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Government of Bengal

Report of the Land Revenue Commission Bengal

Vol. V

Replies to the Commission's questionnaire by Government Officers and their oral evidence

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Reply by Mr. W. H. Nelson, C.S.I., I.C.S., Member, Board of Revenue, Bengal.

Q. 1. In talking of duties and obligations of the zamindar it is essential to distinguish between statutory duties which were laid on the zamindar and expectations regarding the results of the policy adopted. Their necessary duties have all been laid down by statute. Tenancy Act insures that they behave with "good faith and moderation" to raiyats.

The Permanent Settlement did not take away any of the rights of the tenants.

Q. 2. Permanent Settlement gave the zamindar power to choose his tenants initially on lands at his disposal. (VIII of 1793, section 52.)

Once settled he loses control of the land as practically all settlements are permanent. The tenant gets a permanent hereditary interest—a demise rather than a lease. (Bengal Tenancy Act, section 23.)

Q. 3. The landlords, including the very large body of small proprietors and tenure-holders, have played an enormous part in the general development of Bengal since the Permanent Settlement.

They have provided an upper and middle class who have readily assimilated western ideas and education. They have made possible the rapid development of local self-government and the extraordinarily rapid political development of the last few years. All Bengal's great men have (probably) been of this class. Economic development is not so striking. The country is mainly agricultural. Methods and implements remain the same. Still there has been since the Permanent Settlement continuous progress in agricultural prosperity accompanied by great extension of cultivation and rapid growth of population. Agricultural prosperity and extension of cultivation is not due to anything the landlords have done. Presumably they did what they could to extend cultivation as extension was greatly to their interest.

I do not think they have failed to perform the functions expected of them. I should say that the expectations of the Permanent Settlement had been fulfilled.

Q. 4. There was a great controversy about this in the years preceding the Permanent Settlement. (*See* Shore's Minute of 2nd April 1788, quoted in Harington's Analysis, p. 228 onwards.)

There is no doubt whatever that the landlords were proprietors of the soil.

Property in the soil in Bengal is seldom absolute. The only absolute proprietor is a small revenue-free holder who holds his entire grant in his own possession.

The zamindar's property is subject to payment of revenue.

In order to arrange for cultivation and management he may grant a lease to a patnidar or other dependent talukdar. This is a demise rather than a lease. The talukdar gets a permanent hereditary transferable interest. The zamindar has parted with the land for ever. His property rights are represented by the annual rent he receives. Very much in the same way as settlement with a cultivating raiyat is a demise rather than a lease. The raiyat acquires a permanent hereditable transferable property and the land ordinarily goes out of the zamindar's possession and control for ever. [Sections 23, 26, 26B, 178 (1) (*g*); 178 (3) (*a*), (*b*), (*c*) and (*d*) Bengal Tenancy Act.]

It is possible to measure the property of the different grades of properietors in terms of money. For the sake of illustration assume that—

Government revenue is Re. 1 per acre;

Patni rent Rs. 2 per acre; and

Raiyat's rent Rs. 3 per acre.

Assume the value of the produce is Rs. 40 and the economic rent Rs. 15. Economic rent means the difference between the gross produce and the sum which compensates the raiyat for his labour, seed, manure, cost and depreciation of cattle and implements, interest on capital employed and all legitimate outgoings. Then the proprietary rights of the raiyat are measured by an annuity of Rs. 15—Rs. 3=Rs. 12, of the patnidar by an annuity of Re. 1; of the zamindar by an annuity of Re. 1; and of the Government by an annuity of Re. 1 per acre.

Q. 5. The raiyats were not necessary parties to the Permanent Settlement contract between the Government and the landlords.

In the question perhaps 'tenants' should read 'raiyats'. The rights of dependent talukdars were secured by statute at the Permanent Settlement (VIII of 1793, section 51). The rights of raiyats were not secured by statute but by custom. Legislation for the purpose was foreshadowed in Regulation I of 1793. The rights of raiyats had been considered. (Harington, Vol. 3, p. 458.) The custom governing raiyats' rights was embodied in Statute in 1859 and 1885. The Tenancy Law of Bengal is to be looked on as part of the Permanent Settlement.

If we use the term Permanent Settlement to include the law for the protection of raiyats which sprang directly from the legislation of 1795 then it is possible to maintain that the principal gainers from the Permanent Settlement are the raiyats and not the zamindars.

The raiyat is the real zamindar—he appropriates 80 per cent. of the unearned increment of the soil. This is due to the principle settled in the Great Rent Case and the success of the restrictions on enhancement. I am speaking of enhancement proper and excluding abwab

and illegal exactions which are not fixed charges. They were important in the past but soon will be entirely a thing of the past. Abwab was no doubt a substitute for enhancement. Zamindars did not regularly take advantage of the law about enhancement; and the record-of-rights reveals many tenants getting the benefit of the presumption in section 50 (2), Bengal Tenancy Act.

Had there been no Permanent Settlement all the estates of Bengal would have been temporarily settled with their proprietors continuing the practice that then existed.

It is possible that had there been land revenue and rent settlements at regular periods throughout the province since 1793 the tenants would be paying a higher average rent than they are paying now. (*See* Statement IX.) I do not go by the statement entirely: it is misleading for comparison as most of the large khas mahals are in the most fertile districts of the province—Chittagong, Noakhali, Bakarganj, 24-Parganas, Midnapore. But I should say there would have been a more level incidence and a considerably higher average.

The phrase "permanently crippled the financial resources of the country" is an exaggeration.

Q. 6. This question cannot be answered with any exactness. I believe that in the first half of the 19th century there was great competition amongst landlords for tenants. As prosperity increased the populations grew; more land was brought into cultivation and this again led to increased population; and this again to increased demand for land.

After conditions settled down to an era of agricultural prosperity the main stimulus to increase of cultivation came from the raiyats. The raiyats have most to gain from increase of cultivation.

Q. 7. The fiugure of 3 crores for the rent roll at the time of the Permanent Settlement rests I believe on returns filed by the zamindars themselves. It is more than probable that they would understate their rent roll if they thought they could escape detection. The present rent roll of 12 crores is less than what one would expect. Paddy sold for annas 8 a maund in 1793 and is now Rs. 2 a maund. The rent roll expressed in terms of paddy is the same as it was in 1793. This takes no account of the increase in cultivation. I have no idea of the extent to which cultivation has increased since 1793. But the figures suggest that the incidence of rent now is much less than it was in 1793.

Obviously enhancement judged from the average has been moderate.

Q. 8. Yes. The Tenancy Act has secured this.

Q. 9. I find it difficult to understand this question.

There is only one criterion of an improved estate—an improved rent roll.

An improved rent roll may be procured by extension of cultivation or by enhancement of rents. The limit of extension of cultivation has long been reached.

Is it the intention to reproach the landlords for not enhancing rents?

Extension of cultivation was not a duty laid on the landlords—it was an expectation which naturally arose from the terms of the settlement and which has been fulfiled.

Q. 10. By the Permanent Settlement the State has lost revenue. But apparently nothing like so much as is sometimes suggested.

Statement IV indicates that if temporary settlements had continued the State would have been getting 12 annas an acre instead of 9 annas from the total area now permanently settled. An extra 73·75 lakhs.

Comparing the figures in Statement IX and Statement IV it appears that in temporarily settled estates landlords of all grades receive Rs. 4-6 as rent and pay not more than Re. 1-4 as revenue per acre. They therefore appropriate Rs. 3-2 per acre. In permanently settled estates they appropriate on the average less than Rs. 2-7 per acre of the average rent of Rs. 3 per acre paid by the raiyat.

From Statement IX, I conclude that *prima facie* the raiyats on the average are better off with a Permanent Sttlement.

If the above conclusions are reliable the State has been losing about 73 lakhs a year less the considerable cost of a settlement establishment large enough to cover the whole province in 15 years. This sum has been spent in subsidising a leisured class which has made great contributions to the social, political, artistic and economic life of the province.

Q. 11. (*i*) It has already been shown that this is an exaggeration. The raiyat appropriates about 80 per cent. of the unearned increment. Out of the balance the zamindar gets about 70 per cent. and the State 30 per cent.

(*ii*) The Permanent Settlement has encouraged subinfeudation. Is it certain that subinfeudation is a bad thing? Subinfeudation cannot be prevented and is encouraged when the public assessment is moderate. In Bengal creation of a tenancy is equivalent to a sale.

Freedom of transfer covers both sub-lease and sale.

(*iii*) The figures suggest that enhancement has been moderate.

(*iv*) There are good landlords and bad landlords. I should say that the landlord who acted as an overlord was usually a good landlord. Mild harassment and oppression used to be common almost entirely in

the form of illegal exactions. The chief sinners are the subordinate collecting staff who are prone to abuse their authority. Slackness is more common than tyranny.

Q. 12. I do not advocate the abolition of the Permanent Settlement on any of these grounds.

If you want to get rid of the zamindari system you must compensate them. Logically you must buy out all zamindars and tenure-holders.

Looked on simply as a business transanction this would be most inadvisable. It would almost certainly result in a loss. All high rents would have to be reduced; it is not certain that low rents can be increased. In fact, the present condition of the market for land suggests it would be a very bad investment for the State or for any one to purchase zamindari at the present time.

The root of the matter seems to be that the Tenants' Party feels that the rights of the zamindars stand in the way of reduction of rent. If reduction of rent is the ultimate aim then to buy out the landlords on the basis of their existing rent roll would mean a huge loss. The proposal to revert to temporary settlements has little to recommend it.

Are the raiyats prepared to submit to a general settlement of rents? This would entail cutting down high rents and enhancing low rents throughout the province.

The complex tenure system is a grave difficulty.

Compensation would have to be given to proprietors and tenure-holders on the basis of existing profits. It would be extremely difficult to assess compensation.

Cost of the settlement establishment necessary to bring the whole province under Land Revenue Settlement in a 15-year cycle would be very high.

Q. 23. Occupany right of raiyats was a customary right long before it became a statutory right.

Q. 24. The occupancy raiyat always had proprietary rights. He was of course not the sole outright proprietor. His proprietary rights have gradually been defined in—

Act X of 1859.

Great Rent Case 1865.

Act VIII of 1885.

Act IV of 1928.

Act VI of 1938.

The whole scheme of tenancy legislation 1793-1938 is based on the fact that an occupancy raiyat has proprietary rights. Every section

in Chapter V defines or secures a proprietary right. Under section 65 his proprietary right is security for his rent.

Q. 25. I am doubtful about extending the grant of rights of occupancy to more than one grade of tenant.

I see no reason why there should not be freedom of contract below the grade of raiyat. This does not rule out occupancy rights—it would be left to contract and custom.

Section 48G, B. T. Act, gives occupancy rights to people who have them by custom.

Section 48C, B. T. Act, is sufficient protection for under-raiyats.

It is not essential that the actual cultivator not being the raiyat should have occupancy rights by statute. He can get them from the raiyat by paying for them.

Q. 27. No. No.

Q. 32. No. They need no protection. They pay the full competition rent for the land.

Q. 33. I think the barga system is necessary.

Q. 34. There is no use giving occupancy rights to bargadars. As they pay the full competition rent their rights in the land are worth exactly nothing.

Q. 35. This is a difficult question.

If land is very fertile a barga tenancy may be profitable, e.g., there is nothing to choose between rent free land producing 12 maunds an acre and barga land producing 24 maunds.

I suggest that the bargadar might get the first 8 maunds and after that 1/3rd of the crop.

Q. 37. It is not possible to forbid transfer except to agriculturists.

Q. 38. 5 acres. But I am not sure what "economic holding" means. 5 acres of ordinary land producing about 18 maunds per acre will support the normal family (5) and can be cultivated without assistance of hired labour.

Q. 39. (*a*) Holdings are aften small but an individual usually holds several.

(*b*) Probably.

Q. 40. There is no practical remedy.

Q. 42. I am not sure that accumulation of large areas in one hand is undesirable.

Q. 52. If one had a free hand in revising all rents in Bengal the correct principle would be to fix the rent as a certain proportion of the economic rent.

The economic rent is the surplus after giving the cultivator a living wage and paying all expenses of cultivation. In a sense then, the proper maintenance of the cultivator is the first charge on the land and the rent comes out of the surplus. The economic rent has to be fixed on the supposition that the cultivator is fully employed—that he has enough land to occupy him fully.

The difficulty is to determine the economic rent. To calculate the price of the average gross produce and subtract a sum equal to the cost of the cultivators' labour and all the expenses of cultivation is not practicable.

There are various ways however in which we can get an approximation. The highest competitive rent for similar land in the neighbourhood is probably something near the economic rent.

The actual rent plus interest on the price of similar land in the vicinity is a guide, e.g., the rent is Rs. 3 per acre and similar land sells for Rs. 100 per acre. The full rent is then Rs. 3 + 6 = Rs. 9, taking interest at 6 per cent. 6 per cent is a very moderate figure to take; the rate at which the raiyat can borrow in the locality is the proper figure.

A share of the produce is an unsatisfactory method of fixing rent.

Beyond a certain outturn the economic rent rises very rapidly. Assume that a cultivator can make a fair living by cultivating a sufficient quantity of land bearing 12 maunds of paddy per acre but has nothing to spare and assume that the cost of cultivation remains the same whatever the outturn; then the rent of land producing—

	Mds.		Rs.
12 maunds per acre is	Nil		..
14 maunds per acre is	2	=	4
16 maunds per acre is	4	=	8
20 maunds per acre is	8	=	16

Every additional maund above 12 goes entirely to increase the economic rent

As rent is paid in money it is essential to adjust the rent continually to the price of crops.

It is hardly conceivable that we should ever have a free hand in adjusting all rents in Bengal. In any case the theory above would have to be reduced in practice to something like this—

	Per acre. Rs. a.
Up to 15 maunds per acre ...	3 0
15—20 maunds per acre ...	4 8
Over 20 maunds per acre .	6 0

Q. 53. Present rents are not based on any general principles. We have—

(*a*) Old customary rents fixed long ago. In Hooghly and Howrah they are as much as Rs. 6 an acre. In other places they are much less.

(*b*) Rents fixed at a time when land was being brought under cultivation and there was a demand for cultivators, e.g., in Mymensingh often Rs. 2 an acre or less for valuable land.

(*c*) Rents in the neighbourhood of towns which have been forced up by competition.

(*d*) Rents settled during the jute boom. Rents of Rs. 20 or more an acre have been reported from Pabna.

(*e*) Rents in recently settled areas. In Sundarban lots Rs. 6 per acre is the prevailing rate.

(*f*) Rents for special crops, e.g., mulberry, though mulberry is no longer grown.

Except in new chars there is seldom occasion to fixed initial rents on a wide scale. In temporarily settled estates rents are periodically adjusted.

In fixing rents originally I think custom is the main element. Settlement made more or less at the current local rate. The capitalized value of the difference between the customary rent and the true rent is taken as salami.

Q. 55. I would recommend a readjustment mainly to equalize the incidence of rent. It could not be done without a revision of the record-of-rights and very careful and detailed local inquiries and inspection of crops.

Q. 57. Rent should be alterable at intervals of ordinarily not less than 15 years and not more than 20 years, but might be reduced in case of a marked fall in prices within these periods.

Q. 58. I would not recommend an income-tax on profits. All lands should pay rent.

Q. 59. I do not think the principles and procedure are defective. The present law is that the existing rent is fair and equitable.

Q. 62. Tenants who require their whole crops for their own consumption must submit to enhancement—the same as any one else. All raiyats must be treated alike in the matter of enhancement and payment of rent whether they own 1,000 acres or 1 acre.

Q. 63. There is some difference in the theory of rent in a private estate and in a Government estate.

In a private estate old rents can be adjusted under section 30 (*b*) or 38, B. T. Act, at intervals. New rents are entirely a matter of contract.

In a Crown estate the correct theory is that rent is a tax and at each revision the Crown has a free hand. There are certain principles which govern enhancement of rents in both cases; there are also principles of taxation which govern rents in a Crown estate—especially equality of incidence.

In Crown estates equality of incidence is important. In a private estate the landlord is only concerned to get the maximum legal rent in each particular case.

If the whole province became a Crown estate rent would become a tax and equality of incidence would be necessary.

I doubt whether the principle of prevailing rates is applicable to private estates nowadays.

Q. 64. There is a provision for reducing rents. (Section 38, B. T. Act.)

I doubt if a provision for limiting rents at new settlements would be effective.

Q. 67. Yes. Settlements of revenue are made with this object.

Q. 68. No.

Q. 69. In theory justifiable—in practice wrong—but it depends on the facts of each case.

Q. 71. In most permanently settled estates the rent roll is more than double and may be twenty times the revenue. The zamindar is not going to give remission of Rs. 1,000 to earn remission of Rs. 100. So he does not ask for remission of revenue.

It is seldom necessary to grant remission in khas mahal areas in Bengal. I do not think it is true to say that remission is not ordinarily given to a sufficient extent in khas mahals.

Rule 197, Tauzi Manual, gives the scale used.

Q. 81. Yes.

Assuming one man with his family (5 in all) can cultivate 5 acres and that there are 500 cultivated acres per square mile, we get that 500 per square mile is a sufficient agricultural population.

Oral evidence of Mr. W. H. Nelson, C.S.I., I.C.S., Member, Board of Revenue, Bengal, on 6th February 1939.

Before the proceedings commenced the Chairman referred to the news of Mr. J. B. Kindersley's sudden death. He recalled the valuable

services which Mr. Kindersley had rendered to Government and at his instance a resolution of condolence was moved by the Maharajadhiraja Bahadur of Burdwan and seconded by Khan Bahadur Abdul Momin. The members then stood in silence in memory of Mr. Kindersley. It was also resolved to address a letter to Mrs. Kindersley, conveying the Commission's sympathy in her bereavement.

In reply to the Chairman, Mr. Nelson said that originally the zamindars were denied the right of making settlements beyond a period of ten years, but in practice they made settlements of a permanent nature, and later, it was conceded that they had the right to do so under the Patni Regulation.

The Permanent Settlement Regulation laid down that they were to act with "good faith and moderation" towards their tenants. It was true that for more than fifty years after the Permanent Settlement there was no tenancy legislation to protect he interests of the tenants; that was a period during which the zamindars were fighting for their existence against the Sale Laws, and had to get Government support to strengthen their hands against the raiyats by giving powers of distraint.

The Chairman then referred to the "Government of India's Land Revenue Policy" which indicated that there had been rack-renting. Mr. Nelson said that this was true to some extent. Prior to the tenancy legislation, most raiyats were only recognized as tenants-at-will, and the zamindars had a free hand in selecting their tenants, subject to custom. These powers eventually led to an agitation for greater protection of the raiyats.

Generally speaking, he was of opinion that as population has increased, there has been a continuous increase of agricultural prosperity, and the condition of the tenants to-day is undoubtedly better than what it was at the time of the Permanent Settlement.

It was his impression that at the Permanent Settlement the raiyats were paying as much rent as they could afford to, i.e., as much as the land could bear.

Broadly speaking, he thought the expectations of the Permanent Settlement have been fulfilled.

Asked whether there was any analogy between the landlords in Great Britain and those in Bengal, he pointed out that property in India is different from property in England. The landlords in Bengal had certainly not behaved like English landlords, as Lord Cornwallis had hoped they would. But he thought it incorrect to say that landlords in Bengal had done nothing to improve their estates and mentioned the excavation of tanks in West Bengal as an instance of the fact that the landlords in Bengal have taken an interest in the improvement of agriculture. He would not say that they have done a great deal, and

if it was an expectation that they should improve their estates in the same way as the landlords in England have done, then that expectation has not been fulfilled.

The position of the raiyats had not materially changed at the time when tenancy legislation was first introduced, although it had probably improved with the rise in prices.

He thought that abwabs will very soon be a thing of the past, though payments in the nature of tips, i.e., small gratuities to the collection staff, will never be stopped as they are more or less voluntary payments. He agreed that the tenants are sometimes defrauded over weights in the case of produce rents but he considered that they are in a stronger position to-day to resist. The day is over when impositions like levies for marriage ceremonies can be realised. Cases are very rarely brought by tenants against landlords' agents for exacting abwabs, because individually the tenants are not strong enough to stand against the zamindars.

Regarding question 7, he said that the average rent paid by the raiyats in terms of produce is less to-day than what it was at the time of the Permanent Settlement.

Referring to his answer to question 9, he said that in "improved rent roll" he included security that rent will be regularly collected, and cited instances where landlords had made such improvements as are implied in the question. He maintained that an improved rent roll is a necessary criterion of an improved estate.

He thought it difficult to say whether tenants in permanently settled areas are better or worse off than khas mahal tenants; but comparing their average rent with that in temporarily settled estates and khas mahals, the raiyats in permanently settled areas are *prima facie* better off in the sense that they pay a lower average rent.

In some temporarily settled areas Government has effected very large improvements, e.g., in the Duars, and in the Sundarbans where embankments have been built. Though the level of khas mahal rent appears to be higher than that in permanently settled areas it is not certain that the tenants are actually paying a higher rent, because most of the khas mahal lies in the most fertile part of Bengal.

He did not wish to suggest that the Permanent Settlement was the best possible arrangement that could be made, but it had worked well, and the raiyats have undoubtedly gained in the long run. Since 1859 their position has become progressively stronger, and to-day they are in a very strong position indeed.

His reply to question 11 was based on a hypothetical instance. He explained "unearned increment" which, he said, depended on the theory of rent. A cultivator gets more out of land than he puts in, and his income from the produce exceeds all outgoings in the form of cost of

cultivation, labour, etc. Economic rent is the difference between the two, and the present level of rent is much below the economic rent. There are various indications of the economic rent, such as the price the raiyat is willing to pay. Pressure of population, he agreed, is a very important question and one which will become increasingly important in the future.

He considered that *bona fide* subinfeudation is not necessarily an evil. When a zamindar grants a patni or permanent tenure, he practically parts with his land;—it is more than a mere lease, it is almost equivalent to a sale;—it is a demise for all time.

