrate ” means a Presidency Magistrate or a Magistrate of the first or second class :

(7) “ person ” includes a firm and a Hindu undivided family :

(8) “ defaulter ” includes a company or firm making default under this Act :

(9) “ Collector ” means the chief officer in charge of the revenue administration of a district, and, in a presidency town, any officer whom the Local Government by notification in the official Gazette, may, by name or by virtue of his office, appoint to be a Collector for the purposes of this Act ; in the case of a company or firm, it means the Collector,

as here defined, of the district or presidency town in which its principal place of business in British India is situate; and, in the case of any other person chargeable under this Act, it means the Collector, defined as aforesaid, of the district or presidency town in which the person has his residence:

(10) "principal officer," used with reference to a local authority or a company, or any other public body or association not being a local authority or company, means—

(a) the secretary, treasurer, manager or agent of the authority, company, body or association; or

(b) any person connected with the authority, company, body or association upon whom the Collector has caused a notice to be served of his intention of treating him as the principal officer thereof; and

(11) "Part" means a part of the second schedule to this Act.

## CHAPTER II.

### LIABILITY TO TAX.

4. Subject to the exceptions mentioned in the next following section, there shall be paid, in the year beginning with the first day of April 1886, and in each subsequent year, to the credit of the Government of India, or as the Governor-General in Council directs in respect of the sources of income

Incomes liable to the tax.

specified in the first column of the second schedule to this Act, a tax at the rate specified in that behalf in the second column of that schedule.

Exceptions.

5. (1) Nothing in section 4 shall render liable to the tax—

- (a) any rent or revenue derived from land which is used for agricultural purposes and is either assessed to land revenue or subject to a local rate assessed and collected by officials of the Government, as such ; or
- (b) any income derived from—
  - (i) agriculture, or
  - (ii) the performance by a cultivator or receiver of rent-in-kind of any process ordinarily employed by a cultivator or receiver of rent-in-kind to render the produce raised or received by him fit to be taken to market, or
  - (iii) the sale by a cultivator or receiver of rent-in-kind of the produce raised or received by him, when he does not keep a shop or stall for the sale of such produce ; or
- (c) any building owned and occupied by the receiver of the rent or revenue of any such land as is referred to in clause (a) or by the cultivator or the re-

ceiver of rent-in-kind, of any land with respect to which or the produce whereof any operation mentioned in clause (b) is carried on :

Provided that the building is on or in the immediate vicinity of the land, and is a building which the receiver of the rent or revenue, or the cultivator or the receiver of the rent-in-kind, by reason of his connection with the land, requires as a dwelling-house or as a store-house, factory or other out-building ; or

- (d) any profits of a shipping company incorporated or registered out of British India and having its principal place of business out of India and its ships ordinarily engaged in sea-going traffic out of Indian waters ; or
- (e) any income derived from property solely employed for religious or public charitable purposes ; or
- (f) any income which a person enjoys as a member of a company or of a firm or of a Hindu undivided family when the company or the firm or the family is liable to the tax ; or,
- (g) subject to any conditions and restrictions which may be prescribed in this behalf, such portion, not exceeding one-sixth, of the income in respect whereof a person would, but for this



exception, be chargeable under this Act, as is deducted from the salary of the person under the authority or with the permission of the Government for the purpose of securing a deferred annuity to him or a provision to his wife or children after his death or is paid by the person to an insurance company in respect of an insurance or deferred annuity on his own life or on the life of his wife ; or

- (h) any interest on stock-notes ; or
- (i) the salary of any officer, warrant officer, non-commissioned officer or private of Her Majesty's Forces or of Her Majesty's Indian Forces who is not in an employment which, according to the ordinary practice, is held indifferently by military persons and civilians, and whose salary does not exceed five hundred rupees per mensem ; or
- (j) any person whose income from all sources is less than five hundred rupees per annum.

(2) An officer or servant is not exempt from taxation under this Act by reason only of the income of his employer being exempt therefrom under this section.

6. The Governor-General in Council may, by notification in the *Gazette of India*, exempt from liability

Power to make exemptions.

to the tax the whole or any part of the income of any class or tribe, or of any persons residing in any specified area, and may, by a like notification, revoke the exemption.

## CHAPTER III.

### ASSESSMENT AND COLLECTION.

#### A.—Salaries and Pensions.

7. In the case of a person receiving any salary, annuity, pension or gratuity from the Government, any sum payable to him by the Government in respect of the salary, annuity, pension or gratuity shall be reduced by the amount of the tax to which he is liable under Part I in respect thereof.

Mode of payment in case of Government officials and pensioners.

8. (1) In the case of a person receiving any salary, annuity, pension or gratuity from a local authority, tax to which he is liable under Part I shall, at the time of the payment to him of any of the salary, annuity, pension or gratuity, be deducted therefrom by the officer whose duty it is to make the payment, and be paid by that officer within the prescribed time to the credit of the Government of India or as the Governor-General in Council directs.

Mode of payment in case of servants and pensioners of local authorities.

(2) If that officer does not deduct and pay the tax as required by sub-section (1), he shall, without prejudice to any other consequences which he may

incur, be deemed to be personally in default in respect of the tax.

(3) If, when any payment is made, the tax is from any cause not deducted, it may, and on the requisition of the Collector shall, be deducted when any salary, annuity, pension or gratuity is subsequently paid to the person liable to the tax.

(4) The power to deduct under this section shall be without prejudice to any other mode of recovery.

9. (1) The tax to which a person receiving any salary, annuity, pension or gratuity from a company, or from any other public body or association not being a local authority or company or from a private employer, is liable under Part I shall be payable by him at the time when any portion of the salary, annuity, pension or gratuity is paid to him.

(2) The Collector may, subject to such conditions as may be prescribed, enter into an arrangement with any company, or any such body or association as aforesaid, or any private employer, with respect to the recovery on behalf of the Government by the company, body, association or employer of the tax to which any person receiving any salary, annuity, pension or gratuity from the company, body, association or employer is liable under Part I.

10. The principal officer of every local authority, and of every company, and of every other public body or association not being a local authority or company, shall prepare, and, on or before the fifteenth day of April in each year, an annual return by principal officer of company or association.

or cause to be delivered to the Collector, in the prescribed form, a return in writing showing—

- (a) the name of every person who is receiving at the date of the return any salary, annuity or pension, or has received during the year ending on that date any gratuity, from the authority, company, body or association, as the case may be, and the address of every such person so far as it is known; and
- (b) the amount of the salary, annuity, pension or gratuity so received by each such person, and the time at which the same becomes payable or, in the case of a gratuity, was paid.

### B.—Profits of Companies.

11. The principal officer in British India of every company shall prepare, and, Annual statement of nett profits. on or before the fifteenth day of April in each year, deliver or cause to be delivered to the Collector, a statement in writing signed by him of the nett profits made in British India by the company during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then of the nett profits so made during the year ending on the said thirty-first day of March.

12. (1) If the Collector has reason to believe that a statement delivered under section 11 is incorrect or incomplete, he may cause to be served on the principal officer of the company a notice requiring him, on or before a date to be therein mentioned, either to attend at the Collector's office and produce, or to cause to be there produced, for the inspection of the Collector such of the accounts of the company as refer to the year to which the statement relates and as are in his possession or power.

(2) On the day specified in the notice, or as soon afterwards as may be, the Collector shall, by an order in writing, determine the amount at which the company shall be assessed under Part II, and the time when the amount shall be paid, and, subject to the provisions of this Act, that amount shall be payable accordingly.

### C.—Interest on Securities.

13. (1) The tax payable under Part III in respect of the interest on any of the securities mentioned in that Part shall, at the time when and place where any of the interest is paid, be deducted therefrom by the person empowered to pay the interest, and be paid by that person within the prescribed time to the credit of the Government of India or as the Governor-General in Council directs.

(2) If that person does not deduct and pay the tax as required by sub-section (1), he shall, without prejudice to any other consequences which he may



ineur, be deemed to be personally in default in respect of the tax.

### D.—Other Sources of Income.

#### *Ordinary Mode of Assessment and Collection.*

14. The Collector shall, from time to time, determine what persons are chargeable under Part IV, and the amount at which every person so chargeable shall be assessed.

Collector to determine persons chargeable.

15. (1) The assessment shall be made upon the income accruing to the person during the year ending on the day on which his accounts have been last made up, or, if his accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then upon the income accruing to him during the year ending on the said thirty-first day of March.

Mode of making assessment.

(2) In the case of a person for the first time becoming chargeable under Part IV within the year for which the assessment is to be made, or within the year next before that year, the assessment shall be made according to an average of his income for such period as the Collector, having regard to the circumstances, directs.

16. (1) The Collector shall in each year prepare a list of the persons chargeable under Part IV whose annual income does not, in his opinion, amount to two thousand rupees.

List of incomes under two thousand rupees.

(2) The list shall be in the prescribed language or languages, and shall state in respect of every such person the following particulars, namely :—

- (a) his name, and the source or sources of the income in respect of which he is chargeable ;
- (b) the year or portion of the year for which the tax is to be paid ;
- (c) the place or places, district or districts, where the income accrues ;
- (d) the amount to be paid ; and
- (e) the place where, and the person to whom, the amount is to be paid.

(3) The list shall be filed in the office of the Collector, with a notification prefixed thereto requiring every person mentioned in the list to pay, within sixty days from a date specified in the notification, the amount stated in the list as payable by him, or to apply to the Collector, within thirty days from that date, to have the assessment reduced or cancelled.

(4) The list so filed shall be open to inspection at all reasonable times without any payment.

(5) The list, or such part or parts thereof as the Collector thinks fit, with the notification prefixed thereto, shall be further published in such manner as the Local Government may consider to be best adapted for giving information to all persons concerned.

(6) The list to be prepared in each year may be the list of the previous year with such amendments as the Collector finds to be necessary.

17. In the case of a person chargeable under Part IV whose annual income

Notices to persons with incomes of two thousand rupees and upwards.

is, in the Collector's opinion, two thousand rupees or upwards, the Collector shall cause a notice to be served on him stating the particulars (a) to (e), both inclusive, mentioned in section 16, sub-section (2), and requiring him to pay, within sixty days from a date specified in the notice, the amount stated therein as payable by him, or to apply to the Collector, within thirty days from that date, to have the assessment reduced or cancelled.

Power to modify ordinary procedure in special cases.

18. (1) Notwithstanding anything contained in section 16 or section 17, the Local Government may make rules—

- (a) authorizing or directing a Collector in specified cases, or classes, of cases to include in a list under section 16 any person who is liable to be served with a notice under section 17 instead of or in addition to serving him with such a notice, and to serve a notice under section 17 on any person liable to be included in a list under section 16 instead of or in addition to including him in such a list;
- (b) authorizing the Collector in any specified town or place to cause a general notice to be published, inviting every person chargeable under Part IV to deliver or cause to be delivered to the

Collector, within a time specified in the notice, a return, in a prescribed form published with the notice, of his income during the year ending on the day on which his accounts have been last made up, or; if his accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then of his income during the year ending on the said thirty-first day of March ;

- (c) authorizing the Collector in any presidency town to cause a special notice to be served on any person chargeable under Part IV, inviting him to deliver or cause to be delivered to the Collector, within a time specified in the notice, a return, in a prescribed form accompanying the notice, of his income computed in the manner described in clause (b) of this sub-section.

(2) A return delivered under rules made under clause (b) or clause (c) of sub-section (1) must state the period during which the income has actually accrued ; and there must be added at the foot thereof a declaration that the income shown in the return is truly estimated on all the sources therein mentioned, that it has actually accrued within the period therein stated, and that the person making the return has no other source of income.

(3) When a Collector authorized in that behalf by rules made under clause (b) or clause (c) of subsection (1) has caused a notice to be published or served under those rules, he shall not include any person to whom the notice applies in any list made under section 16 or serve a notice on him under section 17 until the time specified in the notice published or served under those rules has expired.

(4) Rules made under this section shall be published in the official Gazette.

19. Every amount specified as payable in a list  
*Time and place of payment.* or notice prepared or served  
 under section 16 or section  
 17 shall be paid within the time, at the place, and  
 to the person, mentioned in the list or notice.

*Trustees, Agents, Managers, and Incapacitated  
 persons.*

20. A person being the trustee, guardian, cura-  
*Trustees, guardians, and* tor or committee of any  
*committees of incapacitated* infant, married woman, sub-  
*persons to be charged.* ject to the law of England,  
 lunatic or idiot, and having the control of the pro-  
 perty of the infant, married woman, lunatic or idiot,  
 whether the infant, married woman, lunatic or idiot  
 resides in British India or not, shall, if the infant,  
 married woman, lunatic or idiot is chargeable under  
 Part IV, be chargeable under that Part in like  
 manner and to the same amount as the infant would  
 be chargeable if he were of full age, or the married  
 woman if she were sole, or the lunatic or idiot if he  
 were capable of acting for himself.



21. Any person not resident in British India, whether a subject of Her Majesty or not, being in receipt, through an agent, of any income chargeable under Part IV, shall be chargeable under that Part in the name of the agent in the like manner and to the like amount as he would be chargeable if he were resident in British India and in direct receipt of that income.

Non-residents to be charged in names of their agents.

22. Receivers or managers appointed by any Court in India, the Courts of Wards, the Administrators-General of Bengal, Madras and Bombay, and the Official Trustees shall be chargeable under Part IV in respect of all income officially in their possession or under their control which is liable to assessment under that Part.

Receivers, managers, Courts of Wards, Administrators-General and Official Trustees.

23. When a trustee, guardian, curator, committee or agent is, as such, assessed under Part IV, or when a receiver or manager appointed as aforesaid, a Court of Wards, an Administrator-General or an Official Trustee is assessed under that Part in respect of income officially received, the person or Court so assessed may, from time to time, out of the money coming to his or its possession as trustee, guardian, curator, committee or agent, or as receiver, manager, Court of Wards, Administrator-General or Official Trustee, retain so much as is sufficient to pay the

Power to retain duties charged on trustees, &c.

### *Occupying Owners.*

24. (1) Where a building is occupied by its owner, it shall be deemed a source of income within the meaning of this Act, and, if liable to be assessed under this Act, shall be assessed at five-sixths of the gross annual rent at which it may reasonably be expected to let, and, in the case of a dwelling house, may be expected to let unfurnished.

(2) "Owner," as used in this section with reference to a building, means the person who would be entitled to receive the rent of the building if the building were let to a tenant.

## CHAPTER IV.

### REVISION OF ASSESSMENT.

25. (1) Any person objecting to the amount at which he is assessed, or denying his liability to be assessed, under Part IV, may apply by petition to the Collector to have the assessment reduced or cancelled.

(2) The petition shall ordinarily be presented within the period specified in the notification prefixed to the list filed under section 16, or in the notice served under section 17, as the case may be. But the Collector may receive a petition after the expiration of that period if he is satisfied that the

(3) The petition shall, as nearly as circumstances admit, be in the form contained in the third schedule to this Act, and the statements contained in the petition shall be verified by the petitioner or some other competent person in the manner required by law for the verification of plaints.

26 The Collector shall fix a day and place for the hearing of the petition, and on the day and at the place so fixed, or on the day and at the place, if any, to which he has adjourned the hearing, shall hear the petition and pass such order thereon as he thinks fit.

Hearing of petition.

27. Subject to the control of the Local Government, the Commissioner of the Division, on the petition of any person deeming himself aggrieved by an order under section 12, sub-section (2), or section 26 shall, if the amount of the assessment to which the petition relates is two hundred and fifty rupees or upwards, and may in his discretion if the amount of the assessment is less than two hundred and fifty rupees, call for the record of the case, and pass such order thereon as he thinks fit.

28. The Collector or Commissioner may, for the purpose of enabling him to determine how the petitioner or the company which he represents should be assessed, summon and enforce the attendance of witnesses and compel them to give evidence, and compel the production of documents, by the same

Power to summon witnesses, &c.

as is provided in the case of a Civil Court by the Code of Civil Procedure :

Provided that the Collector or Commissioner shall not call for any evidence except at the instance of the petitioner or in order to ascertain the correctness of facts alleged by him.

## CHAPTER V.

### RECOVERY OF ARREARS OF TAX.

29. The tax chargeable under this Act shall be payable at the time appointed in that behalf in or under this Act, or, if a time is not so appointed, then on the first day of June in each year.

Tax when payable.

30. (1) In any case of default under this Act the Collector, in his discretion, may recover a sum not exceeding double the amount of the tax either as if it were an arrear of land revenue or by any process enforceable for the recovery of an arrear of any municipal tax or local rate imposed under any enactment for the time being in force in any part of the territories administered by the Local Government to which he is subordinate, or may pass an order that a sum not exceeding double that amount shall be recovered from the defaulter :

Mode and time of recovery.

Provided that, where a person has presented a petition under section 25, such sum shall not be recoverable from him unless, within thirty days from the passing of the order on the petition, he fails to pay the amount, if any, required by that order.

(2) The Local Government may direct by what

authority any powers or duties incident under any such enactment as aforesaid to the enforcement of any process for the recovery of a municipal tax or local rate shall be exercised or performed when that process is employed under sub-section (1) for the recovery of the tax chargeable under this Act.

(3) An order passed by the Collector under sub-section (1) shall have the force of a decree of a Civil Court in a suit in which the Government is the plaintiff and the defaulter is the defendant; and the order may be enforced in the manner provided by the Code of Civil Procedure for the enforcement of decrees for money; and the procedure under the said Code in respect of the following matters, namely,—

- (a) sales in execution of decrees,
- (b) arrest in execution of decrees for money,
- (c) execution of decrees by imprisonment,
- (d) claims to attached property, and
- (e) execution of decrees out of the jurisdiction of the Court by which they were passed,

shall apply to every execution issued for levying the sum mentioned in the order; save that all the powers and duties conferred and imposed by the said Code upon the Court shall be exercised and discharged by the Collector by whom the order has been made or to whom a copy thereof has been sent for execution according to the provisions of the said Code, sections 223 and 224.

(4) The Local Government may direct, with respect to any specified area, that the tax chargeable under this Act shall be recovered therein with, and



as an addition to, any municipal tax or local rate by the same person and in the same manner as the municipal tax or local rate is recovered.

(5) No proceedings for the recovery of any sum payable under this Act shall be commenced after the expiration of three months from the last day of the year in respect of which the sum is payable.

## CHAPTER VI.

### SUPPLEMENTAL PROVISIONS.

#### *Composition.*

31. (1) If a company or person desires to compound for the tax assessable under Part II or Part IV, as the case may be, the Collector may, subject to such rules as may be prescribed in this behalf, agree with the company or person for a composition for the tax on such terms and for such period as he thinks fit.

(2) The agreement shall provide for the payment, in each year of the period comprised in the agreement, of the amount of the composition ; and that amount shall be recoverable in the same manner and by the same means as any other assessment made under Part II or Part IV, as the case may be.

#### *Receipts.*

32. When any money is paid under this Act to the Collector or is recovered thereunder by him, he shall give a receipt for the same, specifying—

(a) the date of the payment or recovery of the money ;

(b) the amount paid or recovered ;

- (c) the person who was liable to the tax, and the source or sources of income in respect of which the tax was payable ;
- (d) the year or part of the year for which the tax was payable ;
- (e) the place or places, district or districts, where the income accrues ; and
- (f) such other particulars, if any, as may be prescribed.

*Amendment of Assessment.*

33. If a company or person assessed under Part II or Part IV ceases to carry on the trade or business in

*Amendment of assessment.*

respect whereof the assessment was made, or if any such person dies or becomes insolvent before the end of the year for which the assessment was made, or if any such company or person is, from any other specific cause, deprived of or loses the income on which the assessment was made, then the company or person or its or his representative in interest may apply to the Collector during or within three months after the end of the year, and the Collector, on proof to his satisfaction of any such cause as aforesaid, shall amend the assessment as the case may require, and refund such sum, if any, as has been overpaid.

*Penalties.*

*Failure to make payments or deliver returns or statements.*

34. (1) If a person fails—

- (a) to deduct and pay any tax as required by section 8, sub-section (1), or section 13, sub-section (1), or
- (b) to deliver or cause to be delivered to

or statement mentioned in section 10 or Section 11, or

(c) to produce, or cause to be produced, on or before the date mentioned in a notice under section 12, such accounts as are referred to in the notice, he shall, on conviction before a Magistrate, be punishable with fine which may extend to ten rupees for every day during which the default continues.

(2) The Commissioner of the Division may remit wholly or in part any fine imposed under this section.

**35.** If a person makes a statement in a declaration mentioned in section 18, sub-section (2), which is false, and which he either knows or believes to be false or does not believe to be true, he shall be deemed to have committed the offence described in section 177 of the Indian Penal Code.

**36.** A person shall not be proceeded against for an offence under section 34 or section 35, except at the instance of the Collector.

**37.** Any proceeding under section 12 or Chapter IV of this Act shall be deemed to be a "judicial proceeding" within the meaning of sections 193 and 228 of the Indian Penal Code.

*Power to make Rules.*

**38.** (1) The Governor-General in Council may

determining income liable to assessment, for preventing the disclosure of particulars contained in documents delivered or produced with respect to assessments under Part IV, and, generally, for carrying out the purposes of this Act, and may delegate to a Local Government the power to make such rules so far as regards the territories subject to that Government.

(2) In making a rule for preventing the disclosure of any particulars referred to in sub-section (1), the Governor-General in Council may direct that a public servant committing a breach of the rule shall be deemed to have committed an offence under section 166 of the Indian Penal Code:

(3) But a person committing any such offence shall not be liable to be prosecuted therefore without the previous sanction of the Local Government.

(4) Rules made under this section shall be published in the official Gazette.

*Miscellaneous.*

39. No suit shall lie in any Civil Court to set aside or modify any assessment made under this Act.

*Bar of suits in Civil Court.*

40. All or any of the powers and duties conferred and imposed by this Act on a Collector or on a Commissioner of Division may be exercised and performed by such other officer or person as the Local Government appoints in this behalf.

*Exercise of powers of Collector and Commissioner.*

41. An officer or person exercising all or any of the powers of a Collector under this Act may, by

*Obligation to furnish information respecting lodgers and employés.*

furnish a list, in the prescribed form, containing, to the best of his belief,—

- (a) the name of every inmate or lodger resident in any house used by him as a dwelling-house or let by him in lodgings ;
- (b) the name of every other person receiving salary or emoluments amounting to forty-one rupees ten annas and eight pies per mensem, or five hundred rupees per annum, or upwards, employed in his service, whether resident in any such house as aforesaid or not ; and
- (c) the place of residence of such of those persons as are not resident in any such house, and of any inmate or lodger in any such house who has a place of residence elsewhere at which he is liable under this Act to be assessed, and who desires to be assessed at that place.

42. An officer or person exercising all or any of

Trustees and agents to furnish information as to beneficiaries and principals.

the powers aforesaid may, by notice, require any person whom he has reason to be-

lieve to be a trustee, guardian, curator, committee or agent, to deliver or cause to be delivered a statement of the names of the persons for or of whom he is trustee, guardian, curator, committee or agent.

43. An officer or person exercising all or any of the



Trustees, &c, to furnish information as to income.

said powers may by notice, require a trustee, guardian, curator, committee or agent, or a receiver or manager appointed by any Court in India, or a Court of Wards, Administrator-General or Official Trustee, to furnish such returns of income liable to assessment under Part IV as may be prescribed.

44. An officer or person exercising all or any of the said powers may, at the instance of any person respecting whose assessment or the amount thereof any doubt exists, require any person to furnish such information as he deems to be necessary for the purpose of ascertaining facts relevant to the assessment or its amount.

Obligation to furnish other information.

45. A person required to furnish any information under section 41, section 42, section 43 or section 44 shall be legally bound to furnish the same in such manner and within such time as may be specified in the requisition for the information.

Sections 176 and 177 of Penal Code to apply to requisitions for information.

46. (1) A notice under this Act may be served on the person therein named either by a prepaid letter addressed to the person and registered under Part III of the Indian Post Office Act, 1866, or by the delivery or tender to him of a copy of the notice.

Service of notices.

(2) If a notice is served by registered letter, it shall be presumed to have been served at the time when the letter would be delivered in the ordinary course of post.

course of post, and proof that the letter was properly addressed and put into the post shall be sufficient to raise the presumption that the notice was duly served at that time.

(3) If the notice is to be served otherwise than by registered letter, the service shall, whenever it may be practicable, be on the person named in the notice, or, in the case of a firm, on some member thereof, or, in the case of a Hindu undivided family, on the manager of the joint estate of the family.

(4) But when the person, member or manager cannot be found, the service may be made on any adult male member of his family residing with him; and if no such adult male member can be found, the serving-officer shall fix the copy of the notice on the outer door of the house in which the person, firm or family therein named ordinarily resides or carries on business.

47. (1) When a company or firm has several places of business in territories subject to different Local Governments, the Governor-General in Council may declare which of those places shall, for the purposes of this Act, be deemed to be the principal place of business.

Power to declare principal place of business or residence.

(2) When a company or firm has several places of business in the territories subject to a single Local Government, that Government may declare which of them shall, for the purposes of this Act, be deemed to be the principal place of business.

(3) When a person has several place of residence in territories subject to different Local Governments,

the Governor-General in Council may declare which of those places shall, for the purpose of this Act, be deemed to be his residence.

(4) When a person has several places of residence in the territories subject to a single Local Government, that Government may declare which of those places shall, for the purposes of this Act, be deemed to be his residence.

(5) The powers given by this section may be delegated to, and exercised by, such officers as the Governor-General in Council or the Local Government, as the case may be, appoints in this behalf.

48. Where a person is in respect of any period liable to the tax under this Act he shall not in respect of that period be assessed to the Pándharí tax levied in the Central Provinces under Act XIV of 1867, or to the capitation-tax, or the land-rate in lieu thereof, levied in British Burma under the Burma Land and Revenue Act, 1876.

49. Every person deducting, retaining or paying any tax in pursuance of this Act or of any arrangement under section 9, sub-section (2), in respect of income belonging to another person, is hereby indemnified for the deduction, retention or payment thereof.

50. All powers conferred by, or conferable under this Act, may be exercised from

*Saving in favor of payers of Pándharí and capitation taxes.*

*Indemnity.*

*Powers exercisable from time to time.*

# THE FIRST SCHEDULE.

## ENACTMENTS REPEALED.

*(See section 2.)*

### ACTS OF THE GOVERNOR-GENERAL IN COUNCIL.

Number and Year.	Short Title.	Extent of Repeal.
Act II of 1878 ...	The Northern India License Act, 1878.	So much as has not been repealed.
Act VI of 1880 ...	The Indian License Acts Amendment Act, 1880.	The whole.

### ACTS OF THE GOVERNOR OF FORT ST. GEORGE IN COUNCIL.

Number and Year.	Short Title.	Extent of Repeal.
Act III of 1878...	The Madras License Act, 1878.	So much as has not been repealed.
Act III of 1880...	An Act to Amend Madras Act III of 1878 as amended by Act VI of 1880.	The whole.

### ACT OF THE GOVERNOR OF BOMBAY IN COUNCIL.

Number and Year.	Short Title.	Extent of Repeal.
Act III of 1878...	The Bombay License Act, 1878	So much as has not been repealed.

### ACT OF THE LIEUTENANT-GOVERNOR OF BENGAL IN COUNCIL.

Number and Year.	Short Title.	Extent of Repeal.
------------------	--------------	-------------------

## THE SECOND SCHEDULE.

### SOURCES OF INCOME AND RATES OF TAX.

(See Section 4.)

FIRST COLUMN.	SECOND COLUMN.
Source of Income.	Rate of Tax.

#### PART I.

##### SALARIES AND PENSIONS.

1. Any salary, annuity, pension or gratuity paid in British India to or on behalf of any person residing in British India or serving on board a ship plying to or from British Indian ports, whether on account of himself or another person.

2. Any salary, annuity, pension or gratuity paid by the Government, or by a local authority established in the exercise of the powers of the Governor-General in Council in that behalf, to or on behalf of a British subject within the dominions of a Prince or State in India in alliance with Her Majesty.

(a) If the Income amounts to Rs. 2,000 per annum, or Rs. 166-10-8 per mensem, or upwards, —five pies in the rupee.

(b) If the income is less than Rs. 2,000 per annum, or Rs. 166-10-8 per mensem,—four pies in the rupee.

FIRST COLUMN.	SECOND COLUMN.
Source of Income.	Rate of Tax.

#### PART II.

##### PROFITS OF COMPANIES.

Profits of a company ...

Five pies in the rupee on the whole of the nett profits made in British India by the company during the year ending on the day on which the company's accounts have been last made up, or if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then on the whole of the nett profits so made during the year ending on the said thirty-first



### PART III.

### INTEREST ON SECURITIES.

Interest becoming due on or after the first day of April 1886, and payable in British India, on—

(a) promissory notes, debentures, stock or other securities of the Government of India (including securities of the Government of India whereon interest is payable out of British India by draft on any place in British India), or

(b) bonds or debentures charged by the Imperial Parliament on the revenues of India, or

(c) debentures or other securities for money issued by or on behalf of a local authority or company.

