

extensive jungles of the Tributary States. Further the indolent, unenterprising, and conservative character of the inhabitants has to be borne in mind. They cannot be suddenly made to change their nature and become industrious and anxious to improve their condition. Again prices are low; and though export is thus stimulated at present the money returns to the cultivators, for their surplus crops cannot be high. Mr. Stevens thinks it doubtful whether there can be much money in the province. What will be the extent of the changes to be wrought by improved communications now in course of construction it is difficult to say. There should, no doubt, be a rise in prices, but this may be checked by the fluctuations of exchange. For these reasons, Mr. Stevens thinks it would not be justifiable for the Settlement Officers to enhance competition rates of their own motion. If they are called upon to do this, they must then fulfil the requirements of the law; but it is not likely that the applicants would gain much by this process.

7. The Director in the 4th, 5th, and 6th paragraph of his letter has discussed the term of the settlement now to be made. Mr. Stevens after much consideration, has come to the conclusion that a settlement for 30 years; with an enhancement at the end of 15, will best meet the necessities of the case. Previous settlements have remained long undisturbed; and though nothing has been done in the present proceedings which could be construed into a promise that there should now be a term of 30 years, there seems to be no doubt that such a term would be in accordance with the wishes and hopes of the people. Mr. Maddox, in one of the conversations on this subject said that they hope for a permanent settlement, look for a 30 years' settlement, and fear a 15 years' settlement. A permanent settlement is not now in question, and if it had been, it is obvious that the province is not ripe for such an arrangement. The existing settlement has been operating with such extreme leniency towards the zamindars that any sudden increase of revenue up to what might fairly be regarded as a reasonable standard of proportion to the assets would ruin them. Mr. Stevens was, for example, informed of one instance in which by the application of the present percentage to existing assets, a zamindar's income would be reduced from Rs. 6,000 to Rs. 2,000 per annum. The application of the *rasadi* system would combine the advantage of dispensing with the harassing and unsettling operations of a general settlement with that of gaining for the zamindar a relief from a sudden and very heavy increase in his obligations. At the end of 15 years he would be able to obtain enhancements from all except such privileged raiyats as have a right to pay throughout the term of settlement no more than the rent fixed at the settlement. The Government would obtain a substantial and increasing addition to its revenue.

8. It is not possible yet to fix satisfactorily the percentage to be taken from the zamindars. In any case superior authority can only lay down limits with advantage. Orissa is notoriously liable to severe visitations of cyclones and of floods to an extent unknown in other parts of Bengal, and in Orissa itself there is much variety in the local liability to damage from these devastating influences. The probability of loss from storm waves in the littoral tracts, or from floods in those bordering on the several large rivers, is a matter which must be taken into consideration in fixing the percentage, unless Government is willing to grant large remissions in the case of those parts which are most subject to natural calamities. If the zamindar is to take the risk of ruined crops and short realizations of rents, he must be compensated by having his revenue fixed at low rates. In more favoured tracts, where the harvests, and consequently the rents, are more assured, the Government may justly take a larger share. But only the officers actually engaged in making the settlement can be competent to decide which estate falls within which category. Perhaps 40 to 50 per cent. for the first 15 years and 50 to 60 per cent. for the second would be suitable limits. To this would have to be added a percentage yet to be fixed, for patwaris; and perhaps a percentage for chaukidars. On this latter subject Mr. Stevens is preparing a separate note.

9. In the seventh and three next following paragraphs of his letter the Director discusses the serious question of the probable progress likely to be made in the work before the expiry of the current settlement. So far as the information now available enables the Board to judge, the rough estimates made by the Director are correct. It is not safe, as Mr. Stevens has said in one of his marginal notes in the diary, to estimate that more than 3,000 rents can be settled by one officer in a month, though possibly this rate may be somewhat exceeded, if no unforeseen difficulties arise, when the officers are more accustomed to the system. But Mr. Stevens entirely agrees with the Director in thinking it absolutely necessary that the Revenue Officer should deal personally with every raiyat whose rent is to be altered, and either secure his acceptance of the new rent or proceed to enhance according to law.

10. Mr. Stevens further desires to endorse all that the Director has written regarding his confidence in the knowledge and capacity shown by Mr. Maddox. He wishes to add that he was much impressed by the ability and thorough acquaintance with detail which Mr. Lyon brought to bear on the many points which came under observation and discussion.

11. Mr. Lyon expects, it is understood, to pay a short visit to Orissa in the recess, and again early in December. On the latter of these occasions Mr. Stevens hopes to be able to accompany him.

No. 8.

No. 400-T.R., dated Darjeeling, the 6th June 1896.

From—M. FINUCANE, Esq., Offg. Secretary to the Government of Bengal.

To—The Secretary to the Board of Revenue, Lower Provinces.

I am directed to acknowledge receipt of your letters noted on the margin, and in reply to
 No. 402-A., dated the 6th May 1896. say that the Lieutenant-Governor sanctions
 No. 408-A., dated the 6th May 1896. generally, as an experimental measure, the
 No. 408-A.—S., dated the 6th May 1896. method of settling rents in Orissa, proposed by
 the Board in your letters under reply. The method, though no doubt rough, is, in his Honour's
 opinion, practical.

2. Sir Alexander Mackenzie also sanctions experimentally the rules annexed to Mr. Lyon's diary, submitted with your letter No. 402-A., dated the 6th May 1896.

3. I am, however, with reference to these rules, to offer the following remarks for the Board's consideration :—

Rules 2 and 3.—May possibly be simplified. Government will be prepared to consider any further proposals to this end which the Director may have to submit. It is understood that the Board hold that the thani riyats are entitled to receive consideration both as regards the rate at which they hold and the time for which their rent is to be fixed. The former point might apparently be met without first calculating out a mean rate as proposed in Rule 3.

Rule 7 (d).—Rule 53 of the North-Western Provinces' Board's Rules (page 26-1) allows a deduction of 25 per cent. on all *sir* land actually and in good faith cultivated by the proprietors or by hired labour at their expense, but not on land claimed as *sir* which is not so cultivated. In his Honour's opinion, the same rule may be adopted in Orissa. Care must however, be taken to see that only *bona-fide* *nij-jote* is recorded as such.

Rule 9.—In the North-Western Provinces the average receipts are taken in to account in fixing the assessments on orchards. It is not clear why the lowest *pahi* rate is proposed for assessment of orchards in Orissa, many of which are said in paragraph 11 of Mr. Nathan's report to be fine mango orchards. The question of the assessment of orchards was discussed, in the Board's No. 124-A., dated 30th January 1894, and the orders of Government on it were given in Mr. Richardson's No. 1119-L. R., dated 2nd March 1894. The rule as drafted does not appear to be altogether consistent with those orders and should again be considered by the Settlement Officer.

Rule 10.—This rule, relative to assessment of rent on special crops, appears to be opposed to the policy laid down by the Secretary of State from the earliest times, as it imposes a special assessment on special crops—a practice which Lord Bentinck* remarkd, in 1833, must act as a check on industry and discourage cultivation. The only justification for the rule is in the fact that a special rents is, it is understood, now charged for land under special crops, such as sugarcane or tobacco, as long as the special crop, is grown, and may possibly be regarded as part of the existing rent which under section 27 of the Tenancy Act is presumed to be fair. It would appear that either (1) the practice should be allowed to continue, the special rent for special crops being included in the assets for the purpose of assessing revenue, or (2) that the "normal" rent should be settled for the land regardless of the special crops, and that the raiyats should be informed that the normal rent so settled is the rent for which alone they are liable, and that they are at liberty to grow any crops they please. I am to request that the Board will consider the point and report their opinion on it. If the lands on which special crops are grown can fairly be considered a separate soil class, there would of course be no objection to assessing them at a special rate.

4. As to the questions of the period of the settlement and the percentage of the assets to be taken as revenue, I am to say that before coming to a final conclusion on these points, His Honour thinks it desirable that extracts from the Board's letters noted below should be forwarded to the Commissioner for his opinion and those of the Collectors of Orissa, and also to the Director for opinion :—

Paragraphs 7 and 8 of the Board's No. 408-A., dated 6th May 1896.

Paragraphs 3 and 5 of the Director's No. 455-S., dated 11th February 1896.

Paragraphs 7 and 8 of the Board's No. 402-A., dated 6th May 1896.

Paragraphs 4, 5 and 6 of the Director's No. 1064-S., dated 18th April 1896.

5. I am also to request that the Settlement Officer may be asked to work out and show in tabular form, mahal by mahal, what the precise effect on the existing revenue would be of taking 40, 50 and 60 per cent., respectively, of the assets as revenue, and 5 per cent. for maintenance of records in the mahals of which rents have been settled by him and in any other mahals (if there be any) as, to which he may be in a position to say what the effect of taking the percentages mentioned would be.

6. On receipt of the opinions of the local officers (who should be furnished with copies of the tabular statement called for in paragraph 5), and of the Director's scheme for the maintenance of the records, the Board will, it is hoped, be in a better position than they are at present to offer a final opinion on the period of the settlement and the percentages of the assets to be taken as revenue.

No. 9.

No. ⁴¹³⁶₄₀₋₁₀, dated Simla, the 3rd November 1896.

From—DENZIL IBBETSON, Esq., C.S.I., C.S., Offg. Secretary to the Government of India, Department of Revenue and Agriculture,

To—The Secretary to the Government of Bengal, Revenue Department.

I am directed to address you upon certain points connected with the enclosures to your letter No. 766-T.R., dated 15th September 1896, in which the settlement of rents and revenue in Orissa is discussed.

2. In your letter No. 400-T.R., dated 6th June 1896, addressed to the Secretary to the Board of Revenue, you convey the sanction of the Bengal Government to a deduction from the assets as estimated for the purpose of calculating the Government share, of 25 per cent., in the case of all *sir* land cultivated by the proprietors; the allowance being based upon the rule in force in the North-Western Provinces. I am, however, to point out that the rule in question [No. 18 (4) of the rules for the assessment of revenue in the North-Western Provinces] permits a deduction to be made upon *sir*, only "when the number of proprietors is great and their circumstances poor." The drawback is always proper in the case of self-cultivating proprietors, whom it is inadvisable to assess as fully as mere rent receivers; and it is often needed in the case of co-parcenary communities of small owners. But it is not ordinarily admissible in other cases.

3. The Government of India have, however, no objection to the reduction in the estimate of assets which would result from its application in Orissa. It appears that the assets as fixed at the present revision will in any case justify an enhancement larger than it will be possible to take; so that the proposed reduction will hardly affect the final demand, while it will enforce the principle that *sir* should be treated, gently in estimating its value for assessment purposes.

But the Government of India doubt whether it is wise to lay down any general rule or to prescribe any fixed amount of drawback to be followed in Orissa. Where such a rule has once been introduced and has become generally known, it is almost impossible to get rid of it. And it is doubtful whether, as the province develops, the conditions at future revisions of assessment in Orissa may not be such that a rule of the sort would be extremely inconvenient. They would, therefore, suggest for the consideration of His Honour the Lieutenant-Governor that it might be better simply to issue executive instructions to the Settlement Officers to value *sir* leniently in estimating its assets for the purpose of fixing the revenue demand, rather than to lay down a precise rule which may unduly hamper future assessment operations.

4. The draft rules appended to Mr. Lyon's Tour Diary, which was forwarded to the Bengal Government by the Board with their letter No. 402-A., dated 6th May 1896, have been accepted by His Honour as an experimental measure which, though no doubt rough, appears to be practical. The Government of India fully recognise the legal difficulties under which the Orissa Settlement Officers have laboured and are labouring—difficulties for which a legislative remedy is already under discussion. It is probably now too late to apply to the settlement of rents in Orissa any other than some such rough and ready method as is sketched out in the draft rules; and indeed it would appear from the figures given in paragraph 11 of your letter with which the papers under consideration were forwarded, that such a method will result in a substantial enhancement of the rents and in a large enhancement of the revenue of the province. They recognize that the degree of enhancement which it is advisable to impose in both cases can best be judged of by the Local Government, and they are anxious that the remarks which follow should not be understood as in any way pressing or inviting the Lieutenant-Governor to raise either rents or revenue to a point higher than he may think advisable, or as expressing any doubt as to the suitability of the method which he has sanctioned experimentally or as to the adequacy of the enhancement which will be obtained by it.

5. But the important question of the term for which the new settlement is to run in Orissa, which is to be settled in consultation with the Bengal Government, and upon which the Lieutenant-Governor will report separately, is intimately connected with the percentage of the revised assets which it will be found advisable to demand as land-revenue at the assessment now in progress. And this percentage again depends very largely upon the actual amount by which it may be found possible or desirable to raise these assets by additions to the present rental. The whole question assumes special importance in view of the great and rapid change in the agricultural and economic conditions of Orissa which may be expected to take place as soon as the completion of the East Coast Railway places what has hitherto been an isolated and backward province in easy communication with the rest of India. And they are anxious that its consideration should be based upon principles, the soundness of which is not open to question.

6. In paragraph 17 of his Diary already referred to, Mr. Lyon lays down certain principles as governing the action to be taken and the decision to be arrived at in these matters, and some of those principles appear to the Governor-General in Council to be of more than doubtful soundness. It is true that they have not been explicitly accepted by the Bengal Government. But they have been formally endorsed by the Board in paragraph 2 of their letter of 6th May 1896; and the Government, in their reply, while giving certain instructions regarding the further treatment of the matter in issue, pass by the principles in question without comment.

7. The argument set forth by Mr. Lyon and accepted by the Board may be summarised thus—

- (1) The amount by which we shall be able to enhance the present demand must necessarily be limited.
- (2) So limited, indeed, that it could fairly be taken upon existing assets.
- (3) To increase those assets, therefore, will simply result in—
 - (a) Making a present of the increase to the landlord; and
 - (b) Reducing still further the share of the total assets which we shall claim as revenue, thus establishing a dangerous and inconvenient precedent.
- (4) Moreover, to unduly raise the present assets will increase the difficulty of taking a fair enhancement at next settlement.
- (5) Therefore, the less we enhance existing rentals, the better.

8. In this argument, the consideration seems to be overlooked that, whenever the demand which we find ourselves able to take is limited, not by the proportion which it bears to assets, but by the amount of enhancement upon the current demand and the consequent diminution of the landlords' present incomes which it involves, in all such cases any actual addition which can fairly be made to the rental may be transferred almost in its integrity to the Government side of the account, since to do so will involve no further reduction in the net assets which we leave in the hands of the landlord. Thus, under such circumstances, the more we enhance the rents, not only the larger will be the total revenue which we shall be able to demand, but also the higher will be the percentage of the total assets which our demand will represent. If, for instance, a landlord's present assets are Rs. 1,000, upon which he pays only Rs. 300 at revenue, we may, if we leave his assets unaltered, feel ourselves unable to raise the revenue higher than Rs. 500, or 50 per cent. of the assets, because even this degree of enhancement will reduce his net income from Rs. 700 to Rs. 500. But if we can, by enhancing the rents, raise his rent roll to Rs. 1,400, a demand of even Rs. 900, or 64 per cent. of the assets, will still leave him the Rs. 500 below which we do not think it expedient to reduce his income.

9. Of course this is an exaggerated illustration, and it would be impossible in practice to add the whole of the Rs. 400 of new rental to our demand. But the Governor-General in Council thinks that the principle which it illustrates is sound. And, if so, it apparently follows that the conclusions summarised under head (3) in paragraph 7 of this letter are unsound. It appears to His Excellency in Council that whenever our just demand is limited by considerations of enhancement, the percentage of the revised assets which Government may fairly take from any landlord depends largely upon the proportion of those assets which has been added to them at revision, and that it is impossible to fix the former figure until the latter is ascertained. And the very fact that existing assets are so high that we shall not be able to take our full percentage of them, because to do so would involve too large and sudden a reduction in the landlord's income, makes it all the more important to raise those assets by all legitimate methods, and thus to secure to Government not only an amount of revenue, but also a proportion of the assets, which shall more nearly approach the full legitimate share than would otherwise be possible.

10. The Governor-General in Council is not sure that he correctly appreciates the argument summarised under head (4) in paragraph 7 of this letter. The enhancement referred to may be either of rents or of revenue or of both. But in any case the argument appears to be of questionable validity. It appears to His Excellency in Council that the higher we raise either rents or revenue on the present occasion, the less are we likely to be hampered at the next settlement by the difficulty of excessive enhancement which now oppresses us. That difficulty is mainly due to the fact that all revenue demands and all protected rents have remained unaltered for 60 years; and it has arisen under conditions of progress which has been slower than in perhaps any other part of India. These conditions are about to be changed; the assessment now to be fixed must in any case be a moderate one since it succeeds to one which is altogether inadequate; and it is to be feared that it in its turn will again unduly limit the just demands of Government when it next comes under revision. The proper remedy appears to be, not to enhance either rents or revenue above what is fair and reasonable, but to bring them again under revision after not too long a period by fixing a moderate term for the present settlement. But in deciding what is fair and reasonable, it is important that the facts should be regarded in their true aspect.

11. I am again to repeat that the Government of India have no desire to press for any higher enhancement, either of rents or revenue, than the Bengal Government thinks proper, or to take exception to a method which meets the urgency of the case and which seems to secure a substantial enhancement. Their object in communicating the above remarks simply to secure that the very important question under discussion shall be decided upon sound

principles and not in the light of consideration which appear to them to be based upon misapprehension.

12. Finally, I am to say that the question of the term of settlement and of the proportion of the assets to be taken by Government are so closely interdependent, that the Government of India would be glad if no orders were issued regarding the latter point until the former has been settled in consultation with them. I am to ask therefore that the report on the subject which Bengal Government has been asked for may deal fully with both questions ; and that it may state the amount by which the assets will be increased by enhancement of rents with as much accuracy as may be possible at the time.

No. 10.

NOTES OF A CONFERENCE HELD AT LAL BAGH, CUTTACK, ON 25TH AND 26TH JANUARY, 1897.

PRESENT :

HIS HONOUR THE LIEUTENANT-GOVERNOR OF BENGAL.
THE HON. MR. STEVENS, *Senior Member of the Board of Revenue.*
MR. COOK, *Commissioner of Orissa.*
MR. GROWES, *Collector of Cuttack.*
MR. DE, *Collector of Balasore.*
MR. MACPHERSON, *Director of Land Records and Agriculture.*
MR. MADDUX, *Settlement Officer of Orissa.*
MR. WEBSTER, *Assistant Settlement Officer of Cuttack.*
MR. MCPHERSON, *Assistant Settlement Officer of Puri.*

HIS HONOUR opened the Conference by briefly enumerating the subjects of discussion as follows :—

- I—Maintenance of Settlement Records.
- II—Percentage of Assets to be taken by Government.
- III—Period of settlement.
- IV—Owners' Rate on Irrigated Lands.
- V—The Assessment Rules.
- VI—The Chaukidari Question.

2. 1.—*Maintenance of Settlement Records*—His Honour referred to Government letter No. 707 of 15th September 1896, in which it is taken for granted that a system of maintenance of records by patwaris must be introduced into Orissa. His Honour observed that it must be understood at the outset that the cost of the patwari scheme will fall upon Government. It will necessary to secure a full share of the assets, such as will cover the cost of the scheme.

The objects of maintenance of records are stated in the Government letter above quoted to be threefold—(1) Facilitation of re-settlement ; (2) Protection of raiyats ; (3) Preparation of statistics. Mr. Lyon, Officiating Director of Land Records and Agriculture, in his letter No. 2764-S., of 24th November 1896, throws doubt on the possibility of securing the first object, and questions the wisdom of incurring expense if the work of re-settlement has to be done all the same in the end. Mr. W. C. Macpherson held a contrary opinion and pointed to the results obtained and to the views held in the Central Provinces and other parts of India. His Honour pointed out that Orissa differs from the Central Provinces because, in the latter, an agency already existed, whereas here it has to be created. The opinions of Officers acquainted with the circumstances of Orissa were quoted. Mr. Toynbee (see his note of 29th December 1896) is of opinion that the work would be worth the expense incurred, if it could be done thoroughly. Mr. Stevenson, in his note of 31st December 1896, has pronounced strongly against the Patwari scheme. In discussing the scheme, His Honour stated that the records would be of little use, unless changes in the rent-roll were shown, as well as changes in the Khasra and Map, and drew attention to the difficulty of getting information about changes in the rent-roll. There are two methods of getting over the difficulty ; (1) By calling upon the landlords to file papers—a procedure which has not hitherto been attended with much success in Orissa ; (2) by making the patwaris responsible, and giving them powers to obtain information by fresh legislation if necessary.

With reference to the question whether the results in the case of re-settlement make it worth while for Government to incur the cost, the Settlement Officer of Orissa admitted the assistance given by the sarbarakars of Khurda in the present re-settlement operations, but on the whole was inclined to think that the maintenance of records would not repay its cost, either in the way of facilitating the work of re-settlement, or of protecting raiyats.

The Director of Land Records and Agriculture gave it as his opinion that there was all the difference between maintained and non-maintained records. Maintenance of records means that at re-settlement there is at hand a permanent local staff of trained Patwaris to do the work of amins, and the introduction of strangers is avoided, the cost is considerably reduced, and the operations accelerated.

His Honour was inclined to agree with Mr. Macpherson that this was an important argument directly bearing upon the question.

In discussing the matter from the point of view of protection to the raiyat, the Director of Land Records and Agriculture drew attention to the rent receipt book system of the Central Provinces.

It was suggested that, to introduce this, would double the cost of the scheme, as the proposed patwari areas would have to be reduced by half.

His Honour pointed out that, in the Central Provinces, the average area is 10 square miles, and that Mr. Fuller suggested larger areas.

In discussing whether the Uriya raiyat is really oppressed, the question arose how for the existing pahi rents are competition rents. His Honour remarked that throughout there had been an assumption that such was the case, and was of opinion that if there was any doubt on this head, it must be taken into consideration in settling the questions of zamindars allowances and the period of settlement. A comparison of the incidence of thani and pahi rents, as settled up to date in the temporarily settled estates was made, and the following matters were noticed: Rents of 12,016, thani tenants holding 17,614 acres have been raised from Rs. 41,151 to Rs. 42,054 or by 2 per cent; the existing thani incidence is Rs. 2-5 an acre. Rents of 18,324 mixed thani and pahi tenancies, covering 76,229 acres, have been raised from Rs. 1,36,789 to Rs. 1,46,330 or by 7 per cent; the existing incidence in such mixed tenancies is Re. 1-13 an acre. Rents of 156,918 settled and occupancy pahi raiyats, holding 215,853 acres, have been raised from Rs. 4,49,458 to Rs. 4,77,695, or by 6 per cent; the existing incidence is Rs. 2-1 an acre. Rents of 4,665 non-occupancy tenants, holding 3,657 acres, have been raised from Rs. 6,760 to Rs. 7,615, or by 12 per cent; the existing incidence is Re. 1-14. It will be observed (1) that pahi rents have not yet reached the pitch of thani rents (2), that the increase of pahi rents, which has been entirely confined to "excess area," is lenient. It is believed by the Settlement staff that the thani tenants hold the best lands in the village.