People in the mufassal who are fairly well-to-do, and other middle-class people who have made some money, generally invest in land. These people are useful because they are interested in the development of the locality, although they are largely rent-receivers. The system has produced a middle class which is an asset to the province and conditions in India being what they are, it is difficult to imagine how things could be otherwise. Restriction of the Government demand tends to create a large margin for subinfeudation. Conditions are not the same elsewhere as in Bengal. The system is a delegation of responsibility, which is ultimately fixed on the permanent tenure-holder above the cultivator. But if he is a small man, his responsibility is less.

On the whole he was in favour of retaining the Permanent Settlement. It has worked well on the whole, and it is not possible to obliterate the results of a system lasting a century and a half. There must be some continuity and one could not break entirely with the past.

State purchase of zamindaris would be unprofitable, and subsequent enhancements of rent would not be practical politics. But it would not be right on the part of the State to undertake such an operation merely with the object of making a profit; there must be other grounds of policy.

It is an exaggeration to say that the Permanent Settlement has crippled the finances of the province, but he agreed that had temporary settlements continued, Government would be getting more land revenue to-day.

If it were decided to buy out the zamindaris, they would certainly have to be compensated. This, he thought, would probably be an unprofitable proposition for Government. In order to compensate them according to the scale of the Land Acquisition Act, they would have to be given 15 per cent. above the sum payable on account of the value of their estates. All permanent tenure-holders, at fixed rents, would also have to be bought out. It is not essential that Government should be directly above the raiyats. There are tenure-holders in the khas mahals, and there is no particular reason why tenure-holders, whose rent is enhancible, should be bought out.

He could offer no practical solution to the problem of uneconomic holdings and fragmentation which has resulted from the laws of inheritance. The esssence of the problem is that rent is a tax on land. The lighter the tax, the more people have; but as population increases, and more people have to be maintained out of the produce a demand arises for reduced rent. But every reduction might lead to a demand for further reduction, and in process of time people might even require to be given the cost of cultivation. The only solution is to fix a moderate rent and insist on its regular payment. He did not apprehend a social breakdown in the next 20 years or so. Bengal, he thought, will go on as she has done for a long time, but political difficulties might arise from the fact that the source of subsistence of the majority of the population is being taxed. The proper land policy should however be a moderate rent and insistence on regular payment. People with uneconomic holdings who are unable to pay their rent cannot be helped. Interference with the laws of inheritance will not really affect the problem. So long as the population increases it makes no difference whether they inherit or not; they have got to be provided for.

He thought that the barga system or something like it is necessary. There are people like widows and minors who cannot themselves cultivate. Bargadars are tenants-at-will. It is true that they may not put their best into the cultivation of barga land, but there is no reason why they should not prove to be good cultivators if they are properly supervised. It does not matter if they are given rights or not, because their rights are of no value. They are already paying the maximum economic rent for their land. They do not need to be protected. No one would turn out a good bargadar and nobody covets their rights or holdings.

He considered that a share of the produce is an unsatisfactory basis for fixing raiyati rent. It would be almost impossible to produce a rule of thumb which would provide a completely satisfactory method of fixing rent. Custom is the main ingredient in the level of rents. It governs rents in khas mahals in the sense that rents are fixed with reference to the existing rate, and the rate for similar lands in the neighbourhood.

It would be too revolutionary to substitute a tax on agricultural incomes for rent; but there might be no objection to the levy of such a tax in addition to rent.

In reply to Khan Bahadur Muazzamuddin Hosain he said that at the Permanent Settlement the khudkasht raiyats held at pargana rates. He thought that they were few in number. Khan Bahadur Muazzamuddin Hosain quoted from the Court of Directors' Despatch, dated the 19th September 1792, to indicate the intention that the rents

of raiyats were to be as permanent and secure as the revenue of the zamindars. Mr. Nelson said he did not know of such a statement.

He said there is no doubt that the effect of the Permanent Settlement has been to subsidise a middle class in Bengal. He did not agree that the Permanent Settlement has killed industry; it is a well-known fact that profits from investment in land are not high. The Khan Bahadur quoted from a Minute of Lord Cornwallis to show that the zamindars were not the proprietors of the soil. Mr. Nelson referred to his answer to question 4 and said that as soon as a zamindar let out land to another, he parted with the proprietary right.

The raiyats were a party to the Permanent Settlement, and Government held a power-of-attorney for them. The present Government might abolish the Permanent Settlement but they have not acquired the province "free from encumbrances."

The raiyats' rents are now fixed, and the only possible means of enhancement is on the ground of a rise in prices. It therefore follows that in terms of produce, the raiyats' rents are fixed. Rents were enhancible before the Permanent Settlement. Before 1859, there was no statutory ground or procedure for enhancement of rent. He was certain that pargana rates were enhancible. Before 1793 all rents were enhancible because the revenue was enhancible. As raiyats always resisted enhancements, it was easier to realise them in the form of abwabs. It is true that the Permanent Settlement has been a financial loss to Government—although he was not prepared to say to what extent. If temporary settlements had continued, the landlords would possibly have got a larger percentage of profits, as they do in the case of 99-year leases in the Sundarbans.

Between 1793 and 1859, the law did not specify the grounds for enhancement but there was no doubt whatever that raiyats' rents were enhancible. He imagined that the grounds of enhancement which were then legal were not the same as the grounds of enhancement nowadays, and that the quotation which the Khan Bahadur had made from the Court of Directors' Despatch was their opinion at the time. It was an admitted fact that a zamindar could improve his estate by growing more valuable crops, and if a raiyat grew such crops, e.g., mulberry instead of paddy, he was liable to have his rent enhanced. This ground for enhancement is not now admissible. In terms of produce the incidence of rent is much less nowadays than it was at the time of the Permanent Settlement.

He thought that the figure for the incidence of revenue in temporarily settled estates given in the Statements provided is very low,—possibly owing to the very small revenue that is still derived from some of the Sundarban estates.

The fact that a holding is very small does not mean that a tenant has no other land. He did not agree that tenants with small holdings should pay no rent. That theory overlooked the fact that the tenant holding an acre of land possesses property worth Rs. 200 or so.

He was not prepared to give an opinion whether the price of land has gone down or not.

It would be a complicated matter to calculate the compensation to the zamindars and tenure-holders if their rights were purchased by Government, but it might be possible to do so. Instead of purchasing, Government might experiment by taking a permanent lease of some zamindaris.

He could not say what would be the cost of establishing a computation branch similar to that of the Settlement Department.

An occupancy holding can be sold for anything up to Rs. 100 a bigha. That is what it is worth. The right of occupancy of a raiyat could be called a proprietary right inasmuch as it has its value, and is heritable and transferable.

He said he was not certain that subinfeudation is an evil. No legislation can defeat an economic law. If a man can make profit by subletting, he will certainly do so. Even if the law forbids it, he will find a way of evading the law. Occupancy rights have nothing to do with the tilling of the soil. Originally they were given to protect the raiyat, who was presumed to be the tiller of the soil, but tenure-holders also have occupancy rights. "Occupancy rights" mean that a man cannot be turned out except by civil suit—not even for non-payment of rent. The rights which a cultivator should get depend on several factors, such as the level of his rent and what was his contract. If he took a lease for two years, he may be turned out when it expires. He may also have rights by custom. He should not be protected simply because he is a tiller of the soil. A well-to-do raiyat has a right to be indolent if he wants to. If he can afford it, there is no reason why he should not sublet.

Asked whether his theory of economic rent was based on the assumption that a cultivator must first be given a living, Mr. Nelson said he had defined, not recommended, economic rent. The figures given by him were illustrative, and were based on the assumption that a tenant holds 5 acres. He did not agree that tenants having less than five acres should be exempted from payment of rent, and explained that he had merely taken a hypothetical case, when he assumed that 12 maunds per acre was the amount necessary to recoup the raiyat for his labour, and all other outgoings. Theoretically such land could not afford to pay rent. Land on the margin of profitable cultivation can afford to pay rent as soon as prices rise. The raiyats pay only a fraction of the economic rent, and should be able to pay it in bad or good years.

Rents have been enhancible by statute since 1859. He referred to the preamble of Act XI of 1859 which clearly shows that the customs existing at the time were simply codified.

He could not suggest a solution for the problem of uneconomic holdings. To give land to landless labourers or tenants with insufficient land would amount to charity. There is no reason why the State should give them land any more than it should give them bicycles. There is no practical solution for the problem of increasing population in agrarian legislation alone.

Rents are reducible under section 38, Bengal Tenancy Act, and should be reduced where they are too high, e.g., there are lands which used to grow valuable crops like mulberry and now grow paddy: the rents for mulberry were high and have not been reduced. In khas mahals the tendency has been to have a flat rate. This does no harm if the rents are moderate. The ideal method would be to assess each plot on its productivity but this would not be practical.

In 1859 and 1885 it was proposed that rents should be one-fourth of the produce The difficulty about trying to prevent settlement at high rent is that a landlord can always realise salami, representing the capitalised value of the difference between the economic rent and the customary rent settled.

Rupees 15 or Rs. 20 an acre may be a perfectly legal rent, but Settlement Officers should have power to reduce high rents if they are held to be inequitable. As a matter of practical law, it cannot be said that a tenant holding insufficient land should hold it at a low rent. His rent must be governed by the general laws: nobody should get special terms. This did not mean that the revenue policy of Government should not take into consideration the economic condition of the people. What he said was that one should not take into account the circumstances of individuals.

The value of land cannot be affected by legislation. In his opinion, enhancement on the ground of rise in prices is perfectly fair. The fact that landlords are not responsible for the rise in prices does not affect the question. The present level of rent is so low that a raiyat can normally pay two years' rent from one year's crop. In khas mahals also the rent is moderate and it should rarely be necessary to grant remissions.

In reply to Khan Bahadur M. A. Momin, he said that remission in khas mahals has increased very much in the last year or two. In his opinion it was not entirely necessary. There is a regular system of remission in districts which are liable to famine. Bengal, broadly speaking, is not liable to famine. He entirely agreed that the correct policy is to collect as much arrear rent as possible every year and to remit the balance once for all.

He agreed it is difficult to say that zamindars should not grant remission where it is deserved but according to their contract, the zamindars are not entitled to any remission from Government.

If the zamindars and tenure-holders are bought out, they will either spend the money or invest it. If they invest, they will naturally invest in land. That means that they would become owners of raiyati land. The result would be that many middle-class people would become raiyats under Government, and the actual cultivators would be those who would hold under them.

He agreed that as a general principle cultivators should have security. In the case of bargadars it is difficult to limit their share of the crop in such a way that they will have some interest in the land. A raiyat has got some land which he wants either to cultivate or to let out to a bargadar. There would not be any serious objection to a bargadar paying say 45 per cent. of the crop instead of 50 per cent.; but the principle remains that there must be somebody at the bottom of the scale who cannot sublet.

He would not insist that everybody below the raiyat should be governed by contract but saw no reason to the contrary.

If the zamindari and intermediate interests are bought out he doubted whether a happier state of things would ensue, because all the raiyats have votes and land would become a part of politics.

Regarding the comparative advantages of tenants in khas mahals and under zamindari management he said it is the fashion nowadays to say that a tenant under a landlord is better off because a private landlord has no certificate powers, and sometimes tenants are allowed to get into arrears for 4 years or so. Personally he thought that the khas mahal raiyat is probably better off.

He doubted whether the purchase of zamindaris and tenures would be a source of profit to the State.

In his opinion it is not legitimate for the State to undertake such an enterprise simply in order to obtain increased revenue. That would be merely in the nature of a speculation. The State has no right to buy out a zamindar who is not willing to sell.

It the Permanent Settlement is really an economic evil, there might be a case for ending it, but the mere fact that it has impaired the resources of the province would not be a legitimate ground.

He did not consider it morally wrong that tenants' rents should be enhanced, and the whole increment should go to the zamindar.

He did not agree that before the Permanent Settlement, and after it until 1859, the rents of raiyats were unenhancible except for the

benefit of the State. Before 1793 there was no settlement of rent when a settlement of revenue was made. When settlements were made, the State simply enhanced the revenue and left the zamindar to make what he could.

Section 50 (*2*) of Bengal Tenancy Act is the theory of lost grant. Generally speaking all rents were enhancible. If one finds that a rent has not been enhanced for 20 years, then there is something curious about it. If rent has never been enhanced the presumption is that it is not enhancible. The point was considered at the time of the Permanent Settlement and the decision was that rent should be left to custom. That will be found in Harington's "Analysis."

Rents which were by custom unchangeable are still fixed.

In reply to the Maharajadhiraja Bahadur, he said that extension of cultivation was a natural process in the interest of both zamindars and tenants. The probability is that both parties are responsible for extending cultivation because it is so much to the interest of both. The expectation of the Permanent Settlement had more or less been fulfilled in this respect. Regulation VIII of 1819 might be repealed, but not with retrospective effect.

On the whole he was not in favour of giving one month's time to the zamindars for payment of revenue, in the same way that this concession is allowed to patnidars. On principle he was against any relaxation of the Sale Law.

If the whole province became a khas mahal the occupancy raiyats would become landlords and would be free to sublet to under-tenants. Nothing would prevent subletting, and if occupancy rights were given to all under-raiyats the result would be the existing system on a lower grade. He thought this was a reasonable criticism of the proposal to buy out the landlords. It is impossible to limit the size of raiyati holdings.

He could not recollect any case in which the gross rental is lower than the land revenue. If rent were to be reduced below the level of land revenue, then revenue would also have to be reduced. He agreed that in Burdwan the incidence of revenue is high.

He considered that when there is a serious fall in prices, reduction of rent is much more important and urgent than enhancement of rent when there is a rise in prices, because the landlord can wait for his enhancement, but the raiyat cannot afford to wait for a reduction.

Rents are lower in Bengal than in any other province. This is clear when they are expressed in terms of produce and considered in relation to the gross produce of the land especially where they have

been reduced to produce rents. The grounds and procedure for enhancement of rent in the Acts of 1859 and 1885 were equitable, and it was for the benefit of the raiyats that the Acts regularised the whole procedure.

He was in favour of the simplest possible method of realising rent. The whole basis of the land revenue policy ought to be that moderate rents should be fixed and that they should be realised promptly.

Generally speaking, rent in Bengal is low: the average is a little more than Re. 1 per bigha.

In reply to Dr. R. K. Mukherji, he did not agree that the peasantry as a whole is insolvent, or that cultivation is unprofitable under present conditions. He could not suggest any remedy for the improvident who are growing poorer, and did not agree that the State has any responsibility in laying down the standard of an economic holding, or providing land up to that standard.

It was desirable that every family should have at least 5 acres of land. The larger the holding, the greater would be the profits, as the costs of cultivation would be proportionately less.

He agreed that fragmentation is undesirable, but thought that it is not possible to check it.

He was not in favour of reducing rents as a measure designed to assist the tenants. Rent is a very small fraction of their budget. He agreed that the general price level of all commodities should be taken into account as well as the price of paddy, but pointed out that paddy is still the main staple food crop. The level of prices has a greater effect on the incidence of rent than any other factor.

There can be no general rule fixing a proportion of the produce as a fair rent. If 1/6th is taken as the standard, the result would be that rent would be far too high in the poorer classes of land and far too low in the fertile classes. A fixed fraction of the produce is not a reliable guide. He thought that the Madras practice of taking half the net produce might be rather severe. The present level of rent in Bengal might be described as one anna in the rupee.

The barga system indicates that the maximum rent which the land can bear, is half the produce. Personally he would prefer an acre of barga land in a fertile area like Bakarganj to an acre of rent free land in an unfertile district like Bankura.

He would have no objection to a tax on agricultural incomes on income-tax principles, i.e., above certain limits.

Government is justified in spending a portion of its land revenue from the khas mahals on improvements there, because the raiyats stand in the position of tenants as well as tax-payers.

Section 38, Bengal Tenancy Act, provides for the reduction of rent. Produce rents are not affected by the changing prices of commodities.

If payment of rent in cash or kind is made optional, the tenants would all prefer to pay in cash when prices rise, and in produce when they fall. It would not be feasible to collect rent in kind on a large scale. State-marketing might be possible, but he was not an authority on the subject.

With some exceptions subinfeudation is practically universal in Bengal. There are of course many landlords who have a number of khas raiyats. The tendency to subinfeudation arises when rent is low and a profit can be made by subletting. Subinfeudation in itself is not an evil. In effect it has led to the distribution of wealth among a larger number of people.

Bengal is probably the richest province in India. This view is supported by the printed statistics showing the yield per acre.

(At this point Dr. R. K. Mukherji asked for a statement to show the amount of land revenue, i.e., intercepted by zamindars and tenure-holders. At the instance of the Chairman it was decided that on receipt of an official intimation from the Secretary giving details of the calculation required, Mr. Nelson would arrange with the Director of Land Records to supply the figures in due course.

In reply to Sir F. A. Sachse's suggestion Dr. Mukherji agreed that khas lands would be valued at the prevailing raiyati rents.)

In connection with the proposed purchase by Government of zamindaris and intermediate tenures Mr. Nelson did not agree that any distinction should be made between the original landlords with whom the Permanent Settlement was made and those who had purchased estates subsequently.

In reply to Khan Bahadur Hashem Ali Khan, he said although he had no definite data, he thought that the rents payable after the Permanent Settlement were the same as those just before. Compared to pre-Permanent Settlement days rents are at present lower in terms of paddy. The price of paddy was lower at the time of the Permanent Settlement possibly owing to the scarcity of money.

There can certainly be cases where rents have not been enhanced since the Permanent Settlement; but rents have always been enhancible, and from time to time have been enhanced.

So far as his information went, the yield per acre has not generally decreased since the Permanent Settlement. Fertility has decreased in some areas where rivers have silted up; in other areas it has definitely increased.

Generally speaking, tenants are far better off to-day than in 1793: they have now got a much higher standard of living and pay lower rents in terms of produce. Probably there was little debt at the time of the Permanent Settlement because the tenants had no security and consequently no credit. He could not say what is the total agricultural indebtedness to-day, but thought that in many places indebtedness is slight. He could not give a general figure for the average cost of cultivation per acre. He considered 5 acres should be a sufficient minimum for a man with a family of four or five to secure a reasonable living. He agreed that the cost of cultivation has gone up since the Permanent Settlement but was not sure if manuring was required at that time.

Prior to the Permanent Settlement there was no such thing as the road or public works cess. The zamindars were responsible for the roads and for the rural police. They were relieved of police duties at the Permanent Settlement. At the time of the Permanent Settlement the question for decision was whether the settlement should be permanently made or whether temporary settlement should be continued. The system of temporary settlement had more or less broken down at that time.

After revenue sales encumbrances are generally annulled. If there is no bid, Government can purchase for one rupee, and if a bid is made which does not cover the arrear, Collectors have powers to buy the estate for Government at that figure.

If the Permanent Settlement is abolished Government revenue would be increased, but it was very difficult to say exactly how much surplus would be available as it depended on so many factors such as the cost of acquisition, management, etc. On the whole he was not in favour of abolishing the Permanent Settlement, because with the Permanent Settlement people knew where they stood, whereas the alternative might prove hazardous. If the Permanent Settlement is retained, he could not suggest any means of increasing land revenue except from khas mahals and temporarily settled areas.

Rural credit has been disorganised by the Debt Settlement Boards, and during the last year or two the price of land has fallen to a great extent, as a result of which there has been a slump in the price of zamindaris. He could not say exactly what would be the purchase price to-day. He did not agree that the zamindars have done nothing to improve agriculture. The raiyats also have property in the land, and should also effect improvements on their holdings.

Once things settled down again there is no reason why people should not invest in land as before.

In reply to Sir F. A. Sachse, Mr. Nelson said he was under the impression that the majority of raiyats at the Permanent Settlement were tenants-at-will, i.e., the khudkasht raiyats were a minority. One gets the same impression from Regulation VII of 1822, and from the fact that there was a large number of migratory raiyats who wandered about from place to place looking for the best land. The khudkasht raiyats probably paid higher rents than the paikasht raiyats.

He agreed that most zamindari staff is underpaid, but mentioned that some zamindars have recently increased the salary of their staff. He doubted whether the collecting staff gets as much as annas four in the rupee now a days. It is true that they get something; he could not give the exact figure.

He explained that by "unearned increment" in his reply to question 11 he referred to the economic rent, i.e., the surplus over and above all costs of cultivation:—for example, if two holdings, otherwise equal, produce 12 and 20 maunds of paddy, and all the costs of cultivation are represented by 12 maunds, the economic rent of the latter holding would be the difference of 8 maunds, or Rs. 16.

He agreed that in giving tenants occupancy rights the legislation assumed them to be the actual tillers of the soil To protect all grades of under-raiyats presupposes a sanction to subinfeudation, and an admission that the raiyat is holding at a very low rent. If there is room underneath him for several grades of under-raiyats, then he must be making too big a profit. Protection cannot be extended indefinitely: it has got to stop somewhere.

Until recently there never has been a serious fall in prices, and section 38 (*1*) (*b*), Bengal Tenancy Act, is only beginning to operate in Government estates.

There is no reason against the State bidding in revenue sales except that it rather implies that Government is investing in land. Government might try the experiment of taking permanent leases of some zamindaris. That could be done without much expense.

The existing rules do not give too much protection to separate accounts. It is difficult to avoid the large number of separate accounts. It would be much better to make it obligatory for landlords to keep their own accounts, and to appoint common agents. The main difficulty is that they do not trust one another.

When a tenant gets into arrears all reasonable means should be taken to make him pay as soon as possible, provided the rent is fair.

If the demand is fair it is easier to insist on punctual payment. Zamindars should be given something as near as possible to the certificate procedure.

Replying to the Secretary, he agreed that whereas reductions of rent under section 38 (*1*) (*b*), Bengal Tenancy Act, are now being made in khas mahals and temporarily settled estates, it is difficult for tenants in permanently settled estates to get similar reductions because the Civil Court procedure is cumbrous and expensive. He was in favour of having a cheap and summary agency—preferably Revenue Officers. Civil Court procedure for the recovery of arrear rents is also slow and expensive. Provided that the rents are fair, the landlords should be allowed something like certificate procedure, and the object should be to enforce it after each harvest.

Replying to the Chairman, he said provided proper control is exercised, there would be no objection to allowing landlords something like certificate procedure. He thought that the court fees in rent suits, —particularly where the sum claimed is large,—are capable of reduction.

Memorandum by Mr. L. R. Fawcus, C.I.E., I.C.S., Commissioner, Dacca Division.