Five pies in the rupee on such interest, unless the owner of the security produces a certificate signed by the Collector that his annual income from all sources is less than Rs. 500, in which case no deduction shall be made from the interest, or unless he produces a like certificate that his income from all sources is less than Rs. 2,000, in which case the rate shall be four pies in the rupee.

## PART IV.

### OTHER SOURCES OF INCOME.

Any source of income not included in Part I, Part II, or Part III, of this schedule.

(a) If the annual income is assessed at—  
not less than Rs. 500 but less than

not less than Rs.		500 but less than Rs.		750 the tax shall be Rs.		10	
	750			1,000			15
	1,000			1,250			20
	1,250			1,500			25
	1,500			1,750			35
	1,750			2,000			45

(b) If the annual income is assessed at Rs. 2,000 or upwards—five pias in the rupee on the income.

### THE THIRD SCHEDULE.

## FORM OF PETITION.

*See Section (25.)*

**TO THE COLLECTOR OF**

*The*

*day of*

188 .

The petition of A. B. of

SHOWETH as follows—

1.—Under Act No. II. of 1886, your petitioner has been assessed in the sum of                      rupees for the year commencing the first day of April 188     .

2.—Your petitioner's income and profits accruing and arising from [here specify petitioner's trade or other source or sources of income or profits, and the place or places at which such income or profits accrue or arise] for the year ending the \_\_\_\_\_ day of \_\_\_\_\_ last were \_\_\_\_\_ rupees \_\_\_\_\_, [as will

appear from the documents of which a list is presented herewith.\*]

3.—Such income and profits actually accrued and arose during a period of                      months and days [*here state the exact number of months and days in which the income and profits accrued and arose*].

4.—During the said year your petitioner had no other income or profits.

Your petitioner therefore prays that he may be assessed accordingly [*or that he may be declared not to be chargeable under the said Act*].

(Signed) A. B.

*Form of Verification.*

I, A. B., the petitioner named in the above petition, do declare that what is stated therein is true to the best of my information and belief.

(Signed) A. B.

---

\* These words are to be inserted if the petitioner relies on documents. The list, if the petitioner so wishes, may be presented in a sealed envelope.

S. HARVEY JAMES,

*Offg. Secretary to Government of India.*

(Republished by order of the Right Honorable  
the Governor in Council.)

W. WILSON,  
*Ag. Chief Secretary.*

# INCOME TAX ACT.

## ACT II OF 1886.

### CHAPTER I.

#### EASY NARRATION OF THE ACT.

For imposing a Tax on Income derived from other sources than Agriculture. This Act is enacted.

1. It extends to the whole of British India, and applies also to the British subjects in the service of Government of India, who are employed in the dominions and states in India in alliance with Her Majesty or under a Municipality or a Local Fund Board.

2. The Act comes into force on the 1st day of April 1886.

3. Bye laws may be made under the Act and they will also come into force from the 1st April 1886.

4. Act III of 1878 is repealed except as to fees payable and other sums due under that enactment, and the mode of recovering the same.

So far as is concerned to the Presidency of Madras.

5. "Local Authority" means Municipal, Local Fund Board, Port Commissioners, &c., formed by the authority of Government.

6. "Company" means an Association having shares and the same are transferable whether it is

incorporated or not, it is immaterial and whether the chief place of business is in British India or not, provided it carries on the business in British India.

7. "Prescribed" means Rules made by Government and published in the Government Gazettes.

8. "Salary" means allowances, fees, commissions, perquisites or profits received in lieu of, or in addition to, a fixed salary in respect of an office or employment, but does not include travelling, tentage, horse or sumptuary allowance, &c., to meet specific expenditure.

9. "Income" means any salary, annuity, pension or gratuity, and other incomes and profits accrued and arisen either in British India or within the dominions of a Prince or State in alliance with Her Majesty.

10. "Magistrate" means Presidency Magistrate, or a Magistrate of the 1st or 2nd class.

11. "Person" means a firm and a Hindu undivided family.

12. "Defaulter" means a Company or a Firm or a Person making default under this Act.

13. "Collector" means Chief Officer in charge of the Revenue Administration of a District and in a Presidency Town, a Special Officer if any appointed, to be the Collector under this Act and notified by Government in the Gazette.

14. "Principal Officer" means Secretary, Treasurer, Manager, or Agent of the Authority, Company, Body, or Association, or any person connected with the Authority, Company, Body or Association

upon whom the Collector has caused a notice to be served of his intention to treat him as the "Principal Officer" thereof.

15. "Part" means a part of the second schedule to this Act.

## CHAPTER II.

16. Taxes on salaries, annuities and pensions, &c., as mentioned in the 2nd schedule of the Act, are to be collected and credited on account of Government from the 1st April 1886.

Part I.

17. Revenue derived from rental of land which is used for Agriculture.  
Exemptions from the Tax.

18. Any income derived from Agriculture.

19. The sale produce of grain, &c., by a cultivator, when he keeps no shop or stall for their sale.

20. Any building owned and occupied by the receiver of the rent in kind or Revenue of any such land, provided that the building is in the immediate vicinity of the land for cultivation and which is required as a dwelling house or as a store house, factory or other out-building for the purposes of such cultivation.

21. Profits of Shipping Company incorporated or registered out of British India and having its principal place of business out of India and its ships are ordinarily engaged in Sea-going out of Indian waters.

22. Incomes derived for Religious and Public charitable purposes.



23. Profits enjoyed by a person when his firm or undivided family pays tax.

24. A sum not exceeding one-sixth of the income whereof of a person when he pays for the insurance of his or of his wife's life.

25. Interest on stock notes.

26. Salary of any military officer drawing below 500 Rs. a month.

27. Income of any person whose earnings from all sources is less than 500 Rs. a year.

28. An officer or servant is not free from this tax on the score that his master or employer is exempt therefrom. If a Zemindar or head of a Mutt is freed from the tax, his employers who may get salaries of 500 Rs. and upwards a year from him, must pay their taxes.

29. The Governor-General in Council may exempt from liability and revoke the exemptions to the tax, the whole or any part of the income of any class or tribe, and the same to be published in the *Gazette of India*.

---

### CHAPTER III.

30. All Government servants' salaries, pensions, &c., should be reduced by the amount of the tax to which they are liable, under Part I, from their salaries due for March 1886.

31. The tax on the salaries of the servants of the Municipal, Local Fund Boards, &c., should be deducted at the time of payment by the officer whose

ment account in such a way as may be directed by the Government. They must send the amount to the Collector appointed under the Act within one week of their collection with a form prescribed.

32. If that officer fails to so deduct it, he shall be deemed to be personally in default in respect of the tax without prejudice to any other consequences which he may incur. If so omitted to be deducted, the tax shall be deducted from the next pay due to the person or in any other way the Collector may deem proper.

33. Tax on the servants and pensioners of Companies and those of private employers is also leviable under this Act, and the Collector may enter into an agreement with any Company or private employer for the collection of the tax from their employées.

34. Every Municipality, Local Fund Board, or a private Company shall prepare a Return in the prescribed form noted below and submit it to the Collector before the 15th of April 1886 and within the same date in every subsequent year.

Name of the person.	Salary, or pension, &c.	Amount to be paid or when paid.	Address of such person.

35. The Agent or Manager of every Company shall likewise prepare a list of their profits made in British India during a whole year and submit it to

36. If such Return is considered incomplete or unsatisfactory by the Collector, he may issue a notice to attend at his office to the Manager or Agent of the Company with his Account Books, &c., on a specified date. The Collector may then determine the tax to be paid by such Company on the scrutiny of the accounts and on the results arrived at therefrom.

37. Interest on Government securities is also liable to the tax, and such is to be deducted at the time of payment and credited to Government by the Bank of Madras, on the same date on which the interest is paid to the party concerned. As regards the tax on other than Government securities, the officer who pays the interest thereon shall send the same to the Collector within one week from such payment, and if the Secretary of the Bank fails to do so, he is personally held to be a defaulter under the Act. Any claim under section 5, sub-section (1), clause (e), of the Act to exemption from the levy of the tax on the interest of securities employed solely for religious or public charitable purposes within the meaning of that clause, must be supported by a certificate from the Collector, which shall be in Form D hereto appended.

#### FORM D.

I                                      Collector of                                      do hereby certify that  
the interest on the security specified below, standing in the name of  
securities  
, is employed solely for religious  
public charitable purposes.

(Signed)

Description of security.	Number.	Date.	Amount.

38. The Collector shall determine the taxes on persons payable by them on their merchandize or on the

Part IV.

rental of their houses, and other incomes on the data of profits accrued in the previous year or on the average of Incomes, and shall prepare a list of those persons whose annual income does not exceed 2,000 Rupees per annum and classified as shewn below :—

500 to 750 Rs. ...	10 Rs. tax.
750 „ 1,000 „ ...	15 „ „
1,000 „ 1,250 „ ...	20 „ „
1,250 „ 1,500 „ ...	28 „ „
1,500 „ 1,750 „ ...	35 „ „
1,750 „ 2,000 „ ...	42 „ „

The list shall be in the prescribed language and shall contain the following particulars :—

Name.	Source or sources of income he is chargeable.	Year or portion of the year.	Place or places.	Amount.	The place where, to whom the tax to be paid.

39. The list to be filed at the office of the Collector with a notification requiring every person to pay their taxes within 60 days and raise objections within 30 days if they have any.

40. The list shall be open to the tax-payers' inspection, free of any fees, at all reasonable times.

It is directed that in making the new assessments the results of the assessments made under the License Tax Acts should be utilised and accepted to the utmost possible extent. Persons inadvertently omitted under the License Tax, will, however, be brought on to the list of assesseees.

41. Such lists may also be published in any manner the local Government may deem proper. Taxes imposed on incomes above 2,000 Rupees are to be notified to each such person as specified below :—

His name and the sources of income.	The year or portion of the year for which the tax is to be paid.	Place or places wherein the income accrues.	The amount to be paid.	Place where and to whom the tax to be paid.

and requiring him to pay it within 60 days or to apply for reduction or cancellation to the Collector within 30 days.

42. The Collector may transfer persons who are liable to the tax under section 16 to that of section 17 and *vice versa*.

43. The Collector in a Presidency Town, may call on every one,—That is, all and every one whose income is 500 Rs. and upwards a year, by a general notice, to send in their returns of profits earned in the preceding year or at the end of the year ending 31st March. The Collector may also call on every person who

Meaning every person who even earns a profit of 500 Rs. a year and upwards.



chargeable under Part IV calling on them to send returns of their profits in the prescribed form, at or before a specified date.

44. The return so submitted must state the period during which such profit has actually accrued, and at the foot, the same to be declared that it is *bonâ fide* one and contains his complete income from all sources ; and the Collector shall not assess them until the expiry of the specified date so notified by him if the return is not submitted. Rules made under this section shall be published in the official Gazette.

45. The tax fixed thereon must be paid to the officer empowered in that behalf at the fixed place and time.

46. An infant, married woman, or an idiot, if they are liable to tax, may be taxed through their trustees, guardians, curators, or Committee, and the latter are bound to pay the tax for them. Any person who earns profit in British India but who resides elsewhere, is liable to be taxed on the profits through his agent in British India.

47. Receivers or managers appointed by any court in India, the Court of Wards, the Administrator-General of Madras and the Official Trustees shall be chargeable under Part IV in respect of all incomes, if liable to tax, under their control or in their possession, and they may pay to the Collector such taxes from the amount which comes in their possession.

48. Building occupied even by its owner shall be chargeable as a source of income and if liable to be

assessed shall be assessed on the amount the building is supposed to yield rent, minus  $\frac{1}{4}$ th of the gross annual rent. The amount to be assessed under section 24, sub-section (1), of the Act on account of a building occupied by the owner thereof, shall not, in any case, exceed 10 per cent. of the aggregate income of the owner derived from all sources. It will not, however, be understood from this that a maximum of 10 per cent. of the aggregate income of the owner is to be considered equivalent to the letting-value of his house. The letting-value will, in all cases, be ascertained on the best data available, in view of the circumstances of the locality in which the house is situated.

In plain words, it will be thus:—

Take  $\frac{3}{8}$ ths of the rental value and  $\frac{1}{10}$ th of his income from all sources, and whichever is less, adopt that as the rental value of the house to be assessed thereon.

The rental value should not be assessed on the money spent in building the house, but the rent that will be fetched, considering the peculiar circumstances of the locality where the building is situated.

“Owner” means any person who is entitled to receive the rent of the building.

#### CHAPTER IV.

49. Persons aggrieved at the assessment imposed on them under Part IV of the Act may object by petition in the form prescribed to have the assessment reduced or cancelled.

50. The petition should be presented within 30 days from the date of assessment, but the Collector

may accept it even after the expiry of the time, if sufficient cause is shown, and if the Collector is satisfied with the same.

51. The Collector shall, on the day fixed for hearing or at some adjourned day, pass such order thereon as he may deem proper after so hearing the petition.

52. The appeal over the Collector's decisions lie to the Commissioner appointed under the Act. This official is ordinarily the Revenue Administrator of a district. He shall call for the records from the Collector in cases where the tax is Rs. 250 and upwards, and he may, at his discretion, call for them in cases when the tax is less than Rs. 250, and pass such orders thereon as he thinks fit. In the cases of hearing of petitions either by the Collector or the Commissioner, they will be guided by the procedure of the Civil Court in summoning evidence and compelling the production of documents to ascertain the facts alleged by the Appellant. The Original and Appellate authority shall call for any evidence only at the instance of the petitioner.

---

## CHAPTER V.

53. The tax fixed under this Income Tax Act shall be payable on the 1st day of June to any person authorized to receive, and at the place appointed for receiving the same.

54. These taxes may be recovered as if they were an arrear of land Revenue, or by any process enforceable for the recovery of Municipal tax, or under any local rate imposed under the particular

locality, and that a sum not exceeding the double the tax shall be recovered if the tax-payer is in default.

55. In cases where decisions were passed on objections, a time of 30 days should be allowed for the payment of the tax from the date of such decision.

56. It is the duty of the local Government to prescribe the procedure to be adopted for the recovery of the tax, and the manner in which it shall be recovered.

57. An order passed for the recovery of the tax for default shall have the force of a Civil Court decree,—the Government is the Plaintiff and the defaulter is the Defendant.

58. Civil Courts' procedure will be pursued in the execution of the same, *viz.* :—

1. Sales of property in execution of decrees.
2. Arrest of person.
3. Execution of decrees by imprisonment.
4. Attached property may be allowed to be claimed.
5. Execution of the decree by other officers out of the jurisdiction of the Court which passed the decree.

In this last event, a copy of the order should be sent to the officer, who is required to execute the same, and that officer can then exercise all the powers under the provisions of the Civil Code in the collection of the tax.

59. The local Government has the authority to direct that this tax shall be collected along with, and in addition to, the Municipal tax or local rate, in any specified area.

60. No coercive measures shall be adopted for the recovery of the tax till after 3 months from the last day of the year in respect of which the tax is payable.

## CHAPTER VI.

61. The Principal Officer of a Company on behalf of the Company to which he belongs, or other tax-payers who are liable to the tax under Part IV (other sources of income), may compound with the Collector and agree to pay a certain amount as their tax (without producing their accounts), and the Collector, if satisfied, may consent to the composition of the amount in each year ; and this so agreed amount is recoverable in the same manner and by the same means as any other similar assessment imposed by the Collector under the Act. The Government of India is of opinion that this measure is extensively to be resorted to, as it will lessen the vexation of producing the accounts of the tax-payers.

62. When any tax is paid or collected under this Act, a receipt in the form noted below shall be granted by the Collector :—

Date of payment or recovery of the sum.	Amount paid or recovered	The person who is liable to the tax, and the source or sources of income.	Year or part of year for which the tax is paid.	Place or places where the income accrues.	Other particulars if any need.

63. If a Company or person after the payment of the tax and before the end of the year



1. Dies,
2. Becomes Insolvent,
3. Suffers loss,
4. Loses the income,

and on their application to the Collector and on proof of any such cause as aforesaid to the Collector's satisfaction, their assessment shall be amended and the excess amount paid or recovered, shall be refunded to them.

64. Persons duly authorized to collect tax, or submit a return, &c., on the following items, failing or omitting to do so, may be prosecuted before a Magistrate, and on conviction are liable to a fine of 10 Rs. for every day during which the default continues, *viz.* :—

1. Collect tax on salary, pension, &c., of other than Government Officials.
2. Collect tax on Government securities and interest.
3. Municipal or Local Fund Board neglecting to send a return before the 15th April of each year.
4. Principal Officer of a Company failing to produce accounts or documents called for, to test the accuracy of their accounts.

But the Commissioner may remit wholly or in part, any fine imposed as above, as he may deem proper.

65. A person shall be prosecuted under section 177 of the Indian Penal Code, if he tenders a false declaration in the return submitted to the Collector

of his whole profits during a certain period stated therein. No person shall be prosecuted for either the failure of his duties to collect taxes as above said, or to tender accounts and documents for evidence, or submitting false return and declaration therein, without the sanction of the Collector.

66. The proceedings of the Collector or the Commissioner, in the revision of assessments or in the exercise of their powers, to require the production of accounts and documents from the Agents, &c., of a Company, shall be deemed to be "Judicial Proceeding" within the meaning of sections 193 and 228 of the Indian Penal Code.

67. The Governor-General in Council may make rules consistent within this Act.

1st for ascertaining and determining income liable to assessment.

2ndly for preventing the disclosure of particulars contained in the documents produced or delivered, with respect to assessments made under [Part IV] (other sources of income.)

3rdly for generally for carrying out the purposes of the Act, and may delegate the above powers to several local Governments as regards their own territories.

68. A Public servant disclosing the particulars of a document produced by a tax-payer, may be prosecuted under section 166 of the Indian Penal Code, under the sanction of the local Government. Rules made above shall be published in the official Gazettes.

## MISCELLANEOUS.

69. No suit shall be brought in any Civil Court to set aside or modify any assessment made under this Act.

70. Any Special Officer appointed by the local Government may exercise the powers of a Collector and Commissioner under this Act in this behalf.

71. Any person who is called upon to furnish the following information by the Collector or Commissioner under this Act, is bound to furnish a list in the prescribed form to the best of his belief.

1. Name of any lodger or inmate of every house used by him as dwelling house or let by him in lodgings.
2. Name of any person employed under him who gets 500 Rs. a year or Rs. 41-10-8 a month, whether resident in that house or not.
3. Residence of the persons liable to tax under the above 2 items.

72. All persons who are trustees, guardians, curators, Committees or Agents, may be called upon by the Collector, and are bound to furnish a list of the names of persons for whom they are trustees, &c., to that officer.

73. Any person may be called on to furnish any information regarding the assessment of any person wherein a doubt exists, and that he is bound to furnish such information to the best of his knowledge and belief, and such relevant facts as is necessary and which he is able to give. On failure to

furnish the information which he is bound to give, he is liable to punishment under sections 176 and 177 of the Indian Penal Code.

74. Notices may be served, under this Act, as under:—

1. By prepaid letter or registered letter.
2. By delivery or tendering to the party a copy.

If a notice is posted or registered, it shall be taken for granted that the same was served on him in the ordinary course if the address is correct, and the fact of the same having been put into a letter box or a post office is proved.

75. In the case of a firm or undivided Hindu family, the notice should be addressed to the Principal Officer of a Company or a Manager of the joint estate of the family.

76. The service of a notice, if the person on whom the notice was issued is not found, on an adult male member of the family or by fixing a copy of the notice on the outer door of the house where the person, firm, or family ordinarily resides, shall be sufficient for the purposes of this Act

77. When a firm, or a company, or a person, has different places of business in different local Governments, the Governor-General may declare its principal place of business and residence of such person. When a firm, or a company, or a person, has different places of business under a local Government, the local Government may declare its principal place of business or residence of such person.

78. The powers under this Act may be delegated and exercised by such officers as the Governor-General or a local Government may, as the case may be, appoint in this behalf.

79. Where the Income tax is levied, the Pánd-harí tax or Capitation taxes must cease.

80. Every person is indemnified in the payment of any sum belonging to another, and which the other should pay as the income tax for that other person.

81. All powers may be exercised from time to time as occasion requires.

---

## FIRST SCHEDULE.

82. Repealing all License Tax Acts noted in the	margin wholly, and to the
Act VI of 1880, Governor-General's.	extent therein specified of
Act III of 1880, Governor of Fort St. George.	the following, <i>viz.</i> :—
Act II of 1880, Lieutenant-Governor of Bengal.	

Except as to fees payable and other sums due	under these enactments, and
Act II of 1878, Governor-General's.	the mode of recovering the
Act III of 1878, Fort St. George.	same.
Act III of 1878, Bombay.	

---

## SECOND SCHEDULE.

83. PART I. Tax on salaries, pensions, &c., of Government servants and those of the Municipal and Local Fund Boards,—

4 pies, up to 2,000 Rs. in a Rupee.

5 pies, on 2,000 Rs. and upwards in a Rupee.



84. PART II. Profits of a Company.

Five pies in the Rupee on the nett profits made during the year ending on the day on which the Company's accounts have been last made up, or if not, made up within the year ending on the 31st day of March in the year immediately preceding that for which the assessment is to be made.

85. PART III. Interest on Securities.

Five pies in the Rupee on profits of and above 2,000 Rs.; 4 pies in the Rupee on profits of and below 2,000 Rs. and above 500 Rs.

If the owner of the security produces a certificate from the Collector to the effect that his profits from *all* sources are below 500 Rs. no deduction of tax will be made, and if he produces a certificate that his profits are below 2,000 Rs. only 4 pies in the Rupee will be made.

86. PART IV. Other sources of income.

Any sources of income not included in Part I, II and III, and those exempted under the Act.

---

# No. I.

## READY CALCULATOR.

Ready Calculator of Income tax payable by persons whose annual incomes are 2,000 Rs. and upwards at 5 pies in a Rupee.

In each Rupee.		Rs.	a.	p.	In each Rupee.		Rs.	a.	p.
1	...	0	0	5	32	...	0	13	4
2	...	0	0	10	33	...	0	13	9
3	...	0	1	3	34	...	0	14	2
4	...	0	1	8	35	...	0	14	7
5	...	0	2	1	36	...	0	15	0
6	...	0	2	6	37	...	0	15	5
7	...	0	2	11	38	...	0	15	10
8	...	0	3	4	39	...	1	0	3
9	...	0	3	9	40	...	1	0	8
10	...	0	4	2	41	...	1	1	1
11	...	0	4	7	42	...	1	1	6
12	...	0	5	0	43	...	1	1	11
13	...	0	5	5	44	...	1	2	4
14	...	0	5	10	45	...	1	2	9
15	...	0	6	3	46	...	1	3	2
16	...	0	6	8	47	...	1	3	7
17	...	0	7	1	48	...	1	4	0
18	...	0	7	6	49	...	1	4	5
19	...	0	7	11	50	...	1	4	10
20	...	0	8	4	51	...	1	5	3
21	...	0	8	9	52	...	1	5	8
22	...	0	9	2	53	...	1	6	1
23	...	0	9	7	54	...	1	6	6
24	...	0	10	0	55	...	1	6	11
25	...	0	10	5	56	...	1	7	4
26	...	0	10	10	57	...	1	7	9
27	...	0	11	3	58	...	1	8	2
28	...	0	11	8	59	...	1	8	7
29	...	0	12	1	60	...	1	9	0
30	...	0	12	6	61	...	1	9	5
31	...	0	12	11	62	...	1	9	10

## No I.—Continued.

In each Rupee.		Rs.	a.	p.	In each Rupee.		Rs.	a.	p.
63	...	1	10	3	100	...	2	9	8
64	...	1	10	8	200	...	5	3	4
65	...	1	11	1	300	...	7	13	0
66	...	1	11	6	400	...	10	6	8
67	...	1	11	11	500	...	13	0	4
68	...	1	12	4	600	...	15	10	0
69	...	1	12	9	700	...	18	3	8
70	...	1	13	2	800	...	20	13	4
71	...	1	13	7	900	...	23	7	0
72	...	1	14	0	1,000	...	26	0	8
73	...	1	14	5	2,000	...	52	1	4
74	...	1	14	10	3,000	...	78	2	0
75	...	1	15	3	4,000	...	104	2	8
76	...	1	15	8	5,000	...	130	3	4
77	...	2	0	1	6,000	...	156	4	0
78	...	2	0	6	7,000	...	182	4	8
79	...	2	0	11	8,000	...	208	5	4
80	...	2	1	4	9,000	...	234	6	0
81	...	2	1	9	10,000	...	260	6	8
82	...	2	2	2	20,000	...	520	13	4
83	...	2	2	7	30,000	...	781	4	0
84	...	2	3	0	40,000	...	1,041	10	8
85	...	2	3	5	50,000	...	1,302	1	4
86	...	2	3	10	60,000	...	1,562	8	0
87	...	2	4	3	70,000	...	1,822	14	8
88	...	2	4	8	80,000	...	2,083	5	4
89	...	2	5	1	90,000	...	2,343	12	0
90	...	2	5	6	100,000	...	2,604	2	8
91	...	2	5	11	2,00,000	...	5,208	5	4
92	...	2	6	4	3,00,000	...	7,812	8	0
93	...	2	6	9	4,00,000	...	10,416	10	8
94	...	2	7	2	5,00,000	...	13,020	13	4
95	...	2	7	7	6,00,000	...	15,625	0	0
96	...	2	8	0	7,00,000	...	18,229	2	8
97	...	2	8	5	8,00,000	...	20,833	5	4
98	...	2	8	10	9,00,000	...	23,437	8	0
99	...	2	9	3	10,00,000	...	26,041	10	8

## No. II.

### *READY CALCULATOR.*

Ready Calculator of the Income tax for incomes below 2,000 Rupees a year at 4 pies in a Rupee.

In each Rupee.		Rs.	a.	p.	In each Rupee.		Rs.	a.	p.
1	.....	0	0	4	33	.....	0	11	0
2	.....	0	0	8	34	.....	0	11	4
3	.....	0	1	0	35	.....	0	11	8
4	.....	0	1	4	36	.....	0	12	0
5	.....	0	1	8	37	.....	0	12	4
6	.....	0	2	0	38	.....	0	12	8
7	.....	0	2	4	39	.....	0	13	0
8	.....	0	2	8	40	.....	0	13	4
9	.....	0	3	0	41	.....	0	13	8
10	.....	0	3	4	42	.....	0	14	0
11	.....	0	3	8	43	.....	0	14	4
12	.....	0	4	0	44	.....	0	14	8
13	.....	0	4	4	45	.....	0	15	0
14	.....	0	4	8	46	.....	0	15	4
15	.....	0	5	0	47	.....	0	15	8
16	.....	0	5	4	48	.....	1	0	0
17	.....	0	5	8	49	.....	1	0	4
18	.....	0	6	0	50	.....	1	0	8
19	.....	0	6	4	51	.....	1	1	0
20	.....	0	6	8	52	.....	1	1	4
21	.....	0	7	0	53	.....	1	1	8
22	.....	0	7	4	54	.....	1	2	0
23	.....	0	7	8	55	.....	1	2	4
24	.....	0	8	0	56	.....	1	2	8
25	.....	0	8	4	57	.....	1	3	0
26	.....	0	8	8	58	.....	1	3	4
27	.....	0	9	0	59	.....	1	3	8
28	.....	0	9	4	60	.....	1	4	0
29	.....	0	9	8	61	.....	1	4	4
30	.....	0	10	0	62	.....	1	4	8
31	.....	0	10	4	63	.....	1	5	0
32	.....	0	10	8	64	.....	1	5	4

*No. II.—Continued.*

In each Rupee.		Rs.	a.	p.	In each Rupee.		Rs.	a.	p.
65	.....	1	5	8	88	.....	1	13	4
66	.....	1	6	0	89	.....	1	13	8
67	.....	1	6	4	90	.....	1	14	0
68	.....	1	6	8	91	.....	- 1	14	4
69	.....	1	7	0	92	.....	1	14	8
70	.....	1	7	4	93	.....	1	15	0
71	.....	1	7	8	94	.....	1	15	4
72	.....	1	8	0	95	.....	1	15	8
73	.....	1	8	4	96	.....	2	0	0
74	.....	1	8	8	97	.....	2	0	4
75	.....	1	9	0	98	.....	2	0	8
76	.....	1	9	4	99	.....	2	1	0
77	.....	1	9	8	100	.....	2	1	4
78	.....	1	10	0	200	.....	4	2	8
79	.....	1	10	4	300	.....	6	4	0
80	.....	1	10	8	400	.....	8	5	4
81	.....	1	11	0	500	.....	10	6	8
82	.....	1	11	4	600	.....	12	8	0
83	.....	1	11	8	700	.....	14	9	4
84	.....	1	12	0	800	.....	16	10	8
85	.....	1	12	4	900	.....	18	12	0
86	.....	1	12	8	1,000	.....	20	13	4
87	.....	1	13	0					



# NOTIFICATIONS OF GOVERNMENT OF INDIA.

## SEPARATE REVENUE.

### ASSESSED TAXES.

No. 593.