Reverting after this digression to the question of maintenance of records, His Honour agreed with Mr. Toynbee that the Patwari system, if it is to be introduced at all, must be introduced in a complete form, and that the work of the Patwari should include a record of collection and rent demand. The rent receipt books of the Central Provinces were again discussed, the Director pointing out that their value lay in the fact that they were a continuous record of collection. Their adoption, it was pointed out, would not dispense with the necessity of having regular receipts granted by the landlord. The receipt books would only constitute a village record. The Hon'ble Mr. Stevens did not see the advantage to be secured by their introduction. The Commissioner and the Settlement Officer agreed that the innovation was not likely to be feasible.

His Honour then discussed the alternative of having jumma wasil baki papers prepared by the patwaries on information to be supplied by the Zamindars. From paragraph 4 of the Director of Land Records and Agriculture's No. 2775 of 12th October 1893, which was quoted, it appears that the upshot of the discussion, which took place on this subject in 1879, was that section 33, Regulation XII of 1817 only provided for exceptional and restricted submission of papers. The result was that Sir Ashley Eden withdrew the orders requiring their submission.

His Honour stated that the difficulty could be simply overcome by legislation, which would compel Zamindars to file such papers as should be prescribed by the Board of Revenue.

It was suggested by the Settlement Officer that it would be enough for the patwari to show the demand for the coming year and the collections of the previous year. This overcomes the objection of Mr. Stevenson, that the work of the patwari would always be one year in arrears. The question whether the papers should be filed after each kist was discussed, but was left to be settled by the Board. The general conclusion arrived at was that patwari must keep a record, not only of mutations of tenancy, but also of mutations and the collection of rents; and that he must be empowered under the law to obtain the necessary information from landlords and tenants.

The question of the size of the patwari circle was next discussed. It was agreed that the number of tenancies should be the main guiding consideration in fixing the size of the circle. At a preliminary conference held on the 24th instant it was suggested that the circle should be 8 square miles in extent, and should, on the average, include 10,000 plots and 2,500 tenancies. In making this estimate, no account was taken of the work of recording rent collections, and the Settlement Officer was inclined to cut down the area considerably, in view of the proposal to make this addition to the Patwaris' duties. But His Honour thought that the additional labour so entailed was not great. It was not a question of the compilation of fresh Returns by the Patwari, but merely of verification, in the presence of landlords and tenants, of papers prepared and filed by the former. His Honour was of opinion that the Patwaris might be tried with circles of 8 square miles. This is less than the areas suggested in Government letter No 767 of 15th September 1896, where 10 square miles for Cuttack, and 12 for Puri and Balasore, are mentioned with approval.

It was pointed out that in the Settlement Officer's Patwari Scheme, no provision had been made for chainmen. His Honour was inclined to think that no provision was necessary, as either the villagers or the chaukidars could be called in to assist. The patwaris have no

chainmen in the Central Provinces. After some discussion it was agreed that the patwari should be paid Rs. 8 at first, and should receive increments of Re. 1 for approved service up to a maximum of Rs. 12. It was also agreed that the post should not be pensionable. His Honour thought that, in the scheme admitted by the Settlement Officer, the Central Provinces' rules had been followed too closely, especially as regards the hereditary claim to succession.

The supervising agency was the next point taken up. The provisions of the proposed scheme were generally approved of, but, as suggested at the local Conference held on the 24th January 1897, and as recommended by the Board in paragraph 20 of letter No. 88-A., dated 19th January 1897, it was agreed that the Kanungos should be of three grades, paid Rs. 25, Rs. 30 and 35 respectively. The suggestion that the superior supervision staff should consist of 9 Gazetted officers instead of 8 (*viz.*, 4 in Cuttack, 3 in Balasore, and 2 in Puri) was also approved. Of the 9, His Honour thought that one at each of the three headquarters should have a general supervisory charge of the district, and might be called the Senior Land Record-keeper or Superintendent of Land Records. It was agreed that the posts of Kanungos, and of the superior supervising staff, should be pensionable. The utilisation of the existing Survey School at Cuttack, for maintaining a supply of competent patwaris and kanungos, was briefly referred to. The Collector of Cuttack enquired whether the present Chakla Kanungos were to be absorbed in the scheme, and, if so what provision should be made for carrying on the duties at present performed by them. It was pointed out that most of the Returns submitted by Chakla kanungos would, in future, be submitted by the Record kanungos; and with regard to other duties His Honour doubted if the circumstances of Orissa differed so much from other districts, as to render a special agency necessary.

Looking to the Patwari scheme as a whole, His Honour thought that it would be worth the expense, if it could be satisfactorily worked. The Hon'ble Mr. Stevens was inclined to doubt the success of the scheme. The Commissioner said he had no faith in the possibility of getting good work out of Uriya patwaris, and questioned the adequacy of the supervising agency. His Honour agreed with the Director that less supervision than is given in the present resettlement operations would be necessary for the maintenance of the new record, and thought that sufficient supervision was attainable.

In conclusion, it was ordered that amended proposals be submitted on the lines of the present discussion, with a fresh estimate of cost and suggestions on the subject of legislative changes.

3. II.—*Percentage of Assets to be taken by Government.*—His Honour first laid emphasis on the necessity of leaving the Settlement Officer a large discretion in the matter. The ruling percentage taken at last settlement was 65 per cent. This was taken on the assumption that no remissions were to be granted in exceptional years, and as a matter of fact, there have been no remissions since 1867. His Honour discussed whether it might not be feasible to impose a maximum revenue on tracts liable to special catastrophe, and to grant remissions in special years. This he observed was contrary to the principles of a permanent settlement, but was not inconsistent with the principles of a temporary settlement, and is a recognised principle of assessment in part of the Punjab. Turning to the general question, His Honour thought that three main considerations should be borne in mind: (1) that 35 per cent. was the normal percentage left to the zamindars at last settlement; (2) that the normal percentage of assets taken throughout India and approved by Government of India is 50 per cent. In the North-West Provinces there is an additional cess of 2½ per cent; (3) that having regard to the exceptional circumstances of the Central Provinces, the Government of India sanctioned a percentage varying from 50 to 65 per cent.

Bearing these facts in mind, His Honour was of opinion that in Orissa the zamindars should be left with not less than 40 per cent. of the assets, and that as no cesses were to be imposed on account of patwaris and chaukidars, the normal percentage to be taken by Government should be 55 per cent. Reference was made to the Table of Percentages given in paragraph 9 of the Director of Land Records and Agriculture's No. 68 T. S. of 28th October 1893, and to 12 reasons for difference of treatment enumerated there. These were noticed, and it was agreed that, in fixing the percentage to be taken, some of them should be considered. The settlement Officer generally agreed, and suggested that, where more than 45 per cent. was left to the zamindars, special report should be made to the Board. This suggestion was accepted by His Honour.

The Collector of Balasore was of opinion that 52 per cent. should be the normal percentage taken. The Collector of Cuttack, agreeing with His Honour, favoured 55 per cent. It was pointed out that in some estates the mufassal jama of the last settlement had not increased on account of the mismanagement of the proprietors and other causes. His Honour laid down the rule that no reduction should be made in the sadar jama of Land Settlement, unless there were exceptional reasons, *e.g.*, permanent deterioration of the soil throughout the estate on account of sand deposit. It is to meet such cases that large discretion must be left with the settlement Officer. All that is necessary at present is to fix a normal standard. The opinion of Sir Charles Elliott was quoted as favouring a State percentage of 65 per cent; but it was pointed out that his recommendation was 50 per cent. plus 15 per cent. on the sadar jama (equal to 7 per cent. on the mufassal jama) to meet Patwari and Chaukidari charges; the total would be therefore 57½ which does not differ very materially from that now suggested.

His Honour recommended that the Central Provinces forms for submission of assessment proposals should be examined and adopted, if found suitable to the circumstances of Orissa.

4. *III—Period of Settlement.*—His Honour advertg to the proposal to have a 30 years' settlement with a rasadi increase after 15 years, observed that it had still to be shown that 55 per cent. was too large a percentage to be taken at once. In the Central Provinces the settlement operations had, as a general rule, not seriously reduced the income of Zamindars, but that was owing to the contemporaneous enhancement of rents. In ordinary cases, re settlement must inevitably mean reduction of income, and proprietors have no just cause of complaint, unless the reduction be so heavy as to seriously embarrass them. His Honour declared himself in favour of a 20 years' settlement, followed by a proper revision of the record. A 30 years' settlement with rasadi jama is a measure only justifiable on account of the effects of resettlement on Zamindari income. It amounts merely to a postponement of a portion of this present Government demand, and Government gets no benefit from any increase in estate assets during the currency of the settlement. In favouring a 20 years' settlement, His Honour looked to the probable effect of railway development, and to the fact that, at the present settlement, rents are in many cases not being touched and, save as regards privileged tenures, any changes made are really slight; 20 years is the normal period in the Central Provinces. Sir Charles Elliott was in favour of a 30 years' settlement. Sir Antony MacDonnell advocated 15 years. His Honour thought that 15 years was too short a term, as it left no margin of time during which rents might be raised by the action of the landlord. His Honour noticed that the Government of India's conception of a rasadi jama differed from that suggested for Orissa. In the former case it partakes of the nature of an annual increment, whereas, in the latter, it is the imposition of a higher percentage after a fixed number of years. In Burmah the system differs from both of these. An acre rate is fixed for the first period, and an enhanced rate for second; e.g., Rs. 3 per acre for the first 10 years, and Rs. 4-8 for the second ten-years.

Government letter No. 4136 of 3rd November 1896, was considered, and a discussion followed on the principle which has been suggested that "where a reasonable expectation of a certain term had been created, that term should be adhered to, except under special circumstances." His Honour thought that if some expectations of a 30 years' settlement had been formed in Orissa, it could nevertheless be shown that, under all the circumstances, such expectations are not reasonable. His Honour was of opinion that where individual cases invited special consideration, a true rasadi settlement, with an annual increment, might be granted; but, as a general rule, what was to be taken should be taken at once.

The Collector of Cuttack pointed out that there could be little or no increase for two or three years after the first fifteen years of settlement; and that, if a new settlement were to be made after 20 years, the zamindars would delay enhancement till settlement operations were completed. The Hon'ble Mr. Stevens, in the face of what had been said, was not inclined to lay stress on his previous advocacy of a 30 years' settlement; he remarked that his chief reason for preferring the longer term was the desire to save the people the worry of re-settlement. His Honour pointed out the importance attached by the Government of India to the development of the country by railway communication, and said that this was a principal factor to be taken in to account in settling the term of settlement. This consideration and the admission that the existing rents could not be altogether described as competition rents, were facts that influenced him in pronouncing for the shorter term of settlement.

5. *IV—Owners' Rate on Irrigated Land.*—His Honour pointed out that Government of India's letter No. 343 of 29th January 1895, had called for further statistics, and that these had not yet been furnished. The Officiating Director of Land Records and agriculture, in his No. 453 T.S., of 28th October 1896, had recommended that the matter be postponed till 1898. Inasmuch as in the temporarily-settled estates Government can now take a full share of the assets, increased, as they may have been increased by the addition of the water advantages, the question is mainly of importance as regards permanently-settled estates. The Commissioner observed that irrigation probably affected more the regularity of collection than the amount of rent. The question chiefly concerns the Cuttack district, which alone contains any permanently-settled area, situated within the irrigated tracts.

His Honour trusted that Settlement Officers were collecting the information necessary for the final settlement of the question.

6. *V.—Assessment Rules.*—His Honour, reverting to Government of India letter No. 4136 of 3rd November 1896, observed that its criticism of assessment operations in Orissa was based on a misconception as to the principles which formed the basis of Messrs. Lyon's and Maddox's proposals. The theory on which the rules were based was that rents were already sufficiently high. It was a mistake to assume that in framing the rules regard was paid only to the possibilities of revenue enhancement.

The amended rules forwarded with the Board's letter No. 651, dated 7th October 1896, were then considered.

Paragraphs 7, 8 and 11. *Thani and Pahi Rates.*—The Director having pointed out that as the rules stand, regard is paid only to the general average of thani and pahi rents in a village, that no alterations of pahi rents are being made except on the ground of excess area that no enhancement of thani rents is made in individual cases which show considerable variations from the average thani rate, and that no account is taken of the capabilities of the soil.

His Honour enquired whether, as a matter of fact, the thani rates, differ much *inter se*. The Director replied that in some village where the figures had been examined, he had found the incidence of existing rent so low as Rs. 2 an acre in some thani tenancies, and so high as Rs. 3-8 an acre in others but that, so far as his information went, the variations on the whole were not great. His Honour read some extracts from the Draft Land Settlement Bill and pointed out in what respect it differed from the existing law, as contained in the Bengal Tenancy Act, especially as regards the definition of prevailing rate.

It is quite in accordance with the principles of the Draft Bill to level up the rents of thani raiyats, who, without special cause, pay rents lower than the thani average and lower than, under all the circumstances, could fairly be demanded. The Settlement Officer pointed out that at the last settlement, the rents were fixed on the basis of a soil classification, and it had been presumed that the classification continued to be more or less representative of existing facts. His Honour was disposed, generally, to accept this, but nevertheless doubted if it was right to leave all thani rents unenhanced.

Reference was made to the tabular settlement of enhancements prepared by the Settlement Officer. This does not show how much of the enhancement is due to excess area, and how much to other causes; but His Honour thought, that though, taken as a whole, the enhancement was fairly large, owing to the inclusion of privileged tenures the percentage of enhancement in the case of thani and pahi holdings was extremely small.

The Settlement Officer suggested, that if the Zamindars were consulted, they would state that they were unable to collect more than they do at present, and pointed to the fact that in only one estate had any complaint been made as to the leniency of the enhancement rules. The Commissioner thought it was a mistake to assume that Orissa Zamindars are, as a rule, hard upon their raiyats and could not understand how the impression had arisen. The Settlement Officer thought that the present rents are, on the whole, high enough. The Collector of Balasore agreed.

In conclusion His Honour, the Hon'ble Mr. Stevens concurring, thought that rules 8 and 11 were somewhat hard and fast and require to be made more elastic. It was left to the Director, in consultation with the Settlement Officer to settle what amendments should be made in them and in the rules generally, and to send them up for sanction through the Senior Member of the Board.

7. VI—*The Chaukidar Question*.—His Honour stated that in draft Resolution of January 1897, all principles had been settled; and it now remained only to consider the working details set forth in paragraph 10 of the draft Resolution*. It was explained that in

*Paragraph 10 of the Draft Resolution runs as follows:—

10. The following orders are accordingly now passed:—

(1) The Act will be introduced throughout Orissa as soon as possible after the completion of the present settlement, the Chaukidari jagirs being in the meantime resumed and settled as ordinary raiyati-holdings at "thani" rates with the chaukidar holders, who would be released from all obligation to serve as chaukidars but would be eligible for appointment as such by the Magistrate.

(2) The rents of the holdings, to the extent and limit of as many jagirs (if sufficient lands exist) as there are chaukidars in each village which may be formed under section 4 of the Act as amended by section 5 of Act I. (B. C.) of 1892, will be an asset of the Chaukidari Fund of that village. The area assigned to such chaukidars will consist of about four acres. All lands not so reserved for the benefit of the Fund will be merged in the estate and settled as other lands with the zamindars.

(3) The holders of the land reserved might be required to pay the rent direct to the punchayats, or if they continue chaukidars, the rent might be treated as an instalment of their pay; but His Honour thinks that it would be much more convenient to settle the lands with the zamindars, and give them 15 per cent. of the rents for the collection expense, agreements being taken from them to pay the net rent to the Magistrate of the district, or to any person indicated by him in the punchayat. Arrears would be realisable by certificate. If the lands are settled with the holders direct, leases should be given recognizing them as occupancy raiyats and requiring payment of the rent to the punchayat. Such leases should be given to chaukidar holders also, in order that, in case of transfer by succession, sale or otherwise, the subsequent holders may be bound by the condition of payment to the punchayat. The Board of Revenue should consider and settle, how the rents of the reserved lands should appear in the accounts. A record of the lands should be prepared and maintained.

(4) Jagirs in the permanently-settled estates will be treated under Part II of the Act.

(5) Mr. Dutt considers that the present number of chaukidars (8,729) is excessive, and would reduce it to 6,500. The Lieutenant-Governor agrees that a considerable reduction may be made without loss of efficiency, and it will be for the District Magistrates to settle to what extent the reduction should be carried, with the view especially of securing that adequate pay shall be given to each chaukidar, without imposing an excessive burden on the villagers. The Lieutenant-Governor is disposed to think that the rate of pay should not ordinarily exceed Rs. 4 per mensem.

(6) In the backward tracts in which it may be decided not to introduce the Act, the chaukidars will be under the direct supervision of the police. They will be given settlement of the jagir lands, where such exist, and will in addition, continue to receive the customary dues from the raiyats, for the realisation of which they should be given such assistance as may be necessary and practicable. Regulation XX of 1817 will continue to apply to these chaukidars, until it becomes possible to work Act VI (B. C.) of 1870.

(7) The Magistrate should be permitted to take advantage of the presence of the Settlement Officer to prepare, as soon as may be, his schedule of villages, settle the number of chaukidars required, and work out all details. Enquiries should be made as regards men suitable and available to act as members of punchayats, and early report should be submitted whether there are, in fact, any tracts in which it is absolutely impossible to work the Act, or find even a single man to act as the punchayat, the provisions of section 62 of the Act being borne in mind.

paragraph 10 (1) by the words 'at thani rates' it was meant that jagirdars should be treated as thani raiyats. The proposals contained in paragraph 10 (2) and (3) were explained and discussed at some length. There are, at present, roughly 8,000 chaukidars in Orissa, and the total amount of jagir land held by them is 22,000 acres. At a valuation of Rs. 2-8 an acre, and after deduction of 15 per cent. for collection charges, the annual rental, resulting from resumption, is Rs. 46,750. It is estimated that by redistribution and re-arrangement, the number of chaukidars may be reduced to 6,500, and their pay at Rs. 4 per mensem would amount to an annual charge of Rs. 3,12,000. The provision of this sum, if Act VI (B. C.) of 1870 be introduced, will fall on the village communities. After some discussion His Honour was inclined to cut out clauses (2) and (3) from paragraph 10 of the draft Resolution, and to grant to the village panchayats, either a contribution of Rs. 5 a head for each chaukidar, or nothing at all. The difficulty providing for sirdar chaukidars, who are most useful in efficient working of a body of village chaukidars, came up; and it was suggested that the annual Rs. 46,750, accruing to Government from the resumption of Jagirs, should be devoted to the payment of sirdar chaukidars. This would be 650 in number, and the cost of their pay, at Rs. 6 per mensem, would be an annual sum of Rs. 46,800. This method of payment would have the additional advantage of facilitating their organisation as a subsidiary arm of the police service.

His Honour viewed the suggestion with favour.

Paragraph 10 (5) is a point for the District Magistrate to settle.

With regard to paragraph 10 (7), His Honour recommended that preparation be at once set on foot.

With reference to Paiks, Khandaits, &c., His Honour observed that, from paragraph 11 of the Draft Resolution should be cut out the sentence—"The jagirs of the former are protected" to "do not appear to be so protected." It must be taken for granted that such jagirs are not liable to resumption, and they must either be assessed by consent, or not at all.

THE PROCEEDINGS HERE TERMINATED FOR THE DAY.

THE CONFERENCE WAS CONTINUED ON THE 26th.

8. His Honour read over the rules which he proposes to substitute for paragraph 10 (2) and (3) of the draft resolution of January 1897 on the subject of chaukidars. He also read to the meeting a summary of the results of yesterday's Conference. It was suggested that the amount got from the resumption of paik and khandait jagirs, as well as the amount got from the resumption of chaukidar jagirs, may be taken into consideration in connection with the question whether Government should find the pay of sardar chaukidars. The Commissioner stated that the number of paiks is very large in Balasore. The suggestion commended itself to His Honour. The Settlement Officer submitted a report on the Khurda paiks, prepared by Mr. Taylor, Assistant Settlement Officer. It was read over by His Honour, and to the draft Resolution was added the words "The case of Khurda should be specially reported on."

9. Returning to the question of the owners' rate on irrigated land, His Honour asked whether the enquiries indicated in Government letter of 29th January 1895 were being made. The Settlement Officer explained that enquiries were made in Balasore, but that the subject had received insufficient attention in Cuttack. His Honour said that a full report would eventually be required and that more attention must be given to the correspondence on the subject.

10. The Assessment Rules again came up for discussion. His Honour accepted amendments proposed by the Hon'ble Mr. Stevens and the Director in the rules for pahi and thani enhancements and for the record of acceptances. His Honour drew attention to paragraph 18 of the rules on the subject of *nij-jote* and *nij-chas*. The references to the north-Western Provinces concession were cut out, and the rule amended so as to read "The Assistant Settlement Officer will make the normal valuation at the village rate, and will forward for the approval of the settlement Officer any recommendation of concession which he proposes to make."

Paragraph 19 (d) "Special Crops" was considered.

His Honour on the analogy of what was done in the case of valuable fruit orchards in Burma, suggested that where a special crop is grown and it is believed to be due to superior qualities in the soil, the land should be assessed at the highest rate paid by arable land in the village.

This rule would apply to the assessment for revenue only. So far as the landlord and tenant are concerned, a record of the existing rent must be made, unless it be ruled that the additional rent paid, when special crops are grown, is an *abwab*.

His Honour thought that in Khurda, when the assessment of last settlement was based on a minute classification of soil, the existing rents for special crops should, as a general rule, be left untouched. The rayiat will be protected for the present against the burden of the recorded existing rent, by an entry in the khatian to the effect that he will only be liable to pay it so long as the crop is grown.

The Settlement Officer stated that, in some estates, there would be a considerable reduction of revenue, if the rents of special crops be excluded from revenue assessment.

His Honour thought that a special report on the subject would be necessary. Extracts from various letters were read, and the opinions of several officers and authorities on the legality and expediency of imposing special rents on special crops were considered. His Honour sympathized with the view that the imposition of special rents is an inequitable burden on special crop cultivation, wherever it is of the nature of a tax on improvements. His Honour stated, however, that he would not pass final orders on the subject till legal opinion had been taken, and till an estimate of the amount involved had been furnished, together with the opinion of the Board.

11. The Settlement Officer enquired whether orders had yet been passed on the amount of enhancement to be taken in Khurda. The question is whether annas 2 or annas 3 per rupee should be taken. The work of re-settlement is being pushed on rapidly; the new records are being prepared and acceptances freely received on the basis of an annas 3 enhancement. His Honour was not prepared to decide the question at present, as it had not yet come before him for consideration and final orders.

12. In conclusion it was ordered that the Director should submit the Proceedings of the Conference, together with the Report required on Government of India letter No. 4136, dated 3rd November, 1896, and any other Reports still due.

No. 11

No.238-T—R., dated Darjeeling, the 12th May 1897.

From—M. FINUCANE Esq, Secretary to the Government of Bengal,

To—The Secretary to the Government of India, Revenue and Agricultural Department.

I am directed to acknowledge the receipt of your letter No. 4136—40-10, dated 3rd November 1896, regarding the settlement of rents and revenue in Orissa, and in reply to submit, for the consideration and orders of the Government of India, the following report on the questions which are now pending in connection with that settlement, including the points which are specially mentioned in your letter.

I.—The rules for the settlement of rents in Orissa.