The vast field covered by the questionnaire makes it impossible, as I am sure the Commission realises, to deal with it all adequately in the intervals of other official work, and the question arises on what points can views be most usefully submitted. Personally I find the historical questions most interesting, and have reluctantly abandoned the idea of discussing them as I realise that mere "*ipse dixit*" views would be of little value unless reinforced by references to authorities and reports which I have neither the library nor the leisure to collate. The reluctance is less, however, owing to the fact that the Commission includes several members who themselves are probably the best living authorities on these questions.

Perhaps therefore the most useful form this note can take will be to discuss certain points of the questionnaire from the standpoint of actual experience gained in revenue work.

In question 19 it is asked in effect whether khas mahal tenants are better off than zamindars' tenants and whether they themselves consider it a benefit to have Government as their direct landlord. I should say "yes" definitely, in spite of the fact that while the certificate procedure was in force Government tenants had to pay their rent more promptly and regularly than the tenants of landlords who had not the benefit of this procedure. A khas mahal tenant always considers himself a privileged person owing to his connection through the tahsildar and Khas Mahal Officer with the Magistrate-Collector. For example in the not infrequent cases of dispute with neighbouring zamindari tenants over a fishery or an indefinite char land boundary, although the final decision is impartial, the Government tenant knows quite well that his case is going to be put up to the best advantage by the experienced Deputy Collector who looks after the khas mahals and if the worst comes to the worst and a civil suit is filed his interests will be fully looked after by Government.

Again in the question of abwabs, in spite of the increasing stringency of their legal prohibition, the khas mahal tenant always has been and still is less liable to these exactions than the zamindar's tenants.

Remission and suspension of rent in case of real natural calamities is more promptly and freely given by Government than by most private landlords and this more than counterbalances the capricious relaxations in the matter of rent which the latter give to useful or favourite tenants.

A programme of improvements in such matters as water supply or educational facilities is the rule in Government estates—but the exception in zamindari mahals, and though Government peons are by no

means beyond reproach, the little finger of the *burkandaz* used to be—and in out of the way places probably still is—thicker than the peons' loins.

Further instances could be cited and in spite of a denial of the fact which I recently heard given to the Commission by an experienced officer, I have little doubt that any tenant who was given the choice would prefer to hold his land directly under Government I need hardly, in fairness to many landlords, add that such abuses or omissions as I have suggested to occur in their estates are generally to be laid at the door of their subordinate officers, though there have been unfortunately notorious exceptions.

Q. 22. In the case of purchase of zamindaris and tenures there should not be much difficulty in dealing with homestead and khas lands. The question arises in an analogous form often enough in settlement proceedings when it is decided for some reason to hold a temporarily settled mahal khas for a period of years or to give it in ijara. The owners pay rent for such lands like ordinary tenants at a valuation which will be covered in the event of Government purchase, by the compensation they will receive or as a matter of grace they may be permitted to hold them rent free. The main difficulty is, and presumably will be, the treatment of lands cultivated by bargadars which the zamindar or tenure-holder claims to be his khas khamar lands, but this is a problem with which Settlement Officers are familiar and it will not be hard to carry out whatever policy Government adopts for the treatment of these lands. Presumably the khas khamar claims will be narrowly scrutinised and their recognition strictly limited.

Q. 52 *et seq.* Much could be written on the principle of determining fair and equitable rents. The old idea of pargana rates has died hard. Presumably these rates were in their inception the rates at which tenants could be found to take up land when the competition was not for land but for tenants to settle on the land, and though tenancy legislation from the Rent Act of 1859 onwards has modified this conception of rent, the raiyats themselves still speak of the "গ্রামের নিরীখ" as something tangible and comprehensible to them, and Settlement Officers in fixing fair rents frequently take such village rates into their consideration. Under the physical conditions of Bengal economic rent is indefinable; the frequent changes of the courses of rivers and the building up of a deltaic area has left in innumerable villages alternate tracts of high and low land, and it stands to reason that in a dry year the low lands will bear the best crops while in a year of flood or heavy rainfall the high lands will be benefited and the low lands submerged into infertility. Actual value of produce thus becomes an unstable factor in estimating what annual rent a tenant can pay—and the village rate which generally varies according to the height of the land, represents more nearly what a tenant can pay for his land, averaging the chances

of a good crop over a number of years. Of comparatively recent years however competition for land, as noted above, has taken the place of competition for tenants and this has been the most powerful factor in modifying the old customary rates, and, in conjunction with the somewhat unsatisfactory procedure for raising the rent on the ground of a rise in the price of staple food crops, must have been an important factor in the economic deterioration of the tenantry. I speak of the latter ground for raising the rent as unsatisfactory, for although it is a fair enough procedure when the tenant can produce enough food crops to earn the cash value of them by sale of a considerable proportion, now-a-days holdings are so small, that in many cases the majority of the food crop is utilised for subsistence and a comparatively small amount, if any, is available as a money crop.

It follows from the above considerations that if an attempt were made to adjust rents on a fair and equitable scale throughout the province, probably the most satisfactory procedure would be to base them on Tables of Rates framed on the lines laid down in section 104B of the Bengal Tenancy Act—giving the Revenue Officer power to reduce existing rents so as to adopt them to the rate appropriate to the tenants holding.

In this connection the point raised in question 73 with regard to the decrease in productivity of the soil is relevant and interesting. Owing to the fluctuations in crop outturn attributable to natural causes to which I have referred above, also owing to the difficulty of making accurate deductions from crop cutting experiments, and the absence of comparative data extending over a long period conclusive proof on this subject is unattainable. Nevertheless the known geological and hydrographical facts of deltaic action of great rivers lead, I believe, inevitably to the conclusion that the fertility of the present area comprised in Bengal is decreasing and the rate of the decrease is a question which is assuming more and more importance as time goes on.

The course of the Ganges from the United Provinces to the confines of Bengal is more or less an east and west one between the Himalayas on the north and the hilly country of Chota Nagpur and Rajmahal to the south, the river being kept in an eastward course by the latter trammels. Once clear, however, of the eastern limits of these latter hills the river in past times followed the natural slope of the country southward to the sea and, as the Adhiganga (original Ganges) and the Bhagirathi, built up a delta comprising the present area of western Bengal. As this area was gradually raised the main Ganges stream has forsaken these old beds and has continued its eastward course building up central Bengal till it has met the two great southward flowing rivers, the Brahmaputra and the Meghna in eastern Bengal. No further eastward trend is possible as the hilly tracts adjacent to

Tippera obstruct it and the three great rivers the Ganges, the Meghna and the Brahmaputra are pouring silt, disintegrated from the heights of the Himalayas by the frost and rain prevalent there, into a sort of basin bounded on the west by the Chota Nagpur hills, on the east by the Tippera hills and on the north by the Himalayas. This process as far as can be humanly foreseen must build up the present jute and paddy growing areas of central and eastern Bengal into a less fertile and drier land analogous to the western Bengal districts and there is every likelihood that the process will go on with increasing rapidity as the saucer gets fuller and fuller. This is the process which logically must now be diminishing the productivity of the soil and, in spite of the considerable efforts which are being made by introduction of improved strains of crops and artificial fertilisers to improve the outturn, must eventually make it impossible for the vast agricultural population of the tract to gain even sustenance, let alone a comfortable livelihood, from their ancestral occupation. Nor is there any likelihood of a decrease of the pressure of population on the available land, for the laws of nature are exerting themselves to the detriment of Bengal in another way. Its warm humid climate has a direct twofold physiological effect. On the one hand it favours multiplication of the human race (as long ago as Vedic times the Bangas or Bengalis were spoken of as "the eaters of fish and the progenitors of many children"), and on the other hand owing to the above climatic conditions which are analogous to those of a bacteria culture tube—the germs of epidemic diseases such as Typhoid, Malaria and Cholera have found an environment in Bengal which has resulted in continual and devastating outbreaks of these diseases. So long these two forces of nature balanced each other; the climate produced and the climate destroyed. Within the past fifty years, however, the spread of scientific knowledge and successful sanitary precautions have neutralised the destroying force, but the creating force has continued unchecked—and indeed encouraged by the social opinions and customs of the people, and whereas, before, families of ten were born and four survived to eat the fruits of the land, now-a-days families of ten are born and seven survive to find that the fruits of the land are not sufficient for them. This then it would appear from the above considerations is the crux of the problem of the tenantry of Bengal—an inexorably diminishing fertility of the land and a steadily increasing pressure of population on it. The remedy, so far as remedy is possible, obviously lies to a great extent outside the scope of the revenue laws however drastically amended but in the amendment of them I would suggest that the cardinal point to be recognised and faced is that so long as the mountains stand where they do, and the rivers flow and the sun shines, the land of Bengal will become less and less able to support an agricultural population and that population less and less able to be as of old the main source of revenue to the province.

Oral evidence of Mr. L. R. Fawcus, C.I.E., I.C.S., Commissioner, Dacca Division, on 14th February 1939.

In reply to the Chairman, Mr. L. R. Fawcus said that he was definitely of opinion that tenants generally would prefer to come under Government. Provided that Government administration is properly carried out, he thought that it would be better for the tenants themselves and for agricultural economy.

He was surprised to hear that the average rent in Bengal is as little as 1/16th of the gross produce: he would have thought it was a larger proportion.

Under the present conditions he considered that rents could not be enhanced to any considerable extent and that in some places its incidence is too high. Roughly speaking, under-raiyats pay double the raiyati rent, and it is difficult for most of them to make a living.

In reply to the Chairman's question whether holdings are not too small, he said that the pressure of agricultural population is now too great. The economic conditions of cultivators are also affected by prices, e.g., if the price of jute rises to Rs. 8 they are reasonably well off, while if it falls to Rs. 3-8 they are badly off. Paddy he regarded as a subsistence crop and not as a money crop. It is not usual for most tenants to have a large surplus of paddy for sale.

He agreed that holdings have become too small and that the position may further deteriorate unless steps are taken to check the present tendency. The size of holdings could not however be altered unless the laws of inheritance are changed. Fragmentation through inheritance is a natural process. He would prefer to provide other occupations for the excess agricultural population rather than to interfere with the laws of inheritance. He mentioned that when the Royal Commission on Agriculture recommended consolidation of holdings he had considered the problem and come to the conclusion that there is no practical way of checking fragmentation resulting from inheritance.

As regards the latter part of his reply regarding the effect of deltas formed by large rivers, he said the fact must be faced that deterioration will continue except at the mouth of the delta where new land is being formed. It is probable that the same conditions will eventually prevail as now exist in the tract between the Tigris and the Euphrates rivers which even in historical times was a fertile area. He mentioned that the Bakarganj Settlement Report contained a sketch map showing the land round the Meghna as it had been formerly, as it was at the time of the Settlement, and as it might be in future years. In eastern Bengal the process will be the same as it has been in western Bengal, where the rivers have built up the land round them and produced deterioration in fertility.

In reply to Khan Bahadur Muazzamuddin Hosain, he said that by the phrase "the rate appropriate to the tenants' holdings" he was not referring to the size of holdings, i.e., whether holdings are economic or not, but to their productivity. In his opinion it was preferable to have rent fixed according to a table of rates rather than to fix it in relation to rise and fall in prices.

In reply to Dr. R. K. Mukherji, he did not agree that the khas mahal management is more mechanical and less humane than zamindari management. Mr. M. M. Stuart's Khas Mahal Report might express a different view from his own, but he adhered to his own opinion based on more than twenty years' revenue experience. There is a much closer relation between Government and its tenants than between an average landlord and his tenants.

He did not claim to be a scientific expert but he had studied geology and had written some articles on the subject. In his opinion it is very difficult to check the silting up of rivers. Government is now considering the problem of river training.

The cultivating classes are not seriously affected by the price of paddy: those who have to use the entire produce to feed their families are not in a position to sell any portion of it. The real economic difficulty is that the fertility of soil is tending to decrease while the population is steadily increasing. He agreed that even if improved methods of cultivation could be introduced they would not solve the problem so long as holdings remain too small.

The principal causes of the present economic conditions are:—

(1) natural causes, i.e., climatic conditions and delta formation;

(2) decrease of fertility; and

(3) pressure of population on the land and fragmentation of holdings.

There are also external factors which affect the economic condition of tenants in Bengal—e.g., the world depression of recent years which naturally had its repercussions in this country.

He was not in favour of payment of rent in kind instead of in cash.

In reply to Khan Bahadur Abdul Momin, he said that the tenants would prefer to come under Government but there would be considerable difficulties in buying out the landlords and intermediate tenure-holders and he thought that it would probably operate unfairly on the landlords. He agreed that it would not be impossible to have a raiyatwari system.

He doubted whether the removal of landlords and tenure-holders would result in a decrease in litigation: certainly the number of criminal

cases would not be affected. At present some khas tahsildars do their best to settle petty disputes, it is possible that there might be less litigation if the whole province became a khas mahal.

He could not say exactly what is the percentage of the cost of collection in khas mahals. He had not seen the latest Land Administration Report but the practice was always to aim at a maximum of 10 per cent. The cost of management ought to be less, if the State manages compact khas mahal blocks instead of scattered areas. The same principle will apply in a comparison of cost of management in Court of Wards' estates: some estates are compact, some are scattered.

He thought that there might be difficulties in the way of Collectors bidding for estates in revenue sales. It would hardly be possible for the Collector to have the same knowledge of the estates' financial possibilities as the persons who might be bidding against him.

Consolidation of holdings has been proposed by the Royal Commission on Agriculture but he had considered it at the time to be impracticable. He doubted whether consolidation would be easier if the landlords and tenure-holders are removed. Consolidation is not carried out at present in khas mahals and his experience is that tenants always cling to their ancestral holdings.

Generally speaking, rents are not capable of being increased now.

In reply to the Maharajadhiraja Bahadur of Burdwan he said there was no doubt whatever that enhancements of rent were made before the Permanent Settlement. The asal jama was the old assessment which had been fixed by Todar Mal, and subsequent to this many settlements had been made at which the asal jama was increased. In his opinion it would be a mistake to say that rents were fixed in perpetuity at the Permanent Settlement and could not be enhanced thereafter.

He would consider it unfair to the landlords to break up the zamindari system. His opinion that khas mahal management is better than zamindari management was made irrespective of the question of buying out the landlords.

He thought that it is a question for an actuary and not a Revenue Officer to decide what should be the fair rate of compensation if the landlords and tenure-holders are bought out. He hesitated to suggest any figure himself because he was not in a position to give any data in support.

If Government took a permanent lease of a zamindari it would be in the position of a permanent ijaradar under the landlord; the patnis and other tenures would continue and could not be annulled without paying compensation.

The proposal to take away the occupancy from the area transferred by raiyats would be an infringement on the right of transfer which is one of the incidence of occupancy right. It would also be taking away from individual enterprise. We protect aboriginal tenants from unthrifty transfers on the ground that they are not competent to look after their own interests, but the same ground would not hold good in other cases.

He agreed that in temporarily settled estates Government takes upto 70 per cent. of the assets as revenue. He could not say why the Saharanpur rules laid down by Lord Curzon in 1902 have not been followed in Bengal: these he believed, limit revenue to 50 per cent. of the assets.

He considered that the Government policy of effecting improvements in khas mahals is more regular than the improvements effected in zamindari estates. The latter are more in the nature of individual cases of munificence. Government has a regular programme of improvements which goes to the Board of Revenue for sanction, whereas improvements in zamindari estates are rather sporadic.

In reply to Sir Frederic Sachse, he agreed that if the Commission's figures showing the average value of produce are correct, then the average rent would be about 1/15th of the produce. If the value of the produce is only Rs. 30 an acre in some areas, rent would be about 1/10th of its value. He could not say if this proportion is smaller than in the other provinces.

If the price of jute remains at Rs. 8, the condition of the cultivator will certainly improve, but the increase in price will not entirely solve the economic problems. It is possible that the price of paddy may go up in sympathy with the price of jute. During the jute boom of 1925 the standard of living undoubtedly went up in eastern Bengal. Corrugated iron houses were erected by many tenants and now-a-days one can get biscuits and good tea in villages where there were certainly none twenty years ago. There is no doubt that the tenants have acquired a higher standard of living.

He agreed that there are tenants who pay as much as Rs. 10 an acre for land which grows only paddy in districts like Howrah and yet make a living in spite of the high rent. He thought, however, that much depends on the probability that the land in question will produce a good crop. In some Sundarban lots in Khulna the rent is Rs. 10 an acre but a similar rent would never be obtained in areas like Chandkhali where the success of the crop is not so certain.

Drought and floods are of regular occurrence in Bengal: three years ago relief had to be given in Dacca on account of drought and this year on account of flood. He agreed that owing to the floods in Pabna this

year the tenants might have been compelled to grow rabi crops which they would not otherwise have grown. He thought there was scope for extension of the cultivation of rabi crops in districts like Bakarganj and Chittagong. Kalai is not a money crop: it only just pays for the cost of labour. Rabi crops which would be good money crops are potatoes, tomatoes and tobacco. He agreed that as holdings are getting smaller and smaller, conditions are going from bad to worse.

He agreed that if the zamindars are bought out, it would be, on the whole, an advantage if the fisheries are taken over by Government, but legislation on subjects such as protection of fish would be of value even if the fisheries remain in the zamindars' hands. The fish industry is a useful standby in times of famine.

The process of delta building by big rivers might certainly provide more land along the coast of the Bay of Bengal, though that would not help tenants in districts like Mymensingh.

He thought that it will result in hardship if separate accounts are not allowed, because one co-sharer who is negligent in the payment of revenue would be able to make things much more difficult for the other co-sharers. Separate accounts should also be allowed to tenure-holders who are liable to be sold up under Act VII of 1868. Partition might solve the difficulty of separate accounts, but a more summary procedure would have to be introduced. Under the present system partition proceedings often take five or six years.

In reply to the Secretary he said that he had always been in favour of granting certificate procedure to zamindars and if certificate procedure is restored, he would certainly be in favour of extending it to them.

He agreed that reductions of rents, which are now being made in khas mahals and temporarily settled estates cannot be readily obtained by tenants in permanently settled estates because Civil Court procedure is expensive and cumbrous. He doubted, however, whether reductions could be effected by Revenue Officers because of the time involved in enquiring into individual cases. It would be simpler to carry out reductions under the section 105 procedure along with re-settlements.

In reply to Sir Frederic Sachse he said he was strongly of opinion that the record-of-rights should be kept up to date. Government can do so now by a notification under section 101, Bengal Tenancy Act. He believed the popular objection to a programme of district re-settlements is the fear of levy of recovery costs. If the province became a khas mahal, there is no doubt that the record-of-rights would have to be maintained.

Reply by Mr. F. W. Robertson, C.I.E., I.C.S. (Retd.), ex-Divisional Commissioner and ex-Settlement Officer.

Q. 1. The description of the duties and obligations of the zamindars after the Permanent Settlement was concluded as given in question 1 appears to be exhaustive.

Q. 6. In general the increase in area brought under cultivation since the Permanent Settlement is due to the increase in population and the enterprise of tenants and not to the initiative and the pecuniary or other assistance of the landlords.

Q. 7. The increase in the rent roll of the permanently settled area is due mainly to the increase in cultivation and to reclamation of waste lands and to some small extent to enhancement of rents.

Q. 11. (*ii*) It is doubtful whether the Permanent Settlement has been the direct cause of subinfeudation or whether it could have been prevented under any other system.

(*iii*) There has not been any great enhancement of raiyati rents.

Q. 16. State purchase of zamindaris would undoubtedly greatly affect the social structure of Bengal in that it would destroy the present landholders as a class.

Q. 17. If it is proposed to abolish the zamindari system it seems desirable that all interests between the zamindar and the raiyat should be abolished at the same time.

Q. 18. In the event of cultivating raiyats holding directly under Government by the purchase of zamindari and intermediate rights a very large and expensive organisation would be necessary to perform the duties of management and collection.

Q. 19. It is doubtful whether the raiyats would prefer to come under Government or that khas mahal raiyats enjoy any advantages over raiyats in private zamindaris.

Q. 20. The Permanent Settlement did undoubtedly encourage subinfeudation, but it is very doubtful whether subinfeudation could have been avoided under any other system.

Q. 25. I can see no reason why the right of occupancy should be confined to one class of tenant only.

Q. 29. The number of bargadars, etc., is in my opinion increasing. Landlords ordinarily endeavour to resettle lands which have come into their hands by purchase or otherwise on a produce rent.

Q. 35. One-fifth would seem to be a reasonable proportion on the produce to be paid by bargadars.

Q. 37. Experience in the Duars khas mahals of the Jalpaiguri district would go to show that it is impossible to restrict transfer to genuine agriculturists.

Q. 38. The size of an economic holding must vary according to the fertility of the soil and the number of crops which the soil can produce annually. Ordinarily from 4 to 5 acres would be the minimum size of an economic holding.

Q. 39. It is a fact that the size of many raiyati holdings is uneconomic. The laws of inheritance, the statutory rights of transfer and the increase in the population all tend to further subdivision and fragmentation of holdings.

Q. 40. Consolidation of holdings is certainly desirable, but there seems no practical way of achieving it except by settling with the raiyats of neighbouring lands such lands as may fall in the care of khas mahals and Wards estates.

Q. 46. There is no reason to suppose that the framers of the Permanent Settlement intended that rents or rates of rent should remain fixed for ever. To fix rents for ever would appear to be unreasonable in view of the fluctuation in the value of money.

Q. 49. I can see no reason for reducing rents of tenants. Existing rents are very low, mainly because the value of money has largely decreased. To benefit the cultivators what is required is to increase their capacity to pay.

Q. 53. Whatever may have been the original method of fixing rents, there can be little doubt that now in Bengal rents are lump rents.

Q. 55. In my opinion it would be most dangerous to interfere with the existing structure and to endeavour to readjust all rents.

Q. 56. It is difficult to give an opinon without an intensive study of the question. One-fifth of the produce has been regarded as a reasonable share of the produce to be paid as rent.

Q. 57. The statutory limit of 15 years would seem to be a reasonable period.

Q. 58. Undoubtedly the proportion of agriculturists liable to pay income tax on agricultural incomes would be small and the number would tend to diminish. This would be an objection to the proposal to substitute income-tax for the present system of land revenue.