*The 5th February 1886.*

In exercise of the powers conferred upon him by Act II of 1886, and of all other powers enabling him in this behalf, the Honourable the President in Council is pleased to make the following rules under the said Act:—

1. The time within which amounts deducted from salary, annuity, pension, or gratuity paid by a local authority under section 8, sub-section (1), of the Act must be paid to the credit of the Government of India is fixed at one week from the date of payment of the salary, pension, annuity, or gratuity. The payment to the credit of the Government shall be made by remitting the amount to the Collector with a statement giving the following particulars for each person from whom the tax has been realised:—

- (1) Name.
- (2) Period for which the salary has been paid.
- (3) Amount of salary paid.
- (4) Amount of tax.

2. The return required by section 10 of the Act shall be in Form A hereto appended.

3. Any sums, such as payments to regimental mess or band funds or the like, compulsorily stopped from salary by the orders, or with the approval, of Government, shall be deducted from the salary previous to assessment.

A portion of salary withheld in pursuance of an order of a Court is not a sum compulsorily stopped from salary within the meaning of this rule.

4. A deduction made from the amount of salary, pension, or annuity liable to assessment on account of a payment made to a life insurance company must be supported by the receipt of the insurance company for the payment and a copy thereof. When the deduction is claimed by a servant of the Government, or of a local authority, the officer paying the salary, pension, or annuity will compare the original receipt with the copy, return the original, and attach the copy to the salary, pension or annuity bill if the payée is a Government servant, and to the statement forwarded with the amount of the tax realised under Rule 1, if the payée is a servant of a local authority.

Where the Collector is satisfied that the original receipt of the insurance company cannot be produced without an amount of delay, expense, or inconvenience which, under the circumstances of the case, would be unreasonable, he may accept such other proof of payment of the premium as he may deem sufficient.

5. The amounts exempted from assessment by section 5, sub-section (1), clause (g) of the Act and by rule 4 above shall not be deducted from income

for the purpose of determining whether the income is liable to the tax, or of determining the rate at which the tax shall be levied.

6. The amount to be assessed under section 24, sub-section (1), of the Act on account of a building occupied by the owner thereof shall not in any case exceed 10 per cent. of the aggregate income of the owner derived from all sources. It will not, however, be understood from this that a maximum of 10 per cent. of the aggregate income of the owner is to be considered equivalent to the letting-value of his house. The letting-value will, in all cases, be ascertained on the best data available, in view of the circumstances of the locality in which the house is situated.

7. Salaries, annuities, and pensions paid in April 1886, though on account of March 1886, are liable to the tax.

8. After the close of the year of assessment each Accountant-General or other auditing officer shall submit Return No. I in the form hereto appended to such officer as the Local Government may direct.

9. The certificates referred to in the second column of Part III of Schedule II of the Act shall be in Form B or in Form C, hereto appended.

10. Any claim under section 5, sub-section (1), clause (e) of the Act to exemption from the levy of the tax on the interest of securities employed solely for religious or public charitable purposes within the meaning of that clause must be supported by a certificate from the Collector, which shall be in Form D hereto appended.

11. In the case of securities, the interest on which is payable by the Government of India, the amount deducted on account of the tax under section 13, sub-section (1) of the Act shall be paid to the credit of the Government on the same day as the payment of the interest is made.

12. In the case of securities, the interest on which is not payable by the Government of India, the amount so deducted shall be paid to the credit of the Government within one week from the date on which interest is paid. The person deducting the amount should pay it to the credit of the Government by remitting the amount to the Collector with a statement showing the following particulars :—

- (1) Name of owner.
- (2) Description of security.
- (3) Number of „
- (4) Date of „
- (5) Amount of „
- (6) Period for which interest is drawn.
- (7) Amount of interest.
- (8) Amount of tax.

13. Interest on securities belonging to Service Funds shall not be assessed. “General Family Pension Fund” shall be deemed to be a Service Fund within the meaning of this Rule.

14. After the close of the year of assessment each Accountant-General and Comptroller shall submit Return No. II in the form hereto appended to such officer as the Local Government may direct.

15. In calculating the amount of tax payable the amount due on a fraction of a rupee shall be neg-

lected. Thus the tax to be realised on a monthly salary of Rs. 166-10-8 is Rs. 4-5-2 only.

16. All public servants are forbidden to make public or disclose, except for the purpose of the working of the Act II of 1886, any information contained in documents delivered or produced with respect to assessments under part IV of the said Act, and any public servant committing a breach of this rule, shall be deemed to have committed an offence under section 166 of the Indian Penal Code.

17. Power to make further rules is hereby delegated to the several Local Governments.

18. Each Local Government will prescribe forms of registers to be maintained by Collectors and others for the purpose of showing the demand and collections of the tax, the various classes of incomes assessed, and the working of the several provisions of the Act.

19. After the close of the year of assessment each Local Government will submit to the Government of India in the Financial Department a report on the working of the Act.

20. The following returns in the forms hereto appended will be submitted with that report :—

Return I.	} As received from the Account- ant-General or Comptroller or other Auditing Officer.
„ II.	
„ III.	
„ IV.	
„ V.	
and „ VI.	



1886-వ సంవత్సరపు 2-వ ఆక్టోబరు ఆలోచనసభలోనుండు ఘనత వహించిన ప్రెసిడెంటుగారికి ఇచ్చిన అధికారమును అనుసరించియు అందుకుగాను ఇచ్చియుండు మిగత అన్నియధికారములను అనుసరించియు సదరు ఆక్టోబరు దిగువకనువరచియుండు విధులను ప్రెసిడెంటువారు యేర్పరచియున్నారు:—

1. సదరు ఆక్టోబరు 8-వ ప్రకరణము (1) లో ప్రకరణము చొప్పున స్థలముయొక్క అధికారులవల్ల యివ్వబడే సంబళము (Annuity Pension) అన్యూటీ పెన్షన్, లేక గ్రాడ్యుటీ, వీటిలోనుంచి త్రోసిన మొత్తములను ఇందియాగవరన్మెంటువారికి జమ పెట్టునట్లు కట్టవలసిన కాలము, సదరు సంబళము, పెన్షన్, అన్యూటీ, లేక గ్రాడ్యుటీ. వీటిని బట్టవాడా చేసిన తేది మొదలు ఒకవారమునినిష్కర్ష చేయబడియున్నది. ఈ పన్నును వసూలు చేసిన సమయంలో ఒక్కొక్కరినిగురించి దిగువ కనువరచియుండు వివరములు అడిగియుండు ఒక షేటుమెంటుతో పైకమును గవరన్మెంటువారికి జమ పెట్టుటకుగాను కలెక్టరువారియొద్ద పంపించవలయును.

1. పేరు.

2. ఏ కారణమునకు సంబళమివ్వబడెను.

3. ఇచ్చిన సంబళ మొత్తము.

4. పన్ను మొత్తము.

2. సదరు ఆక్టోబరు 10-వ ప్రకరణములో కనువరచియుండు లెక్క ఇందుతో చేర్చబడిన A. నమూనా ప్రకారముండవలయును.

3. గవరన్మెంటువారి యుత్తరపుచొప్పునగాని లేక అనుమతిమీదగాని సంబళములోనుంచి బలవంతముగా త్రోసివేసే రిజమెంటు సంబంధమైన భోజనమునకుగాని లేక (Band fund) బాణ్యుభండులకుగాని లేక ఇటుంటివాటికిగాను త్రోసే పైకములను సంబళములోనుంచి త్రోసి మిగిలు మొత్తముమీదనే పన్నుయేర్పరచవలయును.

కోర్టు ఉత్తరపువల్ల నిలుపబడిన సంబళముయొక్క ఒకభాగము ఈ విధిప్రకారము బలాత్కారముగానిలిపియుంచిన పైకముని తలచగూడదు.

4. పన్నుయేర్పరచబడ్డ సంబళము. పెన్షన్, లేక, అన్యూటీ మొత్తము

లోనుంచి (Life Insurance Company) ప్రాణ ఉత్తరవాదసహాయసంఘమువారికి చెల్లించిన పైకమును త్రోయవలసినపక్షములో పైకము చెల్లించినందుకు సదరు కంపెనీయొక్క రసీదున్న చానినకలున్న, అట్లు వజాచేయుటకు దృష్టాంతముగా దాఖలుచేయవలయును. ఇట్లు పైకమును త్రోయవలయునని గవరనైంటు ఉద్యోగస్థునివల్లగాని లేక స్థలముయొక్క అధికారియొక్క ఉద్యోగస్థునివల్లగాని వజాచేసిన సంగతినిగురించి అడిగితే సంబంధము, పెన్షన్, లేక, అన్యూటీ బట్టవాడాచేయు ఆఫీసరు అసలుతో నకలును సరిచూచి అసలును వాపసుచేయవలయును. పైకముపొందబడేవాడు సర్కారు నౌకరుగానుండుపక్షములో సంబంధము, పెన్షన్, లేక అన్యూటీ బిల్లుతో సదరు నకలును చేర్చవలయును. పైకముపొందబడేవాడు స్థలముయొక్క అధికారి నౌకరుగానుండుపక్షములో మొదటి విధిప్రకారము పనులుచేయు పన్నుమొత్తముతో పంపబడే స్టేటుమెంటుతో సదరు నకలును చేర్చవలయును. ఇన్సూరెన్స్ కంపెనీవారియొక్క అసలు రసీదును హాజరుచేయవలసియుంటే మిగుల కాలతామసమును ఖర్చును లేక ఆటంకమును కలుగుననియు, అందువల్ల రసీదు హాజరుచేయునట్లు చెప్పట న్యాయముకాదని కలెక్టరువారు తృప్తిపొందితే సదరు కంపెనీవారికి పైకమిచ్చినందుకు తమకు చాలినంతటిదనితోచును. ఇతరమైన రుజువులను సదరు కలెక్టరువారు అంగీకరించవచ్చును.

5. వచ్చుబడి పన్నునకు లోబడినదాయని తెలిసికొనుటకుగాని లేక రేటు ప్రకారం పనులుచేయవలసినదని తెలిసికొనుటకుగాని సదరువచ్చుబడిలో నుండి సదరు ఆస్తుయొక్క 5-వ ప్రకరణము (1)-వ లో ప్రకరణము (G) క్లాసులోను పైనననుష్ఠించిన 4-వ విధిప్రకారమున్న పన్నునకు లోబడక త్రోసియుంచిన పైకమును త్రోయకూడదు.

6. ఖామందువల్ల వానముచేయబడే ఒకకట్టవమునకుగాను సదరు ఆస్తుయొక్క 24-వ ప్రకరణము (1) లో ప్రకరణముచొప్పున పన్ను యేర్పరచునపుడు సదరు ఖామందుయొక్క అన్ని వరుసానములమీద 100-కి 10-వంతున యేర్పడే మొత్తముకంటే యెక్కుదను అధికముకాకూడదు. అయితే ఇట్లు ఖామందుయొక్క మొత్తవరుసానముమీద 100-కి 10 వంతున యేర్పడిన మొత్తము ఆయింటివాడిగ మొత్తమని తలచకూడదు.

ఈయిల్లు ఉండుప్రదేశమునకు తగునట్లు దాని సంబంధవడిన మిగత అన్ని సంఘటనలను యోచించి ఆయింటివాడిగను తీర్మానించవలయును.

7. 1886-వ సం॥ మార్చి నెలకుగాను సంబంధములును, అన్యాయములును, పెన్షనులును, 1886-వ సం॥ ఏప్రిల్ నెలలో ఇచ్చినప్పటికిని వాటిమీద వస్తు వసూలుచేయవలయును.

8. వస్తువేసినసంవత్సరము ఇరిగేషన్ ద్వారా ఇందుతోచేర్చబడియుండు నెంబరు 1-వ నమూనాప్రకారము లెక్కను ఒక్కొక్క అకౌంటాంటు జనరలుగాని ఇతరలెక్క తనికిచేయు ఆఫీసరుగాని స్థలముయొక్క గవరన్మెంటు వారివల్ల ఏ ఆఫీసరునకు పంపించునట్లుగా ఉత్తరపుచేయుచున్నారో ఆయా ఆఫీసరునకు పంపించవలయును.

9. సదరు ఆక్టు 2-వ షిడ్యూలుయొక్క 3-వ భాగము 2-వ క్లాసులో నూదించిన సర్టిఫికేట్లు ఇందుతోచేర్చబడియుండు (B) నమూనా లేక (C) నమూనాప్రకారము ఉండవలయును.

10. సదరు ఆక్టు 5-వ ప్రకరణము (1)-వ లో ప్రకరణముయొక్క (E) క్లాసునిబంధనలకులో బడినదిగా మతసంబంధమైన లేక పబ్లిక్ అసగా పొత్తు ధర్మ సంబంధమైన పనులకు ఉపయోగపడే పత్రములయొక్క వడ్డీలమీద వస్తువేయక నివర్తింపవలయునని సదరు క్లాసుచొప్పున యేదైనను బాధ్యతనుండు పక్షములో అట్టి బాధ్యత స్థాపించుటకు ఇందుతోచేర్చబడిన (D) నమూనాచొప్పున కలెక్టరువారివల్ల ఇవ్వబడిన సర్టిఫికేటు ఆధారము గానుండవలయును.

11. ఇండియాగవరన్మెంటువారివల్ల పత్రములమీద వడ్డీ యివ్వవలసినది గానుండు కేసులలో సదరు ఆక్టు 13-వ ప్రకరణముయొక్క (1)-వ లో ప్రకరణముచొప్పున వస్తు వేయబడే మొత్తమును వడ్డీయిచ్చిన తేదీలోనే సదరు వడ్డీలోనుంచి త్రోసి సర్కారునకు జమపెట్టవలయును.

12. ఇండియా గవరన్మెంటువారివల్ల వడ్డీ ఇవ్వబడకుండు పత్రముల విషయములో అట్లు వడ్డీయిచ్చిన ఒకవారమువకులోగా త్రోయబడే వస్తు మొత్తమును సర్కారునకు జమపెట్టునట్లు చెల్లించవలయును. సదరు మొత్తమును త్రోయు ఆసామి దిగువనూదించిన విషయములను కనుపరచే స్టేటు మెంటుతో ఆ మొత్తమునకు సర్కారునకు జమపెట్టుటకు కలెక్టరువారికి పంపించవలయును.

1. భావందుపేరు.
2. పత్రముయొక్క వివరము.
3. సదరు నెంబరు.
4. సదరు తేది.
5. సదరు మొత్తము.
6. వడ్డీ తీసిన కాలము.
7. వడ్డీ మొత్తము.
8. పన్ను మొత్తము.

13. సర్వీసుపండులను చేరిన పత్రములయొక్క వడ్డీలమీద పన్నువేయబడనేరదు.

14. పన్నువేసిన సంవత్సరము ముగియినతోడనే ఒక్కొక్క అకౌంటాంటు జనరలును కంట్రోలులున్న స్థలముయొక్క గవర్నెంటువారివల్ల ఉత్తరవుచేసిన ప్రకారము ఉద్యోగస్థులకు ఇందుతోచేర్చబడిన సమానా ప్రకారము 2-వ నెంబరులెక్కను పంపించవలయును.

15. ఇవ్వవలసిన పన్ను మొత్తము యెర్పడునపుడు ఒకరూపాయచిల్లర మీద పన్నువేయుటవిడిచిపెట్టవలయును. ఇందుకు దృష్టాంతము రూపాయి 166 - 10 - 8. మాసాంతర సంబంధముగానుంటే దీనిమీద పన్ను మొత్తము రూపాయి 4 - 5 - 2 మాత్రమగును.

16. 1886-వ సంవత్సరపు 2-వ ఆక్టు 4-వ భాగప్రకారము విధించబడే పన్నులకు సంబంధముగానిచ్చిన లేక హాజరుచేసిన దస్తవేజులలో కనుపించిన ఏ యంశమునున్న సదరు ఆక్టును అములునకు తెచ్చుటకు వలసిన విషయములుతప్ప అన్ని సర్కారు ఉద్యోగస్థులు బయలుపరచకూడదు. పైగా యీవిని ఏ సర్కారు ఉద్యోగస్థులుగాని అతిక్రమించి జరిగిన పక్షములో ఇం. పి. కోడు. 166-వ ప్రకరణముచొప్పున సదరు నఫరు నేరముచేసినవాడుగా తలచబడును.

17. ఇంక ఇతరవిధులనుచేయుటకు అధికారము ఆయాప్రదేశముల గవర్నెంటువారికి ఇవ్వబడియున్నది.

18. ఈపన్నుయొక్క డిమాండు కలెక్టునున్న పన్నువేయబడే పెక్కువిధములైన వరుమానములనున్న సదరు ఆక్టుయొక్క నిబంధనలు అములునకు కొనివచ్చినదియు చూపించునట్లు కలెక్టరువారును ఇతరులును,

ఉంచవలసిన రిజిస్టరులయొక్క సమూహాలను ఒక్కొక్క ప్రదేశపు గవర  
నైంటువారు యేర్పరచవలయును.

19. పన్నువేసిన సంవత్సరము ముగించినపిమ్మట ఒక్కొక్క ప్రదేశపు  
గవరనైంటువారు సదరు ఆట్ట అములునకు కొనివచ్చినదానినిగురించి  
పినాంషియల్ ఇలాకాలో ఇండియాగవరనైంటువారికి రిపోర్టుపంపించ  
వలయును.

20. ఇందుతో చేర్చబడియుండు సమూహావకారము దిగువనూచించి  
యుండు లెక్కలు సదరు రిపోర్టుతోపంపించవలయును.

- |          |   |  |
|----------|---|--|
| లెక్క I. | } | అకౌంటాంటు జనరల్ లేక కంట్రోలరు లేక ఇత<br>రులగు తనకీచేయు ఉద్యోగస్థులవద్దనుంచి వచ్చిన<br>ప్రకారము పంపించవలయును. |
| „ II.    |   |  |
| „ III.   |   |  |
| „ IV.    |   |  |
| „ V.     |   |  |
| „ VI.    |   |  |



1886-ஆம் ஆண்டு 2-வது ஆக்டிவ் ஆலோசனைச் சபையிலுள்ள கனம் பொருந்திய பிரசிடெண்டவர்களுக்குக் கொடுத்த அதிகாரத் தையனுசரித்தும் அதற்காக கொடுத்த மற்ற இதர எல்லா அதிகாரங்களை யனுசரித்தும் மேற்படி ஆக்டிவ் அடியிற்கண்ட விதிகளை மேற்படி பிரசிடெண்டவர்கள் ஏற்படுத்தியிருக்கிறார்கள் :—

1. மேற்படி ஆக்டிவ் 8-வது பிரிவு (1) உட்பிரிவின்படி ஸ்தலத்து அதிகாரிகளால் கொடுக்கப்பட்ட சம்பளம், ஆனியுடி, பென்ஷன், அல்லது கிராடி இவைகளிலிருந்து கழித்த மொத்தங்களை இந்தியா கவரன்மெண்டாரவர்களுக்கு ஜமைவைக்கும்படி கட்ட வேண்டியகாலம், மேற்படி சம்பளம், பென்ஷன், ஆனியுடி, அல்லது கிராடி இவைகளை பட்வாடாசெய்த தேதிமுதல் ஒருவாற மென்று நிஷ்கரிவைசெய்யப்பட்டிருக்கிறது. இந்த வரியை வருவசெய்த நபர்களில் ஒவ்வொருவரைப்பற்றி அடியிற்கண்ட விவரங்கள் அடங்கிய ஒரு ஸ்டேட்டிமெண்டின் மேற்படி மொத்தத்தை கவரன்மெண்டுக்கு ஜமைவைக்கும்பொருட்டு கவெக்டரவர்களிடம் அனுப்பவேண்டியது :—

1. பெயர்.
2. எந்தகாலத்திற்கு சம்பளம் கொடுக்கப்பட்டது.
3. கொடுத்த சம்பள மொத்தம்.
4. வரி மொத்தம்.

2. மேற்படி ஆக்டிவ் 10-வது பிரிவில்கண்ட கணக்கு இத்தான் சேர்க்கப்பட்ட A நமூனாப்படி யிருக்கவேண்டும்.

3. கவரன்மெண்டாரவர்கள் உத்திரவின்படியாவது, அல்லது அனுமதியின்பேரிலாவது சம்பளத்திலிருந்து பல்வந்தமாய் கழித்துவிடும் ரெஜிமெண்டிசம்மந்தமான சாப்பாட்டுக்காவது, அல்லது பியாண்டு பண்டுக்குக்காவது அல்லது இவைபோன்றவைகளுக்காகக் கழிக்கும் எல்லாத் தொகைகளை சம்பளத்திலிருந்து கழித்து நிற்கும் மொத்தத்தின்பேரில்தான் வரி ஏற்படுத்தவேண்டியது.

கோர்ட்டின் உத்திரவினால் நிறுத்தின சம்பளத்தின் ஓர்பாகம் இந்த விதியின்படி பலாத்காரமாய் நிறுத்திவைத்த தொகையென்று நினைக்கக்கூடாது.

4. வரி ஏற்படுத்தப்பட்ட சம்பளம், பென்ஷன், அல்லது ஆனியுடி மொத்தங்களிலிருந்து (Life Insurance Company) பிராண்ட் உத்தரவாத உடன்பாட்டுச் சங்கத்தாருக்கு செலுத்தின தொகை

கம்பெனியின் ரசீதையும் அதின் நகலையும் அப்படி வஜாசெய்த தற்கு தகவலாய் தாக்கல்செய்யவேண்டியது. இப்படி மொத்தத் தைக் கழிக்கவேணுமென்று கவரன்மெண்டு உத்தியோகஸ்தனாவது அல்லது ஸ்தலத்து அதிகாரியின் உத்தியோகஸ்தனாவது வஜாசெய்தசங்கதியைப்பற்றி கேட்டுக்கொண்டால் சம்பளம், பென்ஷன், அல்லது ஆனியூட்டி பட்வாடாசெய்யும் ஆபீசர் ச்சலுடன் நகலை ஒத்துபார்த்து அசலை வாப்சுசெய்யவேண்டியது. பணத்தை பெற்றுக்கொள்ளப்பட்டவன் சர்க்கார் நவுகராயிருந்தால் சம்பளம், பென்ஷன், அல்லது ஆனியூட்டி பில்லுடன் மேற்படி நகலை சேர்க்கவேண்டியது. பணத்தை பெற்றுக்கொள்ளுகிறவன் ஸ்தலத்தின் அதிகாரியின் நவுகராயிருந்தால், 1-வது விதியின்படி வருல் செய்யும் வரி மொத்தத்துடன் அனுப்பலான ஷ்டேட்டுமெண்டுடன் மேற்படி நகலை சேர்க்கவேண்டியது.

இன்னுரான்சு கம்பெனியாருடைய அசல் ரசீதை ஆஜர்படுத்த வேணுமானால் அதிக காலதாமசமும் செல்வும் அல்லது இடைஞ்சலும் நேரிடுமென்றும் அதினால் ரசீதை ஆஜர்படுத்தும்படியாய் சொல்வது நியாயமல்லவென்று கலெக்டரவர்கள் திருப்தியடைந்தால் மேற்படி கம்பெனியாருக்கு பணம்கொடுத்ததற்கு தமக்கு போதுமானதென்று தோணும் இதர ருசுக்களை மேற்படி கலெக்டரவர்கள் அங்கீகரிக்கலாம்.

5. வரும்படி வரிக்குட்பட்டதா என்று அறிந்துக்கொள்வதற்காவது அல்லது எந்த தாரணையின்படி வரி வருல்செய்யவேண்டியதென்று அறிந்துக்கொள்வதற்காவது மேற்படி வரும்படியிலிருந்து மேற்படி ஆக்டின் 5-வது பிரிவு (1)-வது உட்பிரிவு (g) கிளாஜிலும் மேற்கண்ட 4-வது விதியின்படியும் வரிக்குட்படாமல் விவக்கிவைத்த மொத்தங்களை கழிக்கக்கூடாது.

6. சொந்தக்காரனால் வசிக்கப்பட்ட ஒரு ஈட்டடத்திற்காக மேற்படி ஆக்டின் 24-வது பிரிவு (1) உட்பிரிவின்படி வரி ஏற்படுத்தும்போது மேற்படி சொந்தக்காரனுடைய எல்லாவகை வரும்படியின்பேரில் 100-க்கு 10-வீதம் ஏற்படும் தொகையைப் பார்க்கிலும் எப்போதும் அதிகப்படக்கூடாது. ஆனால் இப்படிக்கு சொந்தக்காரனுடைய மொத்த வரும்படியின்பேரில் 100-க்கு 10 வீழுக்காடு ஏற்பட்ட மொத்தம் அந்த வீட்டின் வாடகை தொகையென்று எண்ணக்கூடாது. இந்த வீடியிருக்கும் இடத்திற்கு தக்கபடி அதை சம்பந்தப்பட்ட மற்ற எல்லா சங்கதிகளையும் யோசித்து அந்த வீட்டின் குடிக்கலியை கீர்மானிக்கவேண்டியது.

7. 1886-ஆம் மார்ச்சுமாதத்திற்காக சம்பளங்களும், ஆனியூட்டிசனும், பென்ஷன்களும் 1886-ஆம் ஏப்பிரல்மீத்தில் கொடுத்த போதிலும் அவைகளின்பேரில் வரி வசூல்செய்யவேண்டியது.

8. வரிபோட்ட வருஷம் கடந்தபிறகு இத்துடன்சேர்க்கப்பட்டிருக்கும் ரெ. 1-வது நமூனாப்படிக்கு கணக்கை ஒவ்வொரு அக்கவுண்டாண்டு ஜனரலாவது, இதர கணக்கு தன்கிசெய்யும் ஆபீசராவது ஸ்தலத்தின் கவரன்மெண்டாரால் எந்த ஆபீசருக்கு அனுப்பும்படியாய் உத்திரவுசெய்கிறார்களோ அந்த ஆபீசருக்கு அனுப்பவேண்டியது.

9. மேற்படி ஆக்ஷன் II-வது ஷிடியூவின் III-வது பாகத்தின் இரண்டாவது கிளாசில்குறித்த சர்ட்டிபிகேட்டுகள் இத்துடன்சேர்க்கப்பட்டிருக்கும் B நமூனா அல்லது C நமூனாப்படிக்கு இருக்கவேண்டியது.

10. மேற்படி ஆக்ஷன் 5-வது பிரிவின் (1)-வது உட்பிரிவின் (e) கிளாசின் நிபந்தனைகளுக்குட்பட்டதாய் மதசம்மந்தமான அல்லது பப்ளிக் அதாவது பொது தர்மசம்மந்தமான காரியங்களுக்கு உபயோகப்படும் பத்திரங்களின் வட்டியின்பேரில் வரிபோடாமல் விலக்கவேணுமென்று மேற்படி கிளாசின்படி யாதேனும் பாத்தியதையிருந்தால் அப்பேற்பட்ட பாத்தியதை ஸ்தாபிக்க இத்துடன்சேர்க்கப்பட்ட D நமூனாப்படிக்குக் கலெக்டரவர்களால் கொடுக்கப்பட்ட சர்ட்டிபிகேட் ஆதாரமாயிருக்கவேண்டியது.

11. இந்தியா கவரன்மெண்டாரவர்களால் பத்திரங்களின்பேரில் வட்டி கொடுக்கவேண்டியதாயிருக்கும் கேசுகளில் மேற்படி ஆக்ஷன் 13-வது பிரிவின் (1)-வது உட்பிரிவின்படி வரிபோடப்பட்ட மொத்தத்தை வட்டிகொடுத்ததேதியிலேயே மேற்படி வட்டியிலிருந்து கழித்து சர்க்காருக்கு ஜமைவைக்கவேண்டியது.

12. இந்திய கவரன்மெண்டாரவர்களால் வட்டி கொடுக்கப்படாமலிருக்கப்பட்ட பத்திரங்களின்விஷயத்தில் அப்படி வட்டி கொடுத்த ஒருவாரத்திற்குள்ளாக கழிக்கப்படும் வரி மொத்தத்தை சர்க்காருக்கு ஜமைவைக்கும்படி செலுத்தவேண்டியது. மேற்படி மொத்தத்தை கழிக்கும் நபர் அடியில்குறித்த விவரங்களைக்காட்டும் ஸ்டேட்டுமெண்டிடன் அந்த மொத்தத்தை சர்க்காருக்கு ஜமைவைக்க கலெக்டரவர்களுக்கு அனுப்பவேண்டியது :—

1. சொந்தக்காரன் பெயர்.

2. பத்திரத்தின் விவரம்.

3. ஷே நம்பர்.

4. பத்திரத்தின் தேதி.
5. ஷே மொத்தம்.
6. வட்டி வாங்கின காலம்.
7. வட்டி மொத்தம்.
8. வரி மொத்தம்.

13. சர்லீஸ் பண்டிகளைச்சேர்ந்த பத்திரங்களின் வட்டியின்பேரில் வரி போடப்படமாட்டாது.