2. With their letter No. 402-A., dated 6th May 1896 (a copy of which was submitted to the Government of India with my letter No. 766-T.—R., dated 15th September 1896), the Board of Revenue forwarded a set of draft rules for the guidance of Assistant Settlement Officers in settling rents in Orissa, based mainly on the suggestions made by the then Director of Land Records, Mr. Finucane, in his note, dated 14th December 1893 (a copy of which is enclosed), commenting on a report by Mr. R Nathan, Assistant Settlement Officer, Orissa, relating to an experimental settlement of rents in pargana Kotdesh in Puri. This Note (with much of which Sir Charles Elliott agreed) formed the basis of the work of the Settlement Officer, Mr. S. L. Maddox, in Balasore, and was followed to a great extent in the draft rules submitted by the Board. Those rules represented the views of Mr. Maddox, Mr. P. C. Lyon, Officiating Director of Land Records, and Mr. Stevens, the Senior Member of the Board; and the main principles on which they were drawn up were summarised in paragraph 11 of my letter No. 766T—R., dated 15th September 1896, as follows:—

- (a) that in the case of the *pahi* raiyats of Orissa (whose rents the zamindars were empowered to enhance and did enhance during the past 60 years), the existing rents should be taken as fair rents, unless application be made by the zamindar for enhancement, or by the raiyats for reduction;
- (b) that in the case of *thani* raiyats whose rents have not been altered during the term of the settlement now about to expire, rents should be proposed to them, which would be somewhat lower than the competition rents paid by *pahi* raiyats; that the rents so proposed, if accepted by the raiyats, should be recorded as the fair rents with the consent of the raiyats and landlords; and if the rents proposed be not accepted, then that fair rents should be settled in accordance with the provisions of Chapter X of the Tenancy Act following the Civil Procedure Code and Tenancy Act Rules, enhancements being mainly based on the great rise in prices that has taken place since the existing rents were fixed 60 years ago;
- (c) that in the case of *baziaftidars* and similar privileged tenants, rents should be proposed in a similar manner which would be somewhat lower than those fixed for non-privileged tenants, and, if accepted, that they should be recorded as fair. If the proposed rents were not accepted, rents were to be settled strictly in accordance with the procedure laid down in Chapter X of the Tenancy Act and the Government rules made under it.

In my letter No. 400T.—R., dated 6th June 1896, addressed to the Board (a copy of which was submitted to the Government of India with my letter of 15th September 1896), the Lieutenant-Governor expressed his approval of the principles of the scheme proposed as being a rough but practical method of procedure. The Government of India in their letter under acknowledgment, while not doubting the suitability of the method of the settlement of rents sketched out in the draft rules referred to made certain comments upon them. In the meantime, the rules were revised by Mr. Maddox in the light of later experience gained in their working, the reasons for the changes made being explained in his note, dated 5th August 1896, a copy of which was annexed to the Board's letter No. 951A., dated 7th October 1896, and they were further revised by the Officiating Director of Land Records after a conference held in the office of the Board of Revenue between Mr. Stevens, Mr. Toynbee, Mr. Slack, and Mr. Lyon. A copy of the Board's letter, dated 7th October 1896, with enclosure, is submitted. The Lieutenant-Governor, after discussing the rules appended to that letter with Mr. Lyon and Mr. Maddox, made some slight modifications in them, which were communicated to the Director of Land Records and the Settlement Officer.

In January 1897, Sir Alexander Mackenzie, accompanied by Mr. Stevens, the Senior member of the Board, and the Director of Land Records, Mr. Macpherson, visited Orissa, and held a Conference with the local officers at Cuttack on the several questions pending with regard to the Orissa Settlement, including the draft rules. A copy of the Notes of the Conference Proceedings of 25th and 26 January 1897 is annexed. A copy is also enclosed of a letter No. 584S., dated 27th February 1897, from the Director of Land Records, in which that officer submitted a report on your letter, dated 3rd November 1896, together with a copy of the rules for the settlement of rents, as revised with reference to the orders given and decisions come to at the Cuttack Conference.

The question of the settlement of rents in Orissa was further discussed at a Conference held at Belvedere on 13th March 1897, at which His Honour the Lieutenant-Governor, the Hon'ble Mr. Stevens, Mr. Finucane and Mr. Macpherson were present, and I am now to submit, for the sanction of the Government of India, a copy (marked X) of the rules as approved at that Conference. These are the rules under which the settlement of rents in Orissa is being made, and so far they have worked without any friction or difficulty. From the time when Mr. Maddox undertook the settlement of rents in Orissa in November 1895 under these rules to the end of January 1897 rents were settled for 510,604 tenancies, out of a total estimated number of 16 lakhs in the Province excluding Khurda, and existing rents were raised from Rs. 10,69,658 to Rs. 12,66,462, or by about 18½ per cent.

3. It will be seen that the rule as to *nij-jote* and *nij-chas*, which was prescribed last year for the guidance of the settlement staff in Orissa, has been amended with reference to the Government of India's remarks in paragraphs 2 and 3 of your letter, dated 3rd November 1896, and paragraph 10 of the Notes of the Cuttack Conference, and the amended rule on the subject is the Rule 14 in the copy of the rules marked X. With regard to the remarks made in paragraphs 6 to 11 of your letter, on the general principles on which rents and revenue should be settled in Orissa, I am to solicit a reference to paragraphs 6 and 10 of the Notes of the Cuttack Conference, and to paragraph 3 of Mr. Macpherson's letter No. 584S., dated 27th February 1897. The Lieutenant-Governor thinks that the criticism of assessment operations in Orissa expressed in your letter is based on a misconception or the principles which formed the basis of the proposals put forward by Messrs. Maddox and Lyon. The theory on which the Rules were based was that the rents of *pahi* (i.e., ordinary occupancy and non-occupancy) raiyats whose rents the proprietors could and did enhance during the period of the current settlement, were as a rule already sufficiently high, and in the opinion of His Honour it would be a mistake to assume that in framing the Rules regard was had only to the possibility of revenue enhancement. Sir Alexander Mackenzie thinks that the new rules 6 and 7 provide a proper procedure for the enhancement of *pahi* and *thani* rents to what is fair and reasonable. The draft Rules, marked X, now submitted may have to be modified as the work proceeds, but they are, in Sir Alexander Mackenzie's opinion, generally suitable and sufficient.

4. Before proceeding to discuss the term of the settlement, the Lieutenant-Governor desire to notice briefly the question of a permanent settlement for Orissa, which has been raised in the petition dated 26th February 1897, presented to this Government by the Orissa Landholders' Association, and letter No. 230, dated 22nd April 1897, from the British Indian Association, copies of which are enclosed. Note I at pages 680-81 of Field's 'Landholding and the relation of Landlord and Tenant, in various countries,' second edition, 1885, gives briefly the settlement history of Orissa; and pages 40 to 51 of Mr. Toynbee's 'Sketch of the History of Orissa' explain the circumstances which prevented the promise of a permanent settlement being fulfilled during the early years of the British administration. In a proclamation issued in September 1804 (i.e., soon after the British occupation of Orissa) it was declared that at the end of 1815 a permanent settlement would be made of "such lands as may be in a sufficiently improved state of cultivation to warrant the measure, on such terms as Government shall deem fair and equitable." This declaration was confirmed by clause 6, section 7 of Regulation IX of 1805, section 4 of Regulation XII of 1805, section 3 of Regulation X of 1812, and section

6 of Regulation III of 1815. The declaration contained in the preamble of Regulation VI of 1816 amounts to an indefinite postponement of the fulfilment of the pledge given in 1805, and nothing was said in the law subsequent to 1816 as to the permanent settlement of the Province. Since the acquisition of Orissa by the British in 1803, and prior to 1837, several short-term settlements were made without any survey and detailed enquiry. In 1837 it was assumed that no part of the Province was at that time ripe for a permanent settlement, and a temporary settlement was concluded for a term of 30 years. This settlement was preceded by a survey, and accompanied by a detailed enquiry into the validity of all lakhiraj tenancies. Shortly before the expiry of that settlement, the question of giving Orissa a permanent settlement was raised, in a letter dated 23rd April 1866, from the British India Association, in which they urged the claims of the zamindars to such a settlement, based chiefly on the Despatch of the Secretary of State, No. 11, dated

*Copy received with the Home Department's letter No. 4206, dated 16th August 1866.

9th July 1862. In paragraphs 41 to 74 of that Despatch,* which related to the sale of waste lands and the redemption of the existing land revenue, Sir Charles Wood discussed the question of a permanent settlement throughout India, and came to the conclusion that such a settlement should be conceded in districts or parts of district (1) "in which no considerable increase is to be expected in the land revenue, and (2) where its equitable apportionment has already been or may hereafter be ascertained." Sir Cecil Beadon, in his minute, dated 6th November 1866 (a copy of which was submitted to the Government of India in the Home Department, with this Government's letter No. 2832 of the same date), indicating the principles on which he desired that the temporarily-settled estates of Orissa should be dealt with on the expiry of the settlement of 1837-67, observed, with regard to the question of a permanent settlement for that Province, that even in 1804 the Government did not contemplate this concession generally, for it was then proclaimed that such a settlement would be concluded only for lands that might be "in a sufficiently improved state of cultivation to warrant the measure." The same view prevailed in 1812 and 1816, when it was enacted in Regulation VI of 1816 that it was the duty of the Board to ascertain and report what estates were in this condition, and that only on such estates would a settlement be made with the zamindars. Sir Cecil Beadon referred to the Despatch of the Secretary of State, No. 11, dated 24th March 1865, in which Sir Charles Wood declined to sanction any settlement in perpetuity which was based, not on the existing assets of the estates to which it is to be applied, but on a prospective estimate of their future capabilities, and directed that no estate should be permanently settled in which the actual cultivation amounted to less than 80 per cent. of the cultivable or malguzari area. Sir Cecil Beadon said that although that Despatch related particularly to the North-West Provinces, it was equally applicable in all essential points to Orissa. Apart from the temporary effects of the drought and flood with which Orissa had then been recently visited, Sir Cecil Beadon considered a permanent settlement at the time inexpedient on the grounds that in all the districts of Orissa agriculture was backward, population scanty, and rent not fully developed, and that there was a prospect of a material advance in rents in the near future. He came to the conclusion that the settlement of the Province generally should be made on the basis of the former enquiry, with certain modifications, for another period of 30 years, but that any zamindars who might be in a position to show that their estates were ready for a permanent settlement should be allowed to avail themselves of the repeated promises of Government; and in paragraph 6 of this Government's letter No. 1581, dated 16th April 1867, he added that such a provision would tend to facilitate and pave the way for a general permanent settlement hereafter.

In a Despatch No. 15, dated 23rd March 1867, on the subject of the permanent settlement of estates affected or liable to be hereafter affected by cannal irrigation, Sir Stafford Northcote desired that the following rules should be observed before estates in the North-West Provinces or elsewhere are admitted to permanent settlement :—

- (1) The rule laid down in Sir Charles Wood's Despatch of 24th March 1865, that four-fifths of the culturable area should be under cultivation before granting a permanent settlement, was reiterated.
- (2) No permanent settlement should be concluded for any estate to which canal irrigation was, in the opinion of the Governor-General in Council, likely to be extended within the next 20 years, and the existing assets of which would thereby be increased in the proportion of 20 per cent.

Instructions were issued in the Home Department's letter No. 830, dated 31st May 1867, to the address of the Government of the North-West Provinces, as to how effect should be given to the last rule.

With regard to Sir Cecil Beadon's views as to the permanent settlement of individual estates in Orissa which have been referred to above, the Government of India in paragraphs 9 and 10 of the Home Department's letter No. 1239, dated 11th June 1867, observed "The recent instructions received from the Secretary of State, in respect to the permanent settlement of estates likely to be affected by canal irrigation, render it, in the opinion of the Governor-General in Council, inexpedient, with reference to the present condition and prospects of irrigation in Orissa, to extend a permanent settlement to any individual zamindars. It is probable that under these instructions but very few estates indeed in

Orissa would be found entitled to a permanent settlement, and to grant such engagements in isolated cases might induce inequalities and difficulties at the close of the new settlement, which would seriously embarrass the action of Government in then dealing with other estates." In his Despatch No. 45, dated 23rd August 1867, Sir Stafford Northcote expressed his concurrence in these views.

The question of the permanent settlement for Orissa rested here till it was reopened in a petition dated 18th February 1892, presented to this Government by the Orissa Landholders' Association. With regard to this petition Mr. Tonybee, who was then Commissioner of Orissa, observed that if the claim to such a settlement be based solely on the extension of cultivation to the utmost possible limit independently of the exertions of the zamindars, there would be little left to say against it, but that other consideration told on the other side, viz., the improvement of Government communications, the large sums spent on embankments and on irrigation and navigation canals, the spread of education and commerce, and so on, of all of which he said the Orissa zamindars had hitherto reaped the benefit without any exertions or expenditure on their own part. The Board of Revenue remarked that if there was nothing else, the prospect of railway extension and general improvement of communications, which must obviously have a material effect on prices and money rents, would of itself be a sufficient reason for not at present entertaining any petition to make the land revenue permanent. During his visit to Orissa in February 1892, Sir Charles Elliott informed the petitioners that there was not the slightest chance of a permanent settlement being made. In their recent memorial, dated the 26th February 1897, the zamindars of Orissa have again asked for a permanent settlement, and failing that, for a settlement for a long term. It was, with copies of certain other papers relating of the Orissa settlement, laid before the Conference held at Belvedere on 13th March 1897, at which a term of 20 years for the new settlement was approved.

In pages 637 to 704 of Field's Landholding the history is traced of the question of a permanent settlement for the North-Western Provinces, the circumstances of which are similar to those of Orissa. They show how in regard to the North-Western Provinces the promise made by clause 4, section 29 of Regulation XXV of 1803, for a permanent settlement "for such lands as might be in a sufficiently improved state of cultivation to warrant the measure, on such terms as Government should deem fair and equitable," has not been fulfilled; and the Secretary of State, in his Despatch No. 20, dated 1st July 1871, approved the recommendation of the Government of India that, pending the further discussion of the subject, the orders contained in the Despatch of 23rd March 1867, referred to above, should be held in abeyance, and he directed that all proceedings towards the permanent settlement of any district be suspended until the results of the reconsideration of this question were laid before the Home Government. It is, the Lieutenant-Governor understands, now the settled policy of Her Majesty's Government not to extend the permanently settled area, and in that policy His Honour personally entirely concurs.

II. The period of settlement.

5. Sir Antony Macdonnel, when officiating as Lieutenant-Governor of Bengal in 1893, expressed the opinion that the term for which settlement is to be made could not be determined without knowing what degree of development the tract under settlement had reached, and the probability of its future development by roads and railways and similar considerations. He thought that if Orissa were connected by railway with Calcutta on one side and Bombay via Sambalpur on the other, a great era of prosperity lay before it, and that the prices of produce would rise attended with increase of rents. In these circumstances he recommended that the ensuing settlement of the Province should be for 15 years, and should be capable of revision when occupancy raiyat's rents now being settled might also be revised. The Government of India having called for report in their letter No. 203-505, dated 30th August 1894, *inter alia* on the general question of the term of settlements, and how far past practice had given rise to a reasonable expectation on the part the people that the term of future settlements would not be less than 30 years, the Board of Revenue, at the instance of this Government, reported fully their views on these questions in their letter No. 1231 A, dated 26th September 1894, a copy of which was submitted to the Government of India with Mr. Buckland's letter No. 756T.-R., dated 11th October 1894. The Board in view of the fact that the last settlement continued for 30 years, thought that the proprietors in Orissa expected that the new settlement would be made for 30 years. Sir Charles Elliott, whose views were expressed in this Government's letter of 11th October 1894, was also in favour of a 30 years' settlement. The final orders of the Government of India on the general question of the terms of settlements in future were conveyed in your letter No. 7-383-2, dated 16th December 1895. Their substance is that where a reasonable expectation of any particular term, whether 20 or 30 years, has been created in the minds of the people by past practice, that term should be adhered to, and that where a progressive assessment is made, it is to be based on existing as distinguished from prospective assets, and is only to be made wherever it seems inexpedient to impose at once the full enhancement which would result from even a moderate assessment upon the existing assets. The Secretary of State, in paragraph 7 of his Despatch No. 117, dated 24th October 1895, said that in the case of the progressive enhancements of revenue the increase beyond a certain percentage

should be spread over the first ten years ; but the Government of India, in paragraph 5 of your letter No. 27—383-2, dated 16th December 1895, remarked that in some provinces it is customary to spread the increase over 15 years, and when the term of settlement is 30 years this course may still be adopted. The Board were asked to submit a further report as to the term of settlements in Orissa and elsewhere in light of these orders ; they, in their letters Nos. 402A., and 408 A. both dated 6th May 1896 (copies of which were submitted to the Government of India with my letter No. 766T—R., dated 15th September 1896), reported their views on the question, so far as it related to Orissa. Mr. Stevens was of opinion that a settlement for 30 years, with an enhancement at the end of 15 would best meet the necessities of the case ; he thought that, though nothing has been done in the present proceedings which could be construed into a promise that there should now be a term of 30 years, yet such a term would be in accordance with the wishes and hopes of the people, and he was of opinion that the proprietors would not be able to bear the sudden enhancement of revenue that was likely to accrue from taking even a moderate proportion of the assets all at once. In this Government's letter No. 400T.—R., dated 6th June 1896, the Board were called upon to submit a further expression of their opinion after consulting the local officers and the Director of Land Records ; and although they have not yet done this, the Officiating Commissioner of Orissa, Mr. R. C. Dutt, forwarded to this Government direct a copy of his letter No. 201O.S., dated 15th December 1896, addressed to the Board of Revenue, with enclosures, reporting on the question Mr. Dutt was in favour of a 30 years' settlement. A copy of his letter, with enclosures, is annexed.

6. The question of the term of settlement was again fully discussed at the Cuttack Conference of January 1897, and I am to invite attention to paragraph 4 of the Notes of the Conference Proceedings. It was generally agreed at that Conference that the period of the settlement should be 20 years, which is the term Sir Alexander Mackenzie would adopt. As Mr. Stevens was present at the Conference held at Cuttack, and after hearing the discussion withdrew his previously expressed preference for a 30-years' term. His Honour does not consider a further report from the Board to be necessary. In favouring this term the Lieutenant-Governor looked to the probable effect of railway development and to the fact that, at the present settlement, rents are in many cases not being touched, and, save as regards privileged tenures, any changes made are really slight. With regard to the remark that where a reasonable expectation of a certain term had been created, that term should be adhered to, except under special circumstances, His Honour thinks that even if some expectations of a 30-years' settlement has been formed in Orissa, it can nevertheless be shown that, under all the circumstances, such expectations are not reasonable. Sir Alexander Mackenzie is further of opinion that, where individual cases invite special consideration a true *rasadi* settlement with an annual increment may be granted ; but as a general rule what is to be taken should, in His Honour's opinion, be taken at once. At the Conference held at Belvedere on the 13th March last, a term of 20 years for the new settlement was approved ; and I am now accordingly to request that the Government of India may be moved to sanction it.

III.—Percentage of the assets to be taken by Government as revenue.

7. In the memorial presented by the zamindars of Orissa in 1892, praying for a permanent settlement of that Province, they asked that the proportion of the assets to be taken as revenue should be 50 per cent., as in the North-Western Provinces. The Board and the local officers, in reporting on this memorial, said that the question of the percentage of the assets to be taken as revenue could not be decided until Government had before it statistics and information regarding the aggregate amount of the existing rentals, which statistics were to be collected during the settlement operations. Sir Charles Elliott did not think it necessary to delay the determination of the question till the facts relating to the probable amount of the assets to be ascertained during the course of the settlement were known. He was under the impression that 70 per cent. of the assets was fixed as Government revenue at last settlement, and he saw no reason why that percentage should, as a general rule, be lowered now. He, however, thought it necessary to learn (a) in how many cases, (b) in what classes of cases, and (c) for what reasons, the lower rates of 65 and 60 per cent. were fixed at the last settlement ; and he added that if they were so fixed on account of permanent characteristics of land, e.g., liability to inundations, &c., it would, probably be well to accept the same rates now ; but Sir Charles Elliott thought that if they were fixed on account of temporary characteristics, e.g., the poverty of the zamindar, the desire to deal gently with particular persons, etc., such reasons would not necessarily weigh with Government now. A report on the subject was furnished in paragraph 9 of the Director of Land Record's letter No. 68T.—S. dated 28th October 1893. Mr. Macpherson pointed out that the share of the assets commonly retained by Government at the last settlement was not 70 per cent., as supposed by Sir Charles Elliott, but 65 per cent. only. He referred to a remark made in the Minute of Mr. Commissioner Mills, dated 23rd January 1847, that "the zamindars' allowance to cover malikani, risks and expenses was first limited to 30 per cent., but under the orders of 5th May 1840, 35 per cent. was fixed as the minimum, with permission to increase it to 40 in cases where the particular circumstances of the estate justified the indulgence," and he submitted the following table as showing the

percentages taken by Government at the last settlement of all the temporarily-settled estates (as they then existed) in the three districts of Orissa :—

Percentage taken.				Puri.	Cuttack.	Balasore.	Total.
1				2	3	4	5
80 per cent	...	...	...	1	1	.....	2
75 "	...	...	...	.....	4	.....	4
70 "	...	...	...	47	328	181	556
67½ "	...	...	...	.....	5	.....	5
65 "	...	...	...	101	891½	621	1,613½
60 "	...	...	...	29	591½	371	991½
50 "	...	...	...	53	124	147	324
40 "	...	...	...	1	.....	.....	1
Total				.....	.....	.....	3,497

The grounds on which less than 65 per cent. of the assets was taken by Government in 1,316 estates were enumerated by Mr. Macpherson as follows :—

- (1) Liability of the estate to inundation.
- (2) Liability to drought.
- (3) The scattered nature of the villages of the mahals.
- (4) The fact of the lands of the mahal being chiefly composed of *tahsil alahidas*, i.e., blocks situated apart from the parent village to which they belong.
- (5) The bad quality of the lands.
- (6) The large number of co-sharers who held interests in the estate.
- (7) The large number of *chandna* and *pahi raiyats*.
- (8) Liability to damage by wild beasts.
- (9) Previous high assessment.
- (10) Liability to supply *rasad*.
- (11) Smallness of the estate.
- (12) The fact of the estate having before been held *lakhiraj*.

Mr. Macpherson recommended the following proposals of the settlement Officer :—

- (1) That 65 per cent. be considered the share of the assets ordinarily to be taken by Government.
- (2) That where the share taken at the last settlement was larger than 65 per cent., that larger share continue to be taken.
- (3) That where at the last settlement the share taken by Government was less than 65 per cent., that lesser share should continue to be taken unless it appears that the reason that led to the lower assessment have disappeared.
- (4) That the foregoing rules be applied in a liberal spirit.
- (5) That the assessment be divided between the zamindar and the various tenure-holders in the same proportion as before.

Mr. Macpherson also supported the Settlement Officer's proposal to allow an additional 5 per cent. of the assets to the permanent village tenure-holders, whose income may be seriously affected in the new settlement. He thought that any case in which an estate was assessed to a Government revenue exceeding 65 per cent. of assets or representing less than 65 per cent. of the assets should be specially considered by the Settlement Officer, and that such assessment should be specially reported for the approval of the Board.