Q. 61. There seems to be no objection to the principle of enhancement of rent on the ground of rise in prices. It is natural that rent should be enhanced as the value of money decreases.

Q. 62. I can see no reason for the proposal that no such enhancements should be given in the case of tenants who require the whole of their crops for their own consumption.

Q. 71. Such remissions are seldom given. The probable reason is that it is difficult if not impossible to secure that these remissions will be passed on to the tenants.

Q. 75. The only reason why the amounts spent by Government for improvements in khas mahals have been small of late years is the financial stringency.

Q. 89. The machinery available to the landlords for the realisation of their dues is certainly at present too costly and cumbrous. As long as these dues are admitted and are not in dispute it should not be compulsory for landlords to go to the Civil Courts to realise them.

Q. 90. Provided the Public Demands Recovery Act is judiciously administered under proper supervision there is no reason why it should prove either harassing or objectionable. When it has proved so it is almost always due to faulty administration.

Oral evidence of Mr. F. W. Robertson, C.I.E., Chairman, Public Service Commission, Bengal, on 10th February 1939.

In reply to the Chairman, Mr. Robertson said it is true that more subinfeudation exists in Bengal than elsewhere. When he said it was difficult to stop subinfeudation, he was thinking particularly of the Duars where Government had attempted to stop subinfeudation but had failed. He agreed that the large margin between the present average rents and the economic rent is one possible reason for subinfeudation, and another is that it is impossible to prevent land from passing into the hands of mahajans.

He said he was opposed to the State purchase of zamindaris and that it would not be a business proposition. He did not understand the object of the State purchase—if it was for the benefit of the cultivators, obviously it would be impossible to enhance rents. He thought that the landlords would probably be satisfied with 10 years' purchase. It might be possible to work out a scheme for the purchase of zamindaris and tenures so long as the rents are not reduced. Rents are at present very low and there is no case for a general reduction. There has not been a great deal of enhancement in permanently settled estates and the purchasing power of money has greatly decreased

since the Permanent Settlement. It would require an elaborate organization to convert the province into a khas mahal. He thought 8 per cent. would be too low a figure for management costs as overhead charges would increase. At present the Collectors supervise khas mahal work but if the whole province became a khas mahal, they would be unable to supervise the whole area and a special staff would be necessary. He mentioned that in the United Provinces, the system is to correct the maps and records in the fields while collection of rent is made. He could not say what is the supervising staff there.

He thought that the abolition of landlords would have an unfortunate effect on the social structure of the province. He agreed that most people invest money in land, and that it would be a good thing if they could be got to invest in industry.

The number of bargadars is on the increase. He considered it undersirable that the barga system should spread as it is uneconomic. He agreed that in many cases it results in occupancy raiyat going down in the social scale. He thought that half of the produce is too high a proportion, although in many cases landlords supply cattle and seeds. He thought it wrong that there should be such a wide difference between cash rents and produce rents. He had suggested one-fifth as that was the maximum under the commutation rules.

He agreed that holdings are decreaseing in size and will continue to do so as long as the laws of inheritance remain unchanged. He considered that it would be difficult to alter them. The agricultural population has increased and has nearly reached the maximum possible limit. In a short time there may be a danger of agrarian revolution. When similar conditions existed in Europe, there have been industrial revolutions and it has been possible to accommodate the people in towns, but he doubted whether that would be likely to happen in Bengal.

The average rent in Bengal is low. To reduce it from, say, Re. 1 to annas 12 a bigha would do no practical good to anybody. Progress is only possible if rents increase. Higher rent is an incentive to higher production but first of all the tenants' capacity to pay must be ensured. A programme of agricultural development by the State has become necessary.

The landlords have been finding it increasingly difficult to realise rent. Now-a-days they can go to Debt Settlement Boards for realisation of their rents but he did not know if that had effected any improvement. Certificate procedure is not unfair provided it is rightly administered. It has sometimes in the past been administered unsatisfactorily because Collectors had too much to do, and had naturally to depend on their subordinate officers. The procedure is good in

itself. It is also cheap, and desirable provided it is efficiently and properly administered.

In reply to the Maharajadhiraja Bahadur of Burdwan, he said he did not approve of subinfeudation. It tended to create a class of parasites—a kind of pensioners. He thought that when the value of money decreases, rent should increase and that this was a natural law. If the landlords are bought out the result might be that there will be a class of agricultural raiyat directly under the State provided the mahajans could be eliminated, but he agreed that many raiyats will not themselves cultivate. There would certainly be a class of raiyat who could give lands in barga or engage labourers. He did not support the suggestion that raiyats should lose their occupancy rights in land sublet by them: there is no reason why both the raiyat and the under-raiyat should not have occupancy rights. He was in favour of giving certificate procedure to all landlords and thought that it would work quite satisfactorily. Certificate Procedure can only be used when the rent claimed is admitted. He considered that the only possible method by which the State could raise more money was to tax agricultural incomes. He agreed that in temporarily settled estates the revenue is 60 or 70 per cent. of the assets, but he did not agree that no income-tax should be charged, or that it should be on a lower scale, in estates where the percentage of land revenue is high. He would not have a higher rate for estates where the percentage of revenue to the assets is only 30 per cent. but thought that income-tax would have to be imposed on the net income of the landlord. This might operate harshly in some cases but he did not think that the percentage of profit could be taken into account, because much of the land of the province had, since the Permanent Settlement, changed hands for good consideration, and it would not be fair to take into account the settlement made with the original proprietor.

In reply to Mr. B. K. Chowdhury, he said that the extension of cultivation was a matter of history. He thought it was due mainly to extension of cultivation by the tenants but it might vary from district to district. He doubted if there was any authority to show whether landlords or tenants were responsible for extending cultivation. It would vary from district to district and was entirely a matter of opinion.

In reply to Khan Bahadur Momin, he said that abolition of the Permanent Settlement would not do any good to anybody except that it would simplify the administration. The results, he said, would depend on the efficiency of the administration. He was not certain that it was desirable to bring the tenants directly under the Government. It was true that in some cases landlords and middlemen are parasites but ultimately it would not do any good to remove the landlords as a class. The efficiency of zamindari management varies. In

some districts, like Rangpur, they live on their estates—in other districts they do not. Some landlords undoubtedly benefit the community —others do not. Those landlords are most beneficial now-a-days who take an interest in local politics, for example, the Raja of Dighapatia and Raja Bahadur of Chakdighi who are Chairmen of District Boards. He agreed that the Permanent Settlement has resulted in financial loss but if landlords are removed, it is difficult to say whether it would be of real profit to the State unless it is known what rate of compensation is going to be paid to the zamindars. He thought that there will probably be a profit if compensation is paid at 10 years' purchase. He was not in favour of converting the Permanent Settlement to temporary settlements. He did not agree to the proposition that because the tenants were concerned with the extension of cultivation and the State had got no share in the increased assets, the State might morally appropriate a larger percentage of the revenue. That proposition was based on the premise that the present zemindars are the successors of those existing at the time of the Permanent Settlement. He did not agree that the result would be the same by introducing temporary settlements, and by imposing a tax on agricultural income, on the ground that increased income would come from the land in both cases. Temporary settlement would affect the zamindars, whereas a tax on agricultural income would affect tenure-holders also. He thought that if the zamindars were given the option of allowing the State to buy their zamindaris or of having temporary settlement or paying a tax on agricultural income, they would prefer to be bought out, but they would not agree to have the Permanent Settlement converted to a temporary settlement without compensation.

If the province became a khas mahal, collection charges would be higher on account of the increase of overhead charges. In Court of Wards estates, the collection costs, including law charges, are often 15 per cent. If the middlemen are eliminated it does not follow that all the raiyats will cultivate. Even now a proportion of them do not cultivate. He mentioned that during the cultivation season, there is a regular exodus from Bankura to Hooghly and Burdwan. He suggested one-fifth of the produce because that was the maximum payable under the commutation rules; but the value of the produce varies from district to district and some land produce two or even three crops. If the outturn in Bankura was calculated at 15 maunds an acre and the price of paddy at Rs. 2 a maund, he was not prepared to say that Rs. 6, i.e., one-fifth should be the maximum rent. The general average of rent is certainly lower than one-fifth. There might be cases where it is as high, but as a general rule it is much less.

He thought it very doubtful whether raiyats in permanently settled estates would prefer to come under Government. There can be no progress without enhancement of rents and he thought that it was true

as a general proposition that where rents are lowest the people are most backward. It is after all a question of supply and demand whether rents are high or low. He agreed that a simpler system was desirable in land revenue administration.

In reply to Khan Bahadur Hashem Ali Khan, he said that certificate procedure is used in khas mahal estates and had been used quite widely in permanently settled areas. When he was Commissioner, certificate powers were freely given to permanently settled proprietors. He thought that the tenant's attachment to the system of the Permanent Settlement is largely sentimental. They feel that they will get remissions from the landlords in bad years and such remissions have undoubtedly been given. Certificate procedure could safely be extended to all tenure-holders provided it was properly administered and only applied to rents which are admitted. The record-of-rights would have to be maintained in order to secure it. He agreed that if the value of money decreased, it is right in theory that revenue as well as rent should be increased. He also agreed that if the land administration system could be simplified, there would be a decrease in litigation. He suggested that the best way of improved prosperity is to increase the capacity of people to pay taxes. He would depend on the efficiency of the administration whether or not it would be a profitable transaction to buy out the landlords. He thought that there was little distinction between a raiyat who cultivates through bargadars and one who sublets on cash rent. One reason for subinfeudation is the difficulty that a raiyat finds in borrowing money. He agreed that it is desirable to check subinfeudation but thought it is practically impossible, and instanced the failure of Government to prevent the purchase of land in the Duars by non-agriculturists He agreed on the whole there has been a tendency during the last 50 years for landlords to leave zamindaris and to live in towns.

In reply to Khan Bahadur M. Hosain he said that if the landlords are bought out, it is very problematic whether they will use the compensatory money they receive only to finance industry. He was not aware that the cost of management in raiyatwari areas in Madras is 8 per cent. but he thought that if the whole of Bengal became a khas mahal, there would be an increase in overhead charges and that the percentage would be higher. He said if it is desired to give occupancy rights to the "agriculturists" it would be very difficult to define the term exactly. In the Duars the definition of the word has been that the major portion of the agriculturists' income must be derived from agriculture, but that has not prevented purchase by mahajans. He thought that the agricultural system would be upset if in future purchase by non-agriculturists is prohibited and that it would be dangerous to restrict occupancy rights to the tillers

of the soil. In both cases, legislation on these lines would be very difficult to administer. If rents are never to be enhanced, all possible means of progress would be cut off. He was in favour of enhancement on the ground of rise in prices but as prices had decreased during the last ten years that was not now a possible ground. He thought that legislation to prevent all enhancements will do a great deal of harm to the country.

In reply to a quotation from a Despatch of the Court of Directors, dated September 1792, implying that the intention was to fix rent as well as revenue, he said he could not say what was the intention of the framers of the Permanent Settlement. In reply to another quotation from a Minute by Lord Cornwallis, he said that because Lord Cornwallis said something in 1793, it does not necessarily follow that it holds good to-day. Lord Cornwallis was not in a position to know what was the exact status of landlords and tenants. In practice it was impossible to find out whether remissions of revenue are passed on to the tenants. He thought that in the matter of remission, tenants in permanently settled estates are better off than in khas mahals. Landlords ordinarily give remissions in bad years and temper the wind to the shorn lamb more than the Government does. He thought legislation to enforce remission by landlords would be most unwise. It is much better to watch progress of events for some time before introducing legislation.

In reply to Dr. Mukherji, he said he did not know of any incentives which have been given by the landlords to the tenants to extend cultivation. Extension of cultivation is generally made by the tenants encroaching on neighbouring waste lands. It may be true that some landlords have brought in tenants from outside to cultivate waste lands and have given them land rent free for two to three years. The expectation at the time of the Permanent Settlement was that cultivation would extend because it was to the landlords' interest. Subinfeudation is general but not universal. There are good many landlords who have a number of khas raiyats. When he referred to landlords and middlemen as "parasites" his meaning was that by buying out intermediate interests, a number of landlords and tenure-holders would become parasites. If landlords were given certificate powers, the realisation of rent would be as punctual as in khas mahal estates. The bargadar's share varies probably between half and one-third depending on whether or not the landlord supplies cattle and seed. He thought that the payment of rent in kind would be a very retrograde step. If the value of produce falls by 50 per cent. and the price of the articles which the tenants have to purchase by only 10 per cent., that would not necessarily mean that the tenants are unable to pay rents in cash. Their present rent is so low that it makes no practical difference. If produce rents are fixed the tenants would be

worse off. He did not see how the State could interfere to prevent uneconomic holdings. If a man has 50 highas of land and after three generations his descendants hold uneconomic areas there is no means to prevent it: nor can the State prohibit the purchase of areas which are less than the size of economic holdings. If a man purchases one bigha that does not mean that he has not got other economic, holdings. The only possibility is to increase the tenants' paying capacity. He did not think it possible to interfere with the laws of inheritance and transfer. One way of improving matters is to increase the yield. The Co-operative Department should also help the tenants by providing marketing facilities. This is an important problem in rural areas. If a tax is imposed on agricultural incomes, a minimum would have to be fixed.

His statement that revenue as well as rent should increase if prices go up was a statement based on principle. It did not mean that he proposed to abolish the Permanent Settlement. He would only say that to that extent the Permanent Settlement was unwise.

In reply to Sir F. A. Sachse, he agreed that part of the salary of the Board of Revenue and Commissioners is included in the cost of khas mahal administration and that the cost of administering the whole province as a khas mahal would not be higher than that in the Court of Wards estates. The tahsildars would have compact areas. Only supervising officers would incur travelling allowance for their touring. This would be in the nature of touring within a settlement block. There would not be tours to distant and scattered areas, as in some Court of Wards estates. If the province becomes a khas mahal, it would be essential to maintain the record-of-rights. This might possibly be done in the same way as in the United Provinces. Government as landlord would be in a better position to check fragmentation of holdings and to bring about consolidation. The revision of the record-of-rights would not perhaps be very expensive as it might be carried out by a largely increased khas mahal staff. He agreed that a raiyat who has sublet part of his holding should not be penalised by taking away his occupancy right and thus encouraging him to let the land in barga.

Memorandum by Rai Bahadur B. B. Mukherjee, ex-Director of Land Records and Surveys, Bengal.

Q. 1. Should the Permanent Settlement remain or go?

Q. 2. Is State purchase desirable?

Q. 3. Is there any justification for completely demolishing the present society of Bengal who form the bulk of the tenure-holders and, if so, what is to be the substitute?

The three questions are inter-dependent, hence are taken up together. It is presumed that the first question implies that not only the fixity of revenue of the Permanent Settlement ought to go, but also the zamindari system, and that includes the intermediate tenures created as part of the system between the zamindars and the raiyat.

One has to remember that the zamindari system existed long before the advent of the British rule. It was recognised in all the discussions at and after the Permanent Settlement that there were at least two distinct classes of zamindars, one of whom included the territorial chiefs (such as the Maharajadhiraja of Burdwan, Maharaja of Susang) and the ancient landed families (such as the Natore Raj, the Dinajpore Raj and others).

This type was neither the creation of the British rule nor was it the result of the Permanent Settlement. The other type too had included many who though they might have come at varying times during the Moghul and Pathan supremacy were associated with land and the land-system for generations before the transfer of the Dewani (*see*, for example, the history of the Raj Nagar Raj in the Birbhum Final Report; of the Jemua Raj in the Murshidabad Final Report; of the Nadia Krishnagore Raj in the Nadia Final Report of settlement operations). The Permanent Settlement was devised not so much for the good of the zamindars as for reasons of State, to ensure stability in administration and certainty of revenue (Land Revenue was then as now the chief source of revenue of the State).

The latter was essential to save the State from bankruptcy on account of the growing demands on the resources for reasons of administration as well as for the profits of the East India Company. The assessment made was extremely high and had a disastrous effect on the zamindars. The rigour with which the revenue assessed at such a high pitch was realised ruined most of the old landed aristocracy, and only a few survived the onslaught by diverse ways of sub-letting, or parting with lands of the estate in blocks which were constituted into different revenue paying estates. The history of the land revenue administration at the time bears out in full the disastrous effects of the

assessment made. With the stability in administration ensured by the certainty of the main source of revenue, though brought about by painful consequences on the landed interest holders who undertook the certain payment; with the growth of population, and the general improvement in the country, the chaos was checked. The interest in land, which was the main economic urge round which society grew in India ever since the earliest days of history and through the Muhammadan regime which hardly made any radical change therein, reasserted itself. Rights in land grew up again, legal enactments clarified the positions and bettered the rights, and made them more dynamic and of more value; and during these 150 years land rights developed into the main sources of investment and as the most stabilising economic forces for society.

The large percentage of population depending upon land in some shape or other is a proof of the influence of the land system on the social organism as a whole in Bengal. It is essential to bear this in mind when one is asked to deal radically with it. Rights in land were created and developed for the zamindars, intermediate tenure-holders and cultivators for ages past, but in the modern sense the legal and statutory rights were created for near about a century and a half. Society is very largely dependent on such rights: numerous investments, innumerable contracts, and large expenditure of money and labour have been made on the assumptions of what had been the clear and unmistakable statutory laws of the land. To pull down that structure will have repercussions so widespread that the consequences are certain to be chaos and anarchy, and may mean miseries and upheavals difficult to foresee with clearness.

The fact that political and economic forces have smothered other avenues of economic self-expression is largely the reason why even agriculture and interests in land are getting unremunerative. It is futile to hold the Permanent Settlement responsible for evils which must be traced to other definite politico-economic causes. Such causes will not be in the least affected: on the other hand the effect will be aggravated if a large number of people, who had adjusted themselves to the rights determined by the laws of the land, are uprooted without a demand being created for their rapid absorption elsewhere.

It will be more or less like the uprooting of the tenantry in England from agriculture, sheep rearing, and wool production at the end of 17th and in the beginning of the 18th century without the corresponding active demand on men and labour brought about by the industrial revolution. It is certain to lead to tremendous upheavals and chaotic anarchy.

We may now examine the concrete proposals as to the expectations of benefit.

The zamindars and tenure-holders have to be bought off. Normally even at the present rate of interest on promissory notes near about 30 times the profit (net) should be fairly paid. As bonds are subject to depreciation over which the zamindars or tenure-holders have no control the capital will always be uncertain and may be worth little if the credit of the Government is seriously affected—a rather not improbable contingency judged by the present circumstances. It has been stated that even if the capital value paid be 15 times, the State will suffer loss and not gain. Hence a reasonable compensation can never be less than 30 times the net profit and even that with a probability of loss to the persons whose interests are bought off will mean loss and not gain to the State. If it be urged that the compensation given be small or less than 30 times it will mean forcible expropriation of vested rights in property legally acquired and legitimately developed according to the unequivocal laws of the land. It must be remembered that in the largest majority of cases the rights in the different stages have been not the rights of individuals who were called upon to contract at the time of the Permanent Settlement but rights bought or acquired in open market at the value prevalent at the time of acquisition, and hence represented legitimate investment sanctioned by the laws of the land, and thus were lawful rights which no State could acquire without adequate compensation. If expropriation of rights legitimately acquired in property be accepted in principle it will be the end of social order and the principle cannot be restricted only to rights in land, but is bound to be extended to all other rights in property, to profits from industry, commerce and the like.

So far as Bengal is concerned the rent rate in the largest majority of cases is demonstrated to be low. If acquisition of proprietory rights direct by State leads to enhancement of the cultivators' rent, it may by screwing up the rents lead to gain by the State as an ultimate result. In view however of the poverty of the cultivators the wholesale enhancement of rent is an impossibility. The trend is rather towards placing an embargo on enhancement, and towards anything that may bring about a still further lowering of rent (compare the amendment of 1938 of the Bengal Tenancy Act and the appointment of the committees for reduction of rent). If it be intended to nationalise the land it will mean still further displacement of human labour and further complication in the field of unemployment.

In view of all these facts, the safest and best course will be to leave the Permanent Settlement and the zamindari system which have such complicated ramifications throughout the entire social and economic fabric of the country untouched by any frontal attack. If the land system is at all to be experimented on it is preferable to evolve a system of optional sale. If the State and private parties agree the interests may be bought by Government. If the system be helpful

to the parties as well as to the State, voluntary transactions will grow in number and the State purchase if found suitable will be carried on without undue haste and resultant complications at a pace to which all parties concerned will have time to adjust themselves.

It must be remembered that the direct contact of State with the cultivators in Bengal is not without its potential dangers in the political sphere. In the existing circumstances the main source of revenue —the land revenue secured through the zamindars according to the terms of the Permanent Settlement—remains unaffected by any mass movement. For example, the financial stability of the State in Bengal was absolutely unaffected even at the height of the non-co-operation movement. Once all these buffers are removed, the class-conscious and economically unstable cultivators of Bengal will have the most effective weapon ("no rent" campaign) to bring the Government to its knees and completely upset the stability of the social organism.

Q. 4. Can the lakhirajas (revenue-free estates) be legally taken back by compensation or otherwise?

Rights in them are rights in property. The objections to the interference with rights in property here are as urged in the case of the Permanent Settlement. Many of the present holders have acquired the rights by payment of the market value and are entitled to full compensation. In the badshahi and non-badshahi grant resumption regulations, the State gave definite assurances for the safety and inviolability of certain types of grants. These have been enjoyed as revenue-free since then.

There is nothing to prevent a law being passed for their resumption. Where the grants were for certain specific purposes of a public nature which no longer hold good the moral objection would be less to such law being passed, but the objections to the forcible acquisition of rights in property established by the laws of the land would persist as urged in the case of Permanent Settlement.

Q. 5. Should the curtailment of occupancy rights be advocated?

I am afraid it is too late in the day to advocate the curtailment of such rights. As a matter of fact the development of the rights of the cultivators for a century and a half is at once the justification for refuting objections to the Permanent Settlement. The one power however which must be taken is to prevent the acquisition of occupancy rights by under-raiyats. Such rights before 1928 were restricted to a small minority, but the amendment of 1928 attempted to spread them

downward almost unchecked. Such a diffusion of the right of occupancy will complicate the position of all concerned worse than the sub-infeudation of intermediate rights has done.