14. வரிபோட்ட வருஷம் முடிவானவுடனே ஒவ்வொரு அக் கவுண்டண்டு ஜனரலும், கண்டிரோலரும், ஸ்தலத்து கவரன்மெண்டாரால் உத்திரவுசெய்தபடி உத்தியோகஸ்தருக்கு இத்துடன் சேர்க்கப்பட்ட நமூனாபடிக்கு 2-ம் நெ. கணக்கை அனுப்பவேண்டியது.

15. கொடுக்கவேண்டிய வரி மொத்தத்தை ஏற்படுத்தும்போது ஒரு ரூபாயின் சில்லறையின்பேரில் வரிபோடுவதை விட்டுவிடவேண்டியது. இதற்கு திருஷ்டாந்திரம். ரூபா 166-10-8. மாசாந்திர சம்பளமாயிருந்தால் இதன்பேரில் வரி மொத்தம் ரூபா 4-5-2 மாத்திரமாகும்.

16. 1886-ஆத்திய 2-வது ஆக்டின் 4-வது பாகத்தின்படி விதிக்கப்பட்ட வரிகளுக்கு சம்மந்தமாய்க்கொடுத்த அல்லது ஆஜர்படுத்தின தஸ்தவேசுகளிற்கண்ட எந்த அம்சத்தையும் மேற்படி ஆக்டை அமுலுக்குக்கொண்டுவருவதற்குத் தேவையான விஷயங்கள் தவிர, எல்லா சர்க்கார் உத்தியோகஸ்தர்கள் வெளிப்படுத்தக்கூடாது. மேலும் இந்த விதியை எந்த சர்க்கார் உத்தியோகஸ்தராவது மீறினதால் இந்தியன் பீனல்கோடின் 166-வது பிரிவின்படி மேற்படியான் குற்றம்செய்ததாக எண்ணப்படும்.

17. இன்னும் இதர விதிகளைச்செய்ய அதிகாரம் அந்தந்த ஸ்தலத்தின் கவரன்மெண்டாரவர்களுக்குக் கொடுக்கப்பட்டிருக்கிறது.

18. இந்தவரியின் டிமாண்டுகலெக்ஷனையும் வரிபோடப்பட்ட பலவகையான வரும்படிகளையும் மேற்படி ஆக்டின் நிபந்தனைகள் அமுலுக்கு கொண்டுவந்ததையும் காட்டும்படியாய் கலெக்ட்டர் வர்களும், இதராளும் வைக்கவேண்டிய ரிஜிஸ்தர்களின் நமூனாக்களை ஒவ்வொரு ஸ்தலத்து கவரன்மெண்டார் ஏற்படுத்தவேண்டியது.

19. வரிபோட்ட வருஷம் முடிந்தபிறகு ஒவ்வொரு ஸ்தலத்திய கவரன்மெண்டார் மேற்படி ஆக்ட்டி அமுலுக்குக் கொண்டுவந்ததைப்பற்றி பிளான்ஷியல் இலாகாவில் இந்தியா கவரன்மெண்டாருக்கு ரிபோர்ட்டி அனுப்பவேண்டியது.

20. இத்துடன் சேர்க்கப்பட்ட நமஸூப்படி அடிவிற்குறித்த கணக்குகள் மேற்படி ரிபோர்ட்டிடன் அனுப்பவேண்டியது.

கணக்கு I. } அக்கவுண்டாண்டு ஜனரல் அல்லது கண்டி  
 ,, II. } ரோலர், அல்லது இதர தன்கிசெய்யும்  
 உத்தியோகஸ்தரிடமிருந்து வந்தபடி  
 அனுப்பவேண்டியது.

,, III.

,, IV.

,, V.

,, VI.



## ***RULES BY THE MADRAS GOVERNMENT.***

---

In the exercise of the powers delegated to him, by the Governor-General in Council, under section 38, sub-section (1), of Act 2 of 1886, the Governor of Fort St. George in Council is pleased to sanction the following additional rules for carrying out the purposes of the aforesaid Act:—

- (1.) Collectors of districts shall themselves ordinarily assess the tax on all companies and on persons whose incomes are estimated to amount to Rs. 10,000 and upwards. Divisional Officers shall assess incomes between Rs. 10,000 and Rs. 2,000, and Tahsildars and Deputy Tahsildars exercising the powers of a Collector shall assess incomes below Rs. 2,000. The Board of Revenue may, however, in special cases, and for special reasons, sanction a relaxation of this rule.

2. Arrangements may be entered into under section 9, sub-section (2), with companies, associations or persons willing to undertake the duty, for the recovery by them on behalf of Government of the tax payable by their employes, pensioners, &c., subject to the following conditions:—

- (1.) The remuneration to be allowed to a company, association or person for the trouble of collection shall be fixed by

the Collector of the District with reference to the circumstances of each case, but so as not to exceed in any case (5) per cent. of the collections.

(2.) The tax due to Government shall be deducted by the company, association or person abovementioned from the salary, pension, annuity or gratuity paid, as each payment is made, and the amount deducted, *minus* such commission as may be agreed upon for the trouble of collection, shall be remitted within a week to the Collector, or other Officer authorized by him to receive it, together with a statement showing the following particulars :—

- (1.) Names of the persons from whom the tax has been collected.
- (2.) Amount of salary, pension, annuity or gratuity on which the tax has been assessed.
- (3.) Amount of tax.
- (4.) Amount of commission deducted.
- (5.) Balance remitted to the Collector.

3. The annual return of income to be submitted by companies under section II of the Act, shall be in form E annexed to these rules, and the notice to be served on them under section 12, sub-section (1), shall be in form F.

4. The list and notification referred to in section 16 of the Act shall be prepared in form G in diglot, (*i.e.*) in English and in the Vernacular language of

the District or part of the District to which they relate, and copies thereof shall be posted up on the walls of the assessing Officer's Cutcherry and published in the District Gazette. An extract from the list in the Vernacular language shall further be published in each town or village, and in the principal bazaars, Cutcherries, or other places of public resort.

5. The special notice to be served on persons assessed under section 17 of the Act shall be in form H.

6. Persons exercising the powers of a Collector under the Act within Municipal towns, are authorized to publish a general notice in form K inviting all persons whose incomes are not below Rs. 2,000 to submit returns of their incomes under section 18, sub-section (1), clause (b), in the town of Madras, in addition to the general notice, a special notice in form L shall be served under section 18, sub-section (1), clause (c), on all persons whose incomes are estimated not to be below Rs. 2,000, calling upon them to submit returns of income.

Returns submitted in pursuance of the aforesaid notices, which should be treated as confidential communications, shall be in the special custody of the assessing Officers or of their responsible subordinates.

7. The notice to furnish information of lodgers and employés, to be issued under section 4, shall be in form M.

8. The notices to be issued under the provisions of sections 42 and 43 to Trustees, Agents, &c.—(1) to furnish information regarding the names of bene-

ficiaries and principals, and (2) to submit returns of income shall be in forms N and O respectively.

9. Although an Officer exercising the powers of a Commissioner of a Division is not legally bound under section 27 of the Act to entertain a petition for revision of assessment where the amount of the assessment is less than Rs. 250, it is nevertheless the duty of such Officer carefully to scrutinize the assessments made by his subordinate Officers, and if a complaint of over assessment is made to him, to grant such redress as he may consider to be called for.

10. The amount assessed under Part IV, Schedule II of the Act, may be paid in two equal instalments, the first on the expiration of the period of sixty days from the date mentioned in the notification issued under section 16 or the special notice served under section 17, and the second instalment on 1st October ; provided, however, that in case of default of payment of the first instalment, the whole amount due for the year shall be immediately recoverable.

11. The receipt referred to in section 32 of the Act shall be in form P.

12. The powers of the Local Government to declare, under section 47 of the Act, which of several places of business or residence shall be considered to be the principal place of business or residence for the purposes of the Act, are hereby delegated to the Board of Revenue.

13. Return No. I to be furnished by the Accountant-General under Rule 8, and return No. II

to be furnished by the Accountant-General and Comptroller under Rule 14 of the Government of India rules, shall be forwarded to the Board of Revenue.

14. Collectors of Districts shall submit to the Board of Revenue a monthly statement of income tax collections in forms Q and Q 1, or such other forms as may be prescribed in that behalf by the Board of Revenue.

15. Registers shall be kept by the Officers exercising the powers of a Collector or of a Commissioner of a Division or such other forms as may from time to time be prescribed by the Board of Revenue—Registers 1, 1-A, 2, 3, 3-A, 3-B and 4 by every Officer exercising the powers of a Collector; Register 5 by every Officer exercising the powers of a Commissioner of Division.

16. The Board of Revenue shall submit to Government, at the end of each year, a full report on the working of the Act, accompanied by the returns referred to in Rule 20 of the Government of India Rules and a Statement showing the number of prosecutions for offences under the Act in form R.

17. The Board of Revenue will issue such subsidiary instructions as may be needed for making provisions of the Act and the rules framed thereunder, as widely known as possible and for ensuring that the assessments are carefully and equitably



Every company or person should return his profits to the Collector in the following form :—

Name of Company or person.	Place of business.	Sources of income specifying separately those chargeable under Parts I, III and IV of Schedule II of the Act and the number of shares in such income.	Amount of income derived from each of these sources, mentioning the period during which the income from each source has been derived.	Remarks.

### Subscription.

I—do declare that the income stated in the return is truly estimated on all the sources of income therein mentioned and that the Company or person has no other sources of Income.

### *Instructions how to fill up the form.*

1. If the company or person making the return has several places of business, they should all be mentioned in column 2, the principal place of business being specified. Salaries, pensions and gratuities are chargeable under Part I, interest on Government and other securities under Part III and other sources of income, including the rental value of buildings occupied by owners calculated under section 24, are chargeable under Part IV of Schedule II of the Act.

2. In column 3 should be entered in detail every separate source of income accruing and arising in British India.

3. In column 4 should be entered the income accruing and arising during the year ending on the day on which the company's accounts have been last made up or if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then during the year ending on the 31st day of March.

4. Against the gross receipts, no deduction should be made on account of disbursement or expenses not wholly and exclusively incurred in respect of the profits returned; nor on account of any public or local rates, cesses or taxes, nor on account of the maintenance of the person himself or his family or domestic establishment.

5. Deductions from the gross receipts may be allowed on account of the following items :—

(a) In the case of trades or professions.

- (1) Sums expended in the repairs of implements, utensils, or articles used solely for the purpose of the profession or trade.
- (2) Sums expended for insuring or keeping insured the buildings, machinery, implements and stock for the purposes of profession or trade, the rent paid for any premises used for such profession or trade; provided that, if such premises shall not have been exclusively used for such profession or trade a fair proportion only of such rent shall, be deducted from the gross receipts.

- (3) Ten per cent. on the rack rent of such premises on account of repairs are at the cost of the Company, whether it has or has not been actually expended during the year of assessment.
  - (4) Sums expended in the payment of persons employed solely in such profession or trade.
  - (5) The amount of any losses of the stock in trade. The excess loss sustained in any one or more professions or trades over and above the profits thereof, may be set against the excess profits of any other profession or trade exercised by the same Company or person.
  - (6) The amount of any bad debts for the first time ascertained and written off as such during the year.
  - (7) Interest paid on money borrowed for the purpose of the trade or profession.
- (b) In the cases of income from houses.
- (1) Any rent paid on account of such houses, but not taxes or local rates or cesses.
  - (2) Sums expended for insuring and keeping insured such houses.
  - (3) Ten per cent. on the rack rent of the houses on account of repairs, if such repairs are at the cost of the Company or person, whether such amount has or has not been actually expended during the year of assessment.

- (4) Sums expended in collecting the rent not exceeding 6 per cent. of the gross rental.
- (5) Annual interest payable to a mortgagee not in possession.
- (c) In the case of buildings owned and occupied by the Company or person within the meaning of section 24 of the Act, one-sixth of the gross annual rent at which they may be reasonably expected to let, and in the case of dwelling houses, may be expected to let unfurnished; provided that where five-sixth of the gross rental of such buildings exceeded 10 per cent. of the income of the company or person, from all sources, a further deduction shall be made equal in amount to the excess.
- (d) In the case of salaries, pensions or gratuities, such portion not exceeding one-sixth of the income as is deducted for the purpose of securing a deferred annuity to him, or a provision to his wife or children after his death, or is paid by the person to an Insurance Company in respect of an insurance or deferred Annuity on his own life or on that of his wife,

## మదరాసు గవర్నమెంటువారు

1836-వ సం॥రపు 2-వ ఆక్టును అనుసరించి విధించిన

నిబంధనలు.

1. జిల్లా కలెక్టరువారు కంపెనీవారి ఆదాయములమీదనున్న 10 వేలు దానికి పైబడ్డ ఆదాయములమీదను పన్ను విధించుటకు అధికారము పొందియున్నారు.

2. డివిజన్ ఆఫీసర్లు 2 వేల రూపాయల ఆదాయము మొదలుకొని 10 వేలు రూపాయలు వచ్చే ఆదాయములమీద పన్ను విధించవచ్చును.

3. తహశీల్దార్లు, డిప్టీ తహశీల్దార్లు 2 వేల రూపాయలు ఆదాయము వకు లోబడిన వాటికి పన్ను విధించవచ్చును.

4. కంపెనీవారి వైరాలవద్ద నౌకరుచేయు శిబ్బందీల వద్దనుంచి రాబడే పన్ను వారివారి అధికారులమూలముగానే వసూలు చేయవచ్చును. ఆశ్రమమునకుగాను వారికి సందర్భానుసారముగా 100 - కి 5 రూపాయలకు పాచ్చకుండ కమీషను ఇవ్వవచ్చును. అట్లు వారలు వసూలుచేయు పన్నులో వారికమీషను త్రోసికొని మిగత పన్నురూపాయలను నమూనాతో కూడ కలెక్టరువారికి ఒకవారమునకు లోగా ఇరసాలుచేయవలయును.

5. ఈ పన్నునకు లోబడిన వారలు పంపించే లెక్కలు జవాబుదారి ఉద్యోగస్థులవశాన బయలుపరచక ఉండునట్లు బందోబస్తు చేయబడును.

6. వాసముఖ్యస్థలములు, వర్తకముఖ్యస్థలములు నిర్ణయించుటకు రివిన్యూబోర్డువారికి అధికారమివ్వబడియున్నది.

7. ఒకవర్తకునికి అనేకస్థలములలో వచ్చుబడియున్న పక్షమునకు కలెక్టరువారికి పంపించే లెక్క నమూనాలో వానిముఖ్యస్థలము కనుపరచవలసినదియేగాక తనకువచ్చే ఆదాయములను విలేవారిగా తెలియచేయవలయును. ఆ ఆదాయమును కనుపరచే లెక్క ఒక సంవత్సరమునకుపూరాగా



8. తనకువచ్చే ఆదాయములో వర్తకవిషయమైన ఖర్చుతప్ప మఱియెట్టి ఖర్చును వజాచేయకూడదు. ఇతరమైనవన్ను యిచ్చియుండినయెడల దాని నిన్ని వజాచేయకూడదు. అయితే వర్తకవిషయములో ఉపయోగపరచే సామాను సరంజాములు దురస్తుచేసినపక్షములో అట్టివాటిని వజాచేయ వచ్చును.

9. వర్తకమునకు యింటిబాడిగగాని, మకాను ఇన్సూరెన్సుచేసియుండినగాని అట్టి వాటిని వజాచేయవచ్చును.

10. వర్తకమునకుగాను శిబ్బందీల సంబంధము వస్త్రాలు, నష్టమురా తగిన బాకిని లెక్కలో ఖర్చు వ్రాసినయెడల వాటిని వజాచేయవచ్చును.

11. ఆప్యతీసి వర్తకము చేసినయెడల ఆయవ్వు వడ్డీని వజాచేయవచ్చును.

12. ఇల్లు యీదుమానముచూపి తీసిన రూకలకు చెల్లించే వడ్డీ ఆదాయములో వజాచేయవచ్చును.

## மதராசு கவரன்மெண்டார்

1886(வரு) த்து 2-வது ஆக்ட்டை அனுசரித்து  
விதித்த நிபந்தனைகள்.

1. ஜில்லா கலெக்டரவர்கள் கம்பெனியாரின் ஆதாயங்க  
ளின்பேரிலும் (10000) பதினாயிரம் ரூபாய் அல்லது அதற்கு மேற்  
பட்ட ஆதாயங்களின்பேரிலும் வரி விதிப்பதற்கு அதிகாரம்  
பெற்றிருக்கிறார்.

2. டிவிஜன் ஆபீசர்கள் 2000 ரூபாய் முதற்கொண்டு (10000)  
பதினாயிரம் ரூபாய்வரைக்கும் வரும் வருமானங்களின்பேரில்  
வரி விதிக்கலாம்.

3. தாசில்தாரர்களும் டிப்டி தாசில்தாரர்களும் 2000 ரூபாய்  
க்கு உட்பட்ட வருமானங்களின்பேரில் வரி விதிக்கலாம்.

4. கம்பெனியாரின் வகைராக்களிடத்தில் உத்தியோகம்செ  
ய்யும் சிப்பந்திகளிடத்திலிருந்து வரப்பட்ட வரி அவரவர் அதி  
காரிகளின்மூலமாயாகவே வசூல்செய்யலாம். அந்த சிரமத்துக்  
காக அவர்களுக்கு சந்தர்ப்பானுசாரமாய் 100-க்கு 5 ரூபாய்க்கு  
அதிகப்படாமல் கமிஷன் கொடுக்கலாம். அப்படிக்கு அவர்கள்  
வசூல்செய்யும் வரியில் அவர்களுடைய கமிஷனை தள்ளிக்கொ  
ண்டு மற்ற வரியை நமூனாவுடன்கூட கலெக்டர் அவர்களுக்கு ஒரு  
வாரத்திற்குள்ளாக இருசால் செய்யவேண்டும்.

5. இந்த வரிக்கு உட்பட்டவர்கள் அனுப்பும் கணக்கு ஜவாப்  
தாரி உத்தியோகஸ்தரின்வசத்தில் வெளியிடாமலிருக்கும்படி  
பந்தோபஸ்து செய்யப்படும்.

6. வாசமுக்கிய ஸ்தலங்கள், வர்த்தக முக்கியஸ்தலங்கள் நிர்  
ணயிப்பதற்கு ரிவினியுபேர்டார் அவர்களுக்கு அதிகாரம் கொடு  
க்கப்பட்டிருக்கிறது.

7. ஒரு வர்த்தகனுக்கு பல இடங்களில் வருமானமிருந்த  
பட்சத்தில் கலெக்டரவர்களுக்கு அனுப்பும் கணக்கு நமூனாவில்  
அவன் முக்கியஸ்தலத்தைக் காணவேண்டியதுமன்றி தனக்கு  
வரும் ஆதாயங்களை விலைவாரியாகத் தெரியப்படுத்தவேண்டும்.  
அந்த ஆதாயங்களை குறிக்கும் கணக்கு ஒரு வருஷத்திற்கு பூரா

8. தனக்குவரும் ஆதாயத்தில் வர்த்தகவிஷயமான செலவு தவிர மற்ற செலவுகளை வஜாசெய்யக்கூடாது. இதர வரிகள் கொடுத்திருந்தால் அதையும் வஜாசெய்யக்கூடாது. ஆனால் வர்த்தகவிஷயத்தில் உபயோகப்படுத்தும் சாமான் சரன்ஜான்கள் துரஸ்து செய்தபட்சத்தில் அப்பேர்கொற்றவைகளை வஜாசெய்யலாம்.

9. வர்த்தகத்திற்கு வீட்டுவாடகையாவது (House insurance) அவுஸ் இன்சுயூரன்ஸ் இப்பேர்க்கொற்றவைகளை வஜாசெய்யலாம்.

10. வர்த்தகத்திற்காக சிப்பந்திகளின் சம்பளம் வகைராக்களும் நஷ்டம் வர்த்தக்கின பாக்கியை கணக்கில் செலவு எழுதி அவைகளையும் வஜாசெய்யலாம்.

11. கடன்வாங்கி வர்த்தகம்செய்தால் அந்த கடன் வட்டி வஜாசெய்யலாம்.

12. வீட்டை ஈடுமானங்காட்டி வாங்கிய பணத்திற்கு கொடுக்கும் வட்டி ஆதாயத்தில் வஜாசெய்யலாம். ஜி

**MADRAS.**

Books registered under Act **XXV** of 1867  
during *2nd* \_\_\_\_\_ quarter of 188 *6*

*382 (A) April*

---

**LETTERS**  
**ON THE**  
**Currency Question**

**BY**  
**Runchorelal Chotalall, C. I. E.,**  
**Member of the Bombay Legislative Council,**  
**President of the Ahmedabad**  
**Municipality, &c.**

---

(Reprinted from the "Times of India.")

---

**Ahmedabad.**  
**"Rajnagar Printing Press"**



# CURRENCY QUESTION.

---

TO THE EDITOR OF THE TIMES OF INDIA.

SIR.—In consequence of the great fall in the price of silver, the exchange rate with England has so much fallen that there has been a great hampering of trade; and the financial condition of Government is so much affected that there are numerous rumours and suggestions as to the measures to be adopted by Government to meet the anticipated deficiency. A number of suggestions have appeared in public papers from very able persons, and the Government of India will no doubt be pleased to take the same into consideration. Although I do not pretend to be an expert in such financial matters, I am induced to put down on paper certain ideas of mine on the subject for such consideration as they may be deemed worth; and as the subject vitally concerns the public interest I trust I may be excused for the liberty I take.

The first question is whether the Government Mints should be re-opened or not?—Some of the writers and speakers suggest that Government should re-open the mints and allow the free coinage of silver as was done before June 1893. In my humble opinion the adoption of such a course will be *most dangerous and unwise*. If Government were to allow free coinage of silver as before, the value of the rupee will fall to the level of 10 to 11 pence per every rupee, and the price of every commodity will be so much upset as to cause a revolution. The position of Government in regard to the remittance of the amount due to England will be much worse, and one cannot say how the matters will end. I am, therefore, strongly of opinion that the policy adopted by the Government of India in June, 1893, should be upheld by all means practicable.

The second question is whether import duty should be imposed on silver or not? To give justice to the Government policy of June, 1893, it is very desirable that import duty on silver should be imposed by Government. The price of silver is so much lowered in England and America that 100 tolas of silver, which cost Rs 106 before, can now be purchased in Bombay for from Rs. 85 to 86, and many unthinking people are induced to speculate in the purchase of this metal; and the consequence is that the excess of export trade which used to meet the demands of the Secretary of State for Home Charges is absorbed by the excessive import of raw silver, and this is one of the chief causes which tend to lower the exchange rate. I think the import of silver should be checked by import duty, to such an extent as not to allow it to exceed the average quantity of the last seven years' import.

By adopting such a course the following advantages will be secured;—1st, the import of raw silver will be limited to its normal state which will strengthen the state of exchange rate. 2nd, by increasing the value of silver in India, the Native States will be prevented from coining more than the usual quantity of silver. 3rd, if the price of silver will be higher in India there will be less chance for the people being induced to counterfeit the British rupee. 4th, the burden of this import duty will fall only upon those people who would like to have the luxury of silver vessels and ornaments.

It is hoped that if the import of silver is properly controlled and regulated the profit to be derived by Government from the monopoly of coining rupees from cheap silver will be so large, and the exchange rate will be so much steadied, that it would

not be necessary to have recourse to any fresh taxation. But should it be found necessary to still further strengthen the hands of Government I would suggest that import duties be levied on all *foreign* manufactured goods imported into India. 1. No import duty should be levied on any raw material. 2. All machinery and the railway materials which are likely to improve the prosperity of India should be entirely exempted from the said taxation.

In regard to the other class of goods I would suggest that the goods of the foreign countries which allow our Indian goods an admission free of the duties need not be taxed in the beginning; for instance, the goods imported from Great Britain should not be taxed at present because they allow our Indian goods to be imported there free of duty. But there is no reason why we should not tax the goods imported from other foreign countries, such as America, France, Germany, Austria, Russia, and other countries which levy a very heavy import duty on Indian goods. It appears from the Administration Report of the Bombay Presidency that in the year 1892-93 the total import of merchandise into the Bombay Presidency was about 27 crores of rupees, out of which more than 11 crores worth of goods was from foreign countries, which levy import duties there on Indian goods. To levy import duties upon the goods imported from such countries would be neither unfair nor injudicious. We know that the countries like Russia and Germany levy such prohibitive duties on Indian goods as to prevent the export from India from finding its way into those countries. If they would allow the free import of the Indian yarn, India would be able to export immense quantity of yarn to the Continent of Europe and Central Asia which would

exchange market. But since these countries continue in their system of prohibitive duties for their own protection, it is just natural and equitable that we should impose a moderate duty on their imported goods for the purpose of revenue at such a critical time as the present.

I think, with a judicious management of the Financial Department, Government would be placed into such a satisfactory position that there would be no necessity to impose any import duty on English goods; but should it ever be otherwise, there must be made some distinction between the countries which allow free import of Indian goods and those which do not do so. For example, the English goods should be taxed at a much lower rate than those of the countries which levy heavy import duties on Indian goods.

The last suggestion I would like to propose for adoption is that before any import duty on silver is imposed Government utilize a portion of the present large cash balance lying in their treasuries in purchasing silver to be converted into rupees. The cash balance in hand at present is from 10 to 11 crores of rupees more than the usual amount. If Government think proper to utilize this excess of 10 crores in purchasing silver available in the Indian market at the current rate of from Rs 85 to Rs 86 per 100 tolas and to have it coined in rupees, a handsome profit of more than two crores of rupees can be easily secured, and this sum, I hope, would to a great extent meet the deficit at present arising from the fall of exchange.

If Government were to purchase silver in England at the current rate of 28d. per oz. and import it

into India for coining, a large profit indeed can be obtained, but the adoption of such a course will necessitate extra remittance to the Home Government, which will tend to still lower the rate of exchange, and therefore, it is not advisable to do so at present. It is better, therefore, to be satisfied with a smaller profit by purchasing silver in India, so long as it continues to be cheap.

The ordinary revenue of India has not decreased, and there is no occasion for any extraordinary expenditure on account of famine or war. The present difficulty has arisen simply on account of the over-supply of silver out of India, and there is every reason to trust that by regulating the import duty on silver and by properly managing the monopoly of mints, the difficulty can be removed, and there would be no occasion to have recourse to any fresh and vexatious taxation. It is hoped that Government will never adopt some of the unreasonable suggestions such as to impose export duty on grain, &c., or to levy a tax from the Railway passengers.

yours &c.,

RUNCHORELAL CHOTALALL.

Ahmedabad, }  
1st March 1894. }

## II

TO THE EDITOR OF THE TIMES OF INDIA.

SIR,—In my memo of the 1st instant, regarding the Currency Question, kindly published in your issue of the 13th instant, I ventured to suggest that if Government would be pleased to make use of the prerogative to work the Government Mints they



quiries confirm me in my said views, and, therefore, I take the liberty to make the following few remarks for the consideration of Government and the public at large;—I find that the present rate of pure silver in the Bombay market is less than Rs. 84 per 100 tolas, inclusive of the recent 5 per cent. import duty on silver; and if the Mint authorities were permitted to work the Mint as they were doing before June 1893, one can get Rs. 106-6 per every 100 tolas delivered at the Mint. It appears that our silver rupee contains eleven-twelfths of pure silver and one-twelfth of alloy. At this rate the Mint authorities used to make Rs. 108-8 from every 100 tolas. Deducting from this amount the sum of Rs. 2-2 for Mint charges, the remaining sum of Rs. 106-6 was delivered in cash to the owner of the silver. If, then, Government were now to purchase 100 tolas of silver at Rs. 84, and to have the same coined in the Mint, they can get Rs. 106-6 nett, leaving a clear profit of Rs. 22-6, which amounts to  $26\frac{1}{2}$  per cent. on the money invested, and, therefore, if Government were to invest six crores of their cash balance in working the Mints, they would make a handsome profit of one crore and fifty-nine lakhs (1,59,00,000). If we include the 5 per cent. import duty, the profit to Government will be  $31\frac{1}{2}$  per cent., giving a profit of Rs. 1,89,00,000. Such being the case, I see no good reason why Government should not take advantage of their prerogative and get this large profit for the benefit of the country at such a critical time as the present. Some persons are wrongly afraid that if Government would coin any more rupees the rate of the Council Bills would fall and Government would lose thereby. But with every due deference to the gentlemen entertaining such views, I beg to submit the following points for the consideration of Government and the thinking public:—

1. Ever since the establishment of the Government Mints, crores of rupees are being coined every year. There has not been a single year when the Mint did not work at all. The use of cash currency in a vast country like India is so great that Mints must be kept constantly at work. Even the minor Native States are obliged to keep their mints at work to prevent tightness of the money market, and there is every good reason to think that the Mint belonging to our Government must be at work. To convince us of this fact, we should simply take that average of the last five years and see what amount was coined in our Mints, and Government should limit the coinage to the same extent I see from the Administration Report of the Bombay Government, for the year 1892-93, that in that year no less than Rs. 9,69,35,081 were coined in the Bombay Mints alone.