The issue of final orders by Government on the subject was deferred till the facts were more fully ascertained. Some attempt was made to supply further information in the Board's letter No. 408-A., dated 6th May 1896, a copy of which was submitted to the Government of India with my letter No. 766-T.—R., dated the 15th September 1896; but the information available as to the effect on the revenue of taking any particular percentage was not sufficiently accurate to permit of any conclusion being come to. The Government called for a further report, which has not yet been received; but the subject was

discussed in Mr. R. C. Dutt's letter, dated 15th December 1896, referred to above, and its enclosures, and some statistics were furnished with the Board's letter No. 951-A., dated 7th October 1896.

8. The question was discussed at the Cuttack Conference, and I am to invite a reference to paragraph 3 of the Notes of the Conference Proceedings bearing on the subject. At that conference it was generally agreed that the normal percentage to be taken as revenue (inclusive of pay of patwaris, if established) should be 55 per cent. and that in no case should it be more than 60 per cent. It was thought that the Settlement Officer should be left a discretion to be exercised with reference to the considerations mentioned in the Director of Land Record's letter No. 68-T.S., dated 28th October 1893, and specified above in paragraph 7, as to what the precise percentages should be within those limits. It was agreed at the Conference that where more than 45 per cent. of the assets is left to the zamindars, or, in other words less than 55 per cent. is proposed to be taken as revenue, special reports should be submitted to the Board of Revenue, and their sanction obtained.

According to the latest estimates of the Settlement Officer, the existing assets of the temporarily-settled estates of Orissa amount to 33 lakhs of rupees including the valuation of *nij-jote* and *nij-chas* lands, which will be increased by the settlement to 39 lakhs. The Director (Mr. Macpherson) thinks that the existing assets amount to 36 lakhs, which he estimates will be increased by the settlement to 42 lakhs. Taking as revenue 55 per cent. of the amount of the assets, as estimated by the Director, the new revenue will amount to 23 lakhs against a present revenue of 13½ lakhs, the percentage of the increase thus being about 67. I am now to request that the proposals of the Cuttack Conference may be approved by the Government of India.

The Lieutenant-Governor has approved a proposal recently made by the Director of Land Records, and supported by Board, that Mr. Macpherson should be placed on special duty for two months after the rains break, that is, from about the middle of June 1897. to help Mr. Maddox in making mahalwar assessments of revenue in Orissa, so that the new assessments of revenue of as many mahals as possible may take effect from the date of expiration of the current settlement (i.e., September 1897), and I am to solicit the early orders of the Government of India on the proposed percentage of assets to be taken as revenue, so that the final assessments may be made without delay.

IV.—The maintenance of the settlement records in Orissa.

9. Sir Charles Elliott was of the opinion that in Orissa a patwari establishment ought to be created on the model of the North-Western Provinces, that a patwari cess should be imposed, and an annual revision of the settlement record and map carried out. With their letter No. 702-A., dated 4th August 1896, the Board submitted a scheme for the maintenance of the survey and settlement records in Orissa, drawn up Mr. Lyon, Officiating Director of Land Records; and the following indication of the Lieutenant-Governor's wishes was given in my letter to the Board No. 767-T—R., dated 15th September 1896, a copy of which, with a copy of the Board's letter of 4th August, is annexed. The Machinery provided by the Land Records Maintenance Act III (B. C.) of 1895 was regarded as inadequate, and it was laid down (1) that the records ought to be kept corrected, and (2) that this being so, a patwari system such as exists in other temporarily-settled Provinces of India should be introduced into Orissa. General approval was given to the scheme submitted by the Board, and it was desired that the details and the rules should be submitted. The Lieutenant-Governor was disposed to think with the Board and Mr. Lyon that the units for a patwari's circle shall be an average area of 10 square miles in Cuttack and 12 in Puri and Balasore. It was pointed out that other temporarily-settled Provinces a record is kept of alterations in rentals and of realisations of rent, as well as "Pargana Registers" showing the facts of rural economy, and it was desired that, if Board did not propose to keep such a record in Orissa, they should show cause why that Province should be treated differently from others. It was remarked that if a record of realisations of rent was to be kept, this must apparently be done either (1) by calling on the landlords to file *jamabandis* and *jamawasilbakis* to be verified in presence of the *rai-yats*, or (2) by leaving the patwaris to obtain the necessary information, as best they could. The latter course, it was pointed out, would require legislation, and was so far open to possible difficulties. His Honour was of opinion that patwaris need not concern themselves with giving receipts for rent or with keeping accounts as between landlord and tenant. Their work would thus be lighter as compared with the work of patwaris in other provinces where those functions have to be performed. The general conclusion arrived at was that the rules and circulars in force in the Central Provinces should be followed so far as they might be applicable, crop inspections and the collection of agricultural statistics being reduced to a minimum, and the work being further diminished by the adoption of the "charsala khasra" system described in the Central Provinces' Rule LIXA. It was definitely laid down that the agency must be that of Government servants only, and that patwari jagirs must therefore be resumed and assessed.

With reference to these orders the Board submitted, with their letter No. 88.A., dated 19th January 1897. (a copy of which, with enclosures, is annexed), a scheme prepared by Mr. Maddox, Settlement Officer of Orissa, for a system of maintenance of record based on

the discussions which preceded the passing of Act III B. C., of 1895, the Central Provinces' Patwari Rules, and the rules in force in Angul and Banki. The objects of the maintenance of records are stated in my letter of 15th September 1896, above quoted, to be threefold (1) facilitation of resettlement; (2) protection of raiyats; (3) preparation of agricultural statistics. Mr. Lyon, Officiating Director of Land Records, in his letter No. 2764S., dated 24th November 1896 (copy enclosed in the Board's letter of 19th January 1897), threw doubt on the possibility of securing the first object, and questioned whether the very heavy expenditure to be incurred in keeping up the records would be attended by such corresponding advantages as to justify it. The Board consulted Mr. Macpherson, who expressed the opinion that "it is right that rent-rolls should be continuously maintained in village offices as an education to the people and as a protection of the weak against the strong." The Board also forwarded the Notes, dated 29th and 31st December 1896 (copies enclosed in the Board's letter), containing the views held respectively by Mr. G. Toynbee and Mr. G. Stevenson, two officers who have an intimate acquaintance with the circumstances of Orissa. Mr. Toynbee is of opinion that the work would be worth the expense incurred if it could be done thoroughly. Mr. Stevenson has pronounced strongly against the patwari scheme. Mr. Stevens, Senior Member of the Board of Revenue, is inclined to question whether the results as regards either the maintenance of the record or the general assistance in the executive administration, will be sufficiently valuable to justify the very heavy additional expenditure. To have short periods of settlement, and to correct the records on the expiry of each of these periods, would certainly be simpler and less harassing to the people, and it was not, in his opinion, probable that the changes in the meanwhile would be so great as to make it difficult to trace them.

10. The question was fully considered at the Cuttack Conference, and I am to invite a reference to paragraph 2 of the Notes of the Conference Proceedings, which deals with the subject. Sir Alexander Mackenzie is disposed to think that the advantages of keeping the records corrected from year to year will more than counterbalance the expense; and the general conclusion come to at the Cuttack Conference was that the patwari must keep a record not only of mutations of tenancy, but also of mutations and the collection of rents, and that he must be empowered under the law to obtain the necessary information from landlords and tenants, zamindars being required by legislation to file such papers as may be prescribed by the Board. As to the size of the patwari circle, it was agreed that the number of tenancies should be the main guiding consideration in fixing it, and His Honour suggested that the patwaris might be tried with circles of eight square miles. It was agreed at the Cuttack conference that the patwari should be paid Rs. 8 at first, and should receive increments of Re. 1 for approved service up to a maximum of Rs. 12; that the post should not be pensionable; that the kanungos should be of three grades, paid Rs. 25, Rs. 30 and Rs. 35, respectively; that the superior supervising staff should consist of gazetted officers; that the posts of kanungos and of the superior supervising staff should be pensionable. At that conference it was ordered that amended proposals be submitted by the Board on the above lines with a fresh estimate of cost and suggestions on the subject of legislative changes.

11. The Board accordingly forwarded a letter No. 582-S., dated 27th February 1897, from the Director of Land Records (copy of which, with enclosures, is annexed), submitting an amended estimate of cost and amended rules for organization and working of a Land Records establishment in the temporarily-settled estates of Orissa in place of the scheme submitted by Mr. Maddox, and forwarded with the Board's letter No. 88-A., dated 19th January 1897. As to the legislation required for the maintenance of the records, Mr. Macpherson thinks it necessary to repeal so far as the temporarily-settled estates of Orissa and of pargana Pataspur in Midnapur are concerned, Regulations XII of 1817, relating to patwaris, and V of 1816, relating to kanungos, and to consolidate and re-enact so much of their provisions as may be found to be suitable to such a scheme as may be approved for maintenance of land records in these estates. With regard to the formation of circles for patwaris and charges for kanungos, their salaries, duties and powers, Mr. Macpherson is of opinion that legislation may follow the lines *mutatis mutandis* of sections 3, 4, 13, 20, 21, 28, 29, 30 and 31 of the Bill for maintenance of Land Records, which was approved at the Calcutta Conference of January 1894. He thinks that powers should be taken as in that Bill (1) to compel landlords and tenants to report to the patwari transfers and successions of their respective rights (sections 14 to 16 of the Bill), (2) to compel landlords to file periodically copies of rent-rolls and rent collection papers (section 19 of the Bill), and (3) to compel landlords to supply special information when duly called for by officers of the Land Records staff and establishment of the district. Mr. Macpherson estimated the annual cost of the scheme (without pension charges) at Rs. 1,65,840, in addition to an initial cost of Rs. 1,52,448 for equipment of the staff, copies of traces and records, buildings to be erected, and stationery and forms. At the rate of Rs. 1,65,840 a year, the total charges for keeping up the record for 20 years, will amount to about 33 lakhs of rupees. At the Conference held at B. Ivedere on the 10th March 1897, the principle of maintaining the records was approved but the estimate of cost prepared by Mr. Macpherson was considered high, and it was agreed that he should be asked to suggest how it might best be reduced. His revised proposals have now been received, and are herewith submitted for the consideration of the Government of India. Mr. Macpherson now says that a patwari

having an area of 3 square miles in his charge would have an impossible amount of work if he were required not only to keep up his maps and records, but also to arrange to be present at all rent collections or auditings, or to attest receipts for rent paid in several kists by about 2,500 tenancies which will be included in his charge, and is of opinion that the attempt to watch or verify collections is too big a business to be undertaken by Government. His final scheme therefore makes no provision for recording or attesting the annual collections of rent. The Lieutenant-Governor is not satisfied that it will be impossible for the patwaris to exercise some sort of check over rent collections. It ought to be practicable for even the establishment proposed by Mr. Macpherson to verify the *jamawasilbakis*, and certainly in any legislation that may be undertaken power should be taken to compel zamindars and raiyats to furnish information on the subject if required to do so. It would not be necessary or practicable for the patwari to be present at the payments of rent, but there ought to be no great difficulty in his attesting once after the expiration of each year in the presence of the raiyats and landlords for their agents, the accuracy of the statements, of collections filed by the landlords or the preceding year. The cost of the revised scheme is estimated at Rs. 1,20,000 per annum. The expense of maintaining the records for 20 years, even according to Mr. Macpherson's curtailed scheme, will amount to about 24 lakhs of rupees exclusive of interest on the outlay, for Rs. 504 per square mile. It is proposed to pay this amount from what would otherwise be taken as revenue. There can be no doubt that the records could be revised and brought up to date twenty years hence for a much smaller sum (as is now being done in Khurda at about 2 annas per acre). It is for the Government of India to decide whether the objects attained by keeping up the records in the way proposed are worth the outlay. Sir Alexander Mackenzie himself is of opinion that the considerations which have led to the maintenance of the records in other temporarily-settled parts of India apply to Orissa also, but in view of the doubts that exist on the subject among competent and experienced officers in Bengal, His Honour thinks it right to bring these doubts prominently to the notice of the Government of India.

V.—Owner's rate.

12. The Government of India, in their letter No. $\frac{342}{823}$, dated 29th January 1895, desired that the question of the imposition of an owner's rate on canal irrigated and irrigable lands in Orissa might be considered as soon as the progress of settlement operations rendered available the information necessary for its disposal. The Board have not yet been able to obtain the requisite information and in their memorandum No. 1133A., dated 1st December 1896, they have supported the proposal of the Officiating Director of Land Records, Mr. Lyon, to postpone the submission of his report on the subject until some time in 1898, when the bulk of the work of assessment will have been completed. At the Cuttack Conference it was remarked that, inasmuch as in the temporarily-settled estates Government can now take a full share of the assets, increased as they may have been increased by the addition of the water advantages, the question is mainly of importance as regards permanently-settled estates; that irrigation probably affected more the regularity of collection than the amount of rent; and that the question chiefly concerns the Cuttack district, which alone contains any permanently-settled area situated within the irrigated tracts. The Lieutenant-Governor trusts that the Government of India will agree to the postponement of the report called for on the subject till 1898. In the meantime the settlement staff in Orissa has been instructed to continue collecting the information necessary for the final settlement of the question.

13. To sum up, I am to solicit the early approval of the Government of India—

- (1) To the rules for settlement of rents in Orissa, marked X.
- (2) To the proposed term of settlement mentioned in paragraph 6.
- (3) To the proposed percentages of the assets to be taken as revenue, mentioned in paragraph 8.
- (4) To the revised scheme for the maintenance of the records mentioned in paragraph 11.

No. 12.

No. 2397—192-2, dated Simla, the 13th October 1897.

From—DENZIL IBBETSON, Esq., C. S. I., Secretary to the Government of India,

To—The Secretary to the Government of Bengal, Revenue Department.

I AM directed to reply to your letter No. 238-T.R., dated the 12 May 1897, in which you refer for the consideration and orders of the Government of India certain points connected with the settlement of rents and revenue in Orissa. It will be convenient to deal with each of these separately in order.

I.—Settlement of Rents.

2. The rules for the settlement of rents in Orissa, as finally fixed, are based upon the three principles set forth under heads (a), (b) and (c) in paragraph 2 of your letter under reply. These principles have already been virtually accepted by the Government.

of India. The fundamental proposition is that exting *pahi* rents are to be presumed to be fair rents, and are ordinarily to be enhanced only on account of excess area. The Government of India understand that even these rents are not strictly competition rents. Many of them have run for 60 years or more ; the province is backward one ; and the rents are still largely customary, the protected tenants whose rents were fixed 60 years ago, still paying more in some cases than the unprotected tenants whose rents it is proposed to accept as sufficient. There seems, moreover, to be little doubt that, as soon as Orissa is opened up by the completion of the railway, rents will rise and the landlords will receive a large increments to their incomes, of which Government can take no share. But existing assets have long ago been definitely accepted, at any rate in the case of unprotected rents, as the safest foundation of assessment; and though in Orissa Government would probably occupy, on historical grounds, a stronger position if it proposed to enhance unprotected rents than in almost any other part of India, yet it is certain that no such attempt could be made with success with the machinery now at the disposal of the Bengal Government, or without very greatly delaying proceedings that have already been unduly protracted. The reasons for accepting the existing *pahi* rents are given in paragraph 6 of Mr Finucane's note of 14th December 1893, and the Government of India agree that we must be content to leave these rents in the main as they are, with such levelling up as the new provision in draft rule 6 will permit of.

3. As regards the *thani* raiyats, the case is not so clear. The Government of India have always understood that it was one of the main objects of the present operations to raise these rents in a reasonable measure; yet it would appear from the figures given in Table V (a) attached to Mr. Maddox's "Note on the settlement of fair rents in Orissa", dated 24th January 1897, which forms an enclosure to your letter, that the rents of the 12,016 purely *thani* tenants which had been settled up to that date had been enhanced by only 2 per cent. His Honour the Lieutenant-Governor himself was impressed by this

Notes of Cuttack Conference, paragraph 6.

fact when he visited Orissa, and doubted whether it was right to leave all *thani* rents virtually without enhancement. In that doubt the Government of India entirely concur. It has been shown that the *thani* raiyats hold the best lands in the villages ; and these lands have been held at the same rent of sixty years, although prices have increased by 150 per cent. or more during that period ; while any argument against enhancing these protected rents would equally preclude enhancement of the revenue. It is true that Mr. Maddox's figures show the result of working under the old rules, and that under the new rules the Settlement Officer will have a free hand. But it is to be noticed that, on the total figures, the *thani* are already higher than the *pahi* rates per acre. Wherever this is the case there can be no general enhancement of the *thani* rents [rule 7-A (1)], for it would seem that excess area can hardly exist in the case of purely *thani* holdings ; while rule 7-A (5) will admit of enhancement, only in individual cases of flagrantly under rented lands. Thus the result will apparently be that the vast majority of the *thani* tenants will hold at unchanged rents for another term of years. The Government of India had understood, until the receipt of the letter under reply, that the rents of *thani* tenants were being enhanced by some 12 per cent. or more ; and had they been, in November last, in possession of all the information they now possess, they would probably have insisted on some small enhancement on these holdings, as an indication that the tenants had not the right of holding at a fixed rent in perpetuity. They feel, however, that to require revision of the *thani* rents at this stage would materially impede the progress of a settlement which it is very desirable to complete without delay. They also realise that, until the Bengal Tenancy Act is amended, the Settlement Officers in Orissa are virtually enhancing rents on sufferance, and must necessarily propose rates so moderate that the tenants will ordinarily accept them without dispute. I am, however, to express their regret that the Lieutenant-Governor's doubts were not followed up by action to mark the liability of these tenants to enhancement. I am at same time to convey their approval of the new rules, which they regard as a marked improvement upon the old ones which they had already accepted. But in doing so, I am to explain that they approve them, not as affording a wholly satisfactory solution of the problem, but simply as embodying what is probably the best that it is possible to effect under the legal and administrative difficulties by which the present settlement of rents in Orissa is hampered. The mere fact that the land held by the *thani* tenants is so much better than the *pahi* land, that the rents paid 60 years ago on the former are higher than the quasi-competitive rents paid to-day on the latter, shows conclusively how ineffective must be any rough-and-ready method of levelling up rents, such as is embodied in the new rules, which is based upon all-round rates. It is now, no doubt, too late for anything better : but the whole question should be carefully considered and an effective plan of operations elaborated, before the time for the next revision of assessment arrives.

II.—Permanent Settlement.

4. The second point for consideration is the question of a permanent settlement for Orissa. The matter is fully discussed in paragraph 4 of your letter, and may be put shortly thus. The settlement history of Orissa, up to the time when, in 1867, the first 30 years' settlement expired and instead of being revised was renewed for another 30 years on account of the famine, is practically the same as that of the North-Western Provinces,

where identically the same assurances were given, but where, however, there is now no question of a permanent settlement. These assurances are summarised in paragraph 2 of the Memorial of 26th February 1897 from the Landlords' Association of Orissa which forms one of the enclosures to your letter. As pointed out in the Regulation of 1803, the promise of a permanent settlement was conditional upon the sanction of the Court of Directors. This sanction they positively refused in their despatch of 9th May 1821. Consequently, the Regulation of 1822 contained no reference to a permanent settlement, but provided (section VII, First; Regulation VII, 1822) for a "renewed lease for such further term of years as the Governor-General in Council may direct." This Regulation, as modified by Regulation IX of 1833 is still the settlement law of Orissa. In the Directors' Despatch of 12th April 1837, the idea of a permanent settlement was to all appearances finally rejected and settlements for successive terms of 30 years were prescribed in its stead. It is from this year that the original 30-years' settlement of Orissa runs, and all hopes that had been previously held out were then and there definitely set aside.

5. The question was revived after the mutiny and the famine of 1860-61, when the 30-years' settlement of the North-Western Provinces began to fall in; and the policy of a permanent settlement was in 1862 even more positively affirmed than before. This however, was a new departure, and in no way a revival or recognition of the promises of the Government in India in the early years of the century.

The discussion was continued, with reference to the North-Western Provinces, up to 1871, when the question was temporarily laid on the shelf by the Secretary of State's Despatch No. 24 of the 20th July. Meanwhile it had been determined that Orissa, at any rate, was not ripe for permanent settlement, and the current settlement was continued for 30 years longer. The Secretary of State was next addressed on the subject in this Government's Despatch No. 17, dated 17th October 1882, paragraphs 18 and 19 of which describe the intermediate action which had been taken. His reply is contained in a Despatch, dated 22nd March 1883, in paragraph 9 of which he concurs with the Government of India that the policy of a permanent settlement laid down in 1862 "should now be formally abandoned." And that was the last of it. The Governor-General in Council has no difficulty in concurring with His Honour the Lieutenant-Governor that a permanent settlement in Orissa is out of the question, as it would be opposed to what is now the settled policy of Her Majesty's Government.

III.—The Term of Settlement.

6. The next question of importance for decision is the term for which the demand now to be assessed upon Orissa should be announced. And in deciding it, it is needful to remember that is not only the interests of the people of Orissa that are in question. All past financial history shows that the general financial problem of India has been and probably always will be, not how to dispose to the best advantage of the revenue received, but how to obtain the revenue that is necessary for absolutely unavoidable expenditure. The ancient and traditional source of revenue of India is the land, and experience shows that the result of foregoing any portion of the land-revenue which might fairly and reasonably accrue, is to compel Government to seek revenue from other sources which are not so consonant with the traditional customs of the country and which are attended by greater difficulties and open to stronger objection than are the assertion and maintenance of the right to a share in the assets of the land. If, therefore, a particular method of assessment of term of settlement results in the people of Orissa being assessed to land-revenue at a lower rate than those of other provinces, to adopt it may indeed be to act generously and liberally to them, but it will be to do so at the cost of the other provinces, from which it will be necessary in consequence to require a larger contribution to the general burden. In fairness to other provinces, therefore, it is unjust to be unduly liberal to Orissa; and any measures that result, now or in the future, in an assessment of one province at a lower rate than prevails, or is likely to prevail, in other provinces, should be regarded rather as an injustice to the rest of India than as a liberal treatment of the particular province in question. In the case of Orissa there are no political considerations to complicate the issue, which must be decided upon grounds of fairness to all concerned.

7. The orders of the Secretary of State on this subject, as summarised in paragraph 2 of my Circular No. 27, dated 16th December 1895, contained an important qualification which you omit in reproducing them in paragraph 5 of your letter. They are briefly to the effect that when a reasonable expectation of any term has been created in the minds of the people by past practice, that term should be adhered to unless certain exceptional circumstances exist of such a nature as to justify the disappointment of the expectation. In communicating these orders, the Secretary of State observed that the enclosures to the Despatch to which he was replying "showed that the people of the larger temporarily settled tracts in Bengal reasonably expect a 30 years' settlement." This remark was based upon Mr. Buckland's letter No. 756, dated 11th October 1894, and its enclosures. The Board were then of opinion that all the recent Bengal settlements having been for 10, 15 or 20 years, there was "little or no reason from recent practice why the people should expect that future settlements should be for 30 years." but that "there can be no doubt that, in view of the fact that the last settlement continued for 60 years, the proprietors in Orissa except that the new settlement will

be made for 30 years." Upon this Sir Charles Elliott pointed out that "the experience of Bengal does not afford much basis for drawing conclusions," but that the short settlements to which the Board referred had been in raiyatwari tracts, and that "he was persuaded that in Orissa there is a general expectation that settlement will be made for a 30-years' period, and there would be wide spread dissatisfaction if it were made for a shorter period." It will be noticed that no mention whatever was made of the approaching completion of railway communication between Orissa and the rest of India. The Government of Bengal was therefore invited again to consider the matter and you report the conclusion at which it has arrived in your letter now under reply. In his letter of 23rd July 1896 which forms one of your enclosures, the Collector of Puri writes: "I have made enquiries, and find that the majority of the people do expect a 30-years' term. Some indeed, arguing somewhat illogically from the case of Khurda, expect a 15-years' settlement; but these are in a minority. All of course wish for as long a term as possible" and in their two letters of 6th May 1896 the Board quote a remark that the people of Orissa "hope for a permanent settlement, look for a 30-years' settlement, and fear a 15-years' settlement," and suggest that the term should be 30-years, but that for the first 15-years 50 per cent. only of the assets should be taken, and for the last 15, 60 per cent. This suggestion, however, they withdrew at the Cuttack Conference; so that we have Sir A. P. MacDonnell, Sir Alexander Mackenzie and the Board of Revenue agreeing to a 15 or 20 years' term, and only Sir Charles Elliott (relying upon the Board's former opinion) opposed to it.