Q. 6. Is there any possibility of future increase of revenue within the framework of the Permanent Settlement? If so, should there be any local cesses where the rate of revenue is less than in parts of western Bengal?

I have already stated that I do not think that the Permanent Settlement should be disturbed at this stage of the economic evolution of the country. Neither the system nor the fixity of assessment should be tampered with. [The incidence of assessment of revenue is the result of various forces and a really fair formula can hardly be evolved. If however the Government be bent upon doing something it has to evolve a formula to determine the percentage of assets it would like to claim as revenue. After the formula is evolved, the incidence of each estate has to be examined, and the margin of profit has to be determined.] This formula, and the assets to which it is to be applied must need periodical revision, for circumstances alter radically from time to time.

Q. 7. Agricultural cess how to be imposed?

If agricultural cess is to be imposed for national planning it must be based on land which should include the holdings of non-agriculturists.

Q. 8. A cess for revival of cottage industries how can be imposed and what rate should the Government, the landlords and the tenants pay?

It is certainly necessary to find employment for the unemployed hours of the cultivators. But the moot point is what should be done to provide it. Withdrawal of population from land for large scale industrial undertakings, withdrawal of such population for wider use of trade and commerce, or employment in cottage industries are the various alternatives. In the matter of the development of cottage industries it has to be considered whether the latter might be subsidiary to large scale industries as in Japan or might be complete products in themselves. (As. Gandhiji's charka.) Nothing has yet been evolved and determined upon. The mere provision of funds is not the one thing necessary. Funds may be raised to be wasted if cottage industries sought to be developed have no survival value.

I should think that it will be putting the cart before the horse if we can't first develop the ways to resurrect cottage industries, before

providing a cess for taxation. I would suggest that it may be laid down that should in any region potentialities for development of live cottage industries exist, the union boards may with the approval of the Government impose a cess. The rate will be on the basis of an estimate to develop the cottage industries provided the State can contribute half and the other half is to be raised from landlords of various grades and raiyats. The latter two should contribute in equal shares and the assessment should in no case exceed a cess at a definite rate, say half an anna per rupee of rent. In according approval to such proposals of the Union Board the Government must take into consideration the incidence of revenue and rent and the margin of profits left to the cultivators, the tenure-holders and zamindars in such a region.

Reply by Rai Kalipada Maitra Bahadur, B.C.S. (Retd.), Manager of the Estate of the Nawab Bahadur of Murshidabad.

Q. 1. I venture to submit that the duties and obligations of the zamindars, as enumerated in question 1, are almost exhaustive. To my mind there may be one omission and perhaps one over-statement. Along with Regulation I, forty-eight more Regulations were passed on the same day amplifying the liabilities of the proprietors. Customs and usages also were not annihilated.

I have not been able to get hold of all these 48 Regulations. While the zamindars were certainly required to conduct themselves with good faith and moderation towards their subordinate tenants and while they were further enjoined to see that their own officers did likewise, I have not been able to get hold of any data to lead me to think that they were to "extend to their subordinate tenants the same generous treatment which they were to receive from Government." The zamindars, so far as I am aware, were never required or expected to grant to their tenants fixity of rent, fixity of tenure and free sale—the rights which were recognised or granted to the zamindars.

No arrangement between the Paramount Power and the zamindars can legally affect any subsisting right of third parties, if they had any. This is a simple principle of jurisprudence. The question really is if the raiyats in 1793 had actually any recognised rights, not to speak of the right of fixity of tenure, fixity of rent and free sale. I will deal with this later on in reply to appropriate questions.

Q. 2. The Permanent Settlement conveyed to the proprietors powers to choose their tenants and to regulate the usage of the land excepting, of course, where the mokarari tenants or tenants protected by patta were already existing. I have not found authority for holding a contrary view. Whatever might have been the rights of the zamindars in the pre-Permanent Settlement days, once they were formally recognised by a statutory proclamation as actual proprietors of the soil, their right to disposition of particular plots of land became unquestioned subject, of course, to previous commitments or subject to any enactment to be codified later on to regulate the zamindar's relationship with his tenants as provided for in section 8 of Regulation I of 1793. I confess, I cannot follow the 2nd part of this question, viz., the zamindar's liability to foster the economic interest of the province.

The zamindars were certainly expected to extend cultivation and thereby to foster the economic interest of the province. There was no

liability on their part to foster the economic interest in any other way, so far as I am aware.

Q. 3. A comparison of the state of the country in 1793 and 1893 will by itself supply the answer, if the zamindar did anything. From my personal observations and experience as an Assistant Settlement Officer extending over 17 years both in East Bengal and West Bengal, I am in a position to record that in order to extend cultivation and develop the countryside, the zamindars in the districts often allowed the raiyats to hold land free of rent for a term of years. They even sometimes paid for building huts for the raiyats. In some cases, the homestead land of such a raiyat was not assessed to rent even when his cultivated lands were fully developed and assessed. The zamindars had to excavate the irrigation tanks and construct embankments. I do not see wherein they failed. If there is any failure in any estate that particular individual proprietor is at fault. But that is no reason to haul up the entire body of the zamindars over the coals. It was in the interests of the zamindars to develop their own esates so that they could themselves enjoy the fruits of their own industry and resourcefulness. I am not aware of cases of zamindars committing their economic and financial suicide in this respect.

Q. 4. The question, if the zamindars were actual proprietors of the soil before the Permanent Settlement or they were made proprietors only in 1793, is as old as the Conquest. Mr. Justice Field in paragraph 28 of his Introduction to Bengal Regulations very correctly stated that "No attempt to define their positions and rights could now possibly succeed and this for two reasons. In the first place, the new status which we gave them by the Permanent Settlement in 1793 has affected many of the traces of the previous state of things. The old foundations were buried beneath the new structure. In the second place, it may be doubted if their position and rights were ever capable of exact definition."

It is now a matter of history that before Lord Cornwallis made his historic Proclamation, the whole question was discussed threadbare and decision taken. The memorable controversy between Mr. Grant, Sheristadar and Mr. Shore (Lord Teignmouth) over this question fills a volume in the constitutional history of our Anglo-Indian Empire. The records of this controversy, the contemporaneous writings of Mr. Harington and the later records, all go to show on a proper and careful analysis that the zamindari rights in the pre-Permanent Settlement days were held by three classes of persons:—

(*a*) Independent Chieftains or tributary chiefs who submitted to the sovereignty of the Moghuls and were holding their zamindari neither as rent collectors, nor as Feudal Lords but as an appanage to their quasi-sovereign right, e.g., Maharaja of Susang, zamindars of

Haibatnagar in Mymensingh (descendants of Isa Khan), Rajas of Ramgarh, Lalgarh, Parchaytgarh, Kultikri in Midnapore, zamindars of Chandradwip, Raikuts of Jalpaiguri, etc.

(*b*) Hereditary zamindars, e.g., Maharaja of Nadia, Maharaja of Burdwan, Maharaja of Dinajpur, Raja of Putia, Maharaja of Natore, Raja of Taherpur, Raja of Kakina, zamindars of Tepa, zamindars of Panga, zamindars of Burdhankuti, Raja of Narajote, zamindars of Muktagacha, etc.

(*c*) Those, who were in origin mere rent collectors, appointed by the Nawab Nazims but by efflux of time, became hereditary rent collectors imitating or arrogating to themselves the status of the hereditary zamindars.

Instead of making any invidious distinction, Lord Cornwallis thought it fit to treat them all alike and to declare all of them as actual proprietors of the soil. Mr. Shore was strongly of opinion that these zamindars had proprietary rights and Lord Cornwallis agreed with him in his views. If anybody suffered by this generalisation, the State suffered inasmuch as the State could have asserted the proprietary right of the State or the Lord Paramount of the soil in respect of the zamindaris of the third degree. And this generalisation might as well have affected the sentimentality of the old Feudatory Chiefs and the real landed aristocracy when they found themselves bracketed with the landholders of the 3rd degree. But there is evidence to show that the zamindars of all degrees were mortgaging and selling their interests, creating rent free grants and permanent mokarari tenures and showing them in their quinquennial returns and the State recognised these grants in limitation of the State demand. So it is difficult to find fault with the authors of the Permanent Settlement, so far as it related to the recognition of the proprietary right of all these zamindars. Then again, we find that whenever any of these zamindars proved recusant and their estates were held khas or let in farm, they were used to be given malikana or proprietary allowance in recognition of their proprietary right. It is on record that Rani Bhawani of Natore was given a malikana allowance of as much as Rs. 48,000 a year. So the proprietary right of these zamindars were unquestioned and unquestionable. I do not understand what useful purpose can be served now, after a century and a half, by raising this question particularly as I find that 90 per cent. of the estates formed in 1793 have already changed hands. 90 per cent. of the proprietors of the present day have acquired their estates in revenue sales or private sales after the solemn declaration of the Government of the day. This polemical discussion will lead us nowhere. It will not detract the value of the zamindaris anymore than a piece of diamond will lose its value because in origin it was but a piece of charcoal.

Q. 5. Conceding for the sake of argument that the conferment of the proprietary right on the zamindars of the third degree as described before was a blunder, I do not see how this contract or proclamation which is sacrosanct, inviolate and inviolable, can now be abrogated; nor do I see how can they be reconverted to the status of rent collectors and dismissed after a lapse of a century and a half. Such a proposition militates against my own juridical notion and can only be comparable with the treatment that is now being accorded to the Semitic race in Nazi Germany. No civilised State can seriously think of indulging in such like acts of expropriation.

It is unquestioned that the permanent fixation of the State demand once for all crippled the financial resources of the country in the sense that no prospect was left of augmenting the land revenue of the province. But what is the land tax in Great Britain? How does it compare with the total revenue of the country? What good was gained by commutation of tithe? After a lapse of 150 years, it is so easy to call in question the propriety of the Permanent Settlement and to characterise the authors of that Settlement by any adjective you like; but they had their reasons and cogent reasons for fixing the State demand for ever. Unless the State demands were permanently fixed forever at the time and had the zamindars been left at the tender mercy of the revenue gatherers for five generations, these zamindars in their turn would have likewise raised the raiyati rent according to their sweet will. Compare the raiyati rents in the zamindari area in Bengal with the rent obtaining in the temporarily settled areas or khas mahal areas in Bengal and for the matter of that with rent prevailing in any other country of the world. The statistics supplied by the Land Revenue Commission will show that the incidence of raiyati rent in the zamindari area in Bengal is Rs. 3 per acre against the gross produce of Rs. 49 per acre. Where else in India or for the matter of that anywhere on the face of the earth the incidence is so very low? According to Hindu Law, it is 1/6th of the gross produce of the soil. According to Saracenic System of Land Settlement—Murabalic System which obtains in the whole of Turkey—it is ⅓rd. What is the ratio according to the old Roman Law? It is ⅛th or 1/7th excepting in case of olive yards or vineyards. So I submit this low incidence of rent in zamindari area in Bengal is directly attributable to fixation of the State demand for ever.

Now I come to the argument that the tenants were no party to the arrangement. If a zamindar is to grant a patni or ijara of a mahal, it is a matter with which a third party has not got anything to do. The principle of "self-determination" is not even a quarter of a century old and it has not passed on to this side of the Suez Canal. So, I submit that the tenants had no say in the matter unless there was any

apprehension that it would affect their interest. How could or how did the permanent fixation of the State demand prejudicially affect the rent payers? On the contrary, the raiyats would have been highly prejudiced if the State demand was not permanently fixed but left to discretion of the successive generations of Settlement Officers. What is the incidence of rent in khas mahal area in Bengal? Let the statistics supplied by the Land Revenue Commissioner tell their own tale. It is Rs. 4-11 per acre in khas mahal against Rs. 3 in zamindari area. Just the other day, the Hon'ble Chief Minister spoke in no equivocal terms when he himself said that khas mahal tenants in Bengal are more highly assessed than the tenants under the zamindars whom we sometimes take delight in abusing as grasping and rapacious. After these statistics and the declaration of so high an authority as the Hon'ble Chief Minister the much maligned zamindars stand vindicated and the case for prescribing electric chairs for them automatically disappear.

Q. 6. The expectation that the Permanent Settlement would encourage the zamindars to extend cultivation and to enjoy the fruits of their industry has been very well realised. Extension of cultivation was possible mainly in the bil areas and in the jungles. I have already noted in answer to question 3 that my knowledge and experience is that in order to extend cultivation the zamindars in some cases allowed lands free of assessment to the raiyats to build their huts and in some cases built huts at their own cost. Such homestead lands are even now free of assessment in some cases. The papers of the zamindars of Fatehzangapur (Kajulia) and Sahapur (Olpur) would prove this. Most of the proprietors of the bil lands had to excavate khals for draining the bil to make the land fit for settlement and colonisation, e.g., the zamindars of Habibpur, Telihati, etc., in Bakarganj and Faridpur. The Hon'ble Mr. Huq was a proprietor of pargana Habibpur when I prepared its record of rights. I can testify to this industry of the proprietors and I trust that the Hon'ble Chief Minister himself still remembers it.

It is certainly true that there would have been no necessity for extension of cultivation had the population remained stationary or was on the decrease. When there was an increase of population, there was necessity for migration and then and then only arose necessity for the zamindars to come forward with their offers of investment to do all this. The issues should not be confused. Up to the end of the last century, the area known as Hijole in pargana Fatehsingh in Murshidabad was a big bil without any habitation. It is a fact which I believe may be known to Khan Bahadur Abdul Momin, C.I.E., that the present Nawab Bahadur of Murshidabad spent about a lakh of rupees in constructing embankments in that area. These embankments are being maintained

even now at a cost of Rs. 3,500 a year on an average. There are many such zamindari embankments even now all over the Burdwan division. Even this year the estate of Nawab Bahadur of Murshidabad has contributed Rs. 1,000 to the Collector of Rangpur to drain a big bil in Kaliganj thana.

Q. 7. Yes, the returns filed by the zamindars at the Decennial Settlement, if totalled, will give a total of about three crores of rupees. It is also true that these returns were checked by the pargana kanungoes. Still I contend that these figures were not all correct. There was so much of dishonesty and corruption in those days that it is a matter of common knowledge that these figures were all more or less faked according to the dishonesty of the parties and according to the chances of detection. The figures for the districts round about the seat of the Government that is Burdwan, Hooghly, Jessore and Nadia would show a comparatively higher incidence of rent but in the outlying districts and in districts across the Ganges, the figures were low —only exception being the districts of Dinajpur where either the Maharaja of Dinajpur was not so very resourceful or there was some misunderstanding with the kanungoes or because the Provincial Council at Dinajpur had a vigilant scrutiny. But by this statement, I do not for a moment contend that the real rent roll in 1790 could have been even six crores. It was probably less. The additional six crores is attributable to extension of cultivation and enhancement of rent. About two crores may be due to extension of cultivation but the balance of four crores is due to enhancement. As the purchasing power of silver went on diminishing, the rates of rent went on increasing. That is so in every other area whether in the khas mahals of Bengal or in the raiyatwari areas outside Bengal.

Q. 8. The zamindars were required to conduct themselves with good faith and moderation towards their subordinate tenants. They were also enjoined to see that their employees did likewise. But I do not find that they were required to secure to their tenants "the same equity and generous treatment as they were supposed to have received from Government." I am myself unaware of any such obligation and would gratefully stand corrected when this is pointed out to me. The zamindars were never required to secure for their tenants fixity of demand or fixity of tenure or free sale. Neither do I find this mentioned anywhere in Regulation I, nor does the history of the last 149 years show this. On the contrary, Regulation VII of 1799 would show just the other way round. It gave the zamindars almost absolute power over the person and property of the raiyats. I do not see how the zamindars can be accused of any breach of faith towards the tenants. I would rather think that when the Britishers were newcomers to this strange country among strange people with habits and customs still

stranger, they were only anxious to do whatever was necessary to safeguard their revenue. But when they found themselves entrenched in their position and revenue secured, they began to feel the mistake of fixing the revenue in perpetuity and proceeded later on to look to the interest of the tenants by passing enactments some of which were characterised by the eminent Chief Justices, like Sir Barnes Peacock and Sir Richard Garth as infringements of the rights of the zamindars. I will quote their opinion *ipsissima verba* in my answer to question 23.

Q. 9. In my reply to question 6, I have shown what the zamindars have done to improve their estates. Then again a comparison of the condition of agricultural Bengal with that of any other province in India will clearly establish this. Compare the value of the gross produce per acre with that of any other province in India. Compare the incidence of rent in the permanently settled area in Bengal with that of khas mahal area in Bengal and outside Bengal. These figures by themselves would show if the Permanent Settlement was a boon or a curse to the country. The more we are receding from the date of Permanent Settlement, the more we are hearing of the evil effects of Permanent Settlement from sources ignorant or interested. But what did late Mr. Ramesh Chandra Dutt say? He was no enemy of his country, he was no dreamer, nor did he love Bengal less than the other provinces in India, nor was he ignorant of the economic conditions prevailing all over India. He was a democrat and a nationalist. Still he gave it as his considered opinion in his open letters to Lord Curzon that had there been any Permanent Settlement in other provinces, "India would have been spared those more dreadful and desolating famines which we have witnessed in recent years." In consequence of the Permanent Settlement in Bengal he held "The cultivators are more prosperous, more resourceful, better able to help themselves in years of bad harvest than cultivators in any other part of India", and that "agricultural enterprise has been fostered, cultivation extended, and private capital accumulated which is devoted to useful industries and to public works and institutions."

So I do not see wherein the Bengal zamindars failed and wherein khas management succeeded in other parts of India. It is true that with the spread of Malaria in the sixties and seventies of the last century and with the growth of amenities of life in the Metropolis the zamindars began to be attracted to Calcutta, but has the condition of agricultural Bengal suffered after 1880 compared with the state of things before? So the tenantry has not been so much affected by the absenteeism of the zamindars. On the contrary, I can prove that the worst and the oppressive landlords continued to live in the interior. For the sake of decency and for fear of coming within the mischief of section 500 of Indian Penal Code, I refrain from naming these zamindars who are well-known in the agrarian history of Bengal.

Q. 10. When I consider the incidence of raiyati rent in zamindari area of Bengal and compare it with raiyati rent of khas mahal whether in Bengal or elsewhere, I am forced to the inevitable conclusion that the Permanent Settlement was for the greatest good of the greatest number of population. Of course, it ruined forever any prospect of enhancing the land revenue of the province. It has thus affected the provincial exchequer but it has not affected the purse of the raiyat. The Permanent Settlement undoubtedly gave a greater fillip to the creation of a chain of subinfeudation on a wider scale. "It is a natural consequence of hereditary benefices" says Hallam, "that those who possess them curve out portions to be held by themselves by a similar tenure." By the same law of nature, the Permanent Settlement gave an enormous impetus to subinfeudation. Sir George Campbell in his Bengal Administration Report, 1873-74, observed thus:

"At the Permanent Settlement, Government by abdicating its position as exclusive possessor of the soil and contenting itself with a permanent rent charge on the land escaped thenceforward all the labour and risk attendant upon detailed management. The zamindars of Bengal proper were not slow to follow the example set them and immediately began to dispose of their zamindaris in a similar manner."

But the evil is mainly confined to only certain districts where there were bils and jungles in abundance requiring reclamation and colonization and requiring investment of capital. So, I for one, would always think that it was perhaps a necessary evil. This chain of subinfeudation has undoubtedly led to a complication in our revenue system and it has also made our general administration more difficult and complex with so much of litigation. The Permanent Settlement has no doubt helped to increase the income of our zamindar with the extension of cultivation and rise in prices of staple food crops. But when I consider that out of the gross produce of Rs. 49 per acre, only Rs. 3 goes to the landlord, to say that the zamindars are growing richer "at the expense of the tenant" is in extreme overstatement of the case. Such a statement smacks of bolshevism ignoring the reality of the proprietorship of the zamindar.

Q. 11. (*i*) It has been alleged that the Permanent Settlement has "led to the appropriation of nearly 80 per cent. of the income from land" by the zamindars. If the "income from land" means the gross income, i.e., the value of the produce, it is a preposterous statement for the landlord gets only Rs. 3 out of Rs. 49, i.e., 1/16th—a ratio which does not prevail anywhere in the world. If the "income from land" means the net profit of the raiyat, even then the proportion quoted is absurdly high. If the "income from land" means the total

raiyatwari assets of the province, it should be admitted that some 75 per cent. goes to the proprietor and to the chain of subordinate tenure-holders, if any, created by him. How can it be otherwise? It is the proprietor who is to have the proceeds of the raiyatwari assets subject only to the payment of the public demand which was fixed forever. So this criticism about the appropriation of the lion's share of the raiyati rental is not a case of culpable misappropriation for which the proprietor can be penalised in any way. If anybody has suffered by this appropriation, the State or the Lord Paramount of the soil has suffered. But the Government of the day entered into this solemn contract with eyes open and no civilised State can think of resiling from such a contract after a lapse of 150 years on the plea that they did not see through the mistake of their policy at the time. If such a contract can be abrogated by a civilised Government, every contract can be challenged on more frivolous pleas.

(*ii*) The very existence of the subordinate taluks at the time of the Permanent Settlement is a proof positive that there was subinfeudation already in force. In my reply to question 10, I have quoted Hallam to show that subinfeudation is a "natural consequence of hereditary benefices." I have also quoted Sir George Campbell to show that the zamindars in creating the subordinate tenures only imitated the ways of the Government of the day. So, this is no ground for assailing the Permanent Settlement and crying for its abolition.

(*iii*) The next argument is that Permanent Settlement has led to enhancement of rayati rent. Such an argument only betrays ignorance of facts. Rent in permanently settled area is Rs. 3 per acre against Rs. 4-11 in the khas mahal area. These figures by themselves give a lie direct to the arguments of the advocates of the abolition of Permanent Settlement.