2. The free coinage of silver was stopped in June 1893, not because no coin was needed in the country, but because private individuals might take advantage of the unprecedented cheapness of silver by a free coinage and thereby the rate of the English exchange might be greatly reduced. Government were quite right in stopping the Mints against free coinage by private individuals, but that is no reason why Government should not take advantage of working the Mints themselves when there is a tempting margin of profit.

3. Government do not allow free coinage of copper currency, but they go on coining copper on their own account. If we look to the weight of copper pice valued one rupee, it is not worth six annas but Government purchase cheap copper and coin the

why the same course should not be adopted regarding the silver coinage.

4. The exchange rate with England does not depend on the scarcity or otherwise of the rupees in India. The rise or fall of the exchange rate principally depends upon the balance of trade between India and England. If the total of exports from India be 100 crores, and the total of imports be 75 crores, India would have a balance of 25 crores in its favour. If, then, the demand of the Secretary of State for India be 25 crores, the exchange will remain steady, but if the balance of trade be less than the amount required for Home Remittance, the exchange will fall and if it be otherwise, the exchange will rise. In the current year the balance of trade in favour of India has been less than what it was last year and therefore, the exchange has fallen. Of course the permanent remedy to improve the exchange rate will be to extend the export trade and restrict the import trade, and at the same time to try to reduce the amount of the Home Remittance. All these measures must, however, take time, but in the meantime there is no reason why Government should not take advantage of their prerogative of working the Mints and make a very handsome profit thereby.

5. It is argued by some gentlemen that as there is a cash balance of 25 crores of rupees lying in Government treasuries, there is no need of adding any more to the balance in the treasury. But it should be borne in mind that when the Finance Minister declares that there is a deficit of  $3\frac{1}{2}$  crores, we must admit that more money is needed. If more money were not required, Government would not have had recourse to new taxation which is so ~~v~~taxatious.

6. Is it to be regretted that Government lose

a very large amount in the shape of interest by keeping such a large balance idle in hand. Government might remit the extra balance of Rs. 12 crores to England at 14d. per rupee to pay off our gold debt or might pay some of our Indian debt; and thus might save lakhs of rupees in interest.

But the fact appears to be the Government are in need of more money to carry on the administration of the country, and if they will be pleased to coin the same quantity as they were always coining on an average of the last few years, the gain to Government at the present price of silver will be so great that they will be in a position to dispense with any new taxation.

I shall feel much obliged if you or any of your readers will kindly enlighten me where I am mistaken.—Yours, &c.

RUNCHORELAL CHOTALALL.

Ahmedabad,  
March 21, 1894. }

### III

TO THE EDITOR OF THE TIMES OF INDIA.

Sir,—In the statement made by the Finance Member of the Viceroy's Council, on the 22nd instant, the following three facts are to be observed:—

1st. That the cash balance in the hands of Government on the 31st instant is expected to be Rs. 26,25,17,560.

2nd. That the current rate of exchange with England is assumed to be 14 pence per rupee.

3rd. That the price of silver in London is such as would allow the rupee to be coined at a cost of  $10\frac{1}{4}$  pence.

These facts make it quite practicable for Government to secure a very large income as suggested in my letter of the 21st instant.

As such a large cash balance as more than 26 crores of rupees is not needed, it seems advisable that a sum of at least Rs. 10 crores be remitted to England at 14 pence per rupee, which will give about £5,833,334 sterling. If Government would spend out of this a sum of £4,270,834 in purchasing silver in London at the current price, they would get back in their Indian Treasury the sum of Rs 10 crores at the rate of  $10\frac{1}{4}$  pence per rupee, as estimated by the Hon. Mr. Westland, leaving a balance of £1,562,500 in England as a profit. This sum might be paid off to diminish the gold debt in England.

A profit of £1,562,500 at the present rate of exchange is equivalent to Rs. 2,67,85,714, which is more than the aggregate amount of Rs 2,62,12,000—proposed to be made up by imposing new import duties by suspending the Famine Funds and exacting contributions from local Government as mentioned in para 29 of the Financial Statement.

The margin between the present intrinsic value of rupee (*viz*  $10\frac{1}{4}d.$ ) and the exchange rate (*viz.* about  $14d.$ ) is so great, that even if Government sacrifice one farthing in exchange the profit will be so large as to enable Government to avoid some of the unpopular taxes and to dispense with such retrenchments as are likely to hinder some good work of public utility.

In the 41 para of his statement the Finance Minister hesitates to express any opinion regarding the future value of silver. He is told that it has now touched bottom, but he is doubtful about it. Now the question is whether it is prudent and advis-



able to let the present opportunity of making a profit of more than Rs. 2,60,00,000 pass away on the supposition that the price of silver might still go lower. If silver becomes still cheaper hereafter, and the exchange remains the same, we might make more profit next year, but why we should not earn what we can at present? Should the price of silver rise and the rate of exchange go lower, the margin of profit would be much reduced and the advisers of Government might be blamed for missing the opportunity.

The Financial Minister seems to think that by opening the Mints the rupee will be depreciated. If by opening, he means, to open the Mints to the public for free coinage he is quite right, and I fully concur with him; but if he means to say that even Government should not work the Mint for the legitimate use of the country to the same extent as they have been always doing, I beg respectfully to differ. Such a large country as India cannot carry on its vast trade and daily transactions without having a Mint at work. Before the advent of the British Government, India had its Mints working, and since the establishment of the East India Company's Government, Mints have always been at work. By stopping the working of the Mints and by hoarding the cash in Government Treasury the money market at present has become very tight. The rate of interest in a place like Bombay has been 10 per cent, and it is therefore, easy to suppose that scarcity of the money in the mofussil must be still more. The tightness of the money market must check the expansion of trade and thereby affect the prosperity of the country.

If we measure the appreciation of the rupee by

ed to be more appreciated this year than last year but if we value it as shown by the English exchange it is depreciated. The rate of exchange with a country depends on the balance of trade with such countries.

Under any circumstances, it does not seem right that Government should have such a large balance of 26 crores lying idle in their treasuries in India, and there is no good reason why they should not utilize a portion of it to secure a safe profit, in a manner as hinted in the first part of this letter.

The Secretary of State has been able to draw only ₹9,400,000, while the Budget estimate was for £18,700,000, leaving a balance of £9,300,000 undrawn. This is the cause of the heavy cash balance in India. The fact is that while our money is lying idle, in India we are obliged to borrow in England a debt in gold currency. Let us see what will be the result if we remit this balance of £9,300,000 out of our Indian cash balance at the current rate of exchange, viz., 14d. per rupee. The amount required will be about Rs. 15,95,00,000 still leaving a balance of from ten to eleven crores in the treasuries. By thus paying off the English debt of £9,300,000, we shall be saving more than fifty lakhs of rupees per annum in interest alone. If more rupees be wanted in Government Treasuries in India, they can coin immediately at a profit of more than 25 per cent in the working.—  
Yours, &c.,

RUNCHORELAL CHOTALALL.

Ahmedabad, March 27, 1894,

## IV

TO THE EDITOR OF THE TIMES OF INDIA.

Sir,—In my communications published in your issues of the 13th, 23rd and 30th of March 1894, regarding the Currency question, I ventured to suggest that a heavy import duty on silver should be imposed to check the import of silver into India for non-coinage purposes beyond its average normal extent and that Government should continue to coin rupees to the same average extent as they were doing for the last five or ten years. If these suggestions had been adopted, I think some substantial benefit would have been derived by Government and the country as pointed out in those communications. Before the budget statement was prepared, I had taken the liberty of sending a copy of my memorandum, dated the 1st March, 1894 (which was published in your issue of the 13th idem), to the Government of India but the Financial Minister does not appear to have assigned any reasons as to why the said suggestion could not be adopted. It appears from Reuter's telegrams, as recorded in your issue of the 30 ultimo, that the value of the raw silver exported from England during the week to Bombay, was worth £200,000 which, at the rate of Rs 18 per pound sterling, would amount to Rs. 3,600,000. If the import of silver to such an enormous amount be thus allowed to continue the balance of trade would be so far lost as to preclude the possibility of any chance of improving the rate of exchange. The only use that such a vast amount of imported silver can be, under the present circumstances, subjected to is the conversion of the same by those who purchase it into articles of luxury, as ornaments and toys, &c., for the use of ignorant people, or to have it coined through the mints of some

terfeiting British currency by deceitful persons. I think it is desirable that this state of things should be early checked, and the only remedy for this purpose lies in imposing a heavy import duty on silver.

If Government had levied 15 per cent. duty, instead of 5 per cent., upon this article, the shipment of a single week would have yielded Rs. 540,000, and a further import of that metal by private individuals would have been instantly checked. It is not only with the view of securing a revenue to Government that I suggest the imposition of a heavier import duty on silver, but with the plain object of steadying the value of silver in India. Before the present crisis the price of 100 tolas of silver had always been about Rs. 106 in India, and it is advisable that Government should try to keep it to nearly the same level.

There are no silver mines in India. All the silver which we use is imported by sea, from abroad and it is consequently very easy to regulate its price by imposing an adequately higher duty on it. The rate of the duty to be imposed should be made liable to variation from year to year as circumstances might warrant and should be so regulated as to bring the cost of 100 tolas between Rs. 100 and Rs. 105. This course, if adopted, would prevent any mis-use of, or speculation about, silver in India, and would greatly help to steady the rate of exchange. As the production of silver is at present comparatively more than the requirement of it justifies, its price in countries where it is produced must inevitably fall; but that is no reason why India should allow its ignorant people to ruin themselves by hoarding up the depreciated metal beyond their necessary requirements and it is therefore the legitimate duty of Government, in the inter-

ests of the people, as well as their own, to limit the importation of this metal to its originally normal quantity by the imposition of an adequate duty thereon.

I now come to the second question, viz, the desirability of working the mints by Government for the purpose of coining such an amount of rupees as are required for the legitimate use of the country. Ever since the establishment of the British Government in this country there has not been a single year when the mints were not worked. The least amount coined in a year seems to be about six crores of rupees, and there is no reason why Government should adopt the unusual course of closing the mints entirely and not using the same for their own use. Had Government worked their mints in the month of March last, they could have realised 25 per cent. profit, as previously pointed out by me at that time. But they have, unfortunately, missed the very best opportunity. Still, however, they can realise a profit of about 10 or 12 per cent. without any risk if the working of the mints be recommenced. The objections raised from certain quarters were that if Government were to work the mints, the money market would be reduced to such a state as would tend to lower the rate of exchange, but, as already stated by me before, it appears that the rate of exchange chiefly depends on the balance of trade only. If our exports were to increase and the imports to decrease, the rate of exchange would rise, and not otherwise. The fact is that, although Government have not coined a single rupee and have created an artificial and unnatural tightness of the money market, the exchange has, instead of rising, gone clearly down from 14d. to 13d. In my opinion it is not a sound policy to create an unnatural



tightness of the money market since it hampers the commerce, manufactures, and the agriculture of the country. Money is so scarce at present in the market that one cannot get it in Bombay at less than 10 per cent interest even on the security of Government paper; when such is the case in a presidency town, the scarcity of money ought to be at present greater with the mofussil traders and cultivators. The money market being so tight, one cannot expect the development of trade and manufactures, and the condition of the cultivator must be worse than ever. One of the most certain ways of improving the English exchange is to increase our export trade and check the imports by the development and improvement of the local industries; but these objects cannot be secured under the present unnatural tightness of the money market. If such a deplorable state were to continue any longer, money-lenders would be tempted to ask for an exorbitantly higher rate of interest, the result where-of would be to prevent the poor cultivators from either extending or improving their cultivation—a fact which would tell fatally on the export trade of India, which, instead of rising would decline day by day. On the other hand, the Indian capitalists would not, so long as the present tightness of the money market continues, think or venture to introduce any new industries, and thus there would be no chance of restricting foreign imports. Under these circumstances it seems advisable that Government should resume the working of the mints on their own account to such an extent as would meet the requirements of the country and impose an import duty on silver to such an extent as would steady the price of it. The adoption of such a course is calculated, in my humble opinion, to bring a good income to Government and to prevent a detriment to the general prosperity of the

country. I shall feel much obliged if any of your good and intelligent readers would kindly enlighten me and the public if they think the adoption of the course above suggested would in any way prove objectionable or injurious. Had the course herein hinted at been adopted in the month of March last Government would have secured several lakhs of rupees by this time.—Yours, &c.

RUNCHORELAL CHOTALALL.

Mahableshwur, }  
May 11, 1894. }

V

TO THE EDITOR OF THE TIMES OF INDIA.

Sir,—In the Provincial Budget of the Bombay Presidency for the year 1894-95 placed before the Legislative Council one sees under the head of Mint that the receipts are estimated at only Rs. 16,000 (vide page 17), while the expenditure under this head is entered at ~~Rs~~ 2,80,000 (vide page 69), showing a net loss to Government of ~~Rs~~ 2,54,000. On referring to the revised budget of the last year, 1893-94, one finds that under the head of Mint the receipts were Rs. 15,47,000 and the expenditure was Rs. 3,54,000 leaving a net profit of Rs. 11,93,000. The reason for this year's serious loss appears to be that it is assumed that the mint at Bombay is not to be worked during this year, while a large establishment, costing Rs. 2,80,000, is to be maintained without any ade-

to work the mint at all, one is at a loss to understand why such a costly establishment should be maintained at all, but it seems that Government have an idea of working the mint at some future time and therefore they bear this heavy expenditure. If such is the case, I see no reason why Government should delay the working of the Bombay Mint *on their own account* and thus deny a handsome profit to the Government treasury. Ever since the establishment of the mint in the country, I do not think that there has been any year when the mint remained idle altogether. I find from a Parliamentary Blue Book published in 1893 that the amounts of rupees coined in the Bombay mint during the ten years from 1882-83 to 1891-92 were as follow :—

Year.	Amount Rs.
1882-83 .....	5,07,85,500
1883-84.....	2,38,87,400
1884-85 .....	4,55,71,250
1885-86 .....	6,81,58,350
1886-87 .....	3,54,19,640
1887-88 .....	6,08,31,990
1888-89 .....	6,23,47,990
1889-90 .....	7,45,53,000
1890-91 .....	9,30,88,470
1891-92 .....	4,07,49,500

Total.....55,53,93,090.

Annual average is Rs. 553,93,090.

If Government will be pleased to coin on their own account the average amount of about Rs.

5,50,000, (five crores and fifty lakhs) in the Bombay Mint, they would get not only about 11,00,000 (eleven lakhs) as seigniorage duty, but would make a very large profit of about Rs. 60,00,000 (sixty lakhs) on the transaction. The present price of silver bullion in Bombay is about Rs. 95 for 100 tolas, and if this metal be purchased in London at the current rate prevailing there, the cost will be nearly the same, and as 100 tolas of silver will get net Rs. 106 there will be a clear profit of Rs. 11 per 100 tolas, and thus the large profit of Rupees sixty lakhs can be secured in addition to the seigniorage duty of eleven lakhs, making a total of more than Rupees seventy lakhs in a year. Even if Government would go to half the amount of the last ten years' average, the gain will be 35 lakhs. Even one-fourth the amount would give so much income to the Government of India that they would be in a position to relieve the Government of Bombay from the burden of exchange compensation and the contribution required to meet the deficiency of the Imperial Government Revenue. From a common-sense point of view, it does not look business-like that the most elaborate and expensive machinery of the mint should remain idle and a costly and able establishment of the mint should remain unoccupied, at a time when there is so good a margin in working the mint. I have more than once expressed my opinion that Government cannot be justified in throwing the mint out of service.

to the public, because that would seriously affect the rate of English exchange. What I have suggested is that Government should work the mint on their own account for the legitimate requirements of the country. Government have never declared what objections there are in working the mint on their own account, but it is assumed by some persons that Government are afraid that, if more rupees were coined, the money market will be easier, which would affect the English exchange, and that therefore they try to make the money market tight by stopping the coinage of rupees. Experience, however, has shown that such a theory is not borne out in practice. During the months of last March, April, and May the money market was so tight that in the city of Bombay one could not get money for less than 10 per cent. interest, even on the security of Government promissory notes. This state of the market actually hampered the legitimate trade of the country without in any way improving the English exchange. On the contrary the exchange went down lower in those months, and at the present time, when the money market is very easy, the exchange is rising. It would thus appear that the enforced tightness of the money market here would not help the exchange, the rise or fall of which would mainly depend on the balance of trade in favour of or against India as well as on some other circumstances. Under all these circumstances it is fair and reasonable that Government should enlighten the public on the



following points:—

1st—What are the objections to allow the mint to work on account of Government to the extent of the average of the last ten years or even to half its average?

2nd—If mints are to be worked at some future time, when and under what circumstances are they to be worked?

I had thought of bringing the consideration of these questions before the Budget meeting of the Bombay Government, but I abstained from doing so as it was observed that the mint department was under the control of the Supreme Government. But, as the matter appears to be of great importance, I take the liberty to submit the same, through the medium of your valuable paper, to the consideration of the Government of India and the public at large—Yours, &c.,

RUNCHORELAL CHOTALALL.

Poona Aug. 25, 1894,

---

## RUPEE COINING ON GOVERNMENT ACCOUNT.



TO THE EDITOR OF THE TIMES OF INDIA.

Sir—In submitting the accompanying copies of my letters, published in the *Times of India* in 1894, regarding the advisability of Government taking the advantage of their right to coin rupees in their mints on their own account, I again take the liberty of requesting you to kindly make room for the following few observations on the subject in your valuable paper for the consideration of Government and the well-wishers of the country.

I have shown in my letters above mentioned what benefit will be derived by Government by working the mints on their own account, but I have not yet learnt what are the objections to follow the course suggested.

Even at present I observe that the price of silver in Bombay, including the 5 per cent. import duty, is about Rs. 94 per 100 tolas, and if Government were to purchase silver at this rate and coin the rupees the profit to Government will be very handsome.

One hundred tolas of silver costing Rs.  $94\frac{3}{4}$  will yield Rs. 108 in the mint, giving a margin of Rs. 14, and if we add to this the 5 per cent import duty which goes into the Government Treasury, the actual

profit to Government will be about 19 per cent. I see from the Parliamentary blue-book published in 1893 that the amount of rupees coined in the mints of Bombay and Calcutta during the ten years ending 1891-92 was Rs 76,40,42,830, giving an annual average of Rs 7,64,04 283, and if the Government were to coin this sum the gain to Government will be about Rs. 1,45,00,000 (one crore and forty-five lakhs). Even if we make allowance for the variation in the price of silver and the expenses of the mint the profit may be about Rs. 1,25,00,000, (one crore and twenty-five lakhs) per annum, and there seems no reason why Government should not reap this advantage at a time when money is so urgently wanted.

By adopting this course it was apprehended that the rate of exchange with England will go lower. But experience and common sense show that such cannot be the case. If the mints were thrown open to the public for free coining there is no doubt that the value of the rupee will be much reduced, and I have never suggested such a course. But if Government themselves would regulate the coinage of rupees according to the requirements of the country, it would not affect exchange at all.

It is clear that the rate of exchange mainly depends on the balance of trade. If our exports increase and imports decrease the exchange must rise, and *vice versa*.

It was once stated on behalf of Government that if Government were to purchase silver for coining purpose the price of silver will rise. But if this takes place there will be no harm at all. The rise in the price of silver will make exchange higher, and this is what is required by Government. If <sup>the</sup> rise in the price of silver will check its import into this country it will prevent the undesirable extension of the luxury of using silver ornaments, and it will also increase the balance of trade in our favour.

Ever since the occupation of India by the British Government the use of the mints has been going on. There was not a single year up to 1893 when no rupee was coined at all. The wear and tear and loss of coins must be very large in a large country like India, and therefore by stopping the coinage of rupees an artificial scarcity of money is created, which hampers the trade and tells harshly upon the poor agriculturists.

As the time for considering the next Budget is approaching when questions of financial importance are likely to come forward, I am induced to take the liberty to bring forward this subject for the consideration of Government and the public at large for which I may be excused.— Yours &c.,

RUNCHORELAL CHOTALALL.

Ahmedabad, January.



21 MAR 1859

THE L.I.

# INDIAN IMPORT DUTIES ON COTTON GOODS.

## DEPUTATION

TO

THE RIGHT HONOURABLE H. H. FOWLER, M.P.  
*Secretary of State for India,*

FROM THE

## Cotton Industry of Lancashire,

MONDAY, 27TH MAY, 1855

*Manuscript from the Shorthand Notes of Messrs J. Moore & Son,  
38, Parliament Street, Westminster, S.W.)*

MANCHESTER:  
THE UNITED COTTON MANUFACTURERS' ASSOCIATION,  
70, LING STREET.



THE  
INDIAN IMPORT DUTIES  
ON COTTON GOODS.

DEPUTATION

TO

THE RIGHT HONOURABLE H. H. FOWLER. M.P.,  
*Secretary of State for India,*

FROM THE

Cotton Industry of Lancashire,

MONDAY, 27TH MAY, 1895

(Transcript from the Shorthand Notes of Messrs. J. MOORE & SON,  
38, Parliament Street, Westminster, S.W.)

MANCHESTER.  
THE UNITED COTTON MANUFACTURERS' ASSOCIATION,  
71, KING STREET



The Deputation was accompanied by

Mr. HOLLAND, M.P.

The Deputation consisted of the following:—

Mr. TOM GARNETT { *President of the United Cotton Manufacturers' Association.*

Mr. GORDON HARVEY  
„ W. NOBLE  
„ W. THOMPSON  
„ CALDER CLEGG  
„ JOHN WHITTAKER  
„ LUKE BARKER } *The United Cotton Manufacturers' Association.*

Mr. W. TATTERSALL, *Secretary.*

Mr. T. F. MACKISON { *The Federation of Master Cotton Spinners' Associations.*

Mr. JOSHUA RAWLINSON { *The North and North - East Lancashire Cotton Spinners and Manufacturers' Association.*

Mr. JAMES MAWDSLEY, *Operatives' Secretary.*

Present in addition: —

Mr. THOMAS ASHTON  
„ D. HOLMES  
„ W. MULLIN  
„ J. EDGE  
„ W. H. WILKINSON } *Operatives' Representatives.*

## INDEX.

---

	PAGE
MR. HOLLAND, M.P. - - - - -	5
MR. TOM GARNETT - - - - -	7
MR. GORDON HARVEY - - - - -	12
MR. W. NOBLE - - - - -	18
MR. WILLIAM THOMPSON - - - - -	29
MR. T. F. MACKISON - - - - -	39
MR. JOSHUA RAWLINSON - - - - -	41
MR. JAMES MAWDSLEY - - - - -	47
MR. JOHN WHITTAKER - - - - -	48

## DEPUTATION.

---

Mr. HOLLAND: Mr. Fowler, the deputation that I have the honour to introduce to you is one composed entirely of Lancashire experts, who have come here to deal with the Indian cotton import duties, especially with that aspect of them which touches what is known as the countervailing excise.

The deputation has been appointed by the United Cotton Manufacturers' Association of Manchester, and in their name we wish to express our extreme gratification that your health is sufficiently recovered to allow you to resume the arduous duties of your office, and amongst the rest to receive this deputation. We are extremely sorry, and, personally, I am particularly so, that Sir Henry James, who himself has made all the necessary arrangements in regard to this deputation, is prevented by illness from introducing it to you to-day.

The Lancashire members of Parliament have been to some extent not always able to see eye to eye as to the best policy to be pursued in regard to this question of the Indian cotton duties, but, so far as the object is concerned which we have met together to-day to further, there is absolute unanimity amongst the whole of the representatives of Lancashire.

With reference to the debate that took place in the House of Commons on the 21st February, some votes were influenced by the promise that you then made, sir, to the effect that "if it shall appear on clear evidence that the Government have drawn the line too high, or that it does not remove any or every protective character, Her Majesty's Government will consider the matter with a view to carrying out loyally their declared intention to avoid protective injustice." It is in consequence of that promise that we are here to-day, Mr. Fowler, to endeavour to point out to you some respects in which protection has not been entirely avoided in



the present Government proposals. To-day the question of the import duties, of course, is not before us, because the House of Commons has decided that, but, perhaps, it is not too much to express the hope that they will not be kept on for any longer time than is necessary in the interests of the finances of India.

Nor are we here to-day, sir, to discuss the general question of the policy of a countervailing excise; for, though we all dislike import duties, yet I think we are unanimous in disliking them less when coupled with a countervailing excise than when without. On behalf of the trade of Lancashire, I think I may say that we are much indebted to you for the vigorous and determined stand which you made in your telegram of the 11th of December, in which you insisted upon a countervailing excise if import duties were to be entertained at all. We are here with a view to make that countervailing excise as effective as possible in avoiding any protective element in those duties. The question is one which none but experts can thoroughly decide; and, personally, I am here on the spur of the moment to take in a very inadequate and inefficient way the place of Sir Henry James in introducing the deputation. I do not know precisely all the arguments which will be laid before you, but in so far as they may point out to you that an import duty of five per cent on British manufactured goods is a much heavier impost than a five per cent excise duty on Indian yarns as distinguished from goods; and, in so far as they may point out that large quantities of goods are imported at the present time into India that are made from yarns coarser than 20's, I am sure I shall be myself entirely at one with the arguments and views of the deputation. They consider that it hardly comes within their province to make recommendations to you, though if these recommendations were asked for they would doubtless be prepared with their views on such questions as to whether or not an import duty could be charged on the yarn value instead of on the value of the manufactured goods, or as to whether excise duty could be charged on the production of Indian mill-made goods, or as to whether there could not be exemption from the operation of Customs duty on any kind of either yarn or

cloth which was exempted from the operation of Excise duty, so that Customs and Excise could move together as far as possible on parallel lines. It is all the more important I think, Mr. Fowler, that you should hear the views of competent Lancashire experts as they will now be put before you, because it is quite clear that your advisers in India have had access to the best Indian expert opinion in regard to these matters; and it is but fair, therefore, that their arguments should be dealt with and adequately met by a corresponding expression of opinion from English experts.

I have now the pleasure of introducing to you Mr. Tom Garnett, the President of the Cotton Manufacturers' Association.

Mr. TOM GARNETT (*President, United Cotton Manufacturers' Association*): In the first place, sir, I should like to reiterate Mr. Holland's pleasure in being able to meet you and to assure you that you had our most sincere sympathy during your long and very severe illness.

Now, sir, at the outset we should like to make it quite clear that we are not here with any feeling of hostility to the Indian Government, or envy of the success of the comparatively new industry of cotton spinning and weaving, by steam power, in India. We prefer to think, in the words of the Hon. Mr. Stevens, quoted on page 48 of the Blue Book, "that the interests of Lancashire and India are parallel rather than opposite." Certainly we should be the last to deny that prosperity, and social and political content in India benefit Lancashire, and its trade, more than any other part of the United Kingdom.

The sympathy and money of Lancashire have never failed to be given most freely when any province of India has been afflicted with the scourge of famine.

But, sir, with all our goodwill, with all our admiration for a body of administrators, who are discharging the task of governing subject races with a success greater than any which history records, and who ensure to the varied and mutually hostile people

of India a security for life and property such as they never under any other rulers knew before, we cannot but feel that to extricate themselves from their financial straits, which we know are severe, and no doubt from the best of motives, the Viceroy and his Council, with the sanction of Her Majesty's Government at home, have embarked upon a policy in fiscal affairs, which, in the words of Lord Salisbury, in his despatch of July, 1875, "cannot fail to have serious effects," and further, "that during the agitation feelings of animosity will be aroused. The excitement will prevail more or less widely in proportion to the interests assumed to be affected by it, and if the prosperity of this industry correspond to its present promise, those interests will grow steadily with lapse of time." All the elements of friction which Lord Salisbury foresaw are now present.

The House of Commons, with regard to import duties on cotton goods, has solemnly declared that any duties of a protective character are contrary to sound policy.

You, sir, have endorsed that declaration, and have said that if a shred of protection can be approved it shall be abolished.

We sincerely believe, and we think we can prove without doubt, that the exemption of any Indian-made yarns and cloths whatever from excise constitutes of itself a protection as against English products, not only of the same counts of yarn and descriptions of cloth, but also against yarns and cloths, which to the observer unconnected with the cotton trade and ignorant of its technicalities might appear to be entirely out of competition with the classes exempted from excise. Sir James Westland states that there is no competition between English and Indian 20's. There are gentlemen present who will prove to you that there is a trade, and a considerable trade, much larger than that of the Scotch exporters of dyed yarn, (who have succeeded in obtaining some concession,) in cloths made from those counts, and that against them the five per cent import duty and exemption from excise of similar Indian mill products is most distinctly protective and prohibitive. We must also point out that the five per cent excise on yarns above 20's is by no means equal to the five per

cent import duty on manufactured cloth. From 30 to 50 per cent of the cost of making a piece of calico goes in wages, stores, commissions, carriage, and freight. The whole value of the piece is taxed on its arrival in India, while the Indian manufacturer escapes with the five per cent duty on the yarn, whether it be excise or import, plus the five per cent duty he pays on such stores as he has to import. The amount which goes in wages, salaries, commissions, and freight or carriage, which is as much a part of the value of the piece as the yarn, escapes entirely.