8. It would appear then that the only basis for an expectation of a 30-years' term in Orissa is the fact that the settlement now under revision was (following the example then set by the North-Western Provinces) for 30 years, and was continued for a similar term in consequence of famine, previous to which Orissa had been accustomed to shorter terms of settlement than almost any other part of India. On the other hand, recent Bengal settlements have been for short terms, although many of them succeeded long-term settlements. Khurda, a large Government estate situated in the Orissa district of Puri, and extending over 1,000 square miles, was settled at the same time with the rest of Orissa, for a term of 20 years, and as in the case of Orissa, the settlement was extended on its expiry for a similar term. When revised in 1877 the term was fixed for 15 years, and the conclusion not unnaturally drawn from this fact by some at least of the people has already been quoted. Thus the "expectation," even if "reasonable," is based upon the most slender foundation. On the other hand, the circumstances of the province are emphatically those which it is declared will justify the disappointment of even a reasonable expectation. As already pointed out, the province is a backward one in which even unprotected rents have in great measure stagnated, and are still below the full economic rents which the land could pay. These, however, it is proposed to leave virtually unaltered; while the low level at which they stand necessarily limits the level to which the protected rents can be raised, inasmuch that these latter, though they have stood unchanged for a period of 60 years, during which prices have risen by 150 per cent. according to Mr. Lyon and by 200 per cent. according to Mr. Finucane, are now being enhanced by only 2 per cent. Even Mr. Finucane, who argued strongly against enhancement, admitted in his note of 14th December 1893 that these rents "might legally be doubled or trebled." The moderation of this enhancement is also due in part to defects in the tenancy law, which render the Settlement Officers practically dependent upon the consent of the tenants whose rents they propose to raise. The privileged rents thus fixed cover a considerable proportion of the whole cultivated area; while under section 113 of the Tenancy Act; they will now be protected from further enhancement for a period of 15 years. The Settlement Officer, in his letter No. 152 of 5th August, 1896 which accompanies your letter, speaks of "the enormous enhancements (as shown in the tabular statement submitted with my No. 1538 of 4th instant) which Government is now entitled to take, but cannot do so on the ground of policy."

9. Under the orders of the Secretary of State no present inability "to impose the full amount of enhancement which might be justified, by the investigations and arithmetical deductions of the Settlement Officer" (in this case, the actual rents authoritatively fixed by him for each holding, added together, and divided between the landlord and Government in a proportion subject to a fixed maximum) will justify the shortening of a normal term of settlement, if one exists. But the East Coast Railway is now approaching completion, while connection by rail between Cuttack and Sambalpur will not be delayed many years longer. When these two projects are completed, this remote and land locked province will for the first time be placed in easy communication with the markets of India, and it is not unreasonable to expect that it will then take as great a leap forward into prosperity as was taken by Chattisgarh upon the completion of the Bengal-Nagpur line. Meanwhile, the examination of all and the enhancement of a large and important class of rents, which have formed part of the settlement operations, will have the usual result of stimulating the change from customary to competitive rates; so that in the immediate future a rapid rise may be expected not only in the unprotected rentals, but also in the prices which will, on the expiry of the period of protection, form the basis upon which the protected rents can be enhanced. The Government of Bengal is at present settling the rents which from the assessable assets at a level markedly below that at which they might fairly stand, even under existing circumstances; while it finds a difficulty in taking its full share of the assets thus limited, owing to the very inadequate nature of the expiring demand. Mr. Brajendra Nath De, Collector of Balasore, who is strongly opposed to a short-term settlement, writes:

"It is notorious that many zamindars have refused to allow raiyats to reclaim new land during the last few years, with the object of materially adding to their income by bringing all this land under cultivation just after the completion of the settlement;" and he points out that the local agricultural practice is "notoriously slovenly and careless" and will improve as the province awakens. Even those local officers who plead for a 30-years' settlement insist upon the advisability of raising the demand by some 20 per cent. 15 years hence, on the ground of the very large increase in the assets, that is certain to take place. But this would be assessing on prospective assets, which is strictly forbidden by the well-established policy of Government. It appears to the Government of India that if this increase of assets is allowed to continue for so long as 30 years without any share of the new income being claimed by the State it is certain that at the expiry of that term "it will (to use the words of the Secretary of State) be found impossible to secure to Government a reasonably full share of the assets as they may then be found to stand."

10. Nor is it Government interests alone that are involved. Fifteen years hence, when the protected rents again become liable to enhancement, the only grounds upon which, in the absence of a revision of settlement, the landlords can claim enhancement are (1) the prevailing rate and (2) a rise in prices. The first ground will be practically in operative as regard the *thani* tenants—a most important class—since the class cannot be added to, and therefore the rates paid by them cannot change materially. Thus the landlords will be able to raise rents which are at present low, and which will then be more than ever inadequate under the changed circumstances of the province, only on the ground of and in proportion to such rise of prices as may have taken place since the present settlement, and all the inequalities of the present settlement will be perpetuated; while even if the tenants pay enhanced rents by consent, the increase cannot be more than 12½ per cent., [Tenancy Act, section 29 (b)]. If, on the other hand, rents are resettled 20 years hence, the Settlement Officer, under the Tenancy Act amended as it is proposed to amend it, will no longer be dependent, as he is now, upon the assent of the tenants concerned, and it will be possible to make an equitable settlement of individual rents on general grounds, so that he will be able to restore to the landlords such portion as may seem proper of the defect by which the rents he is at present fixing fall short of what the tenants might fairly be made to pay. On all grounds, therefore, the Government of India are of opinion that it would be most unwise to fix the demand in Orissa for 30 years at the very moment when the province is being opened out by great expenditure from the public chest, and they entirely approve the proposal for a 20-years' term.

IV—The Patwari Cess.

11. Before proceeding to consider the share of the assets which should be taken by Government as land-revenue, it is necessary to decide whether the cost of the patwari establishment is to be defrayed from that share, or to be recovered from the people by a cess in addition to land-revenue. The Bengal Government propose that a normal percentage of 55 of the assets should be assessed as land-revenue, and that the patwaris should be paid therefrom, no extra cess being imposed on account of them. This proposal has the merit of simplicity, and of ensuring fixity of demand on account of land records expenditure for the term of settlement. The Government of India think, however, that it is open to objections which outweigh these advantages. As a matter of general policy, it is of the first importance to keep the land-revenue demand, which is a contribution to the Imperial revenues the amount of which is fixed for a term, distinct from levies to meet expenditure upon local needs, the amount of which may and must be varied from time to time according to requirements. Upon this distinction between general and local revenue and expenditure, is based the whole system of District and Local Boards throughout India. And above all other parts of India, it is of importance to maintain it in a permanently-settled province like Bengal, where upon it depends the liability of the land to bear its fair share of local burdens. It is true that the patwari establishment is or will be administered by Government and that its cost is to some extent a charge upon the land-revenue rather than upon the land; so that these considerations do not apply to it with the same force with which they apply to the Road and Public Works cesses of Bengal. But they are not the only considerations involved. In the first place Government is about to establish a standard of assessment (in the shape of a State share of the assets) which is to be justified by comparison with the standards prevailing in other provinces where the patwari cess is separate from the land-revenue assessment; and to include the former with the latter in Orissa will only obscure the comparison. In the second place, to include in land-revenue what is really a distinct charge, will unduly inflate in appearance the enhancement, already large, which Government is about to impose in its land-revenue demand. And this apparent inflation will be the more unreal, because the new cess will be in some measure perhaps considerable, not an increase of burden, but a mere readjustment, the income from the patwari's service grants will now be resumed, compensating the landlord for his direct payment in the form of cess. Thus, while the Government of India fully recognise the force of the considerations which led Sir Alexander Mackenzie to propose no separate cess for the payment of patwaris, and while they especially realise that to impose such a cess will require fiscal legislation, the necessity for which it is always well to avoid when possible, yet they are decidedly of opinion that the considerations on the other side of the question are still more weighty; and they think that the cost of the patwari and land records

establishment should be defrayed from the proceeds of a separate cess imposed for the purpose, the Government share of the assets being fixed solely with regard to considerations of land-revenue.

V.—The normal Government share of the assets.

12. In considering to what share of the assets Government is ordinarily entitled in Orissa, the Government of India think it important to keep two questions absolutely distinct from one another; *firstly*, what share of the assets is Government entitled to claim as land-revenue in Orissa? and, *secondly*, what enhancement upon the present demand can be fairly imposed in Orissa under existing circumstances?

Under the settlement law now in force in Orissa (Regulation VII of 1892, section VII second) Government is entitled to 83.3 per cent. of the assets. In 1833 Lord William Bentinck reduced this share by executive order to "70 to 75 per cent.," and in the North-Western Provinces a further reduction to 65.6 was made in 1844, or seven years after the Orissa settlement began. The figures for that settlement are given on page 7 of your letter

(Toynbee p. clxxi.)

under reply, and are explained in Mr. Mill's Settlement report. His first orders were to take 70 per cent., but in 1840 this was reduced to 65, "with permission to reduce to 60 in cases where the particular circumstances of the estate justified the indulgence," though he was not allowed to revise those assessments which he had already announced at 70 per cent.

13. It is now proposed to take 55 per cent. (including the pay of patwaris) as the normal share, to be raised to 60, or (subject to sanction) reduced below 55, under special circumstances. At the Cuttack Conference at which these proposals were formulated, "His Honour thought that three main considerations should be borne in mind: (1) that 35 per cent. was the normal percentage left to the zamindars at last settlement; (2) that the normal percentage of assets taken throughout India and approved by Government of India is 50 per cent. In the North-Western Provinces there is an additional cess of $2\frac{1}{2}$ per cent.; (3) that having regard to the exceptional circumstances of the Central Provinces, the Government of India sanctioned a percentage varying from 50 to 65 per cent." The Government of India understand that His Honour's idea was to take a somewhat larger share of the assets from the zamindars of Orissa than is taken in Northern India. But in applying these considerations, the question of cesses appears to have been virtually overlooked; and as the share proposed to be taken in Orissa includes the cost of the land-record establishment, his omission would appear to vitiate the comparison, and the following figures show that the proposal will not attain His Honour's object.

In Northern India the following shares of the assets are taken from the zamindars as normals, subject to enhancement or reduction in special cases:—

		Land revenue.	Cesses.	Total.
(a) In many villages the $2\frac{1}{2}$ per cent. for village headmen is not levied.	Noth-Western Provinces.	50	$10\frac{1}{2}$ (a)	$60\frac{1}{2}$
(b) Form 50 to 65, see next paragraph.	Punjab	50	12	62
	Central Provinces	55 (b)	9	64

of which cesses, $2\frac{1}{2}$ per cent. is for village headmen, about 3 per cent. for patwaris, and the rest for local purposes. In Bengal it is virtually proposed to take as the normal—

	Land revenue.	Cesses.	Total.
Bengal	50	8	58

of which cesses 5 per cent. is for patwaris, and 3 per cent. for local improvements. In all these cases village watchmen are paid for separately by residents not by landholders. In the North Western Provinces and Central Provinces the maximum share is fixed 5 per cent. higher than that shown above, and it is proposed to follow this rule in Orissa also. If, as is probably the case, the so-called jagirs of the Orissa patwaris are held free of rent as well as free of revenue, the landlords will recover a considerable proportion of the patwari cess by additions to their rent-roll consequent upon the resumption of these grants.

14. For reasons which have already been fully stated, the Government of India would prefer to consider the land-revenue demand quite apart from the levy on account of cesses. From this point of view they are inclined to think that there is no sufficient reason why the Orissa zamindars should be declared liable to pay a smaller share of the assets than the malguzars of the Central Provinces. Their origin is described at pages 565 to 571 of Volume I of Baden-Powell's "Land Systems," and it appears that in the temporarily-settled portions of Orissa, the original settlement was made for the most part, either with officials who had come in as middlemen or tax-collectors, or with the village headmen, the mass of the real proprietors being relegated to the position of protected tenants. This is in large measure the history of the Central Provinces malguzar, and it is on account of that history that he pays a larger share to Government than does the land owner of the North-Western Provinces and the Punjab. Add to this the fact (which Mr. Toynbee

states at page 53 of his "History of Orissa") that the severity of the summary assessments, and the manner in which the sale-law was worked, had, by 1819 A. D., ruined most (Mr. Ewer says two-thirds at least) of the old Uriya proprietors, and transferred their lands to rich absentee Bengalis and to the officials of the Courts; and there would seem to be still less reason why the share of the assets taken by Government should be materially smaller than that taken in the Central Provinces. In those provinces the ordinary limits are not less than 50 or more than 60 per cent.; but cause has to be shown if less than 60 is taken, while an existing demand that has been paid without difficulty is not to be reduced unless it exceeds 65 per cent. of the assets. The Government of India are inclined to think that in Orissa the normal Government share of the assets might be fixed at 50 to 60 per cent, as land-revenue proper, independently of all cesses. At the same time they are willing to accept Sir Alexander Mackenzie's judgment in the matter; and I am simply to place the foregoing considerations before him. If he is, upon a review of the whole facts, still of opinion that 50 to 55 per cent. is a fair and full share of the assets to take as land-revenue proper, they will not question his decision. I, am however, to ask that the point may be left for his consideration when he returns. It affects the whole future course of revenue assessment in Orissa; for it will never be possible to raise the share now fixed; and the Government of India are sure that His Honour the Officiating Lieutenant-Governor will agree with them that the matter is one which should be decided by the permanent head of the province. Meanwhile immediate orders can be passed as to the demand to be actually imposed on the present occasion, so that the delay will lead to no evil results. In deciding upon the share to be taken, it should be understood that suspensions, and if necessary remissions, will be given in the case of calamity, as in other temporarily-settled tracts.

VI.—The pitch of the present assessment.

15. I am now to turn to the entirely distinct question of the proportion of the assets to be taken at the present settlement. In paragraphs 5, 8 and 9 of my letter of 3rd November 1896 to your address, it was pointed out how largely this question depends upon the amount by which the landlords' rentals are raised; and in paragraph 12 the Bengal Government was asked to deal fully with both questions, and to "state the amount by which the assets will be increased by enhancement of rents with as much accuracy as may be possible at the time". In the last sentence of paragraph 2 of your present letter, you say that "up to the end of January 1897 rents had been settled for 510,604 tenancies out of a total estimated number of 6 lakhs in the province, excluding Khurda, and existing rents raised from Rs. 10,69,658 to Rs. 12,66,462, or by about 18½ per cent." Unfortunately the papers upon which this definite statement is based have not been discovered among the enclosures to your letter. On the 5th September 1896 Mr. Lyon reported that the enhancement of *thani* rents alone had averaged 12 per cent; on the 15th of the same month you informed the Government of India that the rents of 122,105 tenants had been raised from Rs. 3,21,020 to Rs. 3,76,906, or by 18 per cent; and in their estimates quoted by you in paragraph 8 of your letter under reply, the Settlement Officers and the Director respectively anticipate an enhancement of about 18½ and 16½ per cent., respectively. All these figures lie comparatively near to one another. On the other hand, in the last clause of paragraph 3 of his letter of 27th February 1897 to the Board of Revenue, the Director states that, from among "the five lakhs of tenants for whom rents had been settled in Orissa down to the end of January 1897 the rents of *thani* and *pahi* tenants taken together have been raised only by about 5 per cent.;" while Mr. Maddox's figures (to which I shall presently refer more particularly), which cover about a sixth of all the holdings of the province, shew an enhancement of only 2 per cent in the cases of pure *thani* holdings, and 6 per cent. in the case of *pahi* and *thani* tenants taken together.

16. A reference to the argument in my letter of November last above referred to will show, however, that the information with which the Government of India specially desired to be supplied before they were asked to consider what enhancement of the existing demand was justifiable, related not to the amount or the percentage by which the total assets will be enhanced, or to the percentages by which any specified rents or all rents will be raised but to the actual amount by which enhancement of rents will increase the income flowing into the pockets of the landlords so that it might be apparent what portion of any enhancement that might be imposed on the demand upon them would be met by corresponding enhancement of their rent-rolls, and what portion would remain to be met by them in the first instance from their present resources, and would therefore represent immediate reduction of net income. No attempt appears to have been made to supply this information, which is of the first importance in framing proposals for assessment. Among the accompaniments to your letter, however, is a "Note on progress in settlement of fair rents in Orissa," dated 24th January 1897, by Mr. Maddox, Settlement Officer of Orissa, to which is appended a table bearing the same date and signature, and headed "V (a)—Return showing the manner in which rents have been fixed for each class of tenant in Orissa (excluding Khurda)." The table gives what should be authoritative details for the settlement of close upon three lakhs of holdings. Unfortunately, perhaps on account of errors in the press, the figures are not such as can be used with confidence; it being impossible, for instance, to reconcile 7 out of the 8 totals with the details given. The figures are reproduced in a more convenient form in a table attached to this letter, and corrected totals of the details

as they stand have been added. Mr. Maddox shows the total enhancement as being from Rs. 7,52,763 of "existing rent" to Rs. 9,00,411 of "settled rent," or 19 per cent., which agrees well enough with the estimates already quoted. But his details as they stand amount to Rs. 6,85,800 and Rs. 9,02,104, respectively, so that his total for "existing rent" is some Rs. 67,300 in excess of his details. It is true that, in any comparison of present with future assets, the value of the proprietor's own cultivation and of the miscellaneous income (items 13 and 14) should appear on both sides of the account, since the landlord is already in enjoyment of these assets. But these two items amount to Rs. 88,000 so that their inclusion would make Mr. Maddox's total Rs. 21,000 too small. Taking the details as they stand, and adding both these items to the "settled rent," the enhancement becomes from Rs. 7,73,747 to Rs. 9,02,104 or something over 16 per cent. But of the Rs. 1,28,357 of enhancement thus shown, no less than Rs. 21,920, or over one-sixth of the whole is on account of land held on favourable terms (item 10), and will probably not come into the landlord's pockets, so that the real increase in their income will be Rs. 1,06,437 only.

17. Thus, in the absence of precise information on the subject, the only course left open to the Government of India is to discuss the proposals of the Bengal Government on the double supposition, firstly, that the estimates given in paragraph 8 of your letter stand upon a sufficiently wide and accurate basis to afford a safe foundation for assessment proposals, and secondly, that the whole of the enhancement in the total assets represents actual addition to the income of the landlords. As regards the former of these assumptions, the Government of India presume that the Bengal Government has satisfied itself on the point. The latter is, as shown above, almost certainly incorrect, and the error may be considerable.

The two estimates in question work out as follows:—

							Lakhs.
Assets of 1837	...	...	...	...	...	...	22-0
Demand of 1837	...	...	...	...	...	...	13-75
Net income	...	...	...	...	...	...	8-25
I.							
Present assets	...	...	...	...	...	...	33-0
" demand	...	...	...	...	...	...	13-75
" net income	...	...	...	...	...	...	19-25
Enhanced assets	...	...	...	...	...	...	33-0
" demand	...	...	...	...	...	...	21-45
Future net income	...	...	...	...	...	...	17-55
Reduction in net income	...	...	...	...	...	...	1-70
II.							
Present assets	...	...	...	...	...	...	36-0
" demand	...	...	...	...	...	...	13-75
" net income	...	...	...	...	...	...	22-25
Enhanced assets	...	...	...	...	...	...	42-0
" demand	...	...	...	...	...	...	23-1
Future net income	...	...	...	...	...	...	18-9
Reduction in net income	...	...	...	...	...	...	3-16

The present percentage of assets is taken at 55 per cent. in both cases, and the old percentage at 63. The enhancement of the demand is large, being 56 or 68 per cent.; but of the additional 8 or 9 lakhs to be taken, 6 are covered by enhancements of rent; while Government is at the same time doubling and quadrupling in favour of the landlords that rents of privileged tenants (rule 10). In either case the net income now to be left with the zamindars will considerably exceed double that which was left them at last settlement; while the reduction in their present income will be 8 per cent, according to the Settlement Officer, and 14 per cent. according to the Director. On the assumptions stated above the broad facts are that the income of the Orissa zamindars has increased during the past 60 years (taking the mean of the two estimates) by 150 per cent., the actual increase being 12½ lakhs, of which Government has hitherto taken nothing. It is now going to add 6 lakhs more to the rental; but to raise its demand by 8½ lakhs, thus leaving to the landlords 10 lakhs of the total increase.

This comparison is based upon the total demand including the patwari's cess. In your letter under consideration you nowhere say precisely how much of the share of the assets which it is proposed take may be considered to be on this account. The annual cost of the proposed establishment is estimated at Rs. 1,20,000 per annum, which falls on the estimated assets at about 3 per cent. But it appears from the previous discussions that 5 per cent. has generally been allowed as an addition on this account, and it will perhaps be convenient to deduct this percentage in regard of the fact that a separate patwari cess is to be levied. Thus modified, the proposals are that for the purposes of the present assessment, 50 per cent. of the assets shall be taken as the normal share, to be raised to 55, or (subject to sanction) reduced below 50 under special circumstances.

18. These proposals are, in the opinion of the Government of India, eminently moderate; and they sanction them as representing the general result of the assessment which they are prepared to accept. But there are indications in the voluminous papers that have from time to time come before them in connection with the Orissa settlement which incline them to think that it will not be superfluous for Bengal Government to warn its officers against too indiscriminate an application of an unvarying share of the assess to different estates, and to remind them that the circumstances of each individual case should be carefully taken into account. It must be remembered that if the suggestions of paragraph 14 above are accepted as regards the normal share of the assets, Government is relinquishing at the present settlement an anna-and-a-half in the rupee of what it is entitled to take, because of the largeness of the enhancement in the demand, and of the fact that it will reduce the zamindars' income; and it is bound to see that this concession is not given where it is not needed, and thus to leave a wider margin for relief in cases where it is called for. It would be useful to insist especially upon consideration being shown to those estates constantly mentioned in the papers, where the assets are insecure owing to liability to floods or other similar conditions; and to point out that in such cases the nominal rent, roll is often considerably higher than the actual collected rental on the average of a term of years, so that since it is the latter only of which Government claims a share, it is bound in assessing on the former, to allow for the difference between the two. So again, it will be necessary to consider the effect of the enhanced demand upon the zamindar; but in this matter regard is to be paid, not to the amount by which the demand is enhanced, but to the amount by which the net income is decreased after allowing for the enhancement of rents. And wherever it is proposed to reduce the Government demand below the normal share of the assets, only or mainly on this ground, it should be considered whether the relief or a portion of it should not be temporary, and limited to the first five or ten years of the term by the devise of a progressive assessment, as directed in paragraph 5 of this Department Circular of 16th December 1895. The mere fact that it is no longer proposed to impose a general progressive assessment over the whole area, is no reason why in individual cases the device should not be used to minimise the sacrifice which the extraordinary increase in the assets of the zamindars is about to impose upon Government.