(*iv*) The last argument against the Permanent Settlement is that it has "created a system of overlordship over the actual cultivators of the soil which is harassing and oppressing." This argument is equally unfair. The old and hereditary zamindars, independent talukdars and dependent talukdars were already there in existence in 1793. It is not a creation of the Permanent Settlement at all. I have already shown that even if any of these zamindars proved recusant before Permanent Settlement, they were given malikana in recognition of their proprietary right and I have already shown that as much as Rs. 48,000 per annum used to be paid to the Rani of Natore. So this overlordship was not a new creation in 1793. It is extremely doubtful if the British were morally competent to ignore these hereditary actual proprietors of the soil and could assume khas management. Of course, they could certainly do so by force of arms—a proposition which did not appeal to their sense of British justice and equity. They tolerated them at a considerable sacrifice but the tenants have now revolted against this

overlordship. I concede that any subordination is humiliating in those days of liberty, equality and fraternity. That is why in these days of socialism and bolshevism, this cry against "overlordship" of the proprietors is being raised.

So I venture to submit that there is no real substance in all these criticisms, and they are not quite justified.

Q. 12. I have exposed the ignorance, fallacy and unsoundness of all the four grounds enumerated in question 11 and none of these arguments can be used at so distant a date for cancelling the fixation of the public demand in perpetuity, so solemnly declared, given effect to and adhered to for a century and half unless we go several steps down the ladder to reach the plane where the murder of a single citizen is being visited with pillage and plunder of millions of fellow countrymen. I fear the zamindars cannot be got rid of by such a summary process. At any rate, knowing as I do, the revenue history of Bengal, I, for one, cannot advocate such a summary course, I do not, therefore, find much difference between the arguments and mentality of these revenue reformers and our young terrorists.

Q. 13. (*i*) I have made it abundantly clear in my replies to questions 11 and 12 that we cannot make a short work of the zamindars who have been solemnly declared to be the actual proprietors of the soil by any rough or revolutionary process. If we want to increase the revenue of the province and to do away with the "overlordship" of the proprietor the only just, reasonable and possible solution is to buy up the zamindari rights of all grades of landlords supposed to be lording over actual cultivators. Allow me to quote in this connection a few lines from the last paragraph of the report of the Rent Law Commission of 1880:—

"As to the power of the legislature to redistribute the property in land at any time, when such a redistribution is required in the interest of the entire community, there can be no doubt. If such a redistribution has for its immediate result the impairment of existing interest, compensation is usually given by the civilised legislature."

So I would advocate acquisition of rights of all the "overlords" of all grades down to the cess tenure-holders only allowing them to enjoy their khas lands on certain terms. This is according to the canons of all legislation and if it leads to a revolution in the economic structure of our society, it will be a peaceful revolution and will not seriously hurt the interest or sentimentality on any side excepting perhaps of a few who like to see the landlords to be hanged, drawn and quartered.

(*ii*) I am no advocate for substituting temporary settlement for Permanent Settlement for the cry of "overlordship" will still subsist. Then again, if the zamindars are not wanted or found wanting, why

keep them at all with a degraded status? If I find any subordinate of mine not wanted I would remove him outright instead of degrading him to a temporary post on a lesser pay; for he would lose his self-respect and would work worse and would prove less useful purpose.

If the zamindars and other landlords are not wanted and if they have outlived their usefulness pay them up and give them a happy farewell. That is the just and the most honourable course.

(*iii*) I am not at all in favour of levying a tax on agricultural income as a substitute for fixed annual land revenue. It is understood that about 90 per cent. of the present-day proprietors are not the lineal descendants of the proprietors of 1793 but subsequent purchasers who invested money in zamindaris as some others invested in Calcutta house properties or in gilt-edged securities. When a purchaser of zamindari invested money, he invested his hard cash on calculation of certain profits. I do not see why the investors in zamindaris should be singled out to lose their incomes while the investors in Calcutta properties and Government securities will be left untouched. Unless the wealth in general is nationalised on bolshevic principle, the land alone cannot and should not be singled out. Just two years ago, the estate of Nawab Bahadur of Murshidabad invested Rs. 15,00,000 under Government orders in purchasing a zamindari in Rangpur. So much money was invested in expectation of getting a net annual income of Rs. 75,000. Now if this income of Rs. 75,000 is taken away by imposition of a tax of say 50 per cent. on the gross rental, who will pay for the loss? What is true about this purchase under Government orders is equally true in case of other private purchases. A tax on agricultural income, if it is to be introduced at all as a substitute for land revenue, cannot be on a uniform scale on the gross rental, for some of the zamindars will gain and some will lose by it. A 50 per cent. on gross rental will perhaps benefit some of the zamindars of western districts as it will work out to a figure which is less than their existing annual revenue. It will give them a far bigger margin of profit than they ever enjoyed before; while such a scheme will raise the existing land revenue in eastern districts sometimes to 10 or 15 times the existing land revenue and their actual income will undergo a serious loss. I for one, do not see any principle or equity underlying such a proposal. If, however, the proposed tax is imposed on the net income of all estates over and above the existing land revenue to augment the resources of the State, I, for one, in my personal capacity cannot see any objection to it provided the incidence of such a taxation does not prove too heavy for the landlords to bear.

Q. 14. In my reply to question 13, I have indicated that I am no advocate of substituting temporary settlement for the Permanent Settlement but I am a ready advocate of buying up the zamindari rights and

the rights of all middlemen exactly in the way it is done under the Land Acquisition Act subject to certain deviations. Just at present we pay land acquisition compensation at about 20 years' purchase of the net annual income plus 15 per cent. as additional compensation for the compulsory nature of the acquisition. This 15 per cent. surcharge may perhaps be saved; for though the nature of acquisition will be compulsory, I venture to think many of the proprietors and other landlords would welcome the idea of being relieved of the ownership of their estates and tenures because of the tyranny of the present generation of the raiyats. The landed aristocracy in 1938 is being more sinned against than sinning. Any one having anything to do with rent collection in any estate, whether held by the Crown or by a private individual, is painfully aware of all the devices or subterfuges resorted to by the tenants to evade payments and to enjoy the land without payment of rent.

The compensation should not be paid in cash but in Government securities carrying an interest of 3½ per cent. free of income-tax. I confess I am not in a position to say off-hand what would be the total amount required to buy up all the zamindars and middlemen. It is understood that some such calculations were made by my late chief Mr. F. D. Ascoli, I.C.S. (retired), when he was the Secretary to the Board of Revenue, Bengal? The exact sum need not concern us so much at present, as nothing will have to be paid in cash and so long as it is evident that by paying the landlords 20 years' purchase in 3½ per cent. Government security, the State will make a good profit and an accumulation of this profit in case of all estates taken together will mount up to a very great figure. Let me illustrate this by an example:

The net profit of a landholder is Rs. 1,000 a year, he will get G.P. Notes bearing 3½ per cent. of the face value of Rs. 20,000. This will give the landlord Rs. 700 a year that is Rs. 300 short. A sum of Rs. 300 for every Rs. 1,000 of net profit will go to the State. It may be questioned why the zamindars or other landlords should agree to take Rs. 700 instead of Rs. 1,000 which they are actually getting now. My answer is this—

The landlords have now fallen on evil days and evil tongues. The tenants have revolted and have combined in a campaign against the landlords in general. They are the complainants, they are the witnesses and sometimes they want to be judges also. So it is only a Hobson's choice with these landlords to accept this Rs. 700 without expecting more and even foregoing this statutory surcharge of 15 per cent.

Q. 15. In my answer to question 14, I have advocated paying the compensation in Government securities bearing an interest of 3½ per

cent. I do not see any justification why such securities should be made redeemable after a term of years. I am, however, prepared to suggest that these securities will revert to the Crown on the failure of the direct line of succession of the security holders.

Q. 16. The State purchase of the zamindaris will not affect the social structure unless all the middlemen are removed at the same time and their rights purchased. We will then have a proletariat. This will certainly bring about a revolution in the social structure as it will tend towards revolutionising the existing economic and social conditions. If the principle of eliminating the middlemen is to be carried to its logical conclusion to have a real and complete proletariat, the big raiyats who are growing in number and fatter still with right of free purchase of occupancy holdings will have to be relieved of the areas let out by them. We will then have an altogether new superstructure. In an age when Brahmins are taking to sale of shoes and wines and there are revolutionary changes in all directions, the new structure to arise out of the old structure will be tolerated all the same.

Q. 17. There is no point in eliminating the zamindars by buying up their estates unless all the middlemen of all grades are eliminated and at the same time by the same process. In most cases, the zamindars are not in direct touch with the raiyats and the only interest the zamindars feel is getting the rent from the patnidars. Then again in a village a person might be collecting 8 annas share of the rent of the raiyats as a proprietor and collecting the other 8 annas share of the rent from the same set of raiyats as a patnidar or ijardar under the other 8 annas share of the zamindari held by his co-sharer zamindar. Then again no useful purpose would be served, by buying up the proprietary right of the zamindar in an estate leaving the tenure-holders under him to collect rents from the raiyats. The administrative system, the revenue system, etc., will all stand very much simplified, if the cultivating raiyats come directly under the State. This complete elimination of all "overlords" of all grades will democratise the State as a whole and will pave the way towards real nationalism—the ideal towards the attainment of which the socialists are striving. Pray do not think that I am either a socialist or democrat. I am too conservative in my ways, tradition and culture to be either but I have been an insistent and persistent advocate of turning the whole of Bengal into one big Khasmahal to simplify all business. I, for one, shall always welcome this change as it will mean a decided improvement upon the existing revenue and administrative system with all its complications and ramifications.

Q. 18. As already indicated in my answer to the previous question, for making a direct raiyatwari collection in all districts we shall need a network of tahsil offices. The average size of a tahsil union being

10 square miles or 6,400 acres or about 20,000 bighas of cultivated area, the total raiyatwari rental for each tahsil union will be between Rs. 20,000 to Rs. 30,000 just the size for an ideal tahsil union. Ten such tahsil unions will be made into a tahsil circle with a Circle Officer of the rank of a Sub-Deputy Collector. The total cultivated area of the province excluding Darjeeling and Chittagong Hill Tracts is about 45,000 square miles. So we will need 450 tahsil circles distributed in 25 districts. Roughly speaking there will be some 18 Circle Officers in each district. I have shown below an estimate of cost for a tahsil circle:—

		Rs.
Tahsildars—10 at Rs. 50 for 12 months	...	6,000
Tahsil mohurirs—10 at Rs. 30 for 12 months	...	3,600
Peons—20 at Rs. 15 for 12 months	...	3,600
Circle Officers—1 at Rs. 250 for 12 months	...	3,000
Amin and clerks—3 at Rs. 40 for 12 months	...	1,440
Peons and chainman—4 at Rs. 15 for 12 months	...	720
Contingency and Miscellaneous	...	240
Travelling Allowance	...	600
Overhead charges at Headquarters	...	1,000
		20,000

As the average collection in a tahsil circle with 10 unions will be about Rs. 2,50,000 the total collection charge will amount to Rs. 20,000 including all overhead charges, i.e., only 8 per cent.

Q. 19. The question whether the raiyats would prefer to remain under private proprietors or they would prefer to be the khas tenants of the State can only be correctly answered if a plebiscite is taken. I doubt not that in these days of propaganda against landlordism the majority may be in favour of Khasmahal, though in my younger days I found the people in general afraid of khas collection for fear of punctual payment of rent which was not so insisted on in private estates, exactly in the way as debtors used to prefer going to moneylenders for loan instead of going to the co-operative credit societies in spite of their lower rate of interest. As at present only a small fraction of the tenantry live in khasmahal, they expect and as a matter of fact, they get preferential consideration from the local authorities in the matter of the agricultural loans and such like things. They have got the ears of the local executive officers and count upon their help and co-operation, in personal

and local affairs. They can carry their appeals against arbitrary settlements to higher authorities. But if and when the whole area is concerted into one Khasmahal and all the raiyats will be on the same footing, this preferential treatment will automatically disappear. The lure of direct management by the local executive officers will disappear also leaving only the sting of liability of punctual payment.

Q. 20. The Permanent Settlement with the proprietors at a fixed revenue has certainly encouraged creation of subordinate tenures with rents fixed in perpetuity. I have already quoted Hallam and Sir George Campbell to show that this was the most natural consequence of Permanent Settlement. Many of the raiyats themselves did take such permanent mokarari leases paying heavy premium to enable them to enjoy the rights which no occupancy raiyat ever had before, i.e., right of free sale, right of erecting pucca structure, right of digging tank, right of enjoying timber of the trees of the holding, etc. Now many of these rights have been conferred on the raiyats by the successive statutes. So there is no more any craze for taking settlement of permanent tenures. Permanent leases were also taken by the raiyats or other local people to enable them to have a better social status and in some cases to enjoy the honour of having a domain over their fellow tenants. I do not quite see how creation of a permanent tenure covering a village or portion of a village could and did affect the raiyats within the village economically but from a social point of view it was certainly undemocratic inasmuch as it affects the sentimentality of the raiyats.

Q. 21. The question is like question 16. My answer is the same. The zamindaris are fewer in number compared with the number of permanent tenures. Elimination of all middlemen will democratise the society—a proposition which will appeal to the imagination of our revenue and social reformer. If the tenure-holders are given land acquisition compensation for their tenure-rights these tenure-holders will not be much affected.

Q. 22. The homestead land and khas land of the zamindars and tenure-holders will have to be assessed. Strictly speaking they should be valued exactly on the same principle as they are dealt with for the purpose of cess valuation. But their real nijjote or khamar land coming and recorded under Chapter XI of the Bengal Tenancy Act may be given some concessional rent, so also their homestead, if ancestral. I would suggest one-third rate for their khamar lands and ¼th rate for their ancestral homestead and half rate for other lands in view of the fact of non-payment of 15 per cent. statutory surcharge under the Land Acquisition Act. This will be like sugar-coating the quinine pill or a solatium.

Settlement records after revision would show the extent of khas land. But this is linked up with the question of bargadars who may be in possession of such khas lands. Where bargadars were recorded as occupancy raiyats and they are still in occupation of such lands, the areas cannot be treated as khas land of the landlords and the landlords will have to be given land acquisition compensation or the produce rents of the bargadars will have to be commuted before they are brought directly under the State. Where no occupancy bargadars is found to be in existence, the land would be treated as khas land and assessed as indicated above.

Q. 23. What rights the raiyats had before the Permanent Settlement are now matters for research by the antiquarians. Paragraph 433 of Mr. Shore's (Lord Teignmouth) Minute of the 18th June 1789 shows that, "with respect to raiyats, their rights appear to be very uncertain and indefinite". With the exception of raiyats who held under pattas dating before the Permanent Settlement and the khudkasht raiyats, no other raiyats had any right of occupancy. The proprietors on the contrary were enjoined not to grant pattas for a term exceeding 10 years, *vide* preamble and section 2 of Regulation XLIV of 1793. The occupancy right in the present sense of the term is a creation of the British by section 6 of Act X of 1859. In 1864 a majority of judges of the High Court gave it as their opinion that the right of occupancy created by Act X was an invasion of the rights of the landholders. Mr. Justice Trevor declared it "a great infringement of the law previously existing" and Sir Barnes Peacock and other Justices suggested its abolition on the ground that "it interferes with the just rights of the zamindars, at least in the permanently settled districts, by vesting rights of occupancy in the raiyats which had no previous existence." Sir Richard Garth in his Note of the 18th January 1880 says:—

"Mr. Field expresses some doubt whether a khudkasht raiyat, so long as he paid his rent could be turned out of his holding by his landlord. But however this may be, it is certain that before the passing of the Rent Law in 1859, a landlord could and did almost at pleasure rid himself of objectionable tenants."

"To obviate this apparent injustice, Act X of 1859 protected a raiyat from eviction after 12 years of occupancy and prevented the landlord from enhancing his rent after that period except under certain conditions."

"Now, however wise and politic this provision might have been, it seems to me impossible to deny that it operated as an invasion of the landlord's rights as conferred upon him by the Permanent Settlement." (Page 386 of Bengal Rent Commission, 1880, Vol. II.)

After such a remarkable pronouncement of a Chief Justice some sixty years ago, it is difficult to assert that the occupancy right was not a creation of the British. Lord Canning in his Message conveying his assent to the Bill (Act X of 1859) said:—

"It had long been desirable that the important questions connected with the relative rights of landlords and tenants dealt with by the Bill should be settled; that the Bill was a real and earnest endeavour to improve the position of the raiyats in Bengal and to open to them a prospect of freedom and independence which they had not hitherto enjoyed."

In view of the words of Mr. Shore, Sir Barnes Peacock, Sir Richard Garth and the other Judges of the High Court and the Message of Lord Canning it is difficult to assert authoritatively that the khudkasht raiyats had any real right of occupancy and that the occupancy right, as we now understand by the term, was not a creation of the British.

Q. 24. This question about the proprietary right of the cultivators raises another polemical discussion. It is of course possible to quote a line from a Hindu Law to show that the land belonged to the man who cleared it for the purpose of cultivation and that the share of the produce which he paid was a tax paid by him for the protection of his crop. But at the same time the King was the "Lord Paramount of the soil". There are thus two conflicting ideas. In the greater part of the world the right of cultivating particular portions of the earth is rather a privilege than property—a privilege first of the whole people, then of a particular tribe or of a particular village community and finally of particular individuals of the community. This exclusive privilege or the right to cultivate a particular plot of land did not necessarily convey more than a right to cultivate and to appropriate the produce and a right to such possession as may be incidental thereto. "We are too apt to forget that property in land as a transferable mercantile commodity absolutely owned and passing from hand to hand like any chattel is not an ancient institution but a modern development". So I cannot subscribe to the view that the cultivator was ever the actual proprietor of the soil he cultivated. He was only the permissive occupant or a tiller of the soil with some sort of right to cultivate but not to enjoy the real proprietary right in any sense of the term.

Q. 25. I am for confining the occupancy right to the actual cultivator of the soil (other than those temporary cultivators who are hired to cultivate the lands of those who are physically unfit to cultivate personally, e.g., lunatics, infirms, females, minors, etc.). Condemning as we do the principle of subinfeudation created by the proprietors and other permanent tenure-holders, we cannot consistently bless and encourage a new chain of subinfeudation which is being created and will

be created in a greater degree with easy and unrestricted sale and transfer of the occupancy holdings, while it is proposed to destroy one set and the existing set of middlemen we cannot bring into being another set. It will be doing away with one form of overlordship and creating another of an identical nature which will perhaps be more harassing and oppressive to the actual cultivators, unless it is held that the overlordship of the old set was bitter and biting and the overlordship of the new set will be sweet and pleasant. To my mind there cannot be and should not be a halfway house between the existing zamindari system and a complete proletariat.

Q. 26. A raiyat who has completely and permanently converted himself into a rent receiver is and ought to be in the same category with other middlemen, be he a zamindar or a tenure-holder. I do not honestly find any difference. If the zamindars and the statutory tenure-holder are eliminated, I find no cogent reason why the raiyat who has voluntarily converted himself as a permanent measure into a middlemen should be tolerated to exist. His rights should be purchased and he should be paid off when the other middlemen are paid off. Similarly those of the raiyats who hold some khas land but have sublet the rest of the holdings should be dealt with exactly like a statutory tenure-holder having some khas lands. What is sauce for the gander ought to be the sauce for the goose as two and two always make four whether in the old world or in the new world.

Q. 27. I have no reason to think that it was the real intention of the Permanent Settlement to give any special protection to non-agriculturists. Section VIII of Regulation I of 1793 in the matter of protection refers to the welfare of the dependent talukdar raiyats and other cultivators of the soil. As the non-agriculturists are not as a rule "most helpless" and are ordinarily solvent, it is up to them to purchase occupancy right in respect of their non-agricultural lands paying premium to the landlord or to the State stepping into the shoes of these expiring landlords.

Q. 28. If a raiyat has converted his agricultural land for non-agricultural purposes, he has changed the character of his tenancy unless it be his own homestead. Generally, he has been allowed to do this conversion with the knowledge or permission of the landlord—a permission which has been presumably obtained on payment of some consideration. A landlord might have foregone any consideration in any special case on extraneous consideration. In all such cases, to proceed to tax the tenants or to penalise them would be encroaching upon the rights of the landlord who could have granted a permanent mokarari lease for any purpose on receipt of proper premium. So I for one cannot advocate a special taxation directly by the State on such non-agricultural holdings.

Q. 29. I believe that the number of bargadars is and will continue to be on the increase. With the new right of the free sale of their holdings, the occupancy raiyats are selling land both to the bigger raiyats as well as to the non-agriculturists none of whom can afford to cultivate so much land personally nor are they always willing to lease out their newly purchased land to under-raiyats on cash rents. So they are on the look-out for bargadars from those of the old raiyats who have sold up their land as well as from other landless labourers who are also on the look-out for lands which they cannot afford to take settlement of on payment of premium. The new purchasers of occupancy holdings, be they bhadraloks or big agriculturists, can without hesitation let out in barga as this will not constitute any tenancy with a right of occupancy.

This increase of bargadars can only be checked by putting a stop to the unrestricted sale of occupancy holdings—a right which was conferred on the raiyats as a boon regardless of the warnings of thoughtful persons. I might be permitted to quote here a few lines from the Note of Sir Richard Garth in 1880:—

"They beget and marry sons and daughters without the least considering whether his small jote which is sufficient to support 10 people is sufficient to support 50. They appear to spend the proceeds of a good harvest without laying up any sufficient store against bad one; and can it be doubted that when hard times come upon them, either from over-population or bad harvest, they will sell or mortgage their little property if you only give them the power to do so."

"I should have thought that the most effectual way of protecting such people and preventing them from wasting their substance would be to secure them a permanent interest in their property by prohibiting the alienation of it in any shape or way" (*vide* page 382 of the Report of the Rent Law Commission, 1880).

How prophetic these warnings were! A misconceived notion of the welfare of the raiyats has now landed them in their present plight. The more we will be facilitating free sale the more deep we will be digging their graves.

Q. 30. My answer to question 29 may be perused. The absence of statutory right of the bargadars according to the Act of 1929 is certainly a contributory cause of the extension of the barga system but the real cause is the misconceived boon of the right of free and unrestricted sale.

It does not matter whether these purchases are made by non-agriculturists who do not themselves cultivate or by the big jotedars who cannot cultivate so much land. The final result is all the same. To stop the purchase by non-agriculturists and to allow the purchase

by big agriculturists will lead to the same effect finally, with this little exception that the bargadars instead of holding under non-agriculturists will hold under the new and now growing body of non-cultivating cultivators, if I am permitted to use an oxymoron.

