

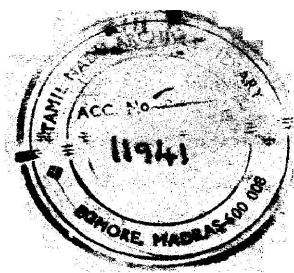
*The Office of the Third Minister  
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**The  
Reduction of Land Revenue Assessment**

BY  
**R. SIVARAMA IYER, B.A., B.L.**

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155



The address of Mr. R. Sivarama Iyer, as president of the land-holders' Conference held at Ambasamudram on 26-11-1933.

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**Subject:—The reduction of land revenue assessment.**

1. Some years back an attempt was made to pass a bill in our local council to regulate the land revenue assessment, without success, because it only emphasised the present policy of the Government. I am sure that none of the members had then analysed the Modus Operandi of the settlement operations. No further attempt was made to have such a bill passed.

2. By the general depression beginning from 1929 and growing still more and more acute, and the fall of prices of the agricultural produce by 50%, the people find themselves unable to meet their expenses in general and to pay the land revenue in particular. For the past two years, agitations are going on in this country to have a reduction in the land revenue. Tanjore being the most advanced District made the lead, being closely followed by the Districts of Godaveri and Kistna. Tinnevely District was almost the last in the field. Though it is slow to move, yet when it moves, it does so with some force. All the recognised leaders of the land took part in the agitations. Resolutions were passed, memorials were submitted,

155

and deputations sent to Government officers; all these ended with sweet words on the part of the officers and some small concessions here and there. The main point urged was that the land revenue should be reduced at rates varying from 25 to 50%. A resolution was also moved in the legislative council to reduce it by 25% all through the province, but to no purpose.

3. The abnormal fall of prices and the inability of the land-holder to pay land revenue at present, was the chief cause for these conferences and agitations inside and outside the council. Till the depression became acute, there was no serious agitation against the land revenue policy of Madras. Of course, now and then, some vague complaints had been made by some leaders against the policy. None of our leaders had cared to question the principle on which the policy was based, nor had they attempted to scrutinise the rules framed on the strength of that policy and the application of such rules in the settlement operations that had been going on periodically as once in 30 years in the province.

4. But, Mr. R. C. Dutt was the only gentleman who had in his book "Famines in India" pointedly condemned the land revenue policy of Madras. As he was an official of Government, his view was tainted with the official colour, when he made a constructive suggestion. This book called forth a rejoinder to it from the Government of India, when Lord Curzon was its head. Whatever might have been the faults of that Viceroy in other



directions, this rejoinder issued under his orders is a very notable book that should be gone through by every citizen of the country. It clearly enunciates the land revenue policy of Madras, the rules framed under it and the Modus Operandi adopted in settlement operations in this Presidency.

5. Without going into the question of the present depression and the consequent inability of the land-holders to pay the land revenue, as it has been fully and repeatedly dealt with throughout the province, I confine myself to the following points alone.

(1) Whether the land revenue policy of Madras is just, equitable and legal.

(2) Whether the rules framed on such a policy are sound and fair.

(3) Whether these rules are fairly, properly, and strictly applied in the settlement operations.

6. I shall first take the land revenue policy of the Government of Madras.

The rate at which any tax is levied is more or less arbitrary and it fluctuates from a minimum to a maximum, according to the necessities of the case. So the soundness of the land revenue policy can be tested by a comparative and historical study alone. That seems to be the only way to examine this question. There are two

views taken of the right of Government to assess land Revenue according as the land is considered as belonging to the crown, or to the people. Where the sovereign is said to own the land, the land revenue can only be looked upon and rightly so, as rent. If the people own it, then it is necessarily a tax. This difference between rent and tax plays an important part in the land revenue policy of India, and gives hold to the Government to assess at a high rate, and to enhance the revenue when it pleases.

7. In all the western countries, it was the view that the king was the paramount land-lord in the country, and there was no question of taxation in such cases, and a uniform rent of a tenth of the produce, otherwise called a tithe, was levied and collected as the rent due to the paramount land-lord. These western countries are all either Christian or Muhamadan. In the christian countries, there was apparently no discrimination in collecting this tithe, whether from christians, or heathens. All the subjects had to pay the same rate. But in the Muhamadan countries, a discrimination was made, between the Mussalman subjects and the Kafirs. From all subjects following the Islam, a tithe alone (ie) a tenth of the produce, was collected and it was called Ushr. And from Kafirs, in addition to Ushr, a tax known as Kheraj was also collected.