How serious an item this is will be demonstrated by some of the gentlemen who will follow me. I must now ask if I may be allowed to refer briefly to the much subtler manner,—and I do not use the word in any invidious sense,—in which the exemption of certain counts of yarn from excise will act protectively, I mean the substitution of one cloth for another. No doubt you are aware that cotton cloth consists of certain longitudinal and transverse threads. A cloth is said as to its longitudinal threads to be of a certain “reed,” and as to its transverse threads to be of a certain “pick.” The reed gives number of threads per inch; for example, what is called a 60 reed means that any cloth made from such an one will have 60 longitudinally running threads in an inch. In the same way the pick gives the number of transverse threads per quarter inch, half inch, or inch.

Now it is plain that a fabric, the reed and pick being the same, will contain more cotton when made from yarns of counts No. 20 than when made from yarns of counts 22 or 24, and will, therefore, cost more money. But inasmuch as it costs less to produce a pound of 20's than a pound of 22's, the manufacturer can by slightly reducing the number of threads in reed and pick offer to the consumer a cloth made from 20's, which shall contain as much cotton, and be as durable an article of wearing apparel as the one made from 22's counts. This is the basis of our argument that the exemption of yarns of 20's count is protective against the manufacturers of this country, who have been in the habit of sending to India cloths composed of yarns between 20's and 30's.

The Blue Book is filled with references to the great substitution

of "duty free" cloths, as they were called, for those made from finer counts, when, in 1879, the Indian Government exempted from import duty cloths containing yarns of no higher count than 30's. One of the gentlemen present will give full details of the very easy and perfectly legitimate way in which excise free yarns can be made up so as to successfully compete with excisable ones, and will submit samples of cloth, to say which was excisable, and which not, would puzzle even an expert.

Mr. FOWLER: I do not quite follow you there: there is no duty on excisable cloth as cloth; the duty is on the yarn.

Mr. GARNETT: Exactly so, sir.

Mr. FOWLER: How do you say that it would puzzle anybody?

Mr. GARNETT: I mean it would puzzle anybody to say which was made from excisable yarn and which was not. I regret if I not made it quite clear.

Mr. FOWLER: I quite understand your meaning now; go on.

Mr. GARNETT: The deduction to be drawn from this is that wherever the line of exemption is drawn, be it at 20's, 16's, 10's, or any other counts, the exempted yarns will appropriate the trade hovering in their neighbourhood, which up to then had been done in now excisable yarns.

Now it seems that the deviser of the excise duty has overlooked a principle which has always been carefully observed by English chancellors of the exchequer, namely, that in imposing a duty, whether customs or excise, the duty should be applied to all commodities which can in any way compete with or be substituted for the particular article to be taxed. I will now give you examples of that.

#### EXTENSION OF IMPORT AND EXCISE DUTIES TO SLIGHTLY COMPETING PRODUCTS.

.. CHICORY began to be imported for admixture with coffee from the Continent just before 1833. In 1833, chicory was charged with import duty to protect the revenue from coffee. Years afterwards it was given in Yorkshire and other eastern counties, and, in 1860, home-grown chicory was subjected to excise duty. Pro-



posing the tax, Mr. GLADSTONE said: "It was intended to apply to any other production to be used with coffee, as a protection to the coffee revenue, which had not grown, and which probably could not grow, as long as an article that assumed the appearance of coffee was free from duty." The excise on chicory is still retained.

2. SUGAR.—Duty abolished in 1873. So long as it existed the following were taxed: Cane juice, molasses, almond paste, dried cherries, dried comfits, confectionery, preserved ginger, marmalade, succades. All fruits and vegetables preserved in sugar and all manufactured of sugar.

3. SPIRITS.—The following are taxed at present: Chloroform, chloral hydrate, cocoa and chocolate with spirits additional, collodion, confectionery with spirits, ether, iodide of ethyl, soap with spirits.

4. INDIAN SPIRIT DUTY.—When the duty on spirits was raised eight or ten years ago, it was found that eau de Cologne was being imported and drunk in India. A duty on eau de Cologne, equivalent to that on spirits, was therefore immediately imposed.

In the Blue Book, page 19, Sir James Westland describes the cotton manufacturing industry of India as deserving any fostering care the Government can bestow upon it. We are not disposed to quarrel with that statement. We think that any and every lawful and beneficial industry, either in India or at home, deserves that care. In framing the present Indian Tariff Act the interests of owners of the 3,500,000 spindles and 30,000 looms of India have been considered.

We, both operatives and employers, do not think it unreasonable that some consideration should be granted to the interests of those who own and work at the 43,000,000 spindles and 627,000 looms, of Lancashire and its adjoining districts, which have been erected at a cost of certainly not less than 60 millions sterling, and on the prosperity of which the prosperity of almost every other industry in those districts, especially of agriculture, depends.

For good or for evil, it has come about that England depends more and more on her foreign trade for her life and strength. Her commercial competitors are eager, ambitious, well-equipped. Our great machinists are sending them their best and most modern machinery and skilled artisans to teach them their uses. It is not pleasant to be for ever enacting the part of Cassandra, with Cassandra's fate; but it is the truth that in the cotton industry trade is at a standstill, that orders are lacking, that stocks are accumulating, that capital is disappearing, and that workmen are in the streets. We are ready to support any policy which will afford permanent relief to the finances of India, which we, perhaps better than any other part of the country, know to be in straits. We welcome any line of action which may make India more contented internally, and stronger against external foes. We fully recognise the necessity that our rule should rest not only on the sword, but upon a conviction throughout India of the immutable justice of our administration, and that a policy likely to cause disaffection, from the evil effects of which we should be the first to suffer, must be avoided. We are determined that the government of India shall not be cast into the crucible of party politics, but we cannot think that the raising of 1,350,000 tens of rupees by a tax on Lancashire products is an adequate method of meeting the difficulties of the situation. The strength of the feeling in Lancashire on this subject seems to have been much under-rated, but we can assure you, sir, that those who are dependent for their daily bread on an industry already heavily handicapped will not give up the struggle until their efforts are crowned with success.

Mr. GORDON HARVEY (*United Cotton Manufacturers' Association*): Sir, I have to bring under your notice a special matter of great importance to a portion of the Lancashire cotton trade, viz., those who manufacture cloth for India from 20's counts and under.

In the papers relating to the Indian Tariff Act and the cotton

duties, 1894, it is argued at length that Lancashire does not and cannot trade with India in the coarser counts, and in your speech in the House of Commons on Friday, February 22nd last, you use the following words: "We do not levy this duty on coarse counts because there is no importation of them. It has dwindled down to an infinitesimal figure for the last few years—last year to 8,500lbs."

We do not dispute the accuracy of these statements when applied to our exports of yarns, but we respectfully urge upon your notice that we export a large quantity of cloth to the various Indian markets made from counts of 20's and below, and that the present arrangement which taxes our productions whilst allowing those of our Indian competitors a free market places us under a grave injustice.

We bring this before you with all the more confidence in that we consider that you invited us to take this step when you said in the speech referred to above: "If they (the Lancashire producers) can prove satisfactorily beyond all doubt that this limit, this dividing line of 20's, is unjust to them, I am equally pledged to remedy that evil. The principle on which the Government act is that there shall not be protection."

It would be impossible to present to you figures of the exact amount of the exports of coarse cloths as the counts of yarn are not stated by the manufacturer to the purchaser, and consequently are not to be found by reference to any published statistics.

We have, however, obtained from several firms of manufacturers known to be engaged in this trade information as to the amount of cloth from 20's and below, annually made by them for India—the total quantity containing about 6,000,000lbs. of yarn.

The great proportion of this cloth consists of what are known as "drills." Actual proof can be obtained of counts of yarn and destination if it is thought necessary,—

Mr. FOWLER: Do you mean by that, that both the warp and the weft are below 20's.

Mr. HARVEY: Yes.

Mr. FOWLER: I am to take that as your statement.

Mr. HARVEY: Yes. Actual proof can be obtained of counts of yarn and destination if it is thought necessary, but as we are of opinion that the strength of our case rests rather upon the question of justice than upon the magnitude, it may be sufficient to place before you a statement from the well-known firm of Messrs. Ralli Brothers, giving particulars of imports by them into one of the Indian markets, namely, Bombay. In 1889 there were 2,232,000 yards, in 1890 4,163,200, in 1881 5,190,400, 1892 5,600,000, in 1893 5,707,200, and in 1894 4,504,000. Of these goods the firm I represent made the greater part, and I declare the counts to be 20's and under.

Mr. FOWLER: Can you give me the value of those? You are giving it me now in yards, but cannot you give it me in value?

Mr. HARVEY: Yes; I could work out the value in a moment.

Mr. FOWLER: Perhaps you will give it me later on in the interview.

Mr. HARVEY: Yes, sir.

Mr. FOWLER: As I understand it, your statement is that Messrs. Ralli say that they imported into Bombay, say last year, 4,000,000 yards of piece goods, the whole of which you say were woven from yarns under 20's.

Mr. TATTERSALL: 20's and under.

Mr. HARVEY: Yes; 20's and under.

Mr. FOWLER: What was the entire quantity; have you got the proportion of that in yards? I have got it here, and I can give it to you, what it is in value only.

Mr. HARVEY: I have got it into Bombay.

Mr. FOWLER: Well, into Bombay only; can you tell me what the quantities into Bombay were worth? The quantity we are now talking of, not the value. You speak of 5,000,000 yards; now how many million yards went into Bombay, that is what I want to know?

Mr. HARVEY: The only returns which I have been able to find available are made in bales.

Mr. FOWLER: I find that to understand your case we must just exactly understand the proportions. "Millions of yards," of

course, sounds a very large figure, like millions of rupees; but when we really talk about expenditure in India we reduce to tens of rupees. Now, I want to know what is the proportion. You say the Government of India are wrong in asserting that there is no import into India of piece goods woven from yarns which are under 20's. That they assert, and I may tell you that they go still further and assert that there is none under 24's. You tell me that there is a certain quantity there; now I want to see what proportion that bears to the whole import. The value of the import into Bombay last year was 28,000,000 of tens of rupees. Now, I want to know what was the value of your 5,000,000 yards; or, if you will give me the other figure, what was the entire number of yards? I suppose it would be hundreds of millions of yards which were represented by that 28,000,000 of tens of rupees. I want to see what the respective proportions are.

Mr. HARVEY: I have not got the comparison in yards.

Mr. FOWLER: Perhaps you will let me have it later; there is no hurry about it, but you see what I want. Go on, Mr. Harvey, I do not want to interrupt you.

Mr. HARVEY: I may just incidentally mention that the British troops in India are to a great extent clothed in what are known as "Khaki drills," which are, so far as I know, exclusively made in England, and which contain counts far coarser than 20's.

Mr. FOWLER: Are they not made for the Government?

Mr. HARVEY: For the Government largely, and for the native troops.

Mr. FOWLER: I mean they are bought by the Government, and paid for by the Government.

Mr. HARVEY: I do not know how the transactions are carried out for the native troops.

Mr. FOWLER: I think there is no competition on that point. You may dismiss that from your mind; you may take the Khaki out of the question.

Mr. HARVEY: I am very glad to hear that. The coarse trade is by no means a declining one, but has largely increased during the last ten years, and is likely to increase still further as commu-



nication becomes easier with the north and north-west parts of India, unless it is unfairly hampered. It is quite certain that it will be difficult, if not impossible, to prevent its decay under present conditions. I have through the kindness of Messrs. Ralli Brothers an extract from a letter from their Bombay house as follows: "Bombay to Manchester, 1/2/95. Every year the local mills are more and more competing with English-made goods. In our opinion it is extremely probable that the local mills will, with the five per cent advantage which they enjoy, ere long be able to produce a grey drill which will eventually supplant the Lancashire cloth in our markets." If you will allow me I will hand you this statement (*handing in statement*).

MR. FOWLER: I understand you to say that Messrs. Ralli's statement was that 5,000,000 yards of piece goods were imported into Bombay last year?

MR. HARVEY: 4,504,000.

MR. FOWLER: What year do you mean by last year?

MR. HARVEY: 1894.

MR. FOWLER: The entire quantity of cotton piece goods imported into Bombay in the first four months of 1894—I have not got the whole year—was 363 million yards; therefore, if you multiply that by three, that gives you over a thousand millions for the year. Your case is that five millions out of that thousand millions are woven from yarns under 20's.

MR. HARVEY: No, sir; my case is that that is the business done through Messrs. Ralli Brothers.

MR. FOWLER: Is there any other firm?

MR. HARVEY: Yes; we have collected statistics.

MR. FOWLER: Those are what I want.

MR. HARVEY: We can furnish you with them.

MR. TATTERSALL: It is in the statement which has been read six million pounds weight.

MR. FOWLER: I do not mind which way you put it; let us have it in length or in weight, or—as I should prefer it—in value. Of course the deputation will see in a moment what I mean. Of course, if it is a competition between four and five million yards as

against a thousand million yards, the Government of India will say—I will not say whether they would say it rightly or wrongly—that is not a competition. It is a non-existent quantity this six millions out of a thousand millions." I am not saying, mind you, for a moment that that is a correct statement. I want you to give me the figures. But I want the deputation to see the essential importance of having these facts. Of course what I shall do—you may take it for granted before you spend a minute longer on your statement—is that whatever you say to me I shall send to the Government of India. Therefore I want in dealing with this to be quite clear of the ground on which we are going, so that we may get our facts right. We cannot begin to argue till we get our facts right. Their case, broadly stated, is this; that there is no competition with that. These lower coarse goods are not sent there. I, of course, being no expert, have only got to take the information that is given to me. I find that even 20 years ago Mr. Sidebottom stated that there was no such import—that the trade in these coarser goods had gone. I am only quoting you what he did say in the House of Commons.

MR. TATTERSALL: It was not true.

MR. FOWLER: It was stated afterwards—five years afterwards—again. Whether it be true or not, I have got to ask you to give me proof that there is a competition going on, and that I shall be most happy to receive.

MR. HARVEY: My reason for narrowing it down to the point of the transaction between my own firm and Messrs. Ralli Brothers was to enable me to give you exact proofs of the transaction.

MR. FOWLER: Exactly, and I am much obliged to you; but then I want to have the whole if I can get it. Of course, the Government of India assert that there is no competition.

MR. HARVEY: Yes, I understand the difficulty, and, as I mentioned in my statement, my difficulty lies here; that this sort of cloths is not sold with the statement of the yarns which they contain. It would practically require a commission of enquiry to find out the exact amount of the business done. We have two or three gentlemen in the room who are manufacturers of such goods.

Mr. FOWLER: I shall be most happy to hear them.

Mr. HARVEY: Three of the six million pounds weight they make into cloth for India.

Mr. FOWLER: Does this figure include the khaki?

Mr. HARVEY: Yes.

Mr. FOWLER: Do you know how many yards that represents?

Mr. HARVEY: No, I cannot say.

Mr. W. NOBLE (*United Cotton Manufacturers' Association*): Sir, I have pleasure in handing to you specimens of how substitution can take place, and I will refer to the same in the few remarks that I have to make to you.

I propose to show how Lancashire is likely to be affected by counts 20's—20's yarn or under being excise free.

I find in the Blue Book, entitled "Papers relating to the Indian Tariff Acts, 1894," page 8, a practical acknowledgement that Lancashire might compete with India, with American cotton at 3d. per lb. This price has now been reached. On the same page there is a further statement that Indian cotton in process of cleaning and spinning loses 23 per cent; this loss increases the price of net cotton to 3·89d. per lb. American cotton passing through a similar process will lose only 10 per cent, making the cleaned price 3·33d., thus showing over  $\frac{1}{2}$ d. per lb. in favour of Lancashire. Taking into account its superior spinning quality and longer staple, it will yield a much larger production, and hence give a further advantage. The deduction is therefore obvious, that Lancashire, with American cotton at 3d. per lb., can spin 20's yarn or under at a less cost than the Indian spinner can spin the same counts from Indian cotton.

American and Indian cotton is a commodity almost hourly changing in value, and although the present prices of both growths are higher than the price named, yet, after the expense of cleaning and spinning the same into yarn, the relative cost when finished will be about the same in value. So for the purposes of working

out calculations for the examples of cotton goods, I have taken 20's yarn at 4½d. per lb. as the basis for India and Lancashire alike, which was the price of yarn prevailing at the time when the question of imports duties were brought before your notice in the House of Commons on the 21st February.

In the Blue Book just named, page 43, you will find this paragraph: "We need not worry ourselves regarding small details, for it has been shown by the Bombay mill owners that about 25 per cent of the cost of production in India is for stores already paying five per cent duty." "This amounts to 1¼ per cent tax." This statement is an erroneous one, as is obvious to all practical men. I have carefully examined the matter, and, for a basis to arrive at an approximation, have taken the actual costs of consumption of such stores as are dutiable of a mill in Lancashire of a thousand looms for six months' working, and have added to the cost from 25 to 100 per cent upon the respective items, as advised by a gentleman who has had considerable experience in managing some of the principal mills in Bombay. I find that the excisable stores used in a mill of the said dimensions in Bombay will amount to, say £800 in six months (which is a very liberal estimate)—five per cent duty upon this gives £40. The production of an Indian mill engaged upon a cloth of 45 inches wide will produce 1,700,000 lbs., *therefore the £40 duty divided into this weight will give .005 of a penny per lb., which you will admit is too small for an appreciable charge.* I further believe that the expense of manufacturing cotton cloth in India is yearly becoming a less cost, arising from the fact that it is now practicable to control and humidify the atmosphere in Indian weaving sheds by artificial means, so as to bring about conditions equally as good as those prevailing in Lancashire, and by this means giving longer life to perishable stores such as pickers, leather belting, &c.

I will now submit to you three examples of cotton goods made, or that can be made, by Indian and Lancashire manufacturers. For the first example I take a cloth of 45 inches, 24 yards, 20's—20's counts of yarn 8½ lbs. This will cost an Indian manufacturer to make 39.39d., the cost for yarn being 72 per cent, as against 28

per cent for expenses. A similar piece of cloth made in Lancashire would cost 38·74d., showing in comparison  $\frac{1}{2}$ d. per piece less than in Bombay; after adding the shipping charges the duty will amount to 2·17d. This demonstrates that practically there is no difference in the cost of making cotton goods as between India and Lancashire, hence any advantage given either to one or the other must be of a protective character. In this case the imposition of the five per cent duty certainly gives the Bombay manufacturer an advantage over his Lancashire competitor to the full amount of the duty. In the next example I propose to show how substitution can take place.

MR. FOWLER: I do not quite understand you there. Do you mean supposing that there was no duty, and that we went back to the *status quo*, that the Lancashire woven goods which we are now mentioning could be sold in Bombay five per cent cheaper than they are now sold?

MR. NOBLE: I mean to say that with cotton at 3d. per pound, that we can produce——

MR. FOWLER: What is cotton to-day?

MR. NOBLE: Cotton to-day would be about  $3\frac{1}{2}$ d.

MR. FOWLER: That is very near 4d.

MR. NOBLE: There is the relative rise in the Indian cotton as well.

MR. FOWLER: Give me those figures; at 4d. how would that work out, assuming American cotton to be 4d.

MR. NOBLE: It would be just the relative differences in the cost of the raw material. About 30 per cent would have to be added to these figures.

MR. FOWLER: That destroys your case completely. But go on; what is Egyptian cotton to-day?

MR. NOBLE: Egyptian cotton does not come into competition.

MR. FOWLER: I am only asking for information.

MR. NOBLE: I cannot give it to you.

MR. HOLLAND: It depends on the quality; it is 6d. to 7d. or  $7\frac{1}{2}$ d.

MR. TATTERSALL: It is abnormally high owing to speculative purposes.



Mr. FOWLER: Of course it might be said that American cotton was abnormally low; but to-day, as I understand, we are dealing with a state of things in which American cotton is  $3\frac{7}{8}$ d. and Egyptian cotton is between 6d. and 7d. Now, what is Indian cotton?

Mr. NOBLE: Indian cotton will be about  $3\frac{1}{8}$ d.

Mr. FOWLER: As high as that?

Mr. NOBLE: Yes, taking the comparative quality, to that which I have been using for the purposes of these remarks.

Mr. TATTERSALL: Here is the *Manchester Courier* of to-day; you can see what the quotations are, sir.

Mr. FOWLER: Will you give it me? you will be able to translate it into language I understand.

Mr. TATTERSALL: These are the quotations in to-day's *Courier*, Middling American,  $3\frac{7}{8}$ ths; fair Egyptian,  $6\frac{7}{8}$ ths.

Mr. FOWLER: That is threepence more.

Mr. TATTERSALL: Then take Dhollera —

Mr. HOLLAND: That is Indian.

Mr. TATTERSALL: That is  $2\frac{9}{16}$ ths nominal. Then fair Broach is  $3\frac{7}{16}$ ths and  $3\frac{5}{8}$ ths.

Mr. FOWLER: What is three and  $\frac{5}{8}$ ths?

Mr. TATTERSALL: That is fine Broach.

Mr. FOWLER: That is the very costly stuff that would not be used for weaving this sort of stuff.

Mr. TATTERSALL: Fair good Broach is  $3\frac{7}{16}$ ths and good Broach is  $3\frac{1}{4}$ —that is the lowest.

Mr. NOBLE: I understand they use the best cotton in the Indian mills; they make their selection from the bulk and ship balance here, and I have made a comparison, taking the quality of cotton which is really used.

Mr. FOWLER: I quite understand.

Mr. NOBLE: This statement was prepared for presentation to you, before your unfortunate illness, and seeing that the cost is only a relative question I have not altered the basis.

Mr. FOWLER: I quite understand.

Mr. NOBLE: In the next example, I propose showing how

substitution can take place. We could quote precedents innumerable where the demand has completely changed through some disturbance of the usual course of trade similar to the present imposition of the Indian duties—notably the last time Import Duties were in operation. Take, as an instance, goods then were admitted made of 30's yarn or under duty free; this arrangement resulted in a complete change of style and character of the Lancashire goods made and shipped for India, and, even at the present time, most goods shipped to India are made from these counts of yarn and with only slight variations. These goods are still known in the market as "duty free goods," though the name will not now be correct. To show how substitution can be effected I will take a piece of calico as a type of Lancashire shirtings. These are articles now very largely shipped to India. Its particulars are 35 inches 38 yards 16×16 threads to the quarter inch 30's/30's yarn 8½—9 lbs. weight. The cost to produce this piece is 52d. A pattern representing this cloth is attached to the table of particulars which I have handed to you. The Bombay manufacturer can make a piece which would be of equal or more serviceable quality of the following particulars, viz.: 35 inches 38 yards 14×13 threads per quarter inch 20's/20's yarn 10½ lbs. at a cost of 51·63d., a pattern representing this I have also given to you. After adding the shipping charges to the Lancashire costs the Import Duty will amount to threepence per piece. You will find on examination that the Indian pattern is thicker and fuller to the feel, and judging from its appearance I believe, if you were buying, you would yourself give preference to the Indian substitutes.

Mr. FOWLER: That is the bottom of those?

Mr. NOBLE: That is the one at the bottom of the sheet.

Mr. FOWLER: That you say is done 20's both ways.

Mr. NOBLE: Yes, it is a suggestion how the Indian manufacturer can substitute a cloth for that made by the Lancashire manufacturer of finer counts and dutiable yarns.

Mr. FOWLER: Yes, I see.

Mr. NOBLE: This is a clear example how the Lancashire trade

will be severely injured by the present differential arrangement of the Indian excise, and where the Indian manufacturer certainly is given an advantage, by being able to make the piece from yarns upon which he pays no excise duty. In the next example I will endeavour to show how the Indian manufacturer can substitute the Lancashire make by using twist free from excise, and weft excisable. Attached to the Table of Particulars you will again find a pattern marked 3, representing a piece made as follows: 35 inches 38 yards  $14 \times 16$  threads to the quarter inch 20's/30's 11 lbs. The following are the details of its cost: Yarns 35'01d., expenses 17'50d., excise on weft only '85d., excise on stores '06d.; 53'42d. There is no doubt but this is a fair and likely example of where and how substitution will come into operation. The cloth is still thicker and stouter to the feel, and nearer in appearance the Lancashire piece than the previous example. The Bombay manufacturer when making a similar piece, will pay an excise duty amounting only to '91 of a penny, as against the duty paid by the Lancashire manufacturer of 3'05d., showing a difference of 2'14d. per piece; this obviously being a clear protection of this amount, against Lancashire and adjoining counties' cotton trade.

MR. FOWLER: Yes, over 30's counts—then he has got to pay.

MR. NOBLE: As I say, he can make that piece from 20's free from excise from weft 30's excisable. He will have half the advantage as Indian manufacturer over the Lancashire manufacturer through being able to use twist upon which he pays no excise, so it is suggested as a very probable means of substitution which could easily take place.

MR. FOWLER: How do you take their expenses? How do you arrive at that out there?

MR. NOBLE: I arrive at their expenses as being able to produce a yard of cloth of a certain description at a given price.

MR. FOWLER: What do you include in their expenses?

MR. NOBLE: In those expenses are included everything.

MR. FOWLER: But tell me.

MR. NOBLE: Expenses are wholly stores and wages.

MR. FOWLER: Let us begin. We start with stores; you admit

that they pay five per cent upon that, therefore you must take that item out.

Mr. NOBLE: Yes; I deal with that later on in my statement.

Mr. LOWLER: I want to see that, because I want to see whether you can make any allowance. They say that you have an ample protection in the cost of your machinery being much less. They also raise the question of coal, and they also raise the question not only of the cost of machinery but the duration of the machinery; and their argument—which I should very much like you gentlemen to deal with—is that the English Government have acted unfairly to India in insisting on an excise duty—not that they object to an excise duty at all but to an excise duty of five per cent, because they say that practically, taking the relative cost of the articles in Lancashire and the cost in India, that is giving Lancashire a protection of  $1\frac{1}{4}$  per cent. I very much regret that in this Blue Book, which was printed in India, and which I was obliged to lay upon the table of the House just as they had printed it, as I had not seen what they were going to put in it, there was not included a very able argument where Sir James Westland showed that point. You have never seen this. Will you pardon me interrupting you just for a moment to give you this point—"When the cotton duties were enforced in India the comparative rates of taxation were  $3\frac{1}{4}$  per cent on yarns and five per cent on piece goods." No doubt the original proposition of the Indian Government was to restore those proportions, but they say "It must be taken that with the ordinary grey goods six annas worth of yarn when woven become seven annas worth of piece goods. In the case of checks or prints, of course the weaving is more expensive, and the woven cloth is more valuable. The effect would be that to the importer the cost would be—

Untaxed price	...	...	7 annas
Add five per cent tax	...		35
Total cost	...	...	7'35

To the Indian manufacturer—

Yarn	...	...	...	6 annas
Add $3\frac{1}{2}$ per cent tax	...	...	...	·21
Cost of weaving	...	...	...	1
				—
Making a total of	...	...	...	7·21

This appears to give the Indian manufacturers a slight advantage arising out of the assessment of duty, but this is because we have left out of consideration the fact that the spinner and weaver in India has to pay duty upon stores consumed in the process of manufacture which the English manufacturer has not. The mill owners reckon that they already for this reason pay on their goods about a quarter of the five per cent duty which the tariff levies, and if this reckoning is correct they pay not only ·21 annas as direct duty for yarns, but also a quarter of ·35, or say ·9, their payment of duty on taxed stores. This makes the comparison not 7·35 and 7·21, but 7·35 and 7·30. The precise figures are largely matters of estimate, but upon the basis just worked out the Indian manufacturer would claim a minute advantage in respect of the piece goods, but the English importer would obtain a similar minute advantage in respect of yarns, for in this last case the English manufacturer pays a duty pure and simple, while the Indian pays in addition to that a small amount in respect of duty-paying stores consumed.

Now, the whole of that argument proceeds upon the basis that their excise duty is only to be  $3\frac{1}{2}$  per cent, whereas ultimately the result of our correspondence with them, and my final decision, was that they pay an excise duty of five per cent. I only want you to see, Mr. Noble, that we must go very precisely into these figures, because that is their case. I can assure you they are pressing me very strongly about it now. Their case is that this excise duty is a protection to Lancashire; that is their case at this moment. Therefore I want to exactly see how you work out the figures. It entirely depends upon you what you are to reckon the cost. Here



Bombay, say for a sovereign, and you are compelled by the payment of duty to sell it at 21s., and they can produce precisely the same article at 20s., and pay no duty, clearly the duty is protective; there would be no question about that. If, on the other hand, they say that it costs them 21s. 6d., or even if it costs them 21s. without the duty, then you are put upon a level. You follow what I mean?

Mr. NOBLE: Yes.

Mr. FOWLER: I am trying to put that case to you, and I want you to give me your reply to that.

Mr. NOBLE: As regards expenses I find that the Indian piece will cost 72 per cent for yarn and 28 per cent in expenses. The expenses include everything to make that piece of calico; in comparison with the Lancashire mill making the same cloth yarn will cost us 72 per cent and the expenses would be 26 per cent.