Q. 31. It is no point of honour for a raiyat to cultivate on barga system but when his holding is sold wholly or in part he goes in for barga. A good cultivator sometimes takes barga of his adjoining plot for the purpose of consolidation or some such ulterior object, otherwise the system is confined to the landless labourers or to those of the raiyats who are now left with insufficient land after sale of their own holdings. A bargadar does not ordinarily go in for more than 6 or 7 bighas at the most but with more sales the area will go on increasing. The majority of the old bargadars were primarily under the tenure-holders and used to cultivate their so-called khamar land. But with the sale of occupancy holdings, the bargadars are coming in larger numbers under the raiyats purchasing such holdings.

Q. 32. I confess, I do not quite appreciate the question. To think of protecting the bargadars effectively is to ignore the history of their birth in most cases. A raiyat does not pay his rent and his holding is sold for arrears and is purchased khas, if there be no third party bidding (there is a systematic propaganda amongst the raiyats not to bid in such sales and this propaganda is very influentially backed).

No one comes forward to take settlement of the purchased land paying any salami or the arrears for which the holding was sold. The landlord necessarily gives it to a bargadar. To give such a bargadar an occupancy right or any right of commutation is to make the landlord lose his arrear rent, and cost, etc. Similarly a mahajan (moneylender) cannot realise his dues from a raiyat-debtor. He purchases his holding and allows the old man to continue in occupation in barga for the time being, more to help him than to embarass him. If such bargadars are then given the occupancy right and the right of commutation, does not the moneylender or the purchaser stand cheated? Should we encourage all this unless we adopt a new creed of driving out all the landlords and moneylenders? Those who advocate or aim at such a policy are perhaps no better than the Nazis who make no secret of their plan of plundering the Jews.

So I for one cannot with a clear conscience suggest conferring any right of occupancy or right of commutation to the bargadars unless the State comes forward to adequately compensate the party to be affected. I have been systematically advocating this principle of paying compensation all my official life. The principle of Irish land legislation may supply a precedent. If truck loads of English gold could be shipped across the Irish sea to compensate the landlords there, the

same policy with necessary modifications can well be followed here also. The idea is by no means new. I put it down in print in my Supplement to the Final Report of Dacca Settlement so far back as 1921 and I find that Mr. W. J. Reid, I.C.S., also noted about it on page 51 (paragraph 5), Appendix to Bakarganj Report. Sir Alexander Sachse reviewing my report suggested that a reasonable nazar should be made payable by the bargadars.

Q. 33. I consider the barga system to be economically unsound in more ways than one. Barga lands are usually not properly looked after and given only a step-motherly care by the cultivators. The extension of the barga system can be prevented only by listening to the advice of authorities like Sir Richard Garth who condemned the policy of making the occupancy right freely transferable. The mischief already done can only be remedied by purchasing the rights of the superior raiyats or middlemen. If we can afford to purchase the rights of all zamindars and other landlords, why can't we purchase the rights of those who get a share of the produce from the bargadars? The basic principle is the same.

Q. 34. If the occupancy right of the bargadars is secured to them by paying compensation to the landlord nothing more will be heard about it. If, however, it is secured without compensation, the landlords will naturally think of keeping their khas purchased land in their direct possession. Their own instinct of self preservation will dictate this. This will lead to converting the bargadars into daily labourers.

As one lie begets another till they come into a generation, so one mistake begets another till they form a net to entrap us all. Unless the whole thing is conceived in a proper spirit of sympathy for all classes and sections of population and in a true spirit of accommodation and compromise, it only encourages class hatred leading to an ultimate disaster.

Q. 35. The fair proportion of the produce to be paid by the bargadars varies in different areas and with different crops. The fact that the system is spreading is an indication that the proportion prevailing is perhaps proper and fair. To advoate fixing the proportion by legislation is a proposition which does not appeal to me for my viewpoint about the bargadar has already been given.

Q. 36. The wages of agricultural labourers vary in different areas and in different seasons. While the wages range between annas 3-6 to annas 4 in the district of Murshidabad even in the jute harvesting season, they rise to annas 10 to Re. 1 in Rangpur and other richer districts. In districts where the wages are high enough, viz., Rangpur, Dacca, etc., I doubt if the bargadars are better off. Such is the case with the chaukidars of Rangpur who pay abnormally high rent

in the absence of any real safeguard against settlement and enhancement of under-raiyati rents—the old section 48 does not exist any longer and the provisions of new section 48B are only illusory.

Q. 37. I have made it abundantly clear in my replies to question 29 and onward that I consider the right of transfer of their holdings by the improvident raiyats instead of helping them is threatening to ruin them. I have quoted the high authority and warnings of a Chief Justice. Perhaps a mistaken policy has been pursued all through. I would not allow sale even to an agriculturist if he happens to be a big one. Some of the rich agriculturists have now got 200 to 600 bighas of land. It is not possible for any real and actual cultivator to cultivate so much land. He is sub-letting on high rents to the so-called under-raiyats and bargadars. In the district of Rangpur I have noticed that rents of the chukanidars are sometimes coming up to Rs. 18 or more per acre. So these big cultivators are becoming worse than the ordinary middlemen. This new and growing class of big non-cultivating cultivators with hundreds of acres of land is to my mind a greater manace to the agricultural community. As a cry has now been raised for doing away with the zamindars and the middlemen, the day is quite at hand when these bargadars and chukanidars will raise a cry for nationalization of lands and its equitable distribution on the Soviet principle according to the needs of the individual family.

Q. 38. The statistics supplied show that the average size of a raiyati holding is 1·9 acres. But this figure does not help us so much for we know that most of the raiyats have got two or more holdings. I know of raiyats who keep 10 to 20 holdings or more. It appears that the agricultural population per sq. mile (640 acres) is 442. But this is on the basis of the total area including unculturable land. So the incidence of agricultural population per sq. mile of actually cultivated area is more. The incidence of cultivated area per head of the population works out to ·89 acres (out of 71,000 square miles of land in Bengal excluding Darjeeling and Chittagong Hill Tracts, 44,000 square miles are actually cultivated. ($\frac{44}{71} \times \frac{71}{71} = \cdot 89$ acres.)

Taking the value of the produce per acre at Rs. 49 as shown in the statistics supplied, the gross income per head of agricultural population comes to Rs. 44 per year. Taking the average number of family members at 5 per head, the total area held by an average family is $\cdot 89 \times 5 = 4 \cdot 45$ acres. Thus average size of a raiyati holding is about $4\frac{1}{2}$ acres with an average gross income of Rs. 220 per family of 5 members. A raiyati holding of $4\frac{1}{2}$ acres in Bengal does not compare favourably with the size of holdings in China and Japan. But the real point is that the pressure on land is increasing very rapidly. The statistics supplied show that between the years 1891 and 1931 the agricultural population has increased from 25·5 millions to 34·2 millions.

I venture to think that the figures may not be so correct and may be more and about 40 millions. (My reason is this:—There must be something wrong in distribution of population between agricultural and non-agricultural. Agricultural population was going on increasing in rapid strides till 1921 and the non-agricultural population was decreasing enormously and as such the sudden fall of 2 millions on the head of agricultural population and the sudden rise of as much as 5 millions of non-agricultural population in 1931 cannot be so well explained unless there was redistribution in classification).

Even assuming that these figures are correct, the pressure on land has increased in the ratio of 25:34, i.e., by 36 per cent. (The correct ratio may be 25:40 or 50 per cent.) If you compare the figures from 1872 the ratio will be still greater. In view of all this, I am of opinion that the size of economic holding of a raiyat with a family of 5 members ought to be at least 36 per cent. more than the existing size of 4·45 acres, i.e., about 6 acres on an average. In jute, tobacco, and sugarcane-growing areas, 5 acres may form an economic holding but in areas growing paddy and paddy only, the size ought to be 7 to 8 acres. But where is all this land to come from? The cultivating classes are suffering from over-population and consequent shortage of area.

Q. 39 to 41. In my answer to the previous question, I have shown by actual calculation that the holdings ought to be bigger to be commensurate with the growing needs of a rapidly expanding population. So long as the population is increasing in such progression, no human device can relieve the pressure on land unless, of course, birth control is resorted to. Consolidation of small holdings, if physically possible in Bengal, can help the cultivators in ploughing, sowing and harvesting—being in one compact block. But it will not yield appreciably more crop to be of real use to him.

Q. 42. I am decidedly of opinion that inequality in distribution of land amongst the cultivators is a point which needs serious consideration. The richer raiyats are purchasing more and more lands, while the poorer raiyats are being left with less and less. This is the inevitable result of conferring on the raiyats the boon of free and unrestricted sale. If the legislature does not see through the mistaken policy even now, the poorer raiyats who form the majority will soon take up the cry of nationalization of land on population basis. It can perhaps be codified even now that no raiyat who has got more than 3 acres of paddy land or 2 acres of jute or tobacco or sugarcane land per head of population should be allowed to purchase more lands. I can only repeat the warnings of Sir Richard Garth and that will help to a great extent. But population has increased by 50 per cent. since the days of Sir Richard. What is now really wanted is land and more land or increasing the productivity of land or increasing the income

of the raiyats from extraneous sources. So long as this is not done, there is no hope for the raiyats, even if by any process they are freed from the liability of paying the annual rent of Re. 1 per bigha yielding more than Rs. 16 per year. The country is suffering from over-population but not from over-taxation or rack renting.

Q. 43. I agree that coparcenary is detrimental to good cultivation but I do not suppose that the evil can be minimised without interfering with the laws of inheritance.

Q. 44. I have no suggestion in the matter other than what I am noting in reply to question 45.

Q. 45. I am of opinion that the co-sharer landlords should be compelled by legislation to arrange for joint collection through a common agent who will bring the quarrelling coparceners closer together by a common tie.

Q. 46-47. The Permanent Settlement was effected by giving to the zamindars only 1/10th of the assessed rental as collection charges and proprietary allowances, even without taking into account the sums likely to remain unrealised. This was an impossible percentage for practical purposes.

The scope of extension of cultivation existed only in the bils and jungles. So in absence of any statutory provision barring the enhancement of rent or conferment or recognition of occupancy rights of the raiyats, the conclusion is irresistible that the idea was to allow the zamindars absolute proprietary right in the real sense of the term with every right to enhance the rents of the raiyats who in those days did not possess even the right of occupancy. Sir Richard Garth writes, "Mr. Field expresses some doubt whether a khudkasht raiyat, so long as he paid his rent could be turned out of his holdings by his landlord. But however this may be, it is certain that before the passing of the Rent Law in 1859 a landlord could and did almost at his pleasure rid himself of objectionable tenants." (Page 380, Rent Law Commission Report, Vol. II.)

According to Mr. Shore's Minutes of June 1789 the rights of the raiyats were "very uncertain and indefinite". If it was ever contemplated to give to such raiyats with uncertain and indefinite right the right of fixity of tenure or fixity of rent, such rights would have been specifically declared and codified. As regards the fixity of tenure nothing was done till 1859 and when it was so done the High Court Judges said that it was an infringement on the subsisting right of the proprietors as already quoted elsewhere.

As regards the fixity of rent it was never done at any time. On the contrary, Regulation XLIV of 1793 was passed granting leases or pattas for a term exceeding 10 years". These facts go to show that

it was never contemplated that the raiyats would have fixity of tenure and fixity of rent.

Q. 48. Certain permanent and mokarari tenures were created by the zamindars before the Permanent Settlement, and they were shown in the quinquennial returns and recognised by the State in limitation of the State demand. Excepting these tenancies and these tenancies only, no other tenancy can claim any fixity of tenure and fixity of rent There was no declaration or stipulation anywhere in the Regulation, as I am aware, requiring the zamindars to secure to the tenants fixity of rent and fixity of tenure. The very enactment of Regulation XLIV prohibiting pattas for a term exceeding 10 years is a proof positive in support of my contention.

Q. 49. The idea underlying the question is that the existing rents of the raiyats should be reduced to the rents they were paying in 1793. The reasons given for this proposal is the "grievances" of the tenants.

Before I proceed to discuss the legality and feasibility of such a proposal which is *prima facie* utopian, it is proper to investigate if the Bengal raiyats have really a grievance in the matter of rent in zamindari area. Rent of Rs. 3 per acre yielding Rs. 49 per acre is not even quit rent. It is almost no rent. No other country in the whole world can offer so low rent. Even if this low rent is made a grievance of, I do not know what to say. While I was settling khas mahal rents in Dacca district, one day I proposed to the raiyats of a mahal a rent of Rs. 3-6 per acre against Rs. 3 which they were paying. I gave the rise of price of staple food crops as a justification for my proposal. It was a jute area and jute was then selling at Rs. 12 per maund or in other words the value of the gross produce was then 17 maunds × Rs. 12 = Rs. 204 per acre. Out of this value of Rs. 204, they were paying Government only Rs. 3 and I proposed annas 6 more and yet they told me that they could not pay even Rs. 3 per acre. I then questioned them if they would feel relieved if the holdings were made altogether rent free. They told me that even that would not really help them as Rs. 3 was really nothing. This is the real nature of their grievance. This is no real grievance. It is all a cooked-up affair. It is impossible to satisfy the growing mentality of these people.

Now let us discuss the utopian idea of reverting to the rent roll of 1793. There is no means of knowing which raiyats were there in 1793 paying which rent. There is no map or record-of-rights of 1793. There is no geneological table to trace the descents of the existing raiyats with all their co-sharers. So the project is chimerical. But I know the next argument would be, why not then reduce the existing rental in ratio of 12 crores: 3 crores, i.e., to ¼th. Will it be possible for any of us to get rice at the price it was selling in 1793? The argument of the raiyats is, if the zamindars do not pay more revenue than

2·57 crores why they would pay 12 crores instead of 2·87 crores. The fact is that these raiyats now refuse to take cognisance of the reality of Permanent Settlement with all its implications. But I have never heard any actual cultivator himself saying so, or arguing like that. This is the argument of those who want to pose as their leaders and must discover a new heaven for them.

Q. 50. It was never intended that rents excepting in cases of recognised mokraridars would remain unaltered. The whole course of the tenancy and rent legislation according to the jurists was in favour of the tenants, infringing on the rights of the proprietors. I have already quoted Sir Barnes Peacock and Sir Richard Garth on the subject. Still the raiyats ask for more. The more you give, the more they want. The demand grows upon the supply and a man's ambition grows upon his success. It was no mistake on part of Government to provide for increase of rent with the increase in prices of food crops. Instead of leaving the zamindars to enhance the rents of the raiyats in their own way, Government intervened and regulated the enhancement on certain fixed principles. Government did this to save the raiyats and not to favour the landlords.

Q. 51. I do not know that it was ever intended that the waste lands should be settled at pargana rates. The term pargana is a misnomer in many districts of Bengal where in one village, lands of several parganas may be found. This "pargana rate" is an old revenue phraseology but I do not know of its existence in actual practice and experience either as a Settlement Officer or as Subdivisional Officer or even as a Manager of khas mahal or Wards estates. Then again for settlement of waste land no pargana rate can be introduced for. in the beginning, the raiyats will have to be tempted by offer of concession rates to cultivate waste lands, otherwise no tenant would go to cultivate the wild waste.

Q. 52. In Bengal, rent is not regulated by any theory of Political Economy or any metaphysical principle, nor is it based on any arithmetical standard of gross produce or net produce. I am of opinion that any attempt to fix and regulate rent in Bengal which is lower than quit rent, being less than 1/16th of the average gross produce, by any formula of Political Economy, or arithmetic will only tend to raise the rate from its present rock-bottom level. I may be permitted to quote here from Mr. Field's Note of 13th April 1880—

"After discussing the matter in all its details at several meetings, I think we are all agreed that it is not possible to devise a general rule for settling and enhancing rent and that no patent remedy of universal application is feasible. For myself I am satisfied that any attempt to formulate and lay down such a rule would eminently be unsafe. That we have not been able to discover any such rule is doubtless due to the same cause as the failure to discover the philosopher's stone."

This is precisely my own view of the matter. Rents in Bengal have been based and regulated by tradition, customary rate, quality, classification of the soil, its natural advantages, its irrigation facilities and diverse other causes. The value of the gross produce or net produce was not taken into consideration within a century and a half at any rate.

Should it be decided to fix a ratio—personally I am very much opposed to it—I can only recommend Manu's formula of 1/6th ratio at normal times. It may be raised to 1/4th at times of war as dictated by Manu. These ratios are not so bad and may not be objected to as the Saracenic ratio is still higher but personally I would always think that settlement and enhancement of rent may be left to be regulated as at present; for the result shows that the Bengal tenantry is least assessed, and as said before, any formula will tend to raise the rates.

Q. 53. Rents paid by the cultivators at present are not based on any of the principles enumerated in question 52 excepting perhaps principle 5. Rents are based on customary rates adjusted according to the change in prices of staple food crops. No agricultural rent is based on competition as a rule, excepting in certain estates which for the time being shall be nameless. Rent is sometimes regulated on classification of the soil which in its turn is based on productivity. Rent in most cases is based at a rate and rarely in lump.

Yes, it is my experience that different landlords within the same village charge different rates of rent according to the custom of different estates. For the same class of land sometimes the rate of rent varies with the advance rent or salami, as it is called, taken at the time of the first settlement. A raiyat of a holding under two or more co-sharer landlords sometimes pays different rates of rent to different groups of landlords. This difference sometimes varies with the influence of the different landlords and sometimes varies according to the advanced rents taken.

Q. 54. It is not my experience that the weaker and the poorer tenants pay higher rent in many estates. But there are black sheep in every fold and it is my experience that rents of some of the more rich and influential tenants are not always enhanced to the same level with others on some plea or other. They are kept placated and used as pawns in the game of some of the designing and oppressing landlords.

Besides the factors enumerated in question 52, the amount of salami or advanced rent is a factor regulating settlement of rent, and I have already discussed that. The will or whim or sometimes the greed of the landlord has played an important part in fixing the rent. These landlords are not generally absentees but they prefer to stay in their

estates to exert their nefarious influence or to over-awe the tenants or to set up one set of tenants against the other.

Q. 55. If and when the whole province is turned into a big Khas Mahal, a fresh settlement of rent based on fresh records-of-rights will be necessary. It will then be possible to introduce standard rates, village by village, for different classes of land keeping in view the existing rates and the market value of all classes of land. I would not go by the gross produce or net produce which is difficult to calculate. Competitive rent is only possible in case of non-agricultural land. To fix rent by competition in respect of agricultural land in a province where the pressure on land is increasing, and there is a scarcity of land already, will give a serious blow to the needy and poor classes of raiyats.

Q. 56. I am not in favour of fixing the rent at a definite share of the produce. It will be reverting to the primitive state. It is possible to fix a rent according to the money value of a share of the produce. But there are serious difficulties in the way. Some lands produce one crop; some produce two or more. It may not be possible to ascertain all this with accuracy. Then again outturn and prices fluctuate. I can once again refer to the word of Mr. Justice Field that it is impossible to standardise a rate for universal adoption but if we must have a ratio, I would recommend the old standard of Manu who over 2,500 years ago fixed it as 1/6th of the gross produce and calculate its money value on the average of last 10 years.

Q. 57. I am not in favour of fixing the raiyati rent in perpetuity. It should be made alterable according to the increasing or decreasing money value once in a generation, i.e., once in 30 years. The ratio of 1/6th may be raised to 1/4th at times of war according to the Code of Manu just as in England in war times the income-tax is raised to a higher pitch of 5 shillings per pound.

Q. 58. There is no advantage in substituting an income-tax for agricultural land. It will be very unpopular, as the history of income-tax in India is quite different. Then again the minimum limit of assessable income will be sure to rise year by year causing greater and greater loss to the State. This is the thin end of wedge suggested by those whose final aim is to abolish all rents and taxes. I cannot advocate this final acceptance of the no-rent propaganda which has been going on in some form or other in certain districts particularly in northern Bengal for the last two years.

Q. 59. I do not quite appreciate the principle of enhancing the rent on the ground of "prevailing rate". The phrase "prevailing rate" sounds simple enough but I never attempted to apply the principle in settling fair rent. In most cases it is difficult to find out what the prevailing rate is; the rate in a mauza might have been fixed 40 or 50

years ago at a rate of annas 12 per bigha on various considerations which the present generation might not remember. To raise it to the level of Re. 1 or Re. 1-2 prevailing in surrounding estates or the mauza is a proposition which does not appeal to me. I would rather change the law.

I am not an admirer also of the principle of enhancing rent on the ground of improvement in fluvial action. I have never used the principle myself. But the point is as the raiyats are entitled to a reduction on account of permanent damage due to deposit of sand, perhaps the enhancement on the grounds of fluvial action was introduced to keep the balance. But there is this difference; rent can be reduced if the land has suffered "permanent" deterioration. But in case of improvement by fluvial action the wording is not "permanent" but "not....merely temporary or casual." There is some difference which to my mind may be rectified. Then again the provision of "one-half of the value of the net increase" may be reduced to 1/3rd, if not to 1/4th.

Q. 60. In reply to question 59, I have already indicated that I do not appreciate the principle underlying the enhancement on the grounds of prevailing rate and of improvement by fluvial action. But as the raiyats are entitled to a reduction on account of deterioration by adverse fluvial action, section 34 may be retained with the following amendments:—

Clause A—The Court shall not take into account any increase which is not likely to prove permanent.

Clause B—"1/3rd" should be inserted in place of 1/2.

Q. 61. No, I do not object to the principle of enhancement on the ground of rise in prices. On the contrary, I consider this to be the only just, reasonable and equitable ground. In the city of Calcutta the value of house properties rises and falls on its letting value, i.e., on the income derivable from the tenants. Similarly, when the value of the produce rises, the land gains in letting value. This is quite consistent with the principle of assessment of rent prevailing everywhere.

Q. 62. Yes, I think the enhancement on the ground of rise in prices of the food-crops should be given even when the land grows only paddy and the whole of the produce is used in domestic consumption. The landlord does not get more rent if instead of raising paddy crops, the raiyat grows jute or hemp or plants for mulberry and lac cultivation It is always up to the Revenue Officers or the Special Judges to consider individual cases whether it will be fair to allow enhancement if the whole area is under paddy crop and the whole of the crop is consumed by the grower. Section 35 gives him absolute discretion. I would rather suggest that the term "1/2" be substituted for the term 1/3rd. This will lighten the burden of the raiyats still further.