19. I am then to suggest the following to the Bengal Government as the basis of assessment, subject to Sir Alexander Mackenzie's views on the point discussed in paragraph 14 above :—

- (1) In place of the 60 to 70 per cent. of last settlement, Government now fixes its normal share of the assets at from 55 to 60 per cent. as land-revenue proper, the cost of the land-record establishment being met by a separate cess as in other provinces.
- (2) On the occasion of the present settlement, in view of the special circumstances, it will ordinarily be content with from 50 to 55 per cent. Whenever it is proposed to take below 50 or above 55 per cent., the sanction of the Board must be obtained. Within these limits the Settlement Officer will use his discretion with reference to the circumstances of each case.
- (3) The Settlement Officer should not hesitate to propose a demand below 50 per cent. if he thinks it necessary in the case of insecure assets referred to in paragraph 18 above.
- (4) But he should not make such a proposal, merely on account of the reduction which would otherwise result in the zamindar's income, unless it is clear that a progressive assessment will not sufficiently meet the case.
- (5) In the cases (which will probably be few and exceptional) where neither of the special grounds for consideration referred to in clauses (3) and (4) above is found to exist, 55 per cent. should ordinarily be taken. And in the absence of and special ground for leniency, 60 per cent. may be proposed, since the reduction sanctioned in clause (2) is allowed on the understanding that such grounds exist. An existing demand that has been paid without difficulty should not be reduced unless it exceeds 65 per cent of the present assets.
- (6) The people should be clearly given to understand that Government claims as its share the portion of the assets laid down clause (1) above. The provisions of the subsequent clauses should not be made public; but it should be made known that on the present occasion Government will be content with somewhat less than its full share.
- (7) The total demand is not expected to fall below 50 per cent. of the total assets.

These proposals, so far as they relate to the present assessment, are in substantial conformity with the proposals of paragraph 8 of your letter. As the normal share set forth in clause (1) is to await Sir Alexander Mackenzie's decision, care should be taken to let the people know that the point is not yet decided, and that the shares taken in the assessments that are now announced are in no way binding upon Government for the future.

VII—Patwaris and the record-of-rights.

20. The Government of India accept without hesitation Sir Alexander Mackenzie's conclusion that the Orissa patwari establishment should be improved, and the record-of-rights maintained by its agency.

The present proposals appear to the Government of India to be suitable. In some respects the establishments are stronger than those of the Central Provinces, the North-Western Provinces and the Punjab. But considering the enormous number of fields and tenancies in proportion to area in Bengal, it is probable that the patwari and kanungo agency is not at all too strong. Nor is the superior supervising staff stronger than will be required, at any rate till the work is thoroughly in train. But its members will correspond with the Revenue Deputy Collectors and Tahsildars of Northern India; and, at any rate after the first few years, will be able to do very much more than merely superintend the maintenance of the record. They will probably then be invested with both executive and judicial powers on the revenue side, and will be the Collector's righthand men in the general administration of the district. They would, among other things, eventually relieve him of all mutation work, which would be effected in the villages and in the patwari's papers, as in other provinces where a record is maintained. At least half the cost of these men will then be more properly debitable to general administration than to land-records, and this will reduce the annual cost of the establishment. With regard to the proposed rules I am to suggest that the patwaris like the kanungos should be divided into grades for each district, the number in each grade being fixed and promotions to vacancies being made by selection. Under the proposed rule (No. 13) there will be no inducement to good work after eight years' service. Such legislative proposals as may be necessary will of course be referred in due course to the Government of India, who agree that power should be taken to compel landlords and tenants to furnish full information regarding mutations, rents, and other matters connected with the revenue administration. It might also be well to provide for a legal presumption of truth being attached to the record; so soon as the Local Government declares by notification that it is satisfied that the record is maintained with sufficient accuracy to justify this course. The Government of India also agree with the Lieutenant-Governor that attestation of rent collections should form part of the duties of the patwaris.

21. The incidence of the land-record cess will be for consideration. The present annual expenditure is estimated at Rs. 1,200,000, which interest at 4 per cent. on a lakh-and-a-half on initial expenditure will raise to Rs. 1,80,000; the 5 per cent. on assets referred to in paragraph 17 of this letter will apparently produce an annual income of something like two lakhs, and, taking the new assessment at 50 per cent. of the assets, will be represented by a cess of 10 per cent. on the revenue. In no other province does the maximum incidence of the cess exceed $7\frac{1}{2}$ per cent. At the same time, till the experiment has been tried, it would be unsafe to conclude that the establishment now proposed will prove sufficient; and there will probably be miscellaneous items of expenditure that will be fairly chargeable against the cess, but which have not been included in the estimate. It will appear from paragraph 13 above that the addition of even a 10 per cent. cess will if the normal share proposed in paragraph 14 be accepted only raise the total demand on account of land-revenue and cesses to 63 and 68 per cent. in all, as against 64 to 69 in the Central Provinces and 60 to 63 in the North-Western Provinces.

VIII—Owner's rates.

22. The Government of India consent to the postponement of the report; and indeed with a 20 years' settlement, and under the circumstances of irrigation in Orissa, the matter is of no great importance save in the permanently-settled estates; and in their case there is no urgency.

Rents settled in Orissa (excluding Khurda) up to some date previous to 24th January, 1897

Serial No.	Class of tenant.	Number of holdings.	Area in acres.	Existing rent.	Settled rent.		Enhancement.		Remarks.
					Amount.	Rs. per acre.	Amount.	Percentage.	
1	2	3	4	5	6	7	8	9	10
1	Tenureholders	5,868	11,871	Rs. 1,634	Rs. 16,732	1.41	Rs. 7,098	73	*196?
2	Nisaf Bazayafah	43,048	52,956	18,572	55,030	1.04	36,458		
3	Kamil Bazayafah	11,535	13,795	9,200	15,068	1.09	5,868		
4	Thani	12,016	17,614	41,151	42,055	2.39	904	2	
5	Thani-Pahi	18,324	76,229	1,36,789	1,46,330	1.92	9,541	7	
6	Settled and occupancy	1,56,918	2,15,853	4,49,458	4,77,695	2.21	28,237	6	
7	Non occupancy	4,665	3,657	6,760	7,615	2.08	855	11 2	
8	Building sites	12,426	2,586	12,104	12,153	4.77	249		
	Grand total of raiyats (Nos. 4 to 8)	2,04,349	3,16,916	6,49,805	6,86,941	2.17	37,136	6	
9	Tenancies not binding against Government (assessed to rent).	1,007	1,245	303	1,632	1.31	1,329	438	
10	Tenancies not binding against Government (assessed to revenue).	11,935	13,088	1,829	23,749	1.81	21,920	1,199	

Serial No.	Class of tenant.	Number of holdings.	Area in acres.	Existing rent.	Settled rent.		Enhancement.		Remarks.
					Amount.	Rs. per acre.	Amount.	Percentage.	
1	2	3	4	5	6	7	8	9	10
11	Sarkari jagir (probably Patwaris)	3,476	6,962	Rs. ...	Rs. 14,039	2.01	...	...	
12	Towfir	4,286	960	...	1,859	1.93	...	1	
13	Sir nij-jot and nij-chas	11,853	37,630	...	82,895	2.20	...	...	
14	Sairat	...	...	...	5,052	...	...	...	
Total (1 to 14)					9,00,411	2.01	1,47,648	19	
Total of Nos.	1 to 3	60,451	78,622	37,406	86,830	1.10	49,424	132	
Do.	4 to 8	204,349	315,939	6,46,262	6,86,048	2.17	39,786	6	
Do.	9 and 10	12,942	14,333	2,132	25,381	1.77	23,249	1,090	
Do.	11 to 14	19,615	45,552	...	1,03,845	2.28	...	...	
Do.	1 to 14	297,357	454,446	6,85,800	9,02,104	1.99	...	...	

No. 13.

No. 2776, dated Cuttack, the 31st December 1897.

From—S. L. MADDOX, ESQ., Settlement Officer, Orissa Division,

To—The Commissioner of the Orissa Division.

In accordance with the orders of the Director of the Department of Land Records and Agriculture, Bengal, in his No. 2645 S. of 15th November 1897, enclosing Government of India No. 2397—192-2 of 13th October 1897, and Government of Bengal No. 969-T.R. of 6th November 1897, I have the honour to submit to you the following report.

2. A complete revision and recalculation of returns of work has now been made. In the appendices to this letter I give figures showing particulars regarding rents, &c., for each class of tenancy for each district and for the province as follows :—

Statements (A, A₁, A₂, A₃, A₄). A and A₁, for the province and A₂, A₃, A₄, for each district—

- (a) From the beginning of the work till the end of September 1896.
- (b) From 1st October 1896 to 31st January 1897.
- (c) A total of (a) and (b).
- (d) From 1st February 1897 to the end of September 1897.
- (e) For 1896-97, i.e., total of (b) and (d).
- (f) For 1895, 1896, 1897, i.e., totals of (a) and (e).

Statement B gives comparative figures for incidences of *thani* and *pahi* rents.

Statements C (a), (b), (c), (d), (e) give figures showing increase of revenue and effect on proprietors' incomes in the estate dealt with by the Commissioner up to 1st November 1896-97. The estates are grouped according to the amount of the new revenue

3. I propose at the outset to give a brief outline of the different subjects dealt with in this report.

The six parts of the report treat of the following subjects :—

I. *Thani raiyats*—Government of India letter, paragraph 3.—*Thani* rents were generally fixed so high at the last settlement that even now they are higher than raiyats are paying for lands the rents of which have been fixed by competition. In order to prove this I shall have to set forth at some length the principles formulated for the settlement of the rents of *thani* raiyats at the last settlement, to consider the rents paid before that date, and to trace the history of prices through the period of the current settlement.

II. *Pahi raiyats*—Government of India letter paragraph 2.—In my opinion *pahi* rents are, so far as may be in Orissa competition rents, and they have not run unchanged for 60 years or more.

III. *Settlement of Rents*—Government of India letter, paragraphs 2, 3, 8, 9.—An enquiry is made into existing *thani* and *pahi* rents. By comparative figures it is shown that the rents of both classes as now settled are as high as they can afford to pay.

IV. Government of India letter, paragraph 2.—The probable effect of the introduction of a railway in Orissa is discussed.

V. *Explanations*.—Explanations are submitted on various points not explained in the previous parts.

VI. *The pitch of the assessment*—Government of India letter, paragraphs 15, 16, 17, 18, 19.—The effect of the assessment on the incomes of the zamindars is explained by an analysis of the fair rent settlement work.

VII. Government of India letter, paragraph 12. &c.—The normal Government share of the assets.

I—THANI RAIYATS.

4. Government of India letter, paragraph 3.—In this part I shall endeavour to show that the rents of *thani* lands were fixed too high at the last settlement, and shall first set forth the principles then laid down for the assessment of tenancies.

Mr. Commissioner Ricketts' No. 1435 of 23rd September 1836 gives the principles on which he desired that the settlement of rents should be conducted :—

"I desire that actual payments should be the basis of assessment in Cuttack, to be altered only when the rate paid by the individual raiyats may appear to be lower than is paid by others from favour, caprice or other unsuitable cause satisfactorily demonstrable."

In this letter he deprecates an attempt to make all lands of equal capabilities pay the same rent. He states that in every village *thani* raiyats are paying different rates for lands in every respect the same.

In maintaining rates, he says it is poverty as much as idleness we have to contend with—

"A man who has not bullocks of his own cannot pay as much for land as one who has. A man compelled to borrow his seed cannot afford to pay as much as he who has seed of his own. A man with four children under seven years old cannot pay as much as one with four between seven and twelve.....I would..... maintain the unequal assessment, unequal only, it is to be observed, with reference to the natural powers of the soil but equal and suitable with reference to all the countless agents in motion more or less directly or indirectly affecting the means by which these powers are to be developed, or the inequality would not have had existence."

In paragraph 30, however, he adds :—

"If it be proved that the old raiyats, the *kudimi* raiyats of Cuttack, can no longer pay the assessment imposed upon them, of course reduction must be resorted to. There is no help for it but that of which we relieve them must not be imposed on those reduce, to pauperism and already staggering under their load. Then utter ruin and disappointment in the settlement ensue, and I maintain the rates which have been paid for a course of years should not be reduced without undeniable evidence of the necessity, and then a return eventually to the old rates should, if possible, be provided for. I see no objection whatever to the issue of *pattas* to those who are ready to engage for the land they occupy at the full rate (by the full rate I mean the highest rate that such land for a series of years has paid).....

In paragraph 36 it is stated that the cultivators of *lakhiraj* lands pay less than cultivators of *khalisha* lands, much less, often 50 per cent. less, the natural powers of the land being the same. Mr. Ricketts explain this as follows :—

"Mr. Wilkinson also mentions the difficulty which will arise in classing *lakhiraj* lands, if productive powers of soil only are not to be assumed as the basis of settlement, and says if the present payment be taken as the basis of their assessment, the *jama* will be too low. Unwillingly he has produced a very strong argument in favour of my plans and against his. The assessment of the *lakhiraj* lands is too low, he says; too low with reference to what? Does not the *lakhirajdar* get all he can? To all intents and purposes the land of a *lakhirajdar* is his own property over which he has entire control; he can dispose of it as he pleases; it is not for an instant to be credited that he does not let it for all he can get. It is true that the cultivators of *lakhiraj* lands pay less than cultivators of *khalisha* lands, much less, often 50 per cent less, the natural powers of the land being the same; and why; Mr. Mills would tell us that the *zamindar* is so highly taxed, he cannot afford to let his land at a low rate, while the *lakhirajdar* paying no tax he can. But what is that to the cultivator? He is not obliged to cultivate the taxed land; the *zamindar* cannot prevent his giving up high rated *khalisha* land; and taking the low-rated *lakhiraj* land from the *lakhirajdar*, if he pleases."

Paragraph 42—Sir Thomas Munro is thus quoted :—

"If two adjoining fields of the same quality in respect of soil are held, the one by a poor and the other by a substantial raiyat, you will not enter them in the same class, but you will place the field of the poor raiyat in such lower one as its unimproved estate may render necessary."

In paragraphs 52 and 53 the dangers of a settlement based on classification of lands are set forth, and in paragraph 54 the principles upon which the settlement should be made are recapitulated—

"I propose to continue classification, capabilities of the land to be taken into consideration in forming the assessment, but actual payments and the conditions of the raiyats to be considered also; no raiyat paying more than the classification would subject him to, to be entitled to a decrease without undeniable evidence of his *jama* having been enhanced by unfair and unsuitable means, and in the same manner no raiyat's *jama* to be increased without his light assessment shall be clearly proved to have been the effect of favour or some cause equally unsuitable. On no account, as a rule, is the sum reduced on the assessment of those paying high rates, to be added to the *jama* of those paying low, and no *pattas* to be granted to those who do not pay, and will not agree to pay, immediately or within a few years, should there appear good cause for the indulgence of a *rasadi* or gradually increasing *jama*, the full *jama* which was paid from 1230 to 1238."

'The orders of the Board are found in Board's No. 15 of 30th October 1836. They advert to Mr. Mills' and Mr. Repton's remarks that *thani* raiyats pay unusually high rents because they cultivate *lakhiraj* lands at low rates.

"All the *thani* raiyats are much overassessed, and are only able to pay their rent by cultivating *lakhiraj* lands at an extremely low *jama*.

"The Board agree with Mr. Ricketts in placing the principles of the assessment in the ascertainment of the rent actually received by the proprietors from his several tenants, where that rent is not influenced by any improper motive or caprice or collusion, lowering the rate, and thus depriving Government of its just due or where, as in the case of *lakhiraj* lands at the low rates, the rate has not been made fictitiously high by the operation of a cause not of an abiding nature.

"But in the opinion of the Board, Mr. Ricketts speaks too much of the rate of rent actually paid as if it were something tangible and susceptible of direct proof, while on the contrary, it is, in fact, the only real difficult point in making the assessment, in the ascertainment of which, to prevent the frauds and collusions which it is the interest of every one excepting the settling officer himself to perpetrate, it is undeniably necessary that the settling officer must resort to all the tests advocated by Mr. Wilkinson and the other local officers and in doing which, in the opinion of the Board, each settling officer should be left unrestricted.

"Thus it is necessary for the settling officer to collect the following heads of information :—

1st.—The very best information he can obtain by every available means, such as *patwaris*, village accounts, etc., to ascertain what is the rent actually received by every proprietor from every tenant in his village.

2nd.—A classification of the several descriptions of soils and their respective rates of rent, with reference to their produce and situation on an average of years.

3rd.—Enquiries into and comparison of the rates of land of the same quality in adjacent places and villages to a greater or less extent as his judgment or opportunities lead him to make.

"Having obtained all these data he then proceeds to determine to the best of his power what is the rent actually paid upon a consideration of the whole evidence before him; and when he finds special cases in which in reference to these data the rate said to have been actually paid is irregular high or low, he makes particular enquiries into causes of it, and then upholds the alleged rate of rent or increases or reduces it, as in his judgment appears right and equitable.

"The Board have reason to believe if the proposition to investigate every claim to hold land free of assessment be decided as a part of the approaching settlement of the province that one very great cause of the reason of over-assessment in the case of the *thani* raiyats will be met and provided for, that is, in all those cases the settling officers, acting with every due caution not to sacrifice the interests of Government unnecessarily, will reduce the excessive rent paid by those *thani* raiyats, who have only continued to pay the same from their deriving high profits from their tenures of lakhiraj lands, while the settling officers will find an equivalent infinitely more than a counterpoise to the reduction in the accession of revenue from lands now declared for the first time liable to assessment."

5. I have set forth at great length the principles on which rents were ordered to be fixed. We may now turn to Mr. Sterling's minute as describing the condition of *thani* tenants in 1821—

"The best lands of each village have been for ages divided out in fixed portions amongst the *thani* or *sthani* raiyats. They are in many parts bound to pay the rents of this portion annually, whether they cultivate the whole of it or not.

"As the *pahi* cultivates at his pleasure, and feels little reluctance in removing from a spot where he has taken up a merely temporary abode, he, of course, makes his own terms with the makuddum or talukdar and pays a far lower rate than the tenant attached permanently to the soil. The difference between the *nirkh pahi* and *nirkh thani* in the favour of the former is too well-known in this district. Besides the heavy regular rate charged on the *thani*, all impositions, contributions and extra collections on account of *akrajat* are loaded upon him as he can bear them. The Government increase, for instance, since 1216 Umli is often levied from the resident cultivators in the shape of *rugumar muthote* so much in the rupee, called *ijafeh sircar*. The *sewai* collections made from the *pahi* are in general of trifling amount and such as are admitted to be justifiably demandable. It naturally becomes a question what are the advantages of the *thani* to compensate for the heavy burdens and impositions to which he is exposed? In the first place there is the general one of having a home of his own, where his ancestors have dwelt in all ages, of sitting under the shade of the trees which they planted and of bestowing his labours on lands which may in one sense be called his own, rooted to the soil he has a local habitation and a name, a character known to his neighbours, and a certain degree of credit thence resulting which enables him to borrow from the mahajan, and secures to him a settled market for the disposal of his produce. Then, again, he is exempt from demand of *chandina* or house rent and is allowed besides a small portion of rent-free *khanabari* land around his habitation as garden ground, where the trees which he plants, are his own, though liable probably to be cut down or attached in payment of arrears; also a spot called *talmoonda* to drop the rice seed into previous to transplanting. A preference is given to him in cultivating the lands of the village lakhirajdars, when they do not themselves handle the plough, and his sons and brethren, even himself, may cultivate untenanted land as *pahis* in their own or another village."

6. I could give many instances from the *ruidads* (completion reports of the last Settlement) to show that the officers settling rents regarded the assessments of *thani* raiyats as excessive. We are told in taluq Kaida, Balasore, that the rents of *thani* lands could only be paid by the raiyats out of their profits from manufacture of salt and labour as coolies in Charaman port. We learn that in Chandkilat, district Cuttack, *thani* rents were reduced from an incidence of Rs. 5-4 to Rs. 4 per acre, and in Kuhunda Jaipur *thani* rents were reduced from Rs. 6,544 to Rs. 5,034. I have lately examined the assets of some estates in the Puri district, and I find heavy reductions were made at the last settlement, the assets having been raised to an unpayable pitch by the short settlements (1805—37) which preceded it. The *ruidads* explain that no previous local enquiry had been held. Notwithstanding occasional reductions high rents were generally retained.

7. IN 1847 Mr. Mills described the condition of the *thani* raiyats:—

"There was no difficulty in ascertaining the actual rent paid by the *thanis*, as it was notorious that they were almost invariably assessed at a rate infinitely higher than the produce of their lands or other concomitant advantages of residence could enable them to pay."

I am aware that the Board and the Government of Bengal (No. 1199 of 22nd August 1837) did not accept the fact of the overassessment.

Paragraph 3 of No. 1199 runs thus:—

"His Lordship concurs with Mr. Halliday in thinking that the extreme over-assessment of the *thani* raiyats has been too hastily assumed. Mr. Sterling's assertion, indeed, that their rents 'apparently absorb the whole produce' involves an impossibility, and it is not to be believed that whatever the attachment of the class to the fields which they and their forefathers have cultivated, it could not hold out for any length of time under the pressure of rents so high as to rob the *thani* raiyats of their fair returns, whilst they see *pahi* cultivators occupying land on every side of them on far more moderate terms and know that the need only migrate to a neighbouring mahal (if indeed they could not obtain *pahi* lands by the simple process of abandoning their *thani* privileges in their own village), to be placed on an equal footing. The simple fact appears to be that the privileges enjoyed by the *thani* raiyats taken altogether are sufficient to make it worth while to pay the higher rates of rent which is found to be assessed upon the lands which they cultivate."

8. I also quote Board's proceedings of the 12th January 1838 recorded by Mr. Lewis "Reviser and Reporter of Settlement":—

"There is a point noticed in the Commissioner's report upon this settlement which may be familiar to those accustomed to the local peculiarities of the province, but which is novel to me. It appears to me erroneous in principle, and I therefore hold that it cannot be altogether unanimous in practice. I allude to those passages of the report in which it is asserted that the assessment laid upon *khalsa* land (meaning *thani* lands) need not in any degree depend upon their productiveness, but that the rate should be arbitrary *quoad*

the productiveness of the said lands, depending, it would appear, upon the power possessed by the raiyat of cultivating certain lakiraj lands at a very low rate. Now, admitting the principle that a thing is worth just as much as it will fetch in the market, it is still a misnomer to call an arrangement made as described a settlement of these particular *khalsa* lands, because such a settlement depends principally for its permanence upon the produce of what forms no part of the lands said to be settled; there is something else, although not expressed certainly understood. The real basis of the settlement is therefore not what it appears to be, and besides the *khalsa* lands exhibited on the several statements, there must be a supplementary quantity of land held by them at a mere quit-rent to enable the raiyats of these *khalsa* lands to discharge their engagements for a single season.