Mr. FOWLER: You see there is where the controversy arises. They would say: We do not admit the expenses. I gather, as you did not contradict me, that in the expenses you include nothing for their higher cost of machinery—

Mr. NOBLE: Oh well—

Mr. FOWLER: If I put up a plant that costs me £10,000 and you cannot put up the same plant under £12,000 I have got a pull over you in the manufacture of any article. You admit that?

Mr. NOBLE: I would submit this, sir; that there is a gentleman in the room who has had considerable experience in these Indian mills, and I think he might better speak to you on the point.

Mr. FOWLER: Yes; I can assure the deputation I only want to get at the actual facts of the case. But I may take it, as we are going on, that you have dealt with what I call the making expenditure for the production, but you have not taken into account either the cost of their machinery or the duration and the life of their machinery or anything with reference to the coal.

Mr. NOBLE: It comes in, sir, in the total cost of expenditure—in the way of depreciation—that is practically interest on their cost of plant.

Mr. FOWLER: Go on, Mr. Noble.

Mr. NOBLE: I may say that they seem to be wrong altogether in their notion of taxing the stores. They make a statement that it is equal to a  $1\frac{1}{2}$  per cent tax, which is altogether erroneous, as I have mentioned previously. I will proceed with my remarks. The latter example shows how necessary it is that goods and yarns, made in India of counts 20's and under should be subjected to an equivalent countervailing excise tax, equal to the five per cent charge on Lancashire imports, otherwise in its operation it must have a most damaging effect upon, and will ultimately destroy a large portion of a great home industry, the Lancashire cotton trade which, with its allied and dependent trades combined, far exceeds in magnitude any other industry in the country.

It also illustrates this fact, that even if yarn and goods made of 20's yarn and under were admitted into India free from duty the same great danger of substitution would exist, inasmuch as the Bombay manufacturers could use twists free from excise in substituting the Lancashire dutiable goods.

You have admitted, and it is also admitted by the Indian Council, that these duties are imposed to meet the deficiency of the Indian budget, this being so, it is difficult to understand why such an important source of income is omitted, as a countervailing excise on yarns and goods made of 20's and under would prove to be. The natural conclusion is that both in its conception and in its operation the arrangement has been intended to give protection pure and simple, the fact that there have been previous deficits of the Indian budget of much larger amounts without resorting to import duties tends to confirm this view. We all know that for a number of years India has been exceptionally prosperous, and this being so, surely it can well afford to pay a countervailing excise on cotton goods. Seeing that goods made of yarns over 20's would be increased in cost, arising from the charge of five per cent import duty, is it not natural to suppose that goods made of counts below 21's will be increased in their market value to a like amount. This being admitted, who will reap the advantage—the poor consumer or the manufacturer? I think it is obvious that the

difference will find its way into the manufacturers' pocket, and it will certainly constitute a premium or subsidy to every mill in India. That this is now proving so is seen by the fact that many large contracts are now placed for new mills and machinery.

I hope that I have made the following points clear. That Lancashire, with American cotton at about 3d. per lb., can produce coarse counts of 20's or under as cheaply as can be done in India; that the statement in the Blue Book that dutiable mill stores cost 25 per cent of the cost of production, and equal to  $1\frac{1}{4}$  tax, is a fallacy; that Lancashire can produce cotton goods such as are made in Indian mills at about the same cost; that by relieving Indian manufacturers from an excise tax on yarns 20's and under, there is given to them a decided advantage and great protection which will enable them to produce goods of a quality equal to those made in Lancashire from finer yarns, which can only be admitted into India by paying a duty of five per cent. This is giving the Indian manufacturer a protection to this amount; that goods imported into India with five per cent duty increases the market value of the Indian coarse goods to a like amount, and that the advantage thus derived goes into the manufacturers' pocket, and is of no advantage to the Indian consumer; and that the present arrangement of the countervailing duties omits a very important means of raising revenue. It seems to us that the system being adopted of assessing and collecting the excise in India resolves itself into a complete farce. The servants at the respective mills being appointed their own assessors, in our opinion, will result in there being but little and perhaps no excise whatever being collected from the Indian manufacturers. We very much regret that you have found it necessary to raise revenue by taxing trade, and hope circumstances will soon arise which will enable you to repeal the same.

Lancashire would hail with satisfaction legislation of a kind that would tend to make India prosperous and wealthy, by encouraging agriculture and a larger exportation of the produce of the soil, which would prove the best source of wealth of such a country; also by the free admission of its products into this

country, thereby developing a free exchange of trade such as would bring comfort and contentment to the inhabitants there as well as here. Unfortunately, nearly the whole of the markets of the world are closed against our commerce, and surely trade under such circumstances should not be handicapped against the people of the same empire.

I have pleasure, sir, in handing you a copy of the statement (*handing statement to Mr. Fowler*).

Mr. WILLIAM THOMPSON (*The United Cotton Manufacturers' Association*): Mr. Fowler, I desire to place before you the protective incidence of the present tariff law by submitting four examples; each of these might be increased a hundredfold. They have been selected as typically representing the four different classes into which our exports to India are divided in the monthly returns issued by the Board of Trade, namely—grey, bleached, dyed, and printed goods.

In taking these examples, I ought to explain that any geographical or economical advantage or disadvantage is entirely omitted, because, I take it, that what was in existence before is still in existence now; and the advantages which enabled them to establish their business are quite altogether apart from the question which we are discussing to-day.

Mr. FOWLER: Quite, and we need not waste a minute over that.

Mr. THOMPSON: I have taken the cost as being *equal* in both countries, and my remarks are merely directed to show the advantage which the manufacturer in India enjoys *simply and solely as the result of the excise being applied to yarn only, and not to cloth when manufactured*. You will observe that the duty is based upon the Indian valuation, and not upon the gold valuation of Manchester. The first example [see details at p. 37] is based on a piece of 8½lbs. shirting, grey, of which large quantities are manufactured in Lancashire, and valued 4s. 4d. (gold) delivered

in India, or at 1s. 1d. exchange=4 rupees. Of this amount 2s. 4d. (gold) represents the value of the yarn, the remainder being cost of manufacture and incidental expenses in delivering the goods in India. The same cloth manufactured in India is subject to an excise on the value of the yarn only, which is 2·15 rupees. Now the amount upon which no duty is paid by the Indian manufacturer is therefore 1·85 rupees; five per cent of this amount shows that an advantage equal to  $1\frac{1}{2}$  annas per piece exists in favour of the Indian manufacturer and against his Lancashire rival or competitor.

The second example [see details at p. 37] worked out is that of a piece of bleached shirting, of which we make large quantities, the value of which is 6s. 10d. (gold) delivered in India, or at exchange 1s. 1d. = 6·31 rupees. Of this amount 3s. 3d. (gold) represents the value of the yarn, the remainder being cost of manufacture, bleaching and incidental expenses. Now, the same cloth manufactured in India is subject to an excise on the value of the yarn only which equals three rupees. Now, if you take three rupees from 6·31 rupees you get 3·31 rupees, upon which no duty is paid by the Indian manufacturer.

Mr. FOWLER: Do you take the rate at the gold value?

Mr. THOMPSON: Yes, precisely; worked out similarly; the same reasoning carried through. Five per cent on this amount shows that an advantage equal to 2·648 annas per piece exists in favour of the Indian manufacturer and bleacher as against his Lancashire competitor.

Mr. FOWLER: That is the higher class of goods.

Mr. THOMPSON: It is made from similar yarn, but with more threads.

Mr. FOWLER: But made from yarn below 20's?

Mr. THOMPSON: No, above 20's.

Mr. FOWLER: They do not make them above 20's, or very little of them.

Mr. THOMPSON: It is an increasing quantity.

Mr. FOWLER: I understand 94 per cent there is made from under 24's.



Mr. THOMPSON: The third example [see details at p. 38] is based upon a piece of dyed shirting, of which large quantities are manufactured in Lancashire, value 6s. (gold) delivered in India, or at 1s. 1d. exchange = 5.538; of this amount 2s. 4d. (gold) represents the value of the yarn, the remainder being cost of manufacture, dyeing, and incidental expenses. The same cloth manufactured in India is subject to an excise on the value of the yarn only which is 2.308 rupees. The amount upon which no duty is paid by the Indian manufacturer and dyer is 3.230 rupees. Five per cent on this amount shows that an advantage equal to 2.584 annas per piece exists in favour of the Indian manufacturer and dyer as against their Lancashire competitor.

Now take a piece of printed cloth [see details at p. 38], of which we make large quantities, value 20s. (gold) delivered in India, or taken at 1s. 1d. exchange = 18.46 rupees. Of this amount 7s. 7d. (gold) represents the value of the yarn, the remainder being cost of manufacture, printing, and incidental expenses. The same cloth manufactured in India is subject to an excise on the value of the yarn only, which is seven rupees. The amount upon which no duty is paid by the Indian manufacturer and printer is 11.46 rupees. Five per cent on this amount shows that an advantage equal to 9.168 annas per piece exists in favour of the Indian manufacturer and printer and against their Lancashire competitor. Summarised it would stand as follows: The examples show that the Indian producer pays no excise on 46.15 per cent of the value of grey goods; no excise on 52.44 per cent of the value of bleached goods; no excise on 58.33 per cent of the value of dyed goods; and no excise on 62.08 of the value of printed goods. The examples further show that he is protected to the following extent per piece; on grey goods 2.31 per cent of the value; on bleached goods 2.62 per cent of the value; on dyed goods 2.92 per cent of the value; and on printed goods 3.10 per cent of the value. [See details at p. 39.] I therefore submit, sir, that the tariff secures an enormous advantage to the Indian manufacturers, and that the trade of Lancashire will suffer.

which the mere anticipation of those duties caused to our trade was very serious, but the effect produced by the actual imposition has been and will continue to be simply disastrous.

Mr. FOWLER: You mean in the reduction of the quantity exported?

Mr. THOMPSON: I do. Our exports of piece goods to India for February were 28·62 per cent less in quantity and 39·12 per cent less in value, for March they were 44·12 per cent less in quantity and 50·96 per cent less in value, for April they were 31·26 per cent less in quantity and 42·32 per cent less in value.

Mr. FOWLER: Than what?

Mr. THOMPSON: Than the corresponding months of 1894.

Mr. FOWLER: Ah, tell me about the corresponding months of 1893.

Mr. THOMPSON: The corresponding months of 1893, sir, were influenced by a great strike in the spinning trade, which existed for five months, and, therefore, they cannot be taken into comparison. In 1894 you may take it that the conditions were fairly normal.

Mr. FOWLER: No, no! Just the contrary, that I do know. The conditions of 1894 were not normal. There was an enormous increase of exports from Lancashire of imports into India.

Mr. THOMPSON: Yes.

Mr. FOWLER: As a matter of fact, you know, I think there is no four months—I am now speaking from memory, but I believe I am within the mark when I say that the exports for the four months ending April, which includes the four months of the duty, are higher than they have been in the corresponding four months of any year except 1894. We must get these figures right, you know. I give all possible weight to your arguments, and especially to the argument I have heard before as to the working out of these duties. But when you tell me that the imposition of this duty, as I have seen it stated, has destroyed the Lancashire trade, all I can say is this, that it has not done so yet—that the Lancashire trade with India up to the present time is very large. I have got the figures here and I know exactly what has been

exported during the last four months. Taking the month of April it is a very singular thing that the value in sterling—I do not know, you will be able to tell me whether the goods have gone up, or whether the goods have gone down—but the actual value in sterling in the month of April, 1895, was about the same as the actual value in sterling in the month of April, 1893, and the first four months of 1895 exceed the corresponding four months in 1893. In 1894 we all know, owing to the stoppage of the sale of the Secretary of State's bills, and to a question of that sort, there was an abnormal amount of imports into India. But it has recovered its position now, and I am bound to tell you that so far as that branch of your argument is concerned, the figures do not bear it out.

MR. THOMPSON: Perhaps you will allow me to say, sir, that the comparison with 1893 is altogether misleading. The first four or five months of 1893 were entirely subject to the strike which prevailed in Lancashire, beginning in the November previously and continuing for five months; and the exports for the early months of 1893 can, therefore, not be taken as reliable for any comparison. I think I may fairly assume that the exports for the earlier months of 1894 might be taken as normal, inasmuch as the operation to which you have referred in connection with the closing of the Indian Mint and the stoppage of the sale of council bills took place at a later period of the previous year, and not in the months which I have referred to.

MR. FOWLER: I can only tell you this, that in 1893-4, which of course begins on the 25th of March, 1893, and goes to the 25th of March, 1894, the value of British cotton piece goods imported into India was 28,000,000 tens of rupees, whereas in 1887-8, it was only 23,000,000 tens of rupees.

MR. THOMPSON: Yes; there again you see the date begins from, I think, the 25th of March—

MR. FOWLER: That does not, Mr. Thompson, affect the real question. This is a question not only of months. I want to have accurate information; I can only take it from the Board of Trade returns and my return of Indian imports, and the question is—is it

a matter of fact—you gentlemen in this room know perfectly well whether it is—that the trade between Lancashire and India is being destroyed by the putting on of this five per cent duty? (“Yes.” “Yes.”) If gentlemen will say that——

Mr. GARNETT: May I be allowed to intervene for an instant. I can tell you, sir, that since the imposition of the Import Duty, in spite of a rise of from 30 to 33 per cent in ordinary American cotton, such as is used in the goods under discussion, the makers of such goods are now glad to take the very lowest prices that have ever been taken—the prices that they took when cotton was 33 per cent below; and there are huge stocks now accumulated which they are unable to sell. They are taking prices——

Mr. FOWLER: That does not get us any further; if I understand you rightly that does not help me at all. I am not denying that there is depression in trade—not for a moment; I am not denying that there may be a great decrease in sales and a great increase in stocks; what I want to know is simply with reference to the Indian trade——

Mr. GARNETT: That is the Indian trade I am referring to.

Mr. FOWLER. Not the general trade.

Mr. GARNETT: No, I am referring particularly to the Indian trade.

Mr. FOWLER: Then it is a matter which can be ascertained by figures. Is the trade decreasing—that is the point—is the trade decreasing between Lancashire and India? (“Yes.”) Well, but we want the actual figures; I want to know the points—and is it owing to this duty. That is the proposition. I want to put it fairly before the deputation. I do not want to prejudge that case. All I can say is this, that so far as the year 1893 is concerned, and the year 1895, there has been no decrease: not a very large one—but there has been a decrease so far as 1894 is concerned. But if there is a destruction all round, of course nobody will attach greater weight to the argument than I should, but I do not want to use an argument simply, if it is not sustained by the figures. Go on, Mr. Thompson:

Mr. THOMPSON: I have just asked Mr. Mawdsley, sir, and he

tells me that the strike to which I referred was settled in March, 1893. If the Board of Trade's return is made from March, 1893, to March, 1894, that would of course take only the fringe, as it were, of the effects produced by the stoppage of machinery during that strike.

Mr. FOWLER: We will look into the figures of that. I do not want to put it any stronger than on the face it really bears, but I cannot quite let it pass without a caveat. I put it nothing more than that. I can accept an argument, and will try and do my best to answer it or to have it fully considered, but the declaration that the trade of Lancashire is being ruined by the result of this duty—well, of course, that is a very different statement, and that is, I am bound to say, a statement that I am not at present prepared to accept.

Mr. THOMPSON: I can only point out, sir, and I assure you—

Mr. FOWLER: I do not know where the trade has gone because there is not a corresponding manufacture in India. You know, if you are going to show that a certain quantity of goods are not sold because the price has increased, you must also show that somebody else has sold that missing quantity; and that is the state of things. The deficit must be made up somewhere.

Mr. THOMPSON: I can assure you, sir, that there has been one of the greatest stoppages of machinery in Lancashire.

Mr. FOWLER: Owing to this?

Mr. THOMPSON: Owing to this. One of the greatest that has ever taken place since the American Civil War. I think I am perfectly right in that. Even during the strike of five months of the whole spinning trade of Lancashire, I do not think the condition of Lancashire was such as it has been in the early months of this year.

Mr. FOWLER: Then when the duties were 10 per cent and five per cent with no corresponding excise duty at all, it did not produce the depression that is now being produced by duties only at five per cent with a corresponding excise.

Mr. THOMPSON: I think that is so, because at that time you had not anything like the same competing industry as you



have to-day. I may incidentally refer to this fact that whilst our looms have been stopped in Lancashire the looms of India have been going at full speed; and not only that, but they have been sending more out every day. I may point out, sir, that during the years 1892-93 and 1893-94 they added three times their usual annual increase in the number of looms during those two years. Now what they will do this year I cannot tell. If reports are correct it will be something abnormal.

Now I would just like at this point to read an extract from a letter sent by a man employed in the Indian mills to his father. This letter, I ought to say, was dated January the 4th—immediately, of course, following the imposition of the duties. He says: “You see the duty has been passed, and you will have to suffer for it, as the natives, instead of using fine goods, will in future use a coarse sort of native make; and once they begin they will never use any other, as they are very conservative and never change unless forced. The weavers here”—referring to the manufacturers—“are rolling in money, and there is one firm here whose shares are at 50 per cent premium, and looms are being put down very rapid.” You will observe that that letter was written on the 4th of January—of course immediately after the passing of the Act; and that was the opinion and expression of the views of Englishmen in India who are engaged in the industry there; the great law of substitution is already actively at work; the mill managers there are fully alive to the principles of that law, and we in Lancashire are peculiarly subject to its influence. We know full well by past experience that the Indian manufacturer having, in addition to the advantages which have enabled him to extend his business with unprecedented rapidity, *the further advantage secured* to him, which the examples I have submitted fully prove, and being now in a better position than ever is sure to obtain a much larger share of the Indian trade. By a stroke of the pen the price of Lancashire goods has been raised, and the Indian manufacturer at once offers a substitute. A fraction of an anna will divert the order from one to the other. He secures the business, and not

of his goods are raised in sympathy with the increased cost of Lancashire goods.

That, sir, is all I propose to address to you. I will give you the figures (*handing in examples*).

#### EXAMPLE I.

*Of the Protective Incidence of the Indian Import Duty and Excise as now applied to Cotton Piece Goods:-*

A piece of 8½lbs. shirting, of which large quantities are manufactured in Lancashire, value 4s. 4d. gold delivered in India, or at 1s. 1d. exchange ... .. Rs. 4.00

Of this amount 2s. 4d. gold represents the value of the yarn, the remainder being cost of manufacture and incidental expenses.

The same cloth manufactured in India is subject to an excise on the value of the yarn only, which is ... .. 2.15

The amount upon which no duty is paid by the Indian manufacturer is ... .. Rs. 1.85

Rs. 1.85 as above is equal to 29.6 annas.

Five per cent on 29.6 annas is equal to 1.48 annas per piece.

Thus an advantage equal to 1.48 annas per piece exists in favour of the Indian manufacturers and against their Lancashire competitors.

#### EXAMPLE II.

A piece of *bleached* shirting, of which large quantities are manufactured in Lancashire, value 6s. 10d. gold delivered in India, or at 1s. 1d. exchange ... .. Rs. 6.31

(This is of higher quality and consequently higher price than that referred to in Example No. I.)

Of this amount 3s. 3d. gold represents the value of the yarn, the remainder being cost of manufacture, bleaching, and incidental expenses.

The same cloth manufactured in India is subject to an excise on the value of the yarn only, which is ... .. 3.00

The amount upon which no duty is paid by the Indian manufacturer and bleacher is ... .. Rs. 3.31

Rs. 3.31 as above is equal to 52.96 annas.

Five per cent on 52.96 annas is equal to 2.648 annas per piece.

Thus an advantage equal to 2.648 annas per piece exists in favour of the Indian manufacturers and bleachers and against their Lancashire competitors.

### EXAMPLE III.

A piece of *dyed* shirting, of which large quantities are manufactured in Lancashire, value 6s. gold delivered in India, or at 1s. 1d. exchange ... .. Rs. 5.538

Of this amount 2s. 6d. gold represents the value of the yarn, the remainder being cost of manufacture, dyeing, and incidental expenses.

The same cloth manufactured in India is subject to an excise on the value of the yarn only, which is ... 2.308

The amount upon which no duty is paid by the Indian manufacturer and dyer is ... .. Rs. 3.230

Rs. 3.230, as above, is equal to 51.68 annas.

Five per cent on 52.96 annas is equal to 2.584 annas per piece.

Thus an advantage equal to 2.584 annas per piece exists in favour of the Indian manufacturers and dyers and against their Lancashire competitors.

### EXAMPLE IV.

A piece of *printed* cloth, of which large quantities are manufactured in Lancashire, value 20s. gold delivered in India, or at 1s. 1d. exchange ... .. Rs. 18.46

Of this amount 7s. 7d. gold represents the value of the yarn, the remainder being cost of manufacture, printing, and incidental expenses.

The same cloth manufactured in India is subject to an excise on the value of the yarn only, which is ... 7.00

The amount upon which no duty is paid by the Indian manufacturer and printer is ... .. Rs. 11.46

Rs. 11.46 as above is equal to 183.36 annas.

Five per cent on 183·36 annas is equal to 9·168 annas per piece.

Thus an advantage equal to 9·168 annas per piece exists in favour of the Indian manufacturers and printers and against their Lancashire competitors.

#### SUMMARY.

These examples show that at present the Indian producer pays:—

No excise on 46·15 per cent of the value of grey goods.

“ “ 52·44 “ “ bleached goods.

“ “ 58·33 “ “ dyed goods.

“ “ 62·08 “ “ printed goods.

And that he is protected to the following extent per piece:—

On grey goods ... 2·31 per cent of the value.

On bleached goods ... 2·62 “ “

On dyed goods... 2·92 “ “

On printed goods ... 3·10 “ “

Or worked out in Indian currency:—

On grey goods ... 1·48 annas per piece.

On bleached goods ... 2·643 “ “

On dyed goods... 2·584 “ “

On printed goods ... 9·168 “ “

Mr. T. F. MACKISON (*the Federation of Master Cotton Spinners' Associations*):—Perhaps, Mr. Fowler, you will allow me first as representing spinners to explain that the strike which was referred to affected the spinning trade. Perhaps half the spindles in Lancashire and surrounding counties were stopped for five months, from November up to March, 1893; and the necessary consequence of that would be to stop a great many looms which were dependent upon the spinners for their yarn.

Mr. FOWLER: I should never myself take any one year as a guide at all in any matter of statistics. The only reason why I mentioned 1893 was because the last speaker was dwelling on

1894, which I consider to be not a reliable year for such purpose. On the question whether you are to test the progress or decadence of a trade: one year is deceptive; you must take certainly at least four or five years before you can form any opinion, because each one year may have special circumstances of its own. Therefore, if we can get four or five years, and have a strike year thrown into it, of course then the effect of the strike is brought down to its proper level.

Mr. MACKISON: Yes, sir. I represent the Federation of Master Cotton Spinners' Associations, and will deal first with yarns in counts of 20's and below. We regret to find that the direct export of these to India has ceased, but the spinning of these numbers for cloth made at home for export to India still goes on to the important extent mentioned by Mr. Harvey, and if the effect of the five per cent import duty now exacted on these goods on entering India (as we think it must inevitably be) is to reduce or to stop altogether the export of the cloth for which the yarn is now spun at home, to the extent that this takes place the home spinner will be prejudiced, and he will either then have to stop his spindles, and so throw out of employment a considerable number of workers, or he must devote his time to the difficult and almost impossible task of finding a fresh outlet for his production in other markets, while his Indian competitor will meanwhile without much trouble reap a great advantage, and all this will happen as a direct effect and result of the imposition of the five per cent duty.

I will next take the question of substitution which will take place by the Indian manufacturer making cloth out of duty-free yarns to substitute cloth now or heretofore made of Lancashire yarns, either in India or at home, in counts over 20's, and of course it is obvious that the effect of such a process of substitution must be to still further largely curtail the market for English yarns. What English spinners look forward to, as a result of the exemption of 20's and below from excise duty, is a repetition in India of what happened in England in 1879 when, under the Indian Tariff Act then in force, the exemption from import duty was extended to "all cotton goods containing no yarn of



a higher number than 30's." What took place in England at that time is very forcibly described by you, sir, in your despatch to the Indian Government as given on page 4 of the Blue Book, namely, "that manufacturers in England were driven to making for the Indian market goods coming within the exemptions; a revolution was effected in the trade; the proportion of exempted goods quickly rose from a small fraction to nearly the whole of the importations in certain classes of fabrics, and the customs yielded by duties on cotton greatly declined."

The spinner at home is alarmed at the prospect of a similar revolution in trade being imminent, if it has not already begun, in India. He knows that the counts exempted in India from duty bear much the same relation to the Indian manufacturer's power of substitution as did 30's and below in the case of the British manufacturer 14 or 15 years ago; and the Lancashire spinner has therefore the gruesome prospect before him of yet another heavy blow being struck at his already much harassed industry, and the blow will come as a direct consequence and effect of the Tariff Act recently passed in India.

Mr. JOSHUA RAWLINSON: Sir, I represent the cotton industries of Blackburn, Preston, Burnley, and the surrounding district, and when I tell you that within that district there are comprised something like one half the cotton looms in the United Kingdom, and that many of them are engaged in this Indian trade, you will see the importance of this subject to the people I have come to represent.

Now, sir, with reference to your remarks with reference to 1894, the exports for India for that year have shown the capacity of Lancashire to supply those exports to that country, and the employe's of Lancashire, and the operatives of Lancashire, do not look upon the exports of that year as being abnormal at all, and any year of exports that falls below the limit of 1894 they will look

MR. FOWLER: Really, Mr. Rawlinson, I cannot admit that statement; that is not a correct argument for the people that you represent to use, because it is a notorious fact—it is to my great regret in one respect—that the increase of the imports was in consequence of the stoppage of the sale of the Secretary of State's bills, and it affected the course of exchange and seriously deranged the financial relations between this office and India at the time. I can only say that that is one of the questions upon which the financial authorities and the mercantile authorities in India are all agreed—that 1894 was a totally abnormal year for every description of import upon that ground. But I really do not know that we need argue that point. The question that we have really to deal with to-day is: Does this five per cent duty afford the equivalent which the Lancashire manufacturers are entitled to ask for; is the present position the levying of a protective duty or not? The consequences may be matters which we may discuss and regard as we do on both sides with very great interest, but the real question that we have got to settle is not whether India shall impose import duties—that is a question for the Indian Government itself, and they have decided to levy import duties not only upon cotton goods but upon all other descriptions of goods, and the House of Commons has decided, and decided by an overwhelming majority, that it will not sanction the principle of the exemption of cotton goods from general import legislation. Then the next step in the argument is this: the Lancashire manufacturers say, "Well but if you expose us or charge our goods with import duties, we have a right to ask that those duties shall not be protective." The answer of the Indian Government is, "They are not protective; in fact, your Government at home, in the excess as we think it of zeal to prevent anything of a protective character, has levied upon us an excise duty which practically amounts to a protection to the Lancashire manufacturer." Now that is the issue which we have got to try as between you. I think the deputation should bring its facts and its arguments to that one question: Are these duties protective or are they not? I have said in the House of Commons,

party to levying a protective duty. The Indian people say to me—they have said to me within the last few weeks, “We are now looking to you to fulfil your pledge with reference to the 24’s; we still maintain that the excise duty is not levied fairly; we still maintain that there is no competition between us and Lancashire between 20’s and 24’s, and if you impose an excise duty between 20’s and 24’s, you are subjecting the people of India to an unfair tax; you are putting our manufacturers at a disadvantage, to which they ought not to be put, and we call upon you to redeem your pledge.” Very well, so far, so good. Now, then, you gentlemen on the other hand say, “We dissent from that altogether; we maintain”—as I understand you—“that all yarns ought to be taxed, that there should be no limit of 20’s at all”—(Mr. RAWLINSON: “Hear, hear”)—“and that there is competition between us.” Now that really is the difficult point which is in dispute at the present time, not between you and me in this room, gentlemen, but between the two Governments, and between we may say the two classes of manufacturers. Of course, the Indian Government has no interest in this matter. Their interest is to get taxation. Their duty is, as is that of all other governments, to have as large an income as they can; and when one gentleman on my right here said, Why did not they levy an excise duty upon the whole of their manufactures? The answer is: It would be of such a trivial amount that it would hardly enter into the calculation at all. On the other hand, you do not wish to put their trade at a disadvantage—that I am quite certain of. (“Hear, hear.”) All that you want is a fair field and no favour. (“Hear, hear.”) Well, that is exactly what I want them to have. It is my duty to hold, if I possibly can, an even balance between the two. Of course it is my duty at the same time to rejoice, and I do rejoice, in any development of the Indian industries and of Indian manufactures, and I can conceive that there is a large class of goods which it would not be worth your while to make, which you have not made, and do not make, and do not send out there, but which they can make, and in which they beat you as they have done before, simply by the fact that they can produce

them cheaper than you can. Their answer is that 94 per cent of their trade is from that source. They say, "We are not demanding anything in which we come into competition with Lancashire except to the extent of six per cent of our production and our manufacture—our competition is confined exclusively to that six per cent." Those are figures which can be disputed no doubt, but they must be disputed by corresponding figures that can carry conviction to the minds of the public and also to the minds of the people there. I can assure you that the Government of India, I believe, are as anxious to be fair in this matter as the Government of England are, and I may dismiss from your minds, gentlemen, the idea that there is any attempt on the part of the Government to grant anything like a protective help to the Indian manufacturer. I do not think that is a just accusation against them at the present time. I think you have seen already in the newspapers what has been done with reference to dyed yarns. Directly that it was proved that there was a protection in the duty so far as dyed yarns were concerned, that duty you see has practically been taken away. ("Hear, hear.") That, I think, shows a fair disposition on the part of the Indian Government, because after all they are the people you know to decide these questions, and I think they would be disposed to deal with you in the same way, if we can just confine it to the pure argument as to whether the duty is or is not protective.