This Kheraj was not a fixed rate of the produce and it was thus elastic.

8. Coming to our own country of India, several centuries before the Christian era, it was governed by Hindu sovereigns. Though there were several provinces, or small principalities ruled over by the Hindu kings, yet the laws of administration applying to all of them were almost the same. They are found enunciated in the Dharma Sastras which are applicable to the whole of India. From these Sastras and from the existence of the village communities in India, it is seen that the lands in Hindu India were the lands of the people and not of the sovereign. The sovereign was therefore entitled to levy a tax and collect it from the people. The code of Manu which was the standard work on Indian polity and other matters, had laid down that the king's revenue consisted of a share of all agricultural produce, according to the soil and labour necessary to cultivate it. It was in times of prosperity  $\frac{1}{12}$  th. (one twelfth), in times of distress  $\frac{1}{6}$  th. (one sixth) (which is the medium) or in great public adversities one fourth; (taking one sixth in ordinary times was stigmatised as rapacious). So the idea of the sovereign being the land-holder was never native to India, and should have been subsequently introduced by the Mohamadans to whom this and other feudal ideas of the west were familiar.

These observations are found in the book on "Land holding" by Justice Field, and from these observations, the following conclusions can be easily arrived at.

(1) The land revenue was only a tax in Hindu India, and was not a rent.

(2) It was ranging from  $\frac{1}{12}$  th. to  $\frac{1}{4}$  th. of the produce, of which  $\frac{1}{12}$  th. was the normal and one sixth was considered to be rapacious.

(3) It is thus seen that  $\frac{1}{12}$  is the normal,  $\frac{1}{8}$  is tolerated by people. The mean is 10.04%, or in round figures 10%, or a tithe as in western countries.

(4) So  $\frac{1}{10}$  of the produce can be taken as the legitimate demand to be made by the Government from the land-holders. So I take this tenth of the produce to be the standard rate on which the land revenue policy of the Government should be based.

9. As it was the fate of every country, advanced and prosperous in the old world, India too was conquered part after part by Muhamadans. It was consolidated into an empire under the Moghul rule. These Muhamadan rulers introduced their theory that the land was the land of the sovereign, and that he had a right to a rent from the land-holders, but not as a tax from a subject. According to their law books, they levied Kheraj also, on all the Kafirs, in addition to the legitimate tithe. Almost all the land-holders were Kafirs to begin with, and the sovereign was an autocrat. So, in course of time, the tithe and Kheraj, levied and collected amounted to half of the produce, and it became, eventually, an established rule that the king's share in the land was half of its produce.

How was it collected? It is true that Muhamadans conquered several countries, in the tropical regions of the world from the Pacific to the Atlantic with the vigorous quickness of a tornado. But they had no power of organisation. The same lack of organisation, in the administration of India, made it difficult for them to collect the revenue from the land-holders at the fixed rate of one half of the produce. The land-holders living near the head quarters of collectors were paying the full revenue, whereas, those living far away were only paying so much of it as they could not possibly escape from, or avoid paying. And even this, they were not paying regularly. So a very large part of the revenue fell into arrears every year. Such arrears should have been not less than 50% of the dues, as is seen from the system subsequently adopted of appointing farmers of revenue in different places in the remotest parts of the country, for a remuneration of one half of the revenue. This is the origin of our present day zamindars.

10. During the time of Akbar, of revered memory, an attempt was made to settle the land revenue on a ryotwari basis. The general rate laid down was a third of the produce and the rent was commuted into money at the average of the prices of 19 consecutive years, forming a lunar cycle. This came into force in or about 1600. But this system of assessment was not adhered to by his successors who were now and then enhancing it to reach the original half. Moreover, the Moghul empire began to dissolve into several independent principalities.

11. In the 18th century the British came to India as traders, and they first acquired a territory in 1765 and made vast additions to it in about 40 years. As administrators of the country, they had to collect land revenue and they followed up the system adopted by their predecessors. As the land revenue under that system was one half of the produce, they collected it at that half in money at the average price of the year. This was subsequently changed into a quinquennial settlement and then to decennial. They were very efficient administrators and the land revenue was collected to the last pie.

