No. 2633-354-2.

From

J. B. FULLER, Esq., C. I.E, I. C. S.,

Secretary to the Government of India.

To

THE SECRETARY TO THE GOVERNMENT OF BENGAL,
REVENUE DEPARTMENT.

Dept. of Revenue and Agri. *Land Revenue,*
Calcutta, the 24th December, 1901.

Sir.

I AM directed to reply to your letter No. 1533 T. R., dated the 4th October 1901, forwarding the final report on the settlement of the three districts of Orissa.

2. The enhancement which has been made in the land revenue is as much as 52 per cent, but even so it is materially less than was anticipated in the correspondence which passed regarding the principles and procedure of the settlement. The proportion of the proprietary assets taken as land revenue has been largely reduced. At the preceding settlement it was on the average 65 per cent. under the new settlement it is no higher than 54 per cent. : Moreover nearly eight lakhs rupees of the enhanced revenue have been relinquished by the progressive introduction of the new assessment in the case of estates the liabilities of which have been largely augmented. The revised assessment has been received by the people almost without an appeal. The Government of India have no doubt of its justice and moderation and confirm it without hesitation.

3. An average of 54 per cent. as the proportion of land revenue to proprietary assets is rather higher than was anticipated under the orders which prescribed the principles of the re-settlement. Estates are assessed separately, according to their particular circumstances, and it is of course impossible to ensure that the results will precisely conform to a standard average. The reasons for the excess are stated on page 385 of the report and are touched upon in paragraph 24 of the review of the Board of Revenue. It results from the assessment of a comparatively few large estates (apparently less than 10 per cent. of the total number) at more than 55 per cent. of the assets, either because they have been specially benefited by the large outlay incurred by the State on irrigation canals or flood embankments, or because assessment at a lower fraction would entail a reduction of the existing revenue for which there was no sufficient reason, or because rent enhancements added largely to the zamindar's income and the adoption of a lower fraction of assessment would deprive Government of a fair share in this increase. The large expenditure which the Government annually incurs in maintaining the canals and flood embankments of Orissa undoubtedly enhances its claims to land revenue. The canal system alone entails upon Government a *net* annual expenditure of about ten lakhs of rupees-equivalent to nearly half the revised land revenue of the three districts. The interesting information which is given in paragraphs 109 and 115 of the report indicates the great value of these public works in securing proprietors against losses in rent collection, if not in increasing their rental demands. Having regard to this consideration and to the others already referrrd to, the Governor General in Council is of opinion that there is a satisfactory justification for the divergence of the actual average proportion of land revenue to assets from the average which was anticipated.

4. The difficulty of the settlement was mainly due to the obligation laid upon the Settlement Officer to settle rents between the tenants and the zamindars, as well as the revenue payments made by the latter to Government. In respect to rents, the actual results of his interference have been very small. The assets on which he assessed are 13 per cent larger than those which he found existing, but

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the increase is very largely due to the valuation of land held on nominal payment, and the enhancement actually imposed on the important class of *thani* ryots amounts to only 6 per cent. When the results of the earliest assessments came before them in 1898, the Government of India formed an opinion that this measure of enhancement was hardly adequate in the case of cultivators whose rents had suffered no change for 60 years: but it was then too late to revise the Settlement Officer's operations. It is shown that a connsiderable proportion of these ryots have disappeared during the past 60 years, owing no doubt to the famine of 1865-66. But this is no reason why those who have held their ground should be absolved from contributing some share of the large rise in the value of their produce which has resulted from State-constructed improvements and settled Government. It has been urged that these tenants have from the first been paying highly, and that their existing rents are still fairly adequate. Forcible evidence to the contrary effect is given in paragraph 328 of the report, which alleges that since the completion of the settlement "sales and mortgages of ryoti holdings have become so common as to arouse the apprehension of zamindars and district officers". The reluctance of the Settlement Officers to impose a larger enhancement arose no doubt from the conviction that the sub-division of holdings, which had been encouraged by the non-intervention of Government for 60 years, had so greatly diminished the income of individuals as to leave no margin for an increase of rent assessment.

5. The settlement has been exceedingly costly, the rate of expenditure working out to Rs. 637 per square mile. The conditions under which the settlement was taken up were adverse to economy. There was but little local experience in the conduct of settlement operations, delay was occasioned by long and elaborate discussions as to principles and procedure, material for which was not forthcoming till the surveys and enquiries were in an advanced stage, and the decisions which were arrived at entailed the redoing of a good deal of the field work. But the Government of India recognise the magnitude and the difficulty of the operations and the success with which they have been conducted, and congratulate His Honour the Lieutenant-Governor on the completion of this arduous and complicated undertaking.