MR. RAWLINSON: I am very much obliged to you for your remarks.

MR. FOWLER: I am sorry to have interrupted you.

MR. RAWLINSON: I was drawn into the remark because of your expression that the exports of 1894 were abnormal; but, as I say, the capacity to supply India with that quantity of goods has been proved, and being proved if it falls below that we shall seek to know the cause of it.

MR. FOWLER: I believe in reference to your capacity that if India would take twice the quantity you would be able to produce it; I think if Lancashire were asked to double its exports you

Mr. RAWLINSON: We could not do it in a very short time, but we hope that Lancashire possesses a progressive trade—(Mr. FOWLER: "Hear, hear.")—and unless it continues to progress we shall want to know the reason of it.

Mr. FOWLER: Certainly.

Mr. RAWLINSON: I quite agree also, in what you said that the Government in this country never intended to give India protection. I do not think there is a gentleman in this room who entertains that idea. But the question is, have they given it; although, unwittingly, have they conferred protection upon it?

Mr. FOWLER: Certainly that is the question.

Mr. RAWLINSON: There is a great protection given to India in the fact that while their goods are taxed at five per cent upon the value of the yarns only, English goods are taxed at the cloth value. There is a very considerable amount of protection in that circumstance alone. Then, sir, in the speech that you made in the House of Commons during the Indian debate you indicated that the total manufacture of India ought not to be taxed because the native productions were consumed by the very poorest of the poor. Now in that, sir, we think you have taken an entirely mistaken view. The productions of India are not those productions which are consumed by the very poorest people in India. I think the idea has been fostered very largely by the terms that are used with reference to them. The production of India is called coarse cloth; it is coarse in the sense that the yarns from which it is made are coarse yarns, that is, they are thicker yarns than the English imports. But it does not make a cheap cloth. The coarse heavy cloth is a dear and expensive cloth, and what is called the fine cloth for India is really very much cheaper per yard than the coarse cloth in India. We think, and I suppose we shall all assume, that the poorest people buy the cheapest cloth. If that be so, then the native production in India is consumed by the well-to-do classes in India, and not by those whom I say you called the very poorest of the poor.

I have here, in order to make the meaning a little clearer, ~



sample of cloth which is made in the town in which I reside—Burnley—and which is sent to India, and comes into actual competition, as Mr. Harvey described, with the native manufacture. It is made from coarse counts entirely, the warp is 16's and the weft is 16's, but the price per running yard of the cloth is 2½d. Now that is a cloth similar to the cloth that is produced by the native manufacturer in India. I have also here a cloth produced by the same firm. That is made from ordinary counts in Lancashire of 40's warp and 50's weft. The price of that cloth per running yard is ¾d. per yard. So you will see, Mr. Fowler, that this cloth made from fine counts is a much cheaper cloth than the native production of India made from coarse counts, and it is therefore more suitable and more likely to be bought by the very poorest of the poor in India.

MR. FOWLER: Will you leave this with me?

MR. RAWLINSON: Yes, I will give you the samples, sir (*handing in samples*). It is solely with the object of demonstrating this fact to you that it is the English production that is used by the poor people and not the native production, and that you evidently were under a wrong impression in the speech you made in the House of Commons.

MR. FOWLER: Is this style you made from the 16's largely imported?

MR. RAWLINSON: Not very largely, but it is made; it comes into competition.

MR. FOWLER: I mean is it sent to India?

MR. RAWLINSON: Yes. It is sent to India; it is made for the Indian market and the other cloth is also made for the same market. So that the idea that you entertained that in exempting Indian goods from taxation you were relieving the very poorest classes in India from taxation is, I submit, a mistake. Now, sir, all cloth sent to India competes with all cloth that is made in India. It is a great delusion to say that because their counts are a little coarser than the counts made in England they do not compete with each other. It is as foolish to say that as it is that the

other; you see very numerous shapes of hats, but you know perfectly well that every shape competes with every other shape that is produced. It is just the same with our production, which we are sending to India.

Now, sir, I think the feeling that is prevalent in Lancashire is somewhat misunderstood both in Parliament and in the country generally. This is a question which deeply affects Lancashire, and if the injustice to Lancashire is not remedied it will cause agitation there, such, I think, as few statesmen in London are aware of. The feeling is so strong in Lancashire that this agitation will never rest as long as this injustice is done to her trade.

Mr. JAMES MAWDSLEY (*the Secretary of the Operatives' Union*): Mr. Fowler, I understood just now that you considered it was not advisable to discuss the question as to comparing the imports in the present year with the imports in any previous year, but rather that the question whether this duty was protective or otherwise should form the theme on which we should address you this afternoon. Under these circumstances, I will not take up your time with some figures which I have just collated since we came in respecting the imports which you have just been discussing, but will leave the matter where my colleagues have placed it with regard to the protective character of the duty, and will just simply say that during the past spring we have had a very large proportion of our workpeople out of work. It ran up to between about 12,000 and 13,000 weavers, and taking the finishing departments and the preparatory departments, the carding, the spinning, the winding, the warping, the bleaching, the dyeing, and the finishing, I might fairly assume that that 13,000 weavers would, without exaggeration, represent on the whole 20,000 operatives. These figures were obtained in March, and since then, I am bound to say, matters have somewhat improved—not

due to any improvement in the Indian demand being made, but simply to prospects throughout the world, in which we hope Lancashire will share, and in which we are sharing at the present time; not that the trade is by any means at present in a satisfactory position. I think my colleagues here must assume our manufacturers and cotton spinners would, after reasonable charges are made for depreciation and a very small interest on the capital invested, most of them, be very glad to see a very small margin of profit. Under these circumstances, we think that some little might be done in the direction indicated by my colleagues. I can endorse what Mr. Rawlinson says, that the feeling is very strong throughout the whole of the working classes on this question; and it is being talked about and forms the general topic of conversation; and if, in its wisdom, the Indian Office and the officials who manage its business can see their way to make the matter a little easier in the direction that has been indicated, I think it would have a very good effect throughout the whole of the manufacturing districts.

Mr. JOHN WHITTAKER (*the United Cotton Manufacturers' Association*): Sir——

Mr. FOWLER: I think I have read Mr. Whittaker's pamphlet.

Mr. WHITTAKER: I do not know that you have, sir, but I hope you have.

Mr. FOWLER: I have, yes.

Mr. WHITTAKER: In the first place, Mr. Fowler, I should like to add my congratulations to those of the other gentlemen upon your restoration to health. I can feel all the more sympathy with you because I happened to be bearing you company at the same time with the same unfortunate infliction. I also desire, as having taken some little interest in this matter, to thank you for the pledges that you made in the House of Commons on the 21st of February last. You stated there, "I say frankly and openly to the Lancashire manufacturers, if you will prove that there is any

injustice done to you, I will do my best to remedy that injustice; given the injustice, I will endeavour to remove it;" and, further, "if it should on clear evidence appear that the Government has drawn the line of excise too high, or that its operation does not satisfactorily and equitably remove any and every protective character the Government will, in concert with the Government of India, fairly consider the objections, and loyally carry out their declared intention to avoid protection."

Mr. FOWLER: I adhere to every word of that.

Mr. WHITTAKER: I said just now, sir, I thank you on behalf of the manufacturers and workpeople of Lancashire for those pledges, pledges which I am happy to hear you reiterate this afternoon.

Mr. FOWLER: Certainly.

Mr. WHITTAKER: Now with pledges given so frankly and fully I think, sir, that it should not be a matter of great difficulty for us to come to some understanding with you whereby all protective incidence should be avoided. The onus of proof, as you have stated just now, lies with us; the rest lies with you. We deplore that the House of Commons should be divided into interested sections, and we trust, sir, that the outcome of this conference this afternoon will be that there will be no need whatever to form a Lancashire section in the House of Commons, and when the general election does come we sincerely hope that, so far as Lancashire is concerned at any rate, this question will not be the burning question at issue before the electors. Now, a considerable amount of time has been occupied already, but I trust that you will bear with me for a short time not for my own sake, but for the sake of the industry which I am here to represent to-day. I purpose to deal with my remarks under the following heads:—

Firstly, seeing that all imports into India, except machinery, are subject to a duty of five per cent, is Lancashire justified in claiming exemption from the operation of that duty unless completely counterbalanced by a similar excise duty on the product of cotton mills in India? Secondly, was the desire for the inclusion of the cotton goods under the Tariff Acts by the Bombay

Manufacturers' Association entirely in order to benefit the Indian Exchequer? Thirdly, is it possible to fix a dividing line between the manufacturers of Lancashire and India whereby conditions attached to one will not affect the other? Fourthly, are the excise duties as imposed sufficient to "satisfactorily and equitably remove any and every protective character the import duties may possess?" Fifthly, what effect has the operation of these duties had on the respective industries in India and in England?

Now, in reference to the first part of my subject, I may state that after Lord Kimberley announced to us in this office last year that he "did not think the time had arrived when we should be called upon to consider so great a change of policy as that which would be indicated by the re-imposition of the duties on cotton," and after carefully considering the "financial condition of the Indian Exchequer, as well as the extraordinary difficulty which had arisen as to the rate of exchange, yet there should not be any re-imposition of the import duty;" after that statement, sir, a howl of indignation went up in India against the exclusion of Lancashire cotton goods from the Tariff Act. We were told that this exemption was a "concession to the selfish and ignorant cry of a body of English merchants;" that the refusal of the Secretary of State to sanction the inclusion of cotton yarns and cotton fabrics among the articles declared liable to duty was "subordinating the best interests of the people of India to those of a section of the manufacturers of England." Indeed, sir, I believe that the term "Lancashire" became synonymous with "greed" in so far as India was concerned, and you yourself, sir, did not escape their wrathful indignation. They told us that their non-imposition must be looked upon as an indirect means of securing Parliamentary support; so that, what between the Hindoos and the Lancashire people, I think, sir, that you, the Secretary of State for India, had not a very comfortable time at that period. Well, sir, the position that they took up, and the indignation that they showed, would have been perfectly justified but for one thing, and that is there is in India a very large, powerful, and increasing industry. As regards all other competing



exports from this country there is in India a very small competing industry, but as regards the cotton trade there are there, as you know, over 3,600,000 spindles and over 30,000 looms, and they employ 130,000 workpeople and use a million and a quarter bales of cotton per year, and the industry is still growing. As you said just now, sir, Lancashire does not object to fair competition, but the possible competition of India, I submit, has always been recognised. I do not know, sir, whether it has escaped your attention or not, but I noticed this afternoon that you spoke of the period in India when duties were imposed upon our exports without any countervailing excise duty whatever. I might call your attention to the fact that during that period, although no countervailing excise duty was levied on Indian manufactures, yet there was an import duty imposed on all cotton that they imported into that country for the purpose of manufacturing finer yarns than they were able to do from Indian cotton.

MR. FOWLER: Mr. Whittaker, I do not want to interrupt you, but I do not think it is advantageous for us now to be discussing the policy. We must take it now as an accepted fact that the Indian Government has levied import duties—we must take it as an accepted fact that the Indian Government has decided, and the legislature of this country totally irrespective of party has also decided, that there is to be no exemption to these import duties. Really the question you have come to see me about to-day is what you put in the fourth and fifth of your headings, namely, whether there is an injustice in the course which is now pursued. I adhere to every word which you read just now that I said to the House of Commons, and what I want to be shown by gentlemen like the deputation that is here to-day is where the points are which they wish me to consult the Indian Government about and to bring before them.

MR. WHITTAKER: I merely mention that point, sir, in answer to your remark just now that there was no countervailing excise duty; that this, as a matter of fact, took place at a time when duties were imposed before.

MR. FOWLER: That would be an arguable point; I should not

admit quite your statement there. I think the Indian Government did propose to impose a duty, but it was not allowed, if I remember aright, by Lord Salisbury—but I cannot recall it. I am very glad to see the deputation, but they have already been with me upwards of two hours, and I have got a very large amount of work yet to do. I have only just come back, but I should like to hear you upon the points on which really we have met here to-day. That is what I want.

MR. WHITTAKER: Very well, sir; I will go to question three, and that is—Is it possible to fix a dividing line between the manufacturers of Lancashire and India whereby the conditions attached to the one would not affect the other?

Now that appears to me, sir, to contain the crux of the whole matter. The statistics that have been prepared by the Bombay manufacturers and by Sir James Westland all go to prove that inasmuch as India manufactures cloths and yarns of counts coarser than what are exported from this country, and inasmuch as the points of direct competition are so infinitesimal, an import duty placed on our goods would be of no advantage to them and consequently of no disadvantage to us. That, I believe, is the position they take up. Well, sir, I could not perhaps prove the absurdity of their contention better than by asking you to reverse the operation, for the logical conclusion must be that if the import duty placed on our goods is of no advantage to them whatever and no disadvantage to us, then it must be equally true that if an excise duty was levied on their productions without any corresponding import duty on our goods, consequently no disadvantage would be given to them and no advantage to us. It would be equally absurd to state that the tariffs of Russia and France and Germany and other countries are no protection whatever to the industries there because they make goods of a different character to what we send into their country. Now, this argument of theirs evidently did not commend itself to you for the reason that you said there were points of competition, and you tried to fix a dividing line where the competition commenced, and therefore excise duties must be put on. Now our contention is, that it is impossible to

fix a dividing line without the people of India being taxed from the proportion of goods that are made in India upon which no tax is paid—the people of India will really have to pay the increased value of those goods, and the amount will go into the pockets of the India millowners instead of into the exchequer.

Mr. FOWLER: Now you show me that clear, and then I will do my best to grapple with it. That is the very one point I want you to deal with. That is the essence of the difference, you know, between a protective duty and a revenue duty.

Mr. WHITTAKER: I will do my best, sir. I will take tea as an illustration. You were good enough, sir, to mention tea in your speech in the House of Commons and you there said—and it was perfectly true—that if a chancellor of the exchequer placed a duty on tea the price of tea would be raised the next morning in every grocer's shop throughout the country. That would be perfectly so, sir, because there is no competing industry. We do not grow tea. But let us carry the contention a little further. I believe I am right in saying that about three-fourths of the tea that comes into this country comes from India and Ceylon.

Mr. FOWLER: More.

Mr. WHITTAKER: Well, we will take these figures.

Mr. FOWLER: Yes.

Mr. WHITTAKER: Three-fourths from India and Ceylon, and about one-fourth from China. Very well, suppose the Chancellor of the Exchequer—and by putting it this way it will make a parallel case with our Indian goods—suppose the Chancellor of the Exchequer places a duty of sixpence per pound on all the tea that we imported from India and Ceylon, but left the tea that comes from China absolutely free from duty.

Mr. FOWLER: That would be what is called a differential duty.

Mr. WHITTAKER: In that case what would be the result, sir? The consumers of tea do not bother their heads, practically, about whether it comes from India, China, or Ceylon; but, undoubtedly, the retailers of that tea would charge the extra duty on the whole of the tea they sold. In that case the duty would go either to the

retailer or to the producer; in any case, sir, the duty would be paid by the people, and it would not go for revenue purposes.

Mr. FOWLER: Yes, but do not let us get outside the question; that is a differential duty which has no application in this case. You take the tea, but the illustration that I gave with it none of you gentlemen have touched upon to-day. The point I gave it was that the tax on tea was paid by the consumer, and by nobody else, which I still hold. But your parallel case is spirits. Spirits are imported from abroad, and spirits are distilled at home. When we put a customs duty on spirits imported from abroad, we put on a corresponding excise duty with reference to the spirits produced at home, and that makes it a revenue duty, and not a protective duty. Now, really, as you say, the crux is—Is there in this tax anything of a protective character? Where the duty is put on, no matter whether it is a differential duty or simply a protective duty with no excise, the native producer of the article raises his price to within a fraction of what the duty amounts to, and puts the money into his pocket.

Mr. WHITTAKER: Yes, and that is what we object to, sir.

Mr. FOWLER: If we were to have a duty to-morrow put on of ten shillings a quarter on corn the English farmer would raise his price by 9s. 6d. or 9s. 9d., and he would put that additional sum into his own pocket, and the English consumer would have to pay nearly the whole of the ten shillings.

Mr. WHITTAKER: That is exactly our contention.

Mr. FOWLER: What I want you to tell me is where this cotton duty is protective?

Mr. WHITTAKER: Well, it has been alleged all along that this duty which was being levied was for revenue purposes only, and I believe that the reason why the duty was put on so suddenly was in order that the merchants abroad would not get any benefit arising from that duty. Now we contend that the people of India are paying an enhanced value for the goods that are manufactured from yarns of 20's and below, and that the amount they pay goes into the pockets of the manufacturers, and not, in fact, into the revenue customs.

Mr. FOWLER: Now that is what I tell you; if you stick to that to me I will not lose a mail in endeavouring to rectify it. That is the point I want: Of course at present the argument is this, and this is what you have got to answer—they say that they do not spin on the one hand, and they do not weave on the other hand, any yarn, or any piece goods, similar to and competing with what is spun in Lancashire and exported from this country. What I want you to do is to give me the facts and the figures to deal with that argument, and to bring before the Government of India. Everything else outside that is really outside the question.

Mr. WHITTAKER: I have tried my very best—Mr. Tattersall can bear me out—to get to know what the value of 20's, 22's, and 24's was in India before the duties, and the price of Indian cotton in Bombay compared with what they are to-day. I have not, sir, the means of obtaining the information that you have, but you could very easily for yourself ascertain those values, and I think that you will find, sir, that the value of 20's and below has been raised more than the advance in cotton to very nearly in comparison with the farthing in the pound, which —

Mr. FOWLER: You think they have raised the prices equivalent to the duty—I mean practically equivalent?—(“Yes.”)—and they have put that into their own pockets? (“Yes.”)

Mr. WHITTAKER: There is no doubt about it.

Mr. FOWLER: That is what I want to know.

Mr. WHITTAKER: We send, say, 45,000,000 weight of yarns to India; they spin 70,000,000; that is 115,000,000 weight of yarn, the duty upon which would be raised a farthing a pound.

Mr. FOWLER: Yes.

Mr. WHITTAKER: Very well; that being so, I take up the position that it is impossible to raise the value of such an enormous weight of yarn as 115,000,000 weight without its value being reflected on the others; the value of the others is bound to be raised in sympathy. Now, you have studied this question so much, sir, that you are almost a manufacturer. Take the case of 20's in the Manchester market. If the value of 20's is fivepence per pound, that of 22's is  $\frac{1}{16}$ th more, that is  $5\frac{1}{16}$ ; now in India,



with a 5 per cent duty on, the 22's would be raised to  $2\frac{1}{18}$ , would it not?

Mr. FOWLER: Yes.

Mr. WHITTAKER: And the 20's ought to remain stationary at fivepence?

Mr. FOWLER: I suppose so.

Mr. WHITTAKER: But, sir, that is an absolute impossibility in practice, for there to be such a difference between 20's and 22's as  $\frac{5}{18}$  of a pound—it is an absolute impossibility. That difference has to be bridged over in some way; and I am only sorry that if I had known that you would have made it such an important point, I would, at my own expense, have cabled out to India to have obtained the information as to what the values of the yarns were before the duties and to-day; and that, sir, I feel certain, will prove my contention; and if that is so——

Mr. FOWLER: I do not want to cut you short, but I want the opportunity to understand, of course, that what is said to-day is not the last word in the controversy. What I want you to do is to supply me with facts. I have got all these various statements which have been made, but what I should like is, if you would agree upon any one statement which would embody the views of your Association, and deal with these various points, and with your figures, and certainly the figures which you (Mr. Whittaker) have mentioned just now—which, certainly, I should wish you to obtain and to incorporate in it—then we would have the case to put before the Government of India, and it could be fairly argued out. Everything that you wish me to send, and everything that I think of importance to send, I shall send to the Government of India for their remarks upon it, and to hear what they have got to say. Of course, at the present time—as you know—I have told you many times, and I will not repeat it just now—they say that I am all wrong, and that there is nothing imported under 24's.

Mr. WHITTAKER: I think that is a very good idea of yours, sir, and perhaps you have learned that the Blackburn District Chamber of Commerce decided to send such a manifesto to you,

but, inasmuch as this deputation was coming, it was put on one side. But, if that is your wish—and it certainly gains my favour—I believe that is what the Scotch dyers did —

Mr. FOWLER: Yes, I sent their statement out. I heard them in this room; they convinced me on one point; they made a great many other points that you have made to-day, which are still under discussion, and which they did not convince me upon; but they did convince me upon that main grievance of their dyed yarns. I sent their arguments out to the Government of India, and the Government of India, while dissenting on one or two points, and dealing with them in the way that they thought best—when the correspondence is laid before Parliament, Parliament will see what happened—at all events they met the case, and they met it at once; and it has been done finally by telegram this week, and the duty there is practically now reduced to 10s. per cent—4½ per cent of it is gone. Now what I want you to do, if you Lancashire gentlemen would do it, is—drop all questions about competition with Bombay; drop all questions about public feeling in Lancashire, and do not say anything about general elections, and about members of Parliament being influenced, or forming agitations, or anything else, but take your stand upon the distinct economical principle which I think everybody will assent to, namely, that you have no right to be put at a disadvantage by the imposition, upon the product of your county, of a protective duty—that the Government at home have recognised that, because they have imposed upon, or at least have recommended to the Government of India, and the Government of India have accepted a countervailing excise duty. We have got to that point: first, that import duties the Government of India will levy, and we shall not interfere with them; secondly, that they will not have any exemption from those import duties—there we shall not interfere with them; thirdly, the Government of India say, “We are willing to accept a countervailing excise duty upon the one great industry,” which is of such a magnitude that it really is a competitive industry—as Mr. Whittaker said just now—there is nothing in anything else.

Now the point is, is that excise duty countervailing in the true sense of the word, or is it not? They say it is not only countervailing, but it is so excessively countervailing that you have inflicted—"you" being, as somebody called me, "the Secretary of State for Lancashire," not for India—"you have inflicted a great injury upon us." You gentlemen come here to-day and you say "On the contrary, we dissent from that *in toto*; you have imposed an excise duty which is not a countervailing excise duty, but omit a great many points, and which exposes us to an unfair competition." Now then, what I ask you, gentlemen, is to send me an argument based upon that, and upon nothing else. Let us have no other issues—that is the issue at stake. I promise you that that shall be not only duly considered here, but shall be sent to India, and we shall then know what they have got to say to it. My experience of the Indian Chancellor of the Exchequer, Sir James Westland, is that he is not only a very able financier, but that he is an exceedingly fair man. He and I have had our differences of opinion, and therefore I can say so. Mr. Whittaker has pointed out—it is evident on the correspondence that has been published—that there have been differences of opinion between myself and the Government of India on some of these questions; but Sir James Westland is a very fair man, and I do think that in that case that would be a businesslike way of proceeding with the matter. I shall send all these specimens of manufacture that the gentlemen have left with me here out to India, and I should like, if you could agree upon a statement and argument, accompanied by statistics, showing what your view is. That I could send to them, and their reply shall be sent to you as soon as I receive it; and then I think we should be advancing in what we want on both sides. We want an amicable settlement of a difficult question, and a question which has no doubt created—whether I may think it an exaggerated feeling or not, at the same time I do not deny that it has created—a feeling of irritation in Lancashire which I am sorry for; and I should be very sorry indeed if it appeared that any step that had been taken was injuring the Lancashire trade. All trades are very bad just now. I know that in my own locality I could

a story quite as bad as Mr. Mawdsley told me of the state of the iron trade there is, and what the steel trade is. There is a wave of depression everywhere. But we have no wish—Heaven knows I have not the slightest wish in any way—to inflict any injury upon any English trade, at least of all upon the great English cotton trade.

What we want to do is to do what is absolutely fair. Do not let us argue upon points which, so far as this controversy is concerned and so far as the present Government are concerned, are closed. It is a closed question the levying of import duties—it is a closed question that there is to be no exemption from those import duties. Now if we will take that as our basis—I am not for a moment saying that that controversy is not to be re-opened on another day and under other circumstances—that is a different matter altogether; but what we have got to deal with now is the existing state of things. You say “this countervailing excise duty is not a countervailing excise duty and is unfair to us.” That is your contention. (“Yes.”) Now, then, I say give me your arguments, give me your statistics; give me your figures in proof of this, and give me the arguments and statistics and figures which are clear and are not disputable. If you go to the Indian manufacturer and say to him, “It costs you so much per cent, and it only costs the Lancashire men so much per cent to make the same article,” you will never agree; you will never settle that in the life of the longest liver here present, because it admits other questions into the argument. One man has got a large amount of capital, another man has no capital at all and borrows; therefore the one man has charges to pay for his capital which another man has not to pay. Those men are not perfectly equal. One man has got a better name, a better reputation than another man; one man lives nearer—and, mind you, the Indian people make a great deal of that. They make a great point about the coal question and about what they have to pay for coal and about what you have to pay for coal. Whether there be much or little in that you cannot exactly make all conditions of manufacture equal even in the same country. You cannot make it equal in

## INDIAN IMPORT DUTIES.

There are men in Lancashire who can make the article that other men are making in Lancashire, but they will not let them under more favourable terms and perhaps get a larger profit. Nor can you between countries. We do not avoid these differences where custom duties are involved, but have to make it for better, for worse. The duty is on the article. The article produced here must pay so much duty, and we do not go into the question as to the condition or competency or advantages or disadvantages of the manufacture. The revenue says we want a tax on either a gallon of spirits or a bottle of beer, or they say there is a certain value of piece goods or yarn and we want so much tax upon it. Very well; then you say if you will let me put your argument into my own words, "agree," admit all that, but you are not getting the same amount of money from the goods there that you are getting from the goods that we make. Now that really is your point. "The revenue says that it is charging five per cent upon the one class of goods, but it is not charging the same amount of excise upon the class of goods that are in competition with them." I believe that to be the case which you Lancashire gentlemen put before me. But do not assume for a moment that I am dictating to you in any way how you should put your case. I am very respectfully trying to point out to you what I consider to be the crux of this controversy, and asking you for the information.

Gentlemen, I have been two hours and a half now with this deputation. If you wish to see me again, I will see you again. I am sorry to interrupt Mr. Whittaker, but I think he concurs; he himself has said that this is the crux of the situation.

MR. WHITTAKER: Yes, I thoroughly appreciate it.

MR. FOWLER: If you, gentlemen, wish to see me again I will see you again; if you wish to give a statement in writing, I will receive the statement of writing. If you will adopt my suggestion, and let me have a statement which I can send out as to the arguments and the case of the Lancashire manufacturers, that I will do. I will do everything in my power to fulfil the pledge that I have made to Parliament.



**Mr. GARNETT:** Well, sir, after your very patient hearing of exceedingly long statements, allow me to move a very hearty vote of thanks to yourself for the great attention that you have given us this afternoon, and to thank you for the suggestion you have made and to assure you that we will make every effort to get all the information and lay it in as succinct a form before you as possibly can be, with as little extraneous matter and contentious matter introduced into it as possible.

**Mr. FOWLER:** Thank you.

**Mr. GARNETT:** I have very much pleasure in moving that a vote of thanks be given to the Right Honourable H. H. Fowler for his kindness and attention to us this afternoon.

**Mr. DAVID HOLMES:** Gentlemen, I have very great pleasure, indeed, in rising to second the motion moved by Mr. Garnett. I am sure, strongly as we have felt in Lancashire upon this question, that we are indebted to Mr. Fowler for having come to-day and given us an opportunity of placing the case before him in the best way possible under present circumstances. I think that at any rate we are deeply indebted to him for the kind attention that he has paid to us, and I will formally second the motion moved by Mr. Garnett.

**Mr. GARNETT** put the motion to the meeting, which was carried with acclamation.

**Mr. FOWLER:** I am exceedingly obliged to you, gentlemen, for the kind manner in which you have recognised what I have tried to do, which it is only my duty to do, which is to hear everything that you have to say and to be the proper and legitimate means of communicating your views and arguments to the Government of India. I am sorry to have appeared in any way to hurry you this afternoon, but you quite understand that a minister's time is his own, nor is a member of Parliament's time his own. At present moment another deputation is waiting to see me in the House of Commons and I must go there. If on any occasion you thought there was a



INDIAN IMPORT DUTIES.

I can only say I shall always be happy to receive  
deputation from an industry of the importance of the Lanca  
shire cotton industry, and upon a question on which you feel  
so deeply and upon which it is my duty to hold an even  
balance between you and the people of India. (*The deputation  
then withdrew.*)

472

Stokvis (2)

SP. 1/63