12. Till the time of the great Mutiny of 1857, this country was administered by a Board of Directors. Afterwards, it was transferred to the British Government. For some years after this transfer, the British Government also was following the policy of the Board of Directors in the land revenue administration. No one knew the steps taken or, the procedure adopted, either by the Board or by the Government in fixing the rate of assessment. It was done behind the back of the landholders. On the recognised theory that the king is the proprietor of the country, he has to deal with his tenants in fixing the rent. So legally, there arises a contractual relationship between the crown and the ryots. But in this instance, the rent is determined *exparte* without the consent or knowledge of the ryot. Such a contractual relation between private parties cannot be considered to be legal.

13. For some years afterwards, settlement was going on once in 10 years, and then it was decided that it should be made once in 30 years. Under this decision, our District of Tinnevely was first settled in 1878 and then in 1908. It was in the interval between these settlements Mr. -R. C. Dutt published his book "Famines in India". His opinion was that by the exorbitant rate of the land revenue assessment at half the produce, the ryots in this Presidency were unable to save anything from the produces, as a provision against famine years, and they were therefore incapable of withstanding the effects of famine.

As a reply to the charge made by Mr. Dutt, the Government of India, under the orders of Lord Curzon published a book in 1902 entitled "The Land revenue policy of the Indian Government". A part of it is allotted to the land revenue policy of this Presidency. It is said there, that half the produce taken as land revenue assessment is not half of the gross produce, but only a half of the net arrived at after making certain deductions and allowances.

It is said there, that, (1) the period of settlement is 30 years.

(2) The normal gross produce is arrived at on a comparison of good and bad years.

(3) It is valued at a commutation rate which is considerably below the average of the previous 20 years excluding all years of scarcity and of high prices.

(4) From this sum, 10 to 27% is deducted for merchant's profit and distance from Markets.

(5) Another deduction is made from  $6\frac{1}{4}$  to 25 for vicissitudes of seasons and unprofitable patches of soil.

(6) It is from this balance that cultivation expenses are deducted, and the remaining is taken as the net produce.

(7) Of this, a nominal half usually rounded to a convenient lower figure is taken as the Government assessment.

It also made a special mention of the classification of irrigation sources as being favourable to the ryots.

In the river-fed areas the sources of irrigation are divided into three classes.

(1) It is a first class source of irrigation if the second crop area under it is not less than 85% of the first crop area.

(2) It is a second class if the second crop cultivation is between 50 and 85% of the first crop area.

(3) It is a third class if the second crop area is less than 50% of the first crop area.

The assessment is determined as detailed above for the first crop, and for the second crop, if it is a first class source, half of the first crop assessment is levied, one third of the first crop assessment if it is a second class, and one-fourth of the first crop assessment if it is a third



class. This reduction in the second crop assessment is noted also as favourable to the ryot.

14. This statement made by the Government as to how the net produce is arrived at, should be admitted to show their sympathy to the ryot, and their nobility as paramount land-lord. But, there may be a vast difference between instructions on paper and the application of them in practice. It is incidental to the nature of man in general to try to show off to third parties, that he is as good as an angel, though he acts in his private life worse than a Satan.

As the Government is an impersonal corporation, its rules have to be carried out by human agencies. So it will be no surprise to us if it is found that these instructions are not observed by the agencies in applying them properly at the time of land revenue assessment. In examining whether the instructions have been carried out properly or not, I can only take up the settlements made in Tinnevely District. Though I confine myself to one District, yet the procedure adopted by me in discussing the question can be very easily and safely followed in other Districts also. I hope that I will be serving the country at large in this way. Before examining the practical application of the instructions in this District, I have to say that there are two points which are applicable to the province as a whole. I shall deal with them now. They are,

(1) Whether a settlement made once in 30 years is scientifically or traditionally correct, and

(2) Whether the land revenue is really a rent as known to the laws of economy, or a mere tax.

### The Period of Settlement:—

That it is not scientifically correct, is proved by the present depression which has fully upset the confidence of both the people and the Government. The laws of nature work their way relentlessly and the plans devised by human intelligence are easily upset. A reaction takes place in course of time to make the natural laws to work out in their own ways. We who are mortals can only adjust our actions agreeably to the course of nature and can never successfully oppose them; eg.