"What local peculiarities impede in the Cuttack Province the natural and wholesome competition which elsewhere causes land of the same quality to yield the same rents I do not know, but the very circumstance of the help afforded by the cultivation of lakhiraj land in discharging the rent assessed upon the *khalsa* indicates certainly that agriculture is there in an unnatural condition, and although, as Mr. Ricketts observes, there are numerous advantages in tilling the land still forming part of the original village and disadvantages attending the cultivation of the detached lands, which could be removed only by an operation not now practicable, yet still the advantages cannot be of such a nature as to trench upon the real remuneration which the cultivation of the lands in question yields, else the surplus profit from the one could not help to pay the surcharge upon the other, and the only conclusion we can come to is that the possession of *khalsa* land gives a power of obtaining certain other lands at a rate far below their natural rate, and that for this undefined privilege the raiyats are content to pay a fair price under the denomination of rent for their *khalsa* lands.

"There is always safety in calling things by their right names and something of danger in the reverse, and in the present instance where a settlement for a long period of years is under consideration the laxity which has struck me, if left unnoticed, might produce mischievous results. Let us suppose a case in which a *thani* raiyat holds 50 bighas for which he has engaged to pay Rs. 5 per bigha; but who has done this, not because the land can yield such a rent, but because, as a *thani* raiyat of a particular village, he can, from some unexplained peculiarity, procure 50 other bighas of lakhiraj land at one rupee per bigha. He thus has 100 bighas at the average rate of 3 rupees. But we have a settlement reported at the rate of 5 rupees, the supplementary assets being kept out of sight, and we pretend to judge of the pressure of the assessment, therefore, without accurate information of its true basis and in ignorance of the principal element of that which is to sustain it."

"I am not, however, prepared to run counter to the experience of so excellent an authority as Mr. Ricketts; and besides I have no doubt that the possession of these *khalsa* lands is at present worth to the *thani* quite as much as they are willing to give for them; but I am satisfied a system so artificial and contrary to sound principle could not exist except under very peculiar circumstances; these circumstances will most certainly change before the lapse of another quarter of a century: the real and true basis of these settlements will therefore have altered, and the settlements themselves will probably require modification.

"I am the more anxious to direct attention to this point because I think upon the whole that the advantages to the agricultural community, from the settlement of the Government demand for a fixed period will more than counterbalance the risk run from the cases stated above, if the attention of the Revenue authorities be carefully directed to the alteration which will probably take place in the condition of the lakhiraj lands before the period of the settlement expires. The settlement should, therefore, be confirmed, but, with this understanding on the part of the Government officers, that if, in the progress of events, the lakhiraj lands become more valuable to their owners and left entirely at the disposal of those *khalsa* raiyats the pressure of the assessment upon these last is to be immediately examined into and, if necessary, lightened, one of those sources which now enables them to pay their revenue being, as we have supposed dried up."

9. It appears from the principles laid down for assessment that the relief which they could afford to the *thani* raiyats was insufficient. Actual examination of our papers proves this. *Thani*, as pure *thani*, survives in only 11,191 out of 49,046 acres, for which I am now able to give complete figures. In some cases at the last settlement a new assessment of the *thani* lands was made, e.g.—

"The Deputy Collector has fixed rates for each description of land according to its quality, which is the method adopted by him in all his settlements. Half of what he thought a bigha of the best land would yield has been assessed by him as the Government share from which, however, he has made deduction in favour of the raiyats as a protection against risks of season, leaving generally a sum varying from $\frac{1}{4}$ to $\frac{1}{2}$ of the gross produce to be considered as rent. The rate for the best land being in this way determined, a graduated scale of lower rates with reference to the inferior qualities of the other lands was then fixed."

10. Mr. Mc Pherson thus sums up the results :—

"We find that the settled *thani* rents absorbed from $\frac{1}{4}$ to $\frac{1}{2}$ gross produce of the land that they had formerly been still higher, and that even after they had been settled, and before the zamindar had been called upon to execute his *kabuliyat*, *thani* raiyats were abandoning their lands."

Mr. Nathan in his report on Kotdesh, has made many enquiries regarding prices. Mr. Toynbee's History shows that from 1811 to 1817 the price of paddy averaged 100 seers to the rupee. Mr. H. Mc Pherson has made for me a summary of the evidence of prices, derived from Mr. Nathan's notes and other sources—

"From 1817 to 1836 no very exact information is procurable, but some notion may be gathered of the fluctuations in price from paragraph 7 of Mr. Commissioner Stockwell's letter to the Sadar Board of 20th January 1831 (vide page LXXXVII of Mr. Toynbee's History). His object is to show the danger to which a settlement based on the conversion of grain into money rents is exposed. The fall in prices which followed Mr. Wilkinson's settlement of Delang and the revision of Majnamutha assessment is referred to, and the Commissioner goes on to observe as follows :—"But no such annual adjustment (i.e., of rents to prices) can be made and the only precaution that can be taken is that of not overestimating the quantum of produce, nor assuming too high a price as an average, errors in which are not improbable as no correct prices-current are obtainable for any series of time, and if they were not always sure guides. How different would the average be in and around Cuttack from 1818 to 1828 when so many troops were employed to what it will be from 1828 to 1838, supposing only the single battalion now cantoned there to remain. So long as circumstances of this nature influence prices (setting aside variation in productiveness) settlements for long leases on fixed money rents will be precarious. This seems to indicate that from 1818 to 1828 there was a rise in

prices to a higher level than that found to exist from 1811 to 1817, followed by a fall after 1828, probably to a lower level than before. In 1836 according to the papers of the Uriya *math* 236 seers were sold for a rupee, and this probably was the lowest point reached in the course of the descent. There is a sharp rise again in 1837 to 126 seers to the rupee, and high prices prevailed from 1837 to 1842, after which year again there is a sudden drop to an average of 30½ seers to the rupee.

Mr. Nathan gives the following statement of averages :—

1836 to 1845	...	...	...	...	219.3
1836 to 1842	...	...	...	...	167.3
1843 to 1852	...	...	...	...	287.4
1853 to 1862	...	...	...	...	189.8
1863 to 1872	...	...	...	...	94.1 (includes 1866 48.1 and 1867 41.8)
1873 to 1882	...	...	...	...	86.5
1883 to 1892	...	...	...	...	65.6

and this may be supplemented with 1887 to 1896—56.8.

The lowest point reached was in 1845 when the average price appears to have fallen to 360 seers to the rupee. If rents were calculated at anything like $\frac{1}{2}$ or $\frac{1}{3}$ of the gross produce on the prices of the decennial period 1836 to 1842 (when most settlements were undertaken and concluded), it is obvious what hardship must have been undergone by *thani* raiyats during the following decennial period 1843 to 1862. It must have been absolutely impossible for them to pay their rents. Mr. Nathan estimates the yield of first class saradh in Kotdesh paying Rs. 3 an acre at $2\frac{1}{2}$ bharans (1 bharan=80 gounies each, 1 gouni= $3\frac{1}{2}$ Cuttack seers, or 4.6 standard seers); or 920 seers. At the time of settlement Rs. 3 would represent 502 seers (3×167.3), that is slightly over one-half of the estimated produce. From 1843 to 1852 it would represent 862 seers (3×287.4), that is, it would almost absorb the whole produce. In 1845, Rs.3 represented (3×360) 1,080 seers or 160 seers in excess of the crop. Some of the best paddy land in Kotdesh was assessed as high as Rs. 6 per acre. In the decennial period 1843—1852, this would have absorbed the whole produce of land yielding a crop of $4\frac{1}{2}$ bharans. Whether land was more productive 50 years ago is a question about which there may be doubt, but I have certainly not yet met with land which now-a-days produces as much as $4\frac{1}{2}$ bharans even in the most favourable seasons."

11. The conclusions to which Mr. Nathan came after most careful enquiry in Kotdesh pargana may here be quoted :—

"With regard to the charges in the price of paddy which have occurred from the date of the institution of the settlement up to the present time, I have examined the landlords, tenure-holders, and raiyats of over 70 villages. The answers I have received were often vague and contradictory, but sifting the wheat from the chaff, I have, by comparing the evidence of a large number of witnesses, arrived at the following conclusions. At the very time of the introduction of the settlement, prices were greatly above the normal level, the period being one of scarcity, and still vividly remembered by the older raiyats. Immediately that this scarcity came to an end, there was a great fall in prices, and they reached the lowest level of a bharan to 100 gounies per rupee. I have sought in vain for a satisfactory explanation of this phenomenon. As far, however, as I can determine the level to which prices fell was a lower one than had been current before the scarcity that marked the beginning of the settlement. In several villages I have found that *thani* raiyats lost their rights shortly after the settlement began, and the explanation given to me has always been that the great fall in prices made it difficult for the raiyats to pay the money rents fixed for their lands. A circumstance leading to confirm this idea is that not long after the settlement came into force Government passed an order forbidding *thani* raiyats to relinquish their lands. This order was passed on the complaint of the mokuddams, zamindars and others that the *thani* raiyats finding it difficult to pay their rent were relinquishing their lands, and that the Government revenue could not be collected."

The rise in prices is now easing the burden, and during the past few years transfer of *thani* lands on account of difficulty in payment of rent is more rare.

12. To sum up. Where existing *thani* rents were retained at the last settlement, they were found to be higher than the *thani* raiyat could pay, but the payment was made easier by—

- (1) Cultivation of lakhiraj lands on easy terms.
- (2) Cultivation of *pahi* lands on easy terms.
- (3) Wages or profits of industries other than agriculture.

Where *thani* rents were readjusted at the last settlement, they were fixed with regard to the gross produce in the land, in some cases at one-half to one-third of its value.

II.—PAHI RAIYATS

13, Government of India letter paragraph 2.—I propose in this part to show the position *pahi* raiyat at the last settlement, and trace the development of the *pahi* rent as a competition report :

"The Government of India understand that even those (*pahi*) rents are not strictly competition rents. Many of them have run for 60 years or more"

I am not aware from what source the Government of India have derived their information as to the nature of the *pahi* rent. The rent of the *pahi* raiyat is governed by competition so far as may be in Orissa, i.e., the competition is only limited by the difficulty of landlord may have in either raising the rent or in getting rid of his tenant, a difficulty which has increased since the passing of Act X of 1859. It is also limited in the rare cases of the surviving *pahi* pattas granted before Government orders of 1837, see paragraph 15. The

only "strictly competition rents" which I have found in Orissa are (excluding the rents of under-raiyats) the rents paid for the cultivation of landlord's "sir" or "nij-jote" or short term leases of roadside lands granted by the Public Works Department and Jagarnath Road Fund.

The province, as the Government of India observe, is a backward one, and for that reason rents appear to be governed by competition, more perhaps than in many other parts of India where rights of occupancy are more firmly established.

The *pahi* raiyat at the last settlement was a mere tenant-at-will. He cultivated inferior lands and generally paid low rates in consideration of the insecurity of the tenure.

14. To show the position of the *pahi* raiyat, I give the following extracts from the enclosures to Mr. Ravenshaw's No. 946A. of 23rd September 1875 regarding *pahi* raiyats :—

"*Cuttack report*.—As to their being mere tenants-at-will having no right of occupancy, I would beg to say that section 6 of Act X of 1859 has invested them with this right, and in many a case of enhancement or ouster, the revenue courts have bestowed upon them this boon whenever it was proved that they cultivated or held land for a period of twelve years; in this right, therefore, there is no distinction between a *thani* and *Pahi* raiyat.

"*Balasore report*.—Mr. Mills, Commissioner, states that at the settlement the *thani* rates were lowered but even then the *pahi* rates, which were supposed to be the market rates, were fixed on the average at 4 annas in the rupee below the *thani* rates. Since that time the pressure of increasing population has made land more sought after and raised very considerably the rates for *pahi* land, so that the position of the *thani* raiyat, with his fixed rates, has gone on improving relatively to that of the *pahi* raiyat, and his *thani* patta has become a marketable article. In a number of Act X cases recently decided, in which the raiyats of several villages were at variance with the zamindar about the rates for *pahi* land, both parties agreed to accept an increase of 5 annas per bigha as an equivalent for the informal and sometimes irregular rise in rents which had taken place since the settlement. This represents an average increase on the *pahi* rental of 15 to 25 per cent.

"*Puri report*.—On the other hand, as the *pahi* raiyats were lightly assessed, they had none of the privileges enjoyed by the *thani*. They had no voice in the distribution of land, but had to content themselves with what they could get. The rent-free holders could not trust them with the management of their lands; they could not participate in the enjoyment of the common rights of the community of the village where they did not reside; they had no rent-free homestead land and the occupancy of their lands depended on the pleasure of the village community, who could oust them at any time if any of them required to take possession of their lands, and worse than all, had no credit with the village banker or grain dealer, and had to borrow rice or money on condition of paying interest at higher rate."

"*Pahi* raiyats, without rights of occupancy, are merely tenants-at-will. They cannot remain in possession of their land unless they agree to the terms of their landlord (section 8, Act X of 1859), their tenures are not of course heritable, transferable, or devisable and the rent payable by them is liable to enhancement at the pleasure of their landlord."

15. Paragraph 8 of No. 1199 of 22nd August 1837 from the Secretary, Government of Bengal, to the Officiating Additional Secretary, Sadar Board of Revenue, runs as follows :—

"Pattas should never be given by the assessing officer to *pahi* cultivators; such a proceeding necessarily creates a false and mischievous impression of right of occupancy, and it is clearly at variance with the tenor of paragraph 2 of the letter of the Secretary of the Sadar Board of Revenue at Allahabad, dated the 8th of March, and appended to the Board's Circular of the 12th of November 1833."

It appears, however, that in a few parganas assessed at the beginning of the last settlement some *pahi* pattas have been given. Apparently on receipt of the above quoted orders *pahi* pattas were discontinued.

16. In my experience of Balasore I have found such pattas in two villages, and only in the case of one single tenant a claim was advanced to be treated as a *thani* raiyat on the ground that the rent had not varied during the course of the settlement. In two or three parganas I have found that lands at the last settlement were given by patta to *chandna* raiyat. The *chandna* raiyat was in theory a shopkeeper and paid rent for house and garden. The rents of these lands have not generally altered during the course of the settlement. Mr. Webster, who has now had some experience of Cuttack, writes that in the early assessed parganas many tenants received *pahi* pattas—

"Even in Bakhrabad (close to Cuttack) the *pahi* pattas had not generally been respected, and as far as my experience goes, I should say that, while the number of strictly *pahi* tenants who received pattas is small, the number who have successfully resisted all enhancements is almost negligible."

17. Mr. Nathan writes of Kotdesh pargana in the Puri district as follows :—

"The raiyats struggle and scheme for land; the proprietor has no longer to seek for cultivators. There is no large body of raiyats without a fixed habitation who make their own terms with the makuddums and who are able to receive land under more favourable conditions than the tenants attached permanently to the soil. The substantial *pahi* raiyats is as firmly settled in the village as his *thani* neighbour; his credit with the mahajan may be as good or better. The word '*pahi*' is in fact a misnomer, for the raiyat commonly called *pahi* is in fact a settled and not a wandering raiyat. The distinction in its old form could not possibly have survived a long settlement, at the outset of which the rights and obligations of the *thani* raiyats were crystallized, and the growth of the class arrested. And to look at the matter from another point of view, *thani* rents have remained unchanged for 60 years and *pahi* rates have been rising with the rise in prices and increase in population. It depends entirely on the history of the particular village whether its *thani* raiyats hold their lands at a fixed rate higher than equal to, or below the prevailing *pahi* rates."

18. Mr. H. McPherson who has had some six years' experience of the Puri district writes as follows:—

"The two chief factors which could influence the rise of rents are (1) competition for land on account of the increase of population, (2) rise in prices of produce. The undoubted increase of population has as pointed out by Mr. Nathan, converted the struggle for raiyats into a struggle for land and thus paved the way for that enhancement which a rise in prices might *prima facie* be expected to produce. When what has been already stated on the subject of prices is considered, it will be admitted that no increased rents could reasonably be looked for in the first 30 years of the settlement, or, in other words, till after the great famine. I find that the average price of paddy for the decade following the famine 1868-77 was 100·7 seers per rupee. It has been shown that no exact information is available as to the average of prices for the years that immediately preceded the settlement, but we have seen that as far back as 1811 to 1817 prices were as high as 100 seers per rupee, that is, they stood at the level to which they returned nearly 60 years after. A general rise in rents is thus not likely to have occurred at any period of the settlement antecedent to 1877.

"During the last 20 years prices of paddy have varied from 50 to 100 seers per rupee, and for the last 10 years their fluctuation has been within still smaller limits, and the average for 1887 to 1896 is 56·8 seers to the rupee. It is thus only within the last 20 years that any general enhancement of rents on the ground of rise in prices has been possible. The amount of enhancement varies considerably from estate to estate.

"The adequacy of average existing rents to average land may be looked at from another point of view. Mr. Nathan in his notes on Kottesh has put together a computation of the cost of cultivation which is perhaps a little elaborate. Accepting it, however, we have his conclusion that an acre of good *saradh* land paying Rs. 3 rent must yield at least 2 bharans 8 gounis (=872·8 standard seers) in order to repay the farmer 10 per cent. on the expenses of the field operations. In making this calculation, he took the present normal price of paddy to be 16 gounis (73·6 seers) to the rupee. The calculation shows that under present conditions there is not much room for an increase of rent; 2 bharans 8 gounis is a very fair yield for average first class *saradh* and 10 per cent. is a small profit to cover risks of season and bad harvests."

19. In the Balasore district I believe that *pahi* rents are generally more of the nature of competition rents than in Cuttack and Puri. In the two latter districts *pahi* raiyats had some customary rights of occupancy before our present settlement proceedings, but their customary as well as legal rights under Act X of 1859 are hardly known in Balasore. Moreover, both districts (Cuttack and Puri) contain a far larger area of *thani* and of influential *pahi* raiyats able to withstand oppressive enhancement and arbitrary transfer of *pahi* lands to tenants offering better terms. In Balasore cultivation has extended more freely; zamindars are stronger than raiyats and have transferred *pahi* holdings to any tenants offering higher rents. Our record and the status of settled raiyats will probably check this freedom. On the seaface, however, a certain freedom of transfer of holdings from raiyat to raiyat will always survive despite the Tenancy Act, because the zamindars let out villages on yearly lease to ijaradars. The features of the country also constantly changed and raiyats cannot generally reside very near their holdings. In the South of the district *thani* rents were high at the last settlement and *pahi* rents have generally not yet risen above the *thani*. Again, in the east of the district the highest *thani* rents have disappeared, raiyats having abandoned their holdings either at the time of the famine or of the seawave. Thus *pahi* rents of holdings, many of which were originally *thani*, have in the eastern portions risen above the surviving *thani* but not so high as the highest *thani* of the last settlement. In the centre of the district and in the west *pahi* rents are generally higher than *thani*, and in the north of the district where population has enormously increased *pahi* rents are generally far higher than *thani*, e. g., in Pargana Basta on the north of Balasore I found the following figures (many villages in the north of the district contained no *thani* at all even at the last settlement):—

Incidence of <i>thani</i> at last settlement.	Present Incidence of <i>pahi</i> .
Rs. A. P.	Rs. A. P.
1 4 11	1 8 4
0 13 2	1 6 9
0 14 4	1 5 8
0 10 4	1 14 0
1 4 8	1 10 3

These figures represent the villages in which there were *thani* lands at the last settlement, i. e., 5 villages out of 18 or 20, taken up by the Assistant Settlement Officer in a month. It may be remembered that these villages are north of the Subarnarekha river and not a part of the original province of Cuttack. Probably the notion of the *thani* raiyat extended there later. In any case, the very small area under cultivation and the large culturable area did not afford scope for high rents at the last settlement. We see, however, that after absorbing a large area under cultivation the *pahi* incidence has risen very high as compared with the *thani*.

I would, therefore, give my opinion that so far as may be in Orissa, the rent of the *pahi* tenant is a competition rent. I would not call it a strictly competition rent, because such a condition could not exist in the face of Act X of 1859 and the tenancy Act.

III.—SETTLEMENT OF RENTS

20. Government of India's letter, paragraphs, 2, 3, 8 and 9.—I have so far endeavoured to show that *thani* lands were overassessed at the last settlement and that the rents now paid by *pahi* tenants are competition rents. I would now try to show that generally the rents of *thani* and of *pahi* raiyats are sufficiently high and that it would be unreasonable to make any general enhancement.

In the work of the two years the result of settlement of rents of *thani* [pure] raiyats and of settled and occupancy raiyats is as follows :—

—	Number.	Area.	Existing rent.	Settled rent.	Incident.	Enhancement per cent
1	2	3	4	5	6	7
Thani	39,649	64,065	Rs. 1,35,456	Rs. 1,43,017	Rs. A. P. 2 3 9	5½
Pahi settled and occupancy ...	441,111	610,491	13,07,997	13,84,465	2 4 3	6

21. I give the separate figures for each stage of the work as follows :—

Thani.—The following figures show the enhancement of *thani* surviving as pure *thani* since the beginning of the fair rent work :—

—	Number.	Area.	Existing rent.	Settled rent.	Incidence of settled rent.	Enhancement per cent.
1	2	3	4	5	6	7
1885-1886	4,474	6,254	Rs. 17,706	Rs. 18,438	Rs. A. P. 2 14 6	4
From October 1896 to 31st January 1897. ...	12,872	21,598	42,629	43,692	2 0 4	2
From 1st February 1897 to 30th September. ...	22,303	36,213	75,121	80,887	2 3 9	7
Total ...	39,649	64,065	1,35,456	1,43,017	2 3 9	5½

Out of this area (64,065) I have compiled from the reports for assessment of estates the following figures for 11,191 acres (comparative figures are not yet available for the whole area) :—

Thani area at last settlement.	Existing pure thani.	Rent of thani at the last settlement.	Existing rent of pure thani.	Settled rent.
1	2	3	4	5
49,046	11,191	Rs. 1,21,752	Rs. 29,127	Rs. 30,679
Enhancement per cent	Incidence of rent at last settlement	Of existing rent.	Of settled rent.	
6	7	8	9	
5½	Rs. A. P. 2 7 8	Rs. A. P. 2 9 9	Rs. A. P. 2 11 10	

N. B.—These figures include some of the most fertile parganas of Cuttack.

Of the area within which 11,191 acres *thani* survives the figures for *pahi* are as follows :—

At last settlement area.	Present area.	Rent at last settlement.	Existing rent.	Settled rent	Enhancement per cent.	INCIDENCE.		
At last settlement.	Existing.	Settled.						
1	2	3	4	5	6	7	8	9
73,219	180,106	Rs. 1,99,203	Rs. 4,09,061	Rs. 4,31,896	5	Rs. A. P. 1 14 5	Rs. A. P. 2 4 4	Rs. A. P. 2 6 4

N. B.—The present area of *pahi* includes some *thani* for which a lump *thani* *pahi* rent is paid.

It will be seen from the above figures that the incidence of *thani* is still higher than that of *pahi*, but I believe that the lands are better and the *thani* rents are still too high in Cuttack.