6. With reference to paragraph 21 of the orders of the Board of Revenue, I am to express a hope that the ryots are not called upon to pay their rents before they are able to reap and dispose of the crops which are supposed to provide the funds for payment.

7. Mr. Maddox' report is an interesting and valuable document. But I am aslo to notice its extraordinary length. It is necessary that a Settlement Officer should describe in some detail his procedure and its results, and it is convenient that he should take the opportunity of placing on record information of interest which he has gathered in the course of his enquiries. But his writing should be confined within limits which in the present case have been greatly exceeded.

I have the honour to be,
SIR,
Your most obedient Servant,
J. B. FULLER,
Secretary to the Government of India.

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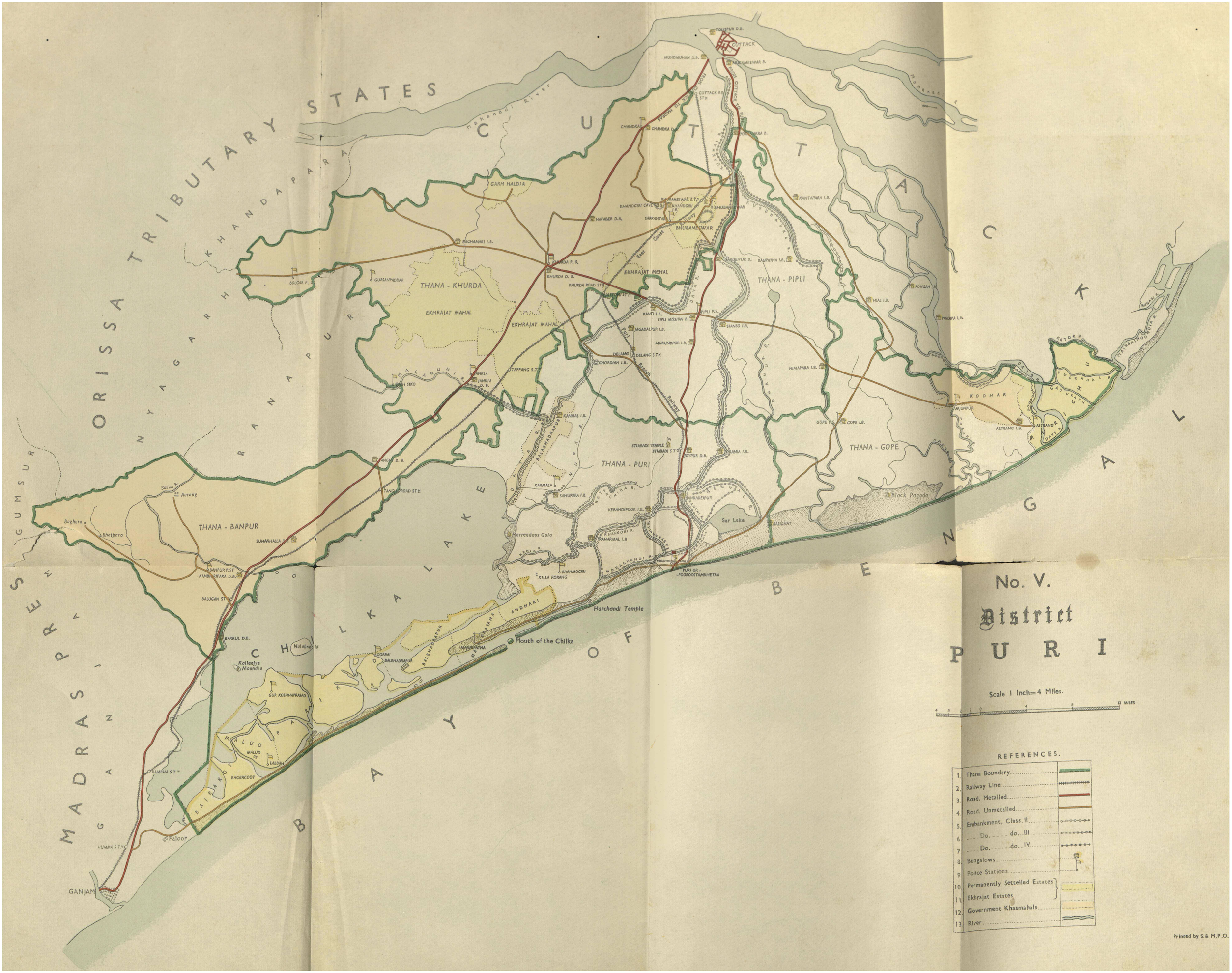

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No. IV.
District
BALASORE

Scale 1 Inch = 4 Miles or $\frac{1}{253,440}$

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