Q. 63. I have already in reply to question 59 taken exception to the enhancement of rent on the ground of prevailing rate, nor am I in favour of reducing rents on the ground of prevailing rates. The existing rents were fixed on various considerations, history of which has been well-nigh forgotten in most cases.

I would delete clause (*a*) of section 30 and sections 31, 31A and 31B.

Q. 64. Some of the under-raiyati rents in North Bengal and in the districts of Howrah and Hooghly are unusually high and appear to be oppressive. I see no reason to object to reduction of all such rents by legislation. Similarly, I quite welcome the idea of regulating the initial contractual rent though I think it will be difficult to enforce such a law in practice in view of the fact that the landlords might finally refuse to settle the land altogether or will take an unduly high premium by the back door.

Q. 65. There is no defect in the law and procedure as laid down in Part II of Chapter X. The only defect I have felt in some cases is the excessive zeal of some of the officers employed on the work. In settling fair rents in private estates a Revenue Officer acts and can afford to act strictly as a judicial officer. He has got to satisfy only his own conscience. But in settling rents in khas mahal and temporarily settled private estates, he feels a bit nervous as the functions of the plaintiff, witness and the judge are rolled up in one and the same man. This may be one of the grounds why the average rent in the zamindari area is Rs. 3 per acre but in khas mahal it is Rs. 4-11 per acre.

Q. 66. No, not that I know of.

Q. 67. I am not expected to know what the policy of Government is in ordering periodical settlements in khas mahal and temporarily settled estates. As the settlement is not permanent, these periodical settlements have got to be undertaken at some cost. This is another point in favour of a Permanent Settlement.

These revisional settlements were used to be made in the past not under the Bengal Tenancy Act, but under Regulation VII of 1822 which aims not at a "general and extensive enhancement of the jama" but to "equalise the public burden". These settlements have got to be made particularly in the riparian areas primarily for assessment of the excess area which automatically increases the revenue.

Q. 68 and 69. I would prefer not to answer these questions or to answer them confidentially.

Q. 70. There may be diverse reasons why there are different rates for the same class of lands in different districts. That is so in private estates also. The rents in Bengal are based on tradition and custom

and not on any theory or mathematical standard. The average rate of rent in Hooghly and Howrah is Rs. 7 to Rs. 8 per acre. There is absolutely no reason why in these districts in making or revising settlements any Settlement Officer should propose a rate of Rs. 3-2 to Rs. 4-11 which prevails in Dacca or Faridpur. That would be throwing away revenue which is legitimately due. I cannot advocate such like blind uniformity.

Q. 71. A zamindar never thinks of applying for remission of land revenue nor can he afford to do so. Before he can apply for remission of land revenue of his estate, assessed say at Rs. 100, he has got to forego his total raiyatwari rental which may be even Rs. 1,000, of which he may be able to collect Rs. 200 even in years of calamity. So the process does not pay him. If he can get remission of revenue in proportion of his remission of rents, some of the zamindars will not be found backward in coming forward to grant remission and to apply for remission. Just at present, the zamindars sometimes remit rents wholly or in part to individual tenants or groups of tenants without expecting anything in return from Government.

Widespread calamities are very few and far between My own experience is that the khas mahal never bother to come up for remission nor does the Collector feel justified to allow it. This is a general reply to a general question. If specific instances are quoted, specific replies can be given by Collectors concerned This "sufficiency of the extent" can only be judged by the Collector on the spot without yielding to manufactured complaints and extending his sympathy to the deserving cases. I do not know of the failure of any Collector in any such cases.

Q. 72. The statistics supplied by the Land Revenue Commission may be taken as generally correct. Cost-rates vary from district to district according to the rates of wages in different districts. The cost of production of broadcast paddy in Bakarganj, Faridpur and Dacca and other eastern districts will be far less than the cost of production of transplanted paddy in northern districts. The yield will also vary—transplanted paddy always yielding more. Cost of production of jute depends entirely on the rates of wages which, as I have said before, vary from annas 3-6 to Re. 1 in the jute harvest season. So statistics will have to be prepared district by district and sometimes different statistics within the same district according to the nature of crop and the rates of wages.

Q. 73. I have no evidence that the productivity of the soil in Bengal is generally on the decrease. On the contrary, in the riparian areas the soil is rejuvenated every year by the deposit of rich silt. But I know, that on account of the shortage of rainfall in the rarh area the

productivity was on the decrease but this year there was an abnormal rainfall and there has been an abnormally bumper crop again. The outturn of crop is more or less a gamble in rain. In certain areas, raiyats are lowering or exhausting the fertility of the soil by growing too many crops, one after the other, without allowing the land any rest. I cannot blame the raiyats so much, for to make up for the shortage in area they have now got to grow two or more crops where only one crop used to grow before. This certainly exhausts the fertility of the soil. The remaining portion of this question can be better answered by the Agriculture Department.

Q. 74 to 76. Perhaps no reply to these questions is expected from me.

Q. 77. The present uneconomic condition of the Bengal raiyats is due to:—

(*i*) Overpopulation and consequent diminution in the size of the holdings.

(*ii*) Rise in their standard of living without a corresponding rise in their income.

(*iii*) Want of foresight and thrift and waste of money over ceremonies, festivals and avoidable litigations.

(*iv*) Absence of subsidiary occupation, business, profession or industry.

(*v*) Indolence compared with other parts of northern India, particularly of the Punjab and not due to land revenue policy of Government which has on the contrary helped them to enjoy lands at a lower rate of rent compared with other provinces and countries.

Q. 78. The average gross income from land of a raiyat with a family of 5 members is Rs. 220 a year as calculated by me in answer to question 38. It is interesting to note here what the average income of a landlord's family is. According to the Dacca Settlement Report, page 44 (para. 95) it is Rs. 235.

It is difficult to calculate the average income of a raiyat from other sources. Sale of fruits, sale of dairy produce and of poultry bring in something. They are now going to schools and colleges and getting into services and professions to augment their incomes on land. They are all maintaining their families on their income. Beggars are few in rural areas and cases of starvation almost unknown. The fact that the agricultural population is increasing in phenomenal proportion in spite of the spread of Malaria and other diseases does not go to show that they are half-starved and losing in strength and vitality.

The standard of living of a cultivator in Bengal is to be judged not by any European standard but it should be judged by the standard in other provinces in India.

Q. 79. I do not find that there is at present any system of organisation for the maintenance of the land records. As regards records of proprietory rights there is a codified system of land registration. But in spite of the statutory provision for penalising the defaulters who fail to get their names registered, it will be no exaggeration to say that 25 to 60 per cent. of the entries in the Land Registration Register were found during the district settlement operation out of date. No system of noting the changes in ownership of tenures and holdings was ever organised . Record-of-rights is going out of date. The private landlords do not maintain their records-of-rights. The tahsildars of Crown estates and Court of Ward estates are expected to maintain their khatians. But they only record changes when notices are received from the Sub-Registrar through the Collector notifying transfers. Mutations on account of death and inheritance are not noted in most cases and their khatians cannot be said to be up to date. I have no idea of the process of maintenance of records in the United Provinces. In areas where periodical record-of-rights is prepared say once in 15 or 30 years it is easier to maintain the records.

It is possible to suggest how the records can be maintained after a record-of-rights is prepared, if it is settled who will pay for this. If and when all the landlords of all grades are eliminated and a fresh record-of-rights prepared, the question of maintaining the new records can be profitably taken up.

Q. 80. Suggestions, contained in this question, if acted upon will go a great way towards augmenting the income of the raiyat but I am for starting cotton mills and sugar factories to supply more work and to augment their income more.

Q. 81. The main reason of the poverty of the agriculturists is their overpopulation and consequent pressure on land, I have tabled the other causes in reply to question 77.

In reply to question 38, I have shown that a raiyat needs 6 acres of land instead of 4½ acres which he holds at present. So if these raiyats are to live on land alone without attempting to increase their income by any means other than agriculture, 25 per cent. of the population will be found in excess for the needs of agriculture. But in reality they have other sources of income. Dacca Settlement Report shows that at least 12 per cent. of the raiyats have got other sources. In the district of Howrah practically all of them have got other sources.

Q. 82. In reply to question 80, I have shown that I consider starting mills and factories as a good means of easing the situation. In fact, I have been systematically advocating this for years together. Records may still be valuable of such notes and letters of mine in the Dacca Magistracy. Of course, I suggested that to relieve the phenomenal unemployment amongst the middle classes as an antidote to terrorism. I can repeat the same remedy in the case of the surplus agricultural population also.

Q. 83. The question of agricultural credit is the question of the hour. The indigenous bankers have closed their doors, and no State banks have come in yet. The result is a tragedy. In one of my tours in Rangpur district, I found lands going out of cultivation and on enquiry I learnt that raiyats have given up cultivation for want of plough cattle. When I enquired why they did not buy new cattle, the answer I had was that the mahajans had closed their doors.

If all the banks in Calcutta close their doors to-day to all firms and business houses, the flourishing trade and commerce of Calcutta will collapse in a month, and if the situation continues longer the city of Calcutta will be more like a deserted city. That is the exact situation in the interior The old banking families have closed their doors and the State has not stepped in yet. This needs urgent consideration and far more urgent than the question of overlordism. Some rural banks are badly wanted in the interior

Q. 84. I have not calculated the percentage of gross income that goes to the mahajan any more than I have calculated what percentage of the net income of the Calcutta merchants goes to the banks which finance them.

Q. 85. The co-operative credit system in Bengal, so far as I could see as a Subdivisional Officer in 4 different districts and as a Chairman of 5 Central Co-operative Banks in East Bengal and West Bengal, did not impress me as playing much important part in the system of rural credit. The movement has not as yet touched the fringe of the problem. There are rural co-operative societies all over the province but without much spirit of co-operation. Mostly those who do not or cannot get any more loans from a mahajan join the movement. The Chairmen and Secretaries of these societies are generally the worst debtors of these banks and sometimes they enlist other members through whom they can get more loans in benami. This may be an exaggerated picture drawn by an old man who has lost the robust optimism of youth but the real picture may not be very much different. When with the slump in the price of jute came a financial crisis, the mahajans were seen in some cases to compound their claim of interest. I know of a money lender who happened to be the President of a Union Board who was

remitting 5 per cent. of the principal to get back his balance without claim to interest. But as the Chairman of the local Central Co-operative Bank, I could not arrange for a partial remission of the interest as the Provincial Bank would not reduce the rate of interest at which they advanced money to the Central Bank. My own idea is that the co-operative movement, as it was known or it was being conducted in the districts I have worked, will not be able to solve the problem of rural credit.

Q. 86. How far the Debt Settlement Boards have been able to deal with the problem of agricultural debts and what defects there are in the working of the Bengal Agricultural Debtors Act have been very recently discussed and answered by Mr. Townend, the Commissioner of the Burdwan division addressing a divisional Durbar. Mr. Townend was the author of the Bill and he now shows how the designing persons are abusing the provisions of the Act as passed. As a person managing the estate of the Premier Nobleman of Bengal, I have been watching the ways of these Boards No cases are being disposed of. These Boards have become a clog to the wheels of the management of estates. A defaulting raiyat never appears to file an objection in a certificate case. He never turns up to ask for any remission of interest and keeps quiet all the time till the date of sale, on which day he appears triumphantly brandishing a parwana printed on yellow paper staying the sale. And this stay order means that the Courts are gagged and the defaulting raiyat is safe for at least another year and the landlord and the Courts stand paralysed. It is high time for the Government of the day to institute an enquiry how these rural insolvency Courts are actually functioning and to what benefit of the landlords and other creditors. It is no conciliation of debts. It looks like cancellation of debts and liabilities ignoring the sanctity of loans and contracts. And I trust that after Mr. Townend's condemnation of the working of these Boards, such an enquiry becomes almost imperative.

Q. 87. As the indigenous banks have closed their doors and as the existing co-operative credit societies have not succeeded in course of a generation and the prospect of success of the Debt Settlement Boards is still more doubtful, the only course now left is for Government to establish their own banks to finance agricultural credit provided there is a reasonable guarantee that the project will not land the whole province in Carey Street.

Q. 88. I have not seen the working of any Land Mortgage Bank to enable me to offer any criticism, destructive or constructive. But all that I can say and should say is that so long as the debtors in Bengal do not give up their present tactics of attempting to defraud the creditors, adopting all sorts of ugly devices and fraudulent means, I do

not feel encouraged to say that any form of rural credit which human ingenuity can device is likely to succeed. What is really wanted is that debtors of the present day should revert to the standard of conscience, honesty and morality of the last generation and respect the sanctity of loans and contracts.

Q. 89. Rent suits and execution proceedings for realisation of rents are not only costly and cumbrous but are very dilatory. They are equally expensive for the tenants. Certificate procedure is less costly and less cumbrous and more speedy and I would advocate its introduction in all estates.

Q. 90. For the reasons given in my answer to question 89, the certificate procedure ought to suit all parties best. The tenants condemn it because it is rather swift. If the rent is to be realised at all, the question is how it can be best realised within a short time costing least to all concerned. A certificate procedure is never harassing. I am really anxious to ascertain how it is harassing and how it is objectionable. I am now the only person in Bengal who is still exercising the power of realising rents by certificate procedure. That is why I am really so anxious to ascertain in which way it is worse than the rent suit. I have often questioned the tenants and their accredited leaders to give me their specific points against certificate procedure. That they cannot say, but they simply say that the procedure is bad.

I would make one suggestion about the certificate procedure and it is this: In practice the distress warrant is issued only once and sometimes when the raiyat has no crop or cash in hand The certificate-holder should be given the option of getting out the distress warrant when he considers that the distress warrants are likely to succeed and that no sale proclamation should be issued as a matter of routine.

Q. 91. Yes I am in favour of having one Code of Revenue Laws embodying the principles and substances of all the unrepealed laws written in simpler and more modern English.

Q. 92. In my humble opinion, Regulation VIII of 1819 (Patni Regulation) is felt to be too hard at a time when it is very difficult for the patnidars to realise rents from the raiyats. Patnidars are left with so little margin of profits that they cannot pay so punctually The Revenue Sale Law does not operate so harshly on 75 per cent. of the zamindars who have got a better margin of profit.

I would amend the Bengal Tenancy Act still further by (1) deleting section 30 (*a*) which provides for enhancement of rent on the ground of prevailing rate. Sections 31, 31A and 31B will therefore have to be deleted also; (2) substituting "one-half" for "one-third" in clause (*b*) of section 32. This will lessen the liability of the raiyats to pay so

much on the ground of rise in prices of the staple food crops; and (3) substituting the following words for the existing clause (*a*) of section 34:—

"The Court shall not take into account any increase which is not likely to prove permanent".

Substituting "one-third" for "one-half" in clause (*b*) of section 34.

Q. 93. The greater facility given to the raiyats to sell their holdings will only impoverish them all the more. It will add to the growth of big jotedars and extension of the barga system as already discussed before.

On the head of landlord fees the landlords will lose 3 per cent. of their income at a time when they are being saddled with imposition of Free Primary Education Cess and when the operation of the Debt Settlement Board is seriously impeding collection work and collections are failing in all estates. The total loss to the zamindars on this head will be about 40 lakhs of rupees. I would have much preferred to retain this transfer fee to give 10 per cent. of it to the landlord to cover their mutation cost and to transfer the balance of 90 per cent. to the provincial revenue to augment the financial resources of the province. This would have been no new imposition at all and this arrangement would have helped to compensate the landlords and to retain for them one of the attributes of their proprietary rights and it would have added at the same time about 35 lakhs of rupees to the provincial revenues by way of an indirect taxation in these days when direct taxation is so much resented.

Oral evidence of Rai Bahadur K. P. Maitra, Manager, Nawab Bahadur's Estate, Murshidabad, on 23rd January 1939.

The Chairman complimented Rai Bahadur K. P. Maitra on his clear and detailed reply. He proposed that members should only question the witness in order to elucidate any points that were not quite clear, and asked Khan Bahadur A. Momin, C.I.E., to open the examination.

In reply to Khan Bahadur A. Momin the witness said that any rights which the tenants possessed at the time of the Permanent Settlement were vague and undefined, and that there was no such thing as an occupancy right in the sense of the term as we now understand it. He maintained that the raiyats had only permissive occupation of the lands in their possession at the time of the Permanent Settlement, and were not proprietors of the soil. From the Permanent Settlement up till 1859 the zamindars had absolute rights to do whatever they liked,

and could choose their tenants or eject them arbitrarily. He quoted Sir Richard Garth and Sir Barnes Peacock as authorities in support of his statement.

He regarded the Permanent Settlement as a contract with the zamindars which was "sacrosanct, inviolate and inviolable." It had certainly limited the land revenue demand, but land revenue is not the only source of Government's income. He thought that the tenants were not direct parties to the contract made at the Permanent Settlement although in view of the fact that section 8 of the Permanent Settlement Regulation was enacted in the interest of the tenants, they might be regarded as parties to the contract indirectly.

He held that there was no question of fixity of rent at the time of Permanent Settlement, except in the case of tenants who were holding pattas, although in the case of others, who have been paying the same rent unchanged for more than a century, it would be equitable to presume that there must have been some condition which enjoined that the rent was not to be enhanced. But the wording of section 6 and 50 (*1*), Bengal Tenancy Act, does not lead to the conclusion that rent was fixed at the Permanent Settlement. Rent is on the average low in Bengal. When he was in the Settlement Department he had calculated that in some East Bengal districts rent was less than 1/20th of the value of the produce. At that time jute was selling at Rs. 12 a maund. Asked how the Permanent Settlement could be considered to have benefited the tenants in any way, he said that it was a comparative question: in order to come to a correct answer it would be necessary first to find out if the raiyats were more prosperous before the Permanent Settlement than after it.

Replying to Khan Bahadur Muazzamuddin Hosain he reiterated his view that. just as in the case of the talukdars, the Permanent Settlement had certainly not taken away any specific rights which the raiyats might have been enjoying.

In reply to a quotation from Tagore's Law Lectures to the effect that the raiyats are the proprietors of the soil, he invited attention to his answer to question 24 where he had quoted Sir J. Shore's view that the rights of tenants were vague and undefined. The subject was one on which there were conflicting views, but he preferred the opinion of an authority who wrote at the time of the Permanent Settlement, to one given more than a century later.

He agreed that in 1793 pattas were to be given to all tenants, but pointed out that the right conferred by patta was limited by Regulation XLIV of 1793, which prescribed a term not exceeding 10 years.

Replying to the Maharajadhiraja Bahadur of Burdwan, he said that the Permanent Settlement did not affect any existing rights of third parties, e.g., talukdars.

In the event of landholders and tenure-holders being bought out he would be in favour of compensating all of them; but he regarded the Permanent Settlement as an inviolable contract which the State could not abrogate. If that could be abrogated, any other agreement could be set aside and there would be no sanctity of contract.

The tenants had no proprietary rights. If they had, no zamindar could create a patni or other intermediate tenure between himself and the tenants: whereas in fact many such tenures had been created.

Replying to Dr. R K. Mukherjee he said that though Regulation VII of 1799 contains a mention of the words "right of occupancy," they were not used in the same sense as in the Bengal Tenancy Act. He quoted Field to show that although there was some doubt whether a khudkasht raiyat could be ejected if he paid his rent regularly, such ejectments had in practice been made prior to 1859. Custom and usage had not been abolished at the Permanent Settlement. If the raiyats had certain rights at the Permanent Settlement by custom, those rights subsisted. But Regulation VII of 1799 would itself show what sort of rights the tenants had. By that Regulation their property was put at the mercy of the landlords. It had certainly been enjoined on the zamindars that they should behave with moderation towards their tenants. This might mean that they should not make frequent or heavy enhancements.

He did not agree that landlords who came into possession of estates by purchase should be treated in a different category from those who are descendants of the original zamindars. The contract was equally binding in the case of landlords who had acquired by purchase the rights of the original zamindars.

Asked by Khan Bahadur A. Momin whether he had considered the reason for the low rent in Bengal, he said that "high" and "low" are comparative terms. He referred to the proportion of the produce payable under Manu's Code, the Saracenic and Roman law, and the average rate prevailing in khas mahals. In comparison with these, the average rate in permanently settled estates is low. He considered that the tenants are generally well off and that it is wrong to say that most of the profit goes to the Landlord. Out of Rs. 49, gross produce per acre, only Rs. 3 goes to the landlord. These were the figures supplied to him by the Commission. Rent in Bengal is very low compared with that prevailing in other provinces of India.

He agreed that since the Permanent Settlement, the zamindars' income might have increased fourfold but he took exception to the statement that this had happened "at the expense of the tenants." Increase of the zamindars' income was due to extension of cultivation and enhancements. He agreed that by making enhancements, the zamindars decreased the profit of the tenants, but maintained that they were entitled to enhance rents. It was simply a question of political economy. The zamindars could not be blamed for charging only Rs. 3 per acre as against Rs. 4-11 in khas mahals.

The income of the tenants had increased because with the fall in the price of silver the purchasing power had increased.

In reply to Khan Bahadur Muazzamuddin Hosain he said that two issues arose at the time of the Permanent Settlement:—

(1) Whether the zamindars had proprietary rights.

(2) Whether the settlement with them should be permanent. Sir P. Francis was the first to propose a Permanent Settlement. Shore opposed this, though he considered that the zamindars had proprietary rights. Lord Cornwallis agreed on the latter point with Shore, but had to differ on the former, because he came out with the authortiy of the Directors and of Parliament to conclude a Permanent Settlement.

He agreed that at the time of the Permanent Settlement landlords could not turn out hereditary tenants who paid their rent regularly.

In reply to a quotation indicating Shore's opinion that rents were meant to be fixed in perpetuity at the Permanent Settlement, he replied that this might be a correct statement of Shore's opinion before the Permanent Settlement, but that opinion had not been embodied in the Permanent Settlement Regulation.

In reply to Khan Bahadur A. Momin he agreed that about Rs. 8 crores was being lost annually. But had there been temporary settlements instead of Permanent