(1) Advancement of the science of hygiene and Medicine has brought about an effect which is leading to serious thoughts about Birth-control, which again opposes the laws of nature. And we are not in a position to know where we will be launched by adopting the devices of Birth-control.

2. Invention of labour saving-machines has necessarily led to the unemployment of a large number of persons and their inevitable starvation unto death.

Other similar instances can be given but this is not the time for it.

It may not be within the power of man on the data available to ascertain a satisfactory period for revising

the land revenue assessment. But, is there no tradition which can be relied upon for fixing a period therefor? Every Hindu knows that there is a cycle of Prabhavathi sixty years. Is there no sound basis for this cycle? And can it be said to be absolutely arbitrary? With reference to this, I shall place before you some of my observations.

1. In the year known as Chitrabhanu, the sun was shorn of all its brightness for about 3 days and was as cool as moon. You will certainly say that it is a variegated Bhanu, which the name of the year indicates.

2. In the year Visvavasu, the shortage of rainfall throughout India was very significant. It was really a year of the sun here, there, and everywhere. Here also, the name seems to have a meaning.

3. In the 3 years of Rudhirothkari, Rakthakshi, and Krodhana, catastrophes caused to the world at large by violent volcanic eruptions, severe cyclones and ruinous earthquakes should be familiar to you all.

If you bear these observations in mind and make a study of the peculiarities of each year of the cycle, it may be found in the long run that there is really a sound basis for this cycle. Whether it is to be accepted to be so or not, traditionally we recognise such a cycle and that can be very well adopted as a period for settlement operations. And if it had been so adopted in the first settlement of 1878, there would have been some relief to us now, and again all the years of high prices from 1918 to

1929 should, under the instructions be surely left out of account when a new settlement is made in 1938. Can we say that there is wisdom in intuition, when there can be only a delusion in demonstration?

I feel from these observations, that the proper period for revising the land revenue in our country is 60 years and not 30.

## 2. **Rent or tax.**

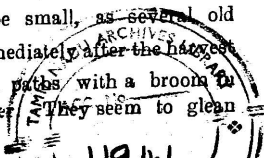
We learn from books on economy that if it is a case of rent, there should be some lands, always found in every place which are on the margin of cultivation, and cannot therefore bear economically any rent at all. And so, no rent can be levied or collected from them. Can you tell me if there is such an ayan land anywhere within your knowledge, exempt from land revenue assessment? If there is none, the land revenue cannot be rent. It has therefore to be looked upon only as a tax. A tax is surely not governed by any principle of sharing. The system of assessing every piece of land without first recognising any land on the margin of cultivation, clearly shows that the Government is looking upon land revenue as tax, and not as rent. I feel the land revenue assessment as fixed and collected can never be a rent but only a tax, as other taxes are.

Having finished these two points of provincial importance, I shall take up the settlement operations, as they were carried on in this District.

15. The first duty of a settlement officer is to ascertain the yield from an acre of normal land in the first crop of the year. The first question in this is, which is the first crop for this District? There are two crops, Kar and Pisanam. The definition of the sources of irrigation tells us that the first crop is the crop, when the whole Ayacut is usually under cultivation.

Both the officers of the Government and people know this to be the Pisanam crop. Knowing this full well, the yield from the second or Kar crop, was ascertained during the operations resulting in the settlement of 1908. What did the officer do to ascertain the yield? He selected 10 cents in a normal field very near a vacant site. The crops were ripe for harvest. The crops on the selected 10 cents were harvested and brought slowly to a vacant site as carefully as if they were grains of gold. And the paddy was measured, without leaving a single grain behind on the ground. By such careful collection, the officer found the yield to be 120 Madras Measures for 10 cents and concluded therefrom that it was 1200 Madras Measures per acre. The wastage naturally caused in the hurry of harvest, and by carrying the crop to the distant "thresholds" was not noted and no allowance was made therefor.

This wastage cannot be small, as several old women and children are seen immediately after the harvest going about the fields, ridges, and paths with a broom in one hand and a basket in the other. They seem to glean



at the rate of about 2 Madras Measures per head and whatsoever is left behind them, as uncollectable, are picked up by swarms of birds. An allowance of 1% at least can be made on account of this unavoidable wastage.

More serious and substantial is the deliberate breach of the rule, that the yield of the first crop, that is the Pisanam crop alone, should be ascertained, and not the second or Kar crop, as it was done by the officers here. It is a well known fact that the Pisanam crop, on account of incessant rains, is generally less than the kar crop, unit to unit. Nowhere does it reach three-fourths of the Kar yield. Any Government officer can be challenged to show a single normal plot of ground in the whole district, where in Pisanam, the yield is more than 900. Madras Measures per acre, even though as carefully harvested as said before. If the instructions under the Board's standing orders had only been strictly carried out, the settlement officers would have started with 900 M. M. as the initial figure.

In this connection, there is yet another item for consideration. Every acre under cultivation requires a seed bed of  $\frac{1}{8}$  of an acre. When this  $\frac{1}{8}$  is cultivated after the seedlings are removed, the yield from such cultivation cannot be more than a third of the normal yield. So on strict calculation, if the operation should start with an initial figure of 940 Madras Measures for  $1\frac{1}{8}$  acre, and making an allowance of 1% referred to above, as wastage, the settlement officer will find himself compelled to adopt 825 Madras Measures as the yield of one acre in the first crop.

16. The next duty of the officer is to commute the net produce into money at a favourable rate, as said in the instructions. I take it that he has done so. This does not affect the consideration of other questions involved.

The next duty of the settlement officer is to make an allowance for merchants' profits. It should be taken that the merchant is not a capitalist. He borrows from bankers to carry on his business at the usual rate of interest at 12% per annum. His own profits should at least be 9%. There are establishment and other charges and risks of business. For these he should earn at least a 5% more. As against the total of 26%, an allowance should be made for slack-seasons. Deducting 9% on this account a net allowance of 17% should be made as merchants' profits. This will be the minimum.

(a) Connected with this is the allowance to be made on account of distance from markets. On this account a 3% may be allowed.

17. The next duty of the settlement officer is to deduct a percentage for unprofitable patches of soil and vicissitudes of seasons. It is not easy to understand why these two should be clubbed together. By unprofitable patches of soil is meant the ridges, the branch distributaries, rocky beds and mounds within the area of the Ayacut. In plain tracts, this area will be about 5%, rising up to 10, in the regions of ups and downs. And so the average will be  $7\frac{1}{2}\%$ .

## **Vicissitudes of seasons.**

It is seen from Government records that in the 30 years of settlement, there are in Ambasamudram Taluk 4 dry years, 2 of severe drought, and 5 years of excessive rainfall and 19 normal years.

The 4 dry years and five years of excessive rainfall may be together taken to be equal to six normal years in point of yield. And the 2 years of severe drought may be taken to be equal to one normal year. So in a period of 30 years, 26 normal yields alone can be relied upon. So an allowance of 4 out of 30 equal to 13% should be made on account of vicissitudes of seasons.

It will only be correct to say that 20% should be allowed on account of unprofitable patches of soil and vicissitudes of seasons.

I started with 825 as the net and I have found that 17% should at least be allowed as the merchants' profits and 3% for distance from markets and 20% for the unprofitable patches of soil and vicissitudes of seasons. So the total amount to be deducted from 825 is 40%. Which is equal to 330. The balance is 495.

18. It is from this balance the estimated expenses of cultivation are deducted. It is in this estimate there is a dispute between the Government and the people. The former is charged by the latter as underestimating and the latter by the former as overestimating the



expenses. Both should plead guilty to the charge. To understand the point of view of each party, we have first to remember that the settlement made is a ryotwari settlement. It connotes that the holdings are taken to be cultivated by the ryot. It is on this view that the cultivation expenses should naturally be calculated and ascertained. The fact that a land-holder is not able to cultivate his holding for the reason among others, that he,

- (1) is employed in other places,
- (2) carries on any other business, and

(3) Can afford to lead, or leads an easy life, is no justification for having the cultivation expenses calculated on the basis of hired labour. So these expenses should be calculated on the basis that the landholder cultivates his own land. He spends his money or grain on some of the items, and earns his wages for the labour contributed by him and the members of his family, in addition to the cost of the items which he uses as his own in the cultivation operations. If the quality, situation and irrigation is good, a tenant is prepared to cultivate another's land for a third of the gross produce.

But all lands are not good, or favourably situated and irrigated. There are lands which are indifferent and bad or situated beyond the easy reach of the tenants or exposed to some destructive agencies, like wild animals, pests, and high-wind, and subject to scarcity of water. On account

of these contingencies, the share of the tenant increases from a third to a half. This system of sharing between the land-holder and the tenant is true only of the mamoo wet lands. The average of kudivaram or cultivation expenses in case of mamool wet lands, can be fairly taken at about 40% of the net produce of 495 which is equal to 200 Madras Measures. So the absolute net comes to 300 Madras Measures, in the case of mamool wet. Can any nation be satisfied and maintained with the mamool wet alone? It cannot. The population is increasing by about 1% a year. Though this increase can be treated with indifference by the Government in the issue of currency for circulation among the people, yet the demand made by it on the supply of the vital necessities of life can never be slighted without disastrous consequences. This increase requires an extension of the mamool area by 1% a year. Large irrigation works completed by the Government, and the normal day to day extensions made by the people wherever possible, seem to have been to a large extent meeting this additional demand.

What should be the position of such reclaimed lands in the land revenue policy of the Government? I have personal experience in this matter. From the year 1907, I have been doing this business both under the river-fed sources of irrigation and under wells sunk for the purpose. The area reclaimed by me under the river-fed sources is about 80 acres. Of these, 24 were registered "wet" and brought under cultivation in 1903.

Though it is now 25 years, it has not yet reached the yielding capacity of the adjacent mamool wet.

I can assure you that for the first 5 years put together, the accumulated income was found just enough to meet the total cultivation expenses of the said 5 years. It began to yield something more than the cultivation expenses afterwards. It has now reached three-fourths of the yield of the adjacent mamool wet. But the Government has been collecting the land revenue on the total area of 24 acres at the rate at which the adjacent mamool wet is assessed for all these 25 years from 1903. Under no conditions can they be justified in this collection. I can now say that it will be fair for the Government and to the land-holder, that no wet assessment is levied and collected in fresh areas for about the first 10 years. Then for the next 10 years, it can be levied at a fourth of the mamool wet rate, and then at half from 20th to the 25th year, and at three-fourths from the 25th to the 30th and subsequently at the full rate. If the scale suggested is tedious to work with, then a uniform rate of a fifth of the mamool wet rate should be collected for a period of 30 years from the beginning. It is these lands that are said to be on the margin of cultivation as known to the laws of economy, in cases where the land revenue is considered as a rent. Some of the reclaimed lands at the beginning are permitted to be cultivated on payment of water cess. To these kinds of lands also, the same rate of  $\frac{1}{5}$  should be allowed. What

is the loss to the ryot, caused by the present rate of assessment for fresh extensions? Instead of  $\frac{1}{5}$  th, it is 1 for all the 30 years (ie) 30 instead of 6. The excess collection amounts to 400% more than the assessable revenue. The Government in such cases takes care to get the written consent of the land-holders concerned. What is the legal value of this consent, when the all mighty Government is dealing with an ever needy ryot? You may judge for yourselves. I can only say that if the theory that the land revenue is rent is holding good even now, the Government is bound to remit  $\frac{4}{5}$  ths of the rate of assessment on all the fresh-lands brought under cultivation for the first 30 years. It is said that the total land revenue assessment in the Presidency has increased in 30 years, 1903 to 1933, from 5 crores to  $6\frac{1}{4}$  crores. At least, half of this increase of  $1\frac{1}{4}$  crore (ie) about 60 lakhs should represent the collections made from lands on the margin of cultivation, though they are incapable of bearing any rent at all economically. So if the Government treats this land revenue assessment only as rent and not as tax' then it should exempt all the fresh areas from assessment or remit  $\frac{4}{5}$  ths of it, as said above.

19. It is found that half the net produce of the first crop, if it is strictly ascertained according to the rules and regulations framed by the Government for the settlement operations can amount only to 150 Madras Measures of paddy for one acre. According to the commutation rate,

adopted in this District in 1908, 150 Madras Measures should be valued at Rs. 8—8—0 per acre for the first crop.

For the second crop, in compounded wet area under a first class source of irrigation, it is half of the first crop assessment which amounts to Rs. 4—4—0. So the total assessment on one acre can only be Rs. 12—12—0 a year and not 22—8—0 as it is now levied and collected. The excess collected amounts to Rs 9—12—0 (ie) over 75% more than what should be levied under the rules of the Government.

Taking the total land revenue of Ambasamudram Taluk to be about 6 lakhs, it may be stated that about 2½ lakhs has been collected in excess of the legitimate amount for one year.

During the past 25 years from 1908, the total of the excess amount collected would be more than half a crore of rupees.

In a second class source, where the area of the second crop is between 50 and 85% of the first crop area, it will be Rs. 8—8—0, plus a third of it, equal to Rs. 2—13—4 which when rounded to a lower figure is Rs. 2—13—0. So the assessment in a second class source for one acre should only be Rs. 11—5—0 and not Rs. 20—0—0 a year.

For the third class source, calculating at a fourth, it will be Rs. 10—10—0 an acre for a year.

(1) In a first class source, wet assessment for one acre of land for 2 crops a year should be Rs. 12—12—0.

(2) For a second class source, Rs. 11—5—0.

(3) For a third class source, it should be Rs. 10—10—0.

The average for one acre should be Rs. 11—4—0. At the commutation rate adopted in the year 1908, this average will be found to be the value of about 200 Madras Measures.

The Government has found the yield of an acre in kar to be 1200. Madras Measures. It is said above that the pisanam yield from one acre is 900. So the total yield for a year is 2100. Madras Measures.

The legitimate demand on this gross income comes to be 200. The share which can fairly be demanded as revenue is about 10% of the gross produce (ie) a tithe as found in the western countries and the mean between  $\frac{1}{2}$  and  $\frac{1}{3}$  found in the "Book of Manu". This rate of 10% on the gross produce will be fair for both the Government and the land-holder.

(3) Whether the adoption of a third and a fourth of the first crop assessment in the second and third class sources of irrigation, instead of a half in the first class, is so favourable to the land-holder as to be specially made mention of by the Government? Let it be examined.

In the first class source, taking the mean between 100 and 85 (ie)  $92\frac{1}{2}$  as the second crop area, the mean for the second class area is  $67\frac{1}{2}$ , and that for the third is 25. But the assessment is collected on the whole area of the Ayacut for the second crop also, whether cultivated or not.

For the first class, through the area cultivated is in an average only  $92\frac{1}{2}\%$ , yet the assessment is collected on the whole 100 and at half of the first crop assessment. It comes to 54.

For the second, though the area is  $67\frac{1}{2}$ , yet it is collected on 100 at  $\frac{1}{2}$  and it is equal to  $33\frac{1}{3}$ .

For the third, though only 25, it is on 100 at  $\frac{1}{4}$  th, equal to 25. To know the comparative merits, it has to be further examined.

As it is, 50 is collected on the actuals of  $92\frac{1}{2}$ , so for 100 it is 54.

As it is  $33\frac{1}{3}$  for  $67\frac{1}{2}$ , for 100, it is 50.

As 25 for 25, for 100, it is 100.

It will be seen that the areas under the second and third class sources are almost equal in this District. So, the total of the second crop assessment for the second and third class areas is 150 and the average is 75. It is now plain that when it is only 54 for the first class, it is 75 for the second and third classes.

20. When the actual position of affairs shows that 54 of the first class is enhanced to 75 for the second and third (ie) by about 40%, what are we to say of the calculating officers when they publish in black and white that it (the rate of assessment fixed for the first crop) is again subject to considerable reduction under the system of irrigation sources? ..... and thereby wish to proclaim to the public, their magnanimous sympathy to the land-holders in general. Before leaving this magnanimity and sympathy to be judged by every land-holder under the second and third class sources of irrigation, I have only to quote in full, para 38, in chapter VII from the book "The land revenue policy of the Government of India" to indicate the mentality of the officers concerned. That para will clearly prove to you, where the Government is and where we are.

"In considering the relation of the estimate of expenses to the outturn, and to the consequent position of the cultivator, it must be remembered, that these scales are maxima; not that they are often exceeded whether according to the year, the crop, or the ryot, but that they are all calculated as though paid for in money, as though, labour, cattle, manure etc, were all purchased, a hypothesis wholly different from fact, but differing wholly to the benefit of the ryot. The cost of bullocks is calculated at a certain rate, as though they were always bought, whereas in very many instances, they are bred by the ryot and brought up wholly on the straw of the farm



crops, or on wild pasture; moreover, the calculation usually allows for a minimum of acreage tilled and of duration of the cattle, whereas on dry land, a pair will ordinarily last 5 years and more and till 14 acres or more per annum, besides doing much other work and yielding manure, hence the average rate of cost given in the tables is a maximum. So also in probably nine-tenths of the area, at least of dry lands, the labour expended is only that of the owner and his family, for the farms are of very small size; it is not mainly paid labour, though often mutually borrowed, as when men plough, harvest etc, in their neighbours' fields in return for their similar assistance in their own. Manure again, is largely the produce of the cattle of the farm, or picked up by children or women in the waste lands, or is cut, as green manures from the jungle. The feeding and housing of the bullocks, which Mr. Dutt observes has not been allowed for, are omitted because straw does not enter into settlement calculations, though of great feeding or selling value; in the old reports early in the century, it was often set against the whole cultivation expenses, and in the present day, sub-tenants are willing to cultivate good lands on receipt of one quarter of the gross produce of the grain, if they are allowed the whole of the straw also."

21. After examining the land revenue policy of Madras, the rules and regulations passed on such a policy and the practical instructions issued to the settlement

officers for carrying on the settlement operations, I wish to place the following propositions for your consideration.

(1) The Government should be requested to make their view clear and definite once for all, whether they consider the land revenue as rent or tax as known to the law of economy. If they declare it to be rent, then,

(2) they be further requested to fix a period of 60 years instead of 30, for the revision of the land revenue settlement.

and (3) they be pleased to assess it at  $\frac{1}{10}$  of the gross produce for every crop raised in a year.

(a) The commutation rate should be calculated taking the prices of  $\frac{2}{3}$  rds of the settlement period of 60 years, when they are easier, and lower and excluding the remaining years of higher prices and after deducting a minimum of 20% for merchants' profits and distance from markets and of 20% for unprofitable patches of soil and vicissitudes of seasons.

This should be invariably the rate of assessment for all classes of wet lands, whether river-fed or rain-fed, and also dry.

This should be considered to be a fair basis for the land revenue policy to be followed by the Government.

If the Government is pleased to adopt it, will it command sufficient funds to carry on the administration efficiently and properly? We incessantly demand and

fight for a democracy. It shows our willingness to bear the responsibilities of the administration. It becomes therefore, our duty to make constructive proposals for the supply of funds.

One tenth of the gross produce commuted into cash in the manner said above, should be the uniform rate of the land revenue settlement for all the ryotwari lands. This rate should not be enhanced under any circumstances as land revenue.

The income of the ryotwari land-holder above a particular minimum can be assessed to Income tax, as it is collected by the Government with reference to other classes of income. The first question that arises is that the minimum referred to should be settled. To do so, the standard of life based on the necessities of the life of the masses, recognising a distinction between human and brute life should be ascertained. We find a basis for this in the minimum pay fixed after an elaborate enquiry by the Government with reference to the salary of their servants. It was fixed at Rs. 30 to 35 per annum for clerks in the lower grade.

The average for a year may be taken at Rs. 400. It is well-known that favours are solicited and expected from these clerks by the public. But none cares for petty land-holders. So, a minimum of an income of Rs. 500 per year should be made exempt from taxation, in addition

to the land revenue, for the purposes of the provincial Governments, as distinguished from Local Self Government.

Taking a land-holder's family to consist of 4 to 5 members, this income of 500, deducting the land revenue of a tenth, leaves only a net income of Rs. 450 available for the maintenance of the family for a year. This gives only a sum of Rs. 100 per head for a year to the members of the land-holder's family.

All incomes from land over and above 500 a year, should be made assessable to Income Tax under the terms, and at the rate and scale, provided for in the Income Tax Act.

There will not be much additional work to be done by the Government in assessing the tax, as the pattas issued to the land-holder, by the land-revenue officers will show the land revenue assessment of every pattadar. If 10 times this assessment amounts to more than 500, it should be taxed according to the Income Tax rules and no further enquiry is required.

All my remarks and suggestions are confined to the ryotwari Ayan lands, registered as wet and dry in the Government records.