The figures for each district are as follows (in the area for which assessment reports have been prepared):—

	Incidence of <i>thani</i>			Incidence of <i>pahi</i>		
	At last settle- ment.	Existing.	Settled.	At last settle- ment.	Existing.	Settled.
1	2	3	4	5	6	7
Cuttack	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Balasore	2 13 2	3 0 4	3 2 9	2 2 7	2 11 10	2 13 11
Puri	1 10 9	1 9 4	1 14 0	1 2 0	1 9 4	1 11 8
	1 15 0	1 10 6	1 11 9	1 2 7	1 9 3	1 10 9

N. B.—The area in Balasore of *thani* was more strictly recorded at *khanapuri* than in Cuttack and Puri, hence a smaller variation in the last settlement and existing incidence.

22. *Pahi settled and occupancy raiyats*.—In the above comparative figures *pahi* raiyats of all kinds have been grouped together. I therefore give figures showing the manner in which settled raiyats have been dealt with:—

	Number.	Area.	Existing rent.	Settled rent.	Incidence of settled rent.	Enhance- ment. per cent.
1	2	3	4	5	6	7
1895-96	78,710	113,042	Rs. 2,28,246	Rs. 2,43,212	Rs. A. P.	7
From 1st October 1896 to 31st January 1897	137,391	183,376	3,83,564	4,05,491	2 2 5	5½
From 1st February 1897 to 30th September 1897.	225,010	314,073	1,93,187	7,35,762	2 3 5	6
					2 5 6	
Total	441,111	610,491	13,04,997	13,84,465	2 4 3	6

23. As regards the question whether *thani* lands are now so much better than *pahi* lands, I have to say that the records of last settlement show this to have been the case at that time. At the present day the extension of irrigation in the province has levelled the difference in a large area. Diversion of water channels has had the same effect. Again, in the enormous area of reclaimed waste there must be *pahi* lands of superior or equal fertility to *thani*. Lastly, in the *pahi* area many *thani* lands are now found to pay a lump rent for the holding, and in many cases *thani* rights have lapsed and the lands have been recorded as *pahi*.

I believe that where the *thani* lands pay higher rents in a village, they are either still better than the *pahi* lands or they were over-assessed at the last settlement. Where these conditions exist I do not think that any general enhancement of *thani* with regard to the *pahi* would be possible or equitable.

I believe that the new rule provided by His Honour the Lieutenant-Governor gives an equitable and sufficient enhancement of the *thani* in all other cases, i. e., where *thani* rents are unduly low generally, a general enhancement may be made or where in particular instances (*thani* rents being generally adequate) particular rents are unduly low, these may after due enquiry be enhanced. Lastly, where *thani* lands are inferior and pay below *pahi*, it would be inequitable to enhance them, provided that *pahi* lands pay sufficiently high rents.

Before His Honour's visit in January 1897, the enhancements of *thani* were 4 and 2 per cent. for 1895-96 and for the early part of 1896-97 respectively (see paragraph 30).

From February to September 1897, the enhancement was 7 per cent. This is due to close enquiry into unduly low rents and to proper use of the general enhancement proceedings.

24. As regards *pahi* rents, I would now discuss the question whether they are sufficiently high or whether a general enhancement is equitable, and would set forth the figures showing enhancements and percentages of altered rents.

His Honour found at the Conference of January 1897 that we were not scrutinizing the rents of *pahi* tenants who paid at an unduly low rate, i. e., that practically the only enhancement of *pahi* rents was additional rent for excess area. Rents of Zamindar's servants and quit rents had hitherto been enhanced, but other unduly low rents of raiyats had passed without proper enquiry and enhancement. The rules were altered so as to provide for this. The rules already provided for cases of unduly low rents in a particular estate of a particular village and for cases where all the rents of a village had been recorded cullusively low. The effect of the new rules has been obscured, as the following figures will show.

The percentages of enhancement for settled and occupancy raiyats work out thus :—

	Enhancement per cent.	Incidence of settled rent. Rs. A. P.
1895-96	7	2 2 5
October 1896 to January 1897 ...	5½	2 3 5
February 1897 to September 1897 ...	6	2 5 6

In 1895-96 the enhancement was higher, because more work was done in Balasore than elsewhere and the enhancements of raiyati rentals in Killa Ambhohatta were very large on account of excess area.

Again, in October 1896, to January 1897, the enhancements were high owing to the inclusion of pargana Shergara in Cuttack. There has been a slight rise from February in the enhancement, and considering the higher incidence and the areas within which work was going on, a still higher rise could hardly be expected. Looking to the percentages of rents retained in January and in the following months of the field season, it will be seen that more rents have been altered :—

	January.	February.	March.	April.	May.	June.	July.
1	2	3	4	5	6	7	8
Cuttack	61	58	57	56	53	52	54
Puri	62	65	62	50	53	51	53
Balasore	53	56	58	56	50½	46½	52½

25. Whether in my opinion the rents now being settled by us are sufficient or at a level markedly below that at which they might fairly stand even under existing circumstances, and whether under any system of settling rents, I would, if the law permitted, be inclined to pitch them higher, I beg to submit the following for consideration. I presume existing circumstances to mean the case of Orissa without a railway, and that I may not take into consideration prospective advantages.

Raiyats of all kinds have been dealt with as follows up to date :—

	Number.	Area.	Existing rent.	Settled rent.	Incidence of settled rent	Enhance- ment per cent.
1	2	3	4	5	6	7
Thani	39,649	64,065	Rs. 1,35,456	Rs. 1,43,017	Rs. a. p. 2 3 9	5½
Thani-pahi (generally paying a lump rent). ...	51,911	224,526	4,18,108	4,44,018	1 15 8	6
Settled and occupancy ...	441,111	610,491	13,04,997	13,84,465	2 4 3	6
Non-occupancy	11,982	10,081	19,622	22,176	2 2 11	13
Chandna	29,194	6,040	29,089	29,475	4 14 1	1
Total, ...	573,847	915,203	19,07,272	20,23,151	2 3 4	6

26. I would say at the outset that Orissa is often visited by floods and that the demand of rent is not generally collected in full. So far as I can gather from collection papers which I have examined, the full demand and something more for arrears is collected in two years out of every five. So far as one may speak generally, many zamindars at the end of five years or at the end of ten years settle up with raiyats and remit a portion of the arrears. It is, I believe, generally found that at the end of ten years not more than 14 annas of the demand will have been realised per annum. The papers which I have most recently examined show that in the flooded area of South Bayang Balasore, an average of 10 annas of the demand has been realized during the last five years. In addition to this facts we must consider that between 66 per cent. and 75 per cent. of the cultivated area of the province grows a single crop of rice, that prices are generally lower here than in other parts of Bengal, and that the expenses of cultivation absorb at least one-third of the value of the gross produce.

27. In accordance with the Government of Bengal letter paragraph 4, I have compared the incidences of rents now settled with the incidences ascertained or settled in other estates and districts—

Sambalpur.—Raiyati payments vary from 3 annas 5 pies to 4 annas 11 pies per acre with an average incidence on cultivated area of 5 annas 5 pies.

Bilaspur.—Incidence per occupied area for all tenants = 7 annas 3 pies and on cultivated area = 9 annas 8 pies.

Raipur.—The rate per occupied area at which payments of raiyats fall is 10 annas 6 pies. The incidences of rent per acre on entire holdings in Behar are returned as follows :—

					Rs. a. p.
Muzaffarpur	...	...	...	...	3 15 9
Champaran	...	...	...	...	2 0 3
Baran	...	...	...	...	3 14 6
Tikari Estate, Gaya	...	...	...	...	4 4 4

From the road cess returns the incidences calculated on the cropped area work out as follows :—

					Rs. a. p.
Chota Nagpur districts...	...	...	...	...	6 12 1
					0 7 11
					1 15 2
					1 14 6
					0 2 0
Midnapore	...	...	...	...	2 8 5
Cuttack	...	...	...	...	1 13 5
Balasore	...	...	...	...	1 8 4
Puri	...	...	...	...	1 6 5

A comparison of other districts with Orissa might not perhaps show what we want to consider, because in Orissa we have large areas which have hitherto paid nominal rents, e.g., up to date we have dealt with :—

	Acres.	Existing rent.	Settled rent.	Enhancement. per cent.
1	2	3	4	5
		Rs.	Rs.	
Kharida Jamabandi	46,376	36,256	62,536	72
Nisfi baziafti	149,968	60,475	1,55,370	144
Kamil baziafti	37,460	26,993	40,927	51
Total	233,804	1,23,724	2,58,833	...

It will be seen that to avoid hardship, though the rents of those tenancies have been enhanced, the incidence of settled rent is still less than Re. 1-2.

I have endeavoured to show that the *pahi* rents are competition rents, and I have shown so far as I have now information on the subject, how the area and rents of *pahi* lands have increased since the last settlement. I repeat the comparative figures for ready reference :—

	AT LAST SETTLEMENT.		AT PRESENT SETTLEMENT.		Settled rent.	INCIDENCE.			REMARKS.
	Area	Rent.	Area	Rent.		At last Settlement.	Existing.	Settled.	
1	2	3	4	5	6	7	8	9	10
		Rs.		Rs.	Rs.	Rs. a.p.	Rs. a.p.	Rs. a.p.	
Thani	49,046	1,21,752	11,191	29,127	30,679	2 7 8	2 9 9	2 11 10	Comparative figures are not yet available for the whole area in which rents have been settled. The incidence of thani settled rents over the whole area is Rs. 2.3.9 and that of pahi of all kinds Rs. 2.3.4.
Pahi	73,219	1,39,203	180,106	409,062	4,31,896	1 14 5	2 4 4	2 6 4	

The *pahi* incidence (Rs. 2-6-4) in these figures is so much less than the *thani* (Rs. 2-11-10) as compared with the figures for the whole work Rs. 2-3-9 and Rs. 2-3-4 respectively, because they represent most of the richest parganas in Cuttack where the rent of *thani* at the last settlement was very high and where *pahi* rents have not yet risen to the same level. It is true of a large proportion of the area included in these figures that the *thani* lands are the best and are still over assessed and that the *pahi* rents being for inferior lands cannot equitably be raised any higher under existing circumstances. Where different conditions exist, and where *pahi* lands are good the result is quite different, e.g., in North Palasore. I have shown that there was little *thani* at the last settlement and much land available for cultivation with a small population. The result is that with the increase of population in one village the incidence of existing *pahi* rents is Re. 1-14 against a *thani* incidence at the last settlement of 10 annas. Up to the end of September 1897, the incidence of settled *thani* rents is Rs. 2-3-9 and that of *pahi* is Rs. 2-3-4.

The figures which make up these two incidences vary widely over the whole province but in the greater portion of the area *pahi* lands cannot yet, I believe, afford to pay the rents which *thani* lands are paying either because the *thani* lands are better or because they are still over-assessed. In the present circumstances of Orissa *pahi* raiyats generally cannot afford to pay more than they are now paying and in my opinion it is not safe to attempt to do more than work the rules for enhancement as they now stand. By present circumstances I mean that prices have not yet risen in Orissa so as to create any great competition for land. The main cause of present extension of cultivation is, I think increase of population.

To sum up, where *thani* lands are paying low rents or unduly low rents, the rules provide proper and sufficient means of enhancement. The incidence of the *thani* and of the *pahi* settled rents is now nearly the same, and there is I consider, every reason to believe that the *pahi* rent is a competition rent and a sufficient rent. In my opinion it would be unsafe to undertake any general enhancement. Prices and cost of cultivation do not at present lead me to think that we should attempt to generally raise *pahi* rents. The effect of the extension of the railway is dealt with in the next part (paragraph 29). The railway will, I believe, pave the way for large enhancements at the next settlement. Another consideration set forth in the beginning of this paragraph must not be lost sight of, viz., that the settled rent to be realised by the zamindar is a demand of rent not likely to be realised in full from year to year, and that Orissa is a country liable to periodical destruction of crop.

28. Thus I would not under any system of settling rents attempt to pitch them higher. The result would be, I believe, the ruin of many raiyats and default in payment by many estates of Government revenue. The new rules provide for enquiry into and adequate enhancement of all unduly low rentals. I have also to add that my principal objection to the rules is one of procedure only i.e., that the lump rents now settled are not split up and applied to the fields which make up holdings. By this I mean that neither raiyat nor zamindar know what portions of the settled rent may be applied to the fields of which his holding is composed, and this defect will make our settlement less valuable to both zamindar and raiyat, and may seriously prevent freedom of transfer of holdings and portion of holdings. I have in my mind the case of the Khurda Government estate. Here every field in raiyat's holding at the last settlement was classed and rated. Government permitted free transfer and the custom of subdivision of holdings has sprung up. I do not know in Orissa a more prosperous class than the Khurda raiyats. I believe that their prosperity is mainly due to the fact that they know the value of every field and when in difficulties sell portions of their holdings to keep themselves free of heavy debts and ruinous rates of interest. Holdings are not appreciably smaller than they used to be. In the course of time *morcellement* appears to cease and an amalgamation to set in. I am aware that the money-lender also reaps advantage by freedom of transfer, but in Khurda it is found that raiyats often sell to each other and there is no reason why the raiyats in the rest of Orissa should not create the same custom.

In conclusion I would give my opinion that pitch of rent is already sufficiently high, and I would not in the present circumstances of the province attempt by any system of settlement to raise rents. The introduction of the railway will enable raiyats to sell their produce on better terms and will enable the zamindars and Government to obtain their share of the advantage on expiry of the short term of the new settlement.

IV.—THE INTRODUCTION OF THE RAILWAY.

29. *Government of India's paragraph 2.*—As regards the probable rise in rents due to the extension of the railway to Orissa, the Government of Bengal letter, paragraph 3, points out that rents of *thani* raiyats (baziافتدارs may be added) are settled for 20 years, of settled and occupancy raiyats for 15 years, and of non-occupancy raiyats for five years. The term of settlements (20 years), the provisions of the Tenancy Act generally, and of section 113 in particular, do not leave much opportunity for the landlords to increase their profits during the currency of the settlement. During this period the lands in possession of the proprietors may in some cases be let out at higher rents and the rents of non-occupancy raiyats may be enhanced. Prices will probably rise to the level of the surrounding districts in Madras, and then will become more stable. The stability of prices will pave

the way for enhancements in the future. Raiyats do not readily consent to enhancement, so long as they see that in one year prices fall to 80 seers paddy to the rupee and perhaps the next year rise to 40 seers, falling again to 70 or 80 in the following year. I do not, however, believe that the benefits of stability of prices will be reaped by the landlords to any great extent during the currency of the new settlement; more lands may be brought under cultivation owing to the rise in prices only and landlords may possibly assess them to higher rents. It is unlikely they will go to the expense of suits for enhancement of the rents of settled raiyats, as the revision of settlement will begin some five years before the expiry of this new settlement and the proceedings will afford facilities for timely and cheap enhancement.

I most respectfully submit that I do not understand how the zamindars will receive a large increment to their incomes, nor that Government will be deprived of any share to which it is entitled. I believe that to attempt now to take a larger share of the assets for Government would mean assessment on prospective assets.

V.—EXPLANATION.

30. As regards the explanation called for in paragraph 4 of Government of Bengal letter (Government of India paragraph 3) regarding the 12,013 *thani* tenancies, I beg to submit the following :—

In 1895-96 the enhancement of *thani* rents was 4 per cent, but from October to the end of January 1897 the enhancement was only 2 per cent. (My note of 24th January does not include the returns of work for that month.)

It is a fact that up to the end of December (from October 1896 to December 1896) the enhancement of 12,016 *thani* tenancies was only 2 per cent., but a glance at the Cuttack returns will show the reason. Heavy reductions were given for permanent deterioration of soil. The Brahmini River has permanently injured a large portion of paragana Olas. In Bakhrabad also heavy reductions had to be made. Thus, in Cuttack district *thani* rents were on the whole actually reduced by 10 per cent. in December. A reduction so extensive has seriously affected the percentage of enhancement in the three months' work, especially as in October very little field work was done.

The reduction was very closely supervised. I visited the Olas centre early in December and with Mr. Kingsford, the Assistant Settlement Officer in charge, worked out the principles and procedure to be followed. Mr. Kingsford afterwards personally checked the soil maps and the details of the reduction. I believe that no unnecessary reduction was made.¹⁵¹ The areas of the 12,013 tenancies were generally the same as the *thani* areas of the last settlement.

As I have already stated, before His Honour's visit, the enhancements of *thani* were 4 and 2 per cent. for 1895-96 and for the early part of 1896-97 respectively.

From February to September 1897 the enhancement was 7 per cent. This is due to close enquiry into unduly low rents and to proper use of the general enhancement proceedings. A further proof of the working of the new rules is shown by the fall in the percentage of retained rents, to which I have already referred.

In conclusion, I most respectfully submit that with these figures before them the Government of India will be in a position to consider whether an attempt has been made to carry out the orders of His Honour the Lieutenant-Governor.

As regards the other explanations called for in paragraph 4 of Government of Bengal letter I have already discussed the question whether the lands held by *thani* raiyats are still better than *pahi* lands in paragraph 23 of this letter, and in paragraph 26 I have made a comparison of the incidences of rents now settled with incidences of rents in other districts.

In paragraphs 25, 26 and 27 I have given my opinion as to the sufficiency of the settled rents.

31. With reference to paragraph 5 of the Government of Bengal letter, I beg to submit the following explanation :—

The passage in my No. 1552 of 8th August 1896 runs as follows :—

"As regards the term of settlement I venture most respectfully to say that having regard to the enormous enhancement (as shown in the tabular statement submitted with my No. 1538 of 4th instant) which Government is now entitled to take, but cannot do so in the ground of policy....."

Turning to the tabular statement it will be clear that my remarks referred to enhancements of revenue only. I had before me figures for 67 estates. At that time it was not possible to collect figures for a larger area. At the last settlement Government in the majority of estates retained 65 per cent. of the assets as revenue. It would appear that I was correct in saying Government was entitled to take this amount at the present settlement

(cf. paragraph 12 of Government of India letter.) The tabular statement shows the following results obtained by the retention of 65 per cent. as Government revenue :—

DISTRICT.	Number of estate.	Existing revenue.	Existing income of proprietors.	New revenue at 65 per cent of new assets.	Income of proprietor at 55 per cent of new assets.	Enhancement of revenue per cent.	Decrease in proprietors' income per cent.	REMARKS.
1	2	3	4	5	6	7	8	9
Cuttack	24	Rs. 11,954	Rs. 15,188	Rs. 19,207	Rs. 10,349	61	47	
Balasore	43	10,932	21,562	26,831	14,445	146	30	
Total ... ..	.....	22,886	...	46,038	.....	.....	.....	

From these figures my meaning will be clear, viz., that while Government is entitled to retain 65 per cent. of the assets, the enormous enhancement of 100 per cent. in the Government revenue would not be sound policy, if accompanied by a reduction of 50 per cent. in the income of the proprietors. It is worthy of note that considering the circumstances [paragraph 19 (1) and (2) the Government of India propose a normal and special share of the assets as basis of assessment.

The other points raised in paragraph 5 of the Government of Bengal letter have been already dealt with in paragraphs 23 to 25.

I may add that in my opinion the effect of any general enhancement of rents would involve the zamindars in liability to payment of larger revenue and in default of larger uncollected arrears of rent.

32. No remarks are called for from me in regard to Government of Bengal paragraph 6.

In regard to paragraph 7 I propose to report on the patwari legislation in a separate letter.

My paragraphs 37 and 38 deal with some of the points raised in paragraphs 8 and 9.

Paragraph 10 requires no remarks from me. The Kabuliyat to be executed by zamindars has been approved by Government, and contains a clause in accordance with the views expressed in paragraph 10.

33. As regards paragraph 11 (Bengal letter), I beg to submit the following :—

I very much regret the inaccuracy of the figures given by me in my note of January 1897 and I regret that I had no opportunity of revising them. It appears that various figures have been taken by various authorities based on monthly and other returns, I would ask that the figures now supplied in the Statement A, &c., may be accepted in place of earlier figures. They are, I believe, as nearly correct as possible considering that they are supplied by a large number of officers in monthly returns.

In my No. 1538 of 3rd August 1896, I regret to say that I used the word "rents" for "assets." At the time of writing this letter, the rules under which we were working had the effect of making a total increase of assets amounting to 15 per cent.

In my No. 470 of 18th March 1897, I said that I hoped assets would be enhanced 17½ per cent. by the present procedure, i.e., after the new rules were introduced. The total enhancement is at present 15 per cent, excluding the killas of Cuttack. The excluded figures of the killas give a total enhancement from Rs. 5,292 to Rs. 11,813. In the work of 1895-96 it may be noted that enhancements are higher than they have been in 1896-97, because the work was done principally in an area of Balasore where cultivation has extended very largely. We have not yet dealt with the other parts of the province where the largest increase of assets are expected, i.e., North Balasore and South-East Cuttack, and I have little doubt that this year the enhancement will work out to 20 per cent. Thus we may expect that by completion of the work assets will have increased by 17½ per cent.

VI.—PITCH OF THE PRESENT ASSESSMENT.

34. Paragraphs 15 to 19 of Government of India's letter.—I propose to take the detailed return (Statement A) in whole numbers for facility of calculation, and to show the actual increase of assets from which zamindars will derive assistance in payment of the new demand.

Nij-jote and sairat have been included in both sides (existing and settled). I have deducted from settled assets the valuations of tenancies to revenue and 85 per cent. of the assets of resumed jagirs—

				Assets.	
				Existing	Settled.
				Rs.	Rs.
Kharida Jamabandi	...	...	...	36,300	62,500
Niasfi baziafti	...	...	...	60,500	1,55,100
Kamil baziafti	...	...	...	27,000	40,900
Thani	...	...	...	1,35,500	1,43,000
Thani-pahi	...	...	...	4,18,100	4,44,000
Settled-raiyats	...	...	...	13,05,000	13,84,500
Non-occupancy	...	...	...	19,600	22,200
Chandna	...	...	...	29,100	29,500
Other tenures	...	...	...	500	4,800
Resumed lakhiraj	...	...	...	...	3,800
Resumed jagir	...	...	...	...	40,000
Valuation for revenue	...	...	...	2,300	41,000
Nij-jote and nij-chas	...	...	...	2,52,000	2,52,000
Sairat	...	...	...	26,100	26,100
				23,12,000	26,49,700
Deduct tenancies valuen for revenue	...	...	...	2,300	41,000
				23,09,700	26,08,700
Deduct rent of resumed jagir	...	...	...	...	40,000
				23,09,700	25,68,700
And 15 per cent. of resumed jagir to settled assets	...	...	...	...	6,000
				28,10,000	25,75,000

35. The above figures give an increase to the assets amounting to 11½ per cent. of which the zamindars will be able to partake. Considering that the work is not yet done in the parts where very considerable enhancement is expected, it would be safe to assume the increase at 12½ per cent.

Existing assets are taken at	...	...	...	34 lakhs.
Add 12½ per cent. (say 4½)	...	...	...	4½ "
Total	...	...	...	38½ "

The following comparative table (in lakhs of rupees) will show the effect on the income of the zamindars:—

		Assets.	Revenue.	Income of zamindars	Remarks.
1	2	3	4	5	
Last Settlement	...	22	13.75	8.25	
Existing	...	34	13.75	20.25	
Ditto	...	34	17.85*	16.15	
Now added	...	4.50	2.3625*	2.1375	* At 52½ per cent. of the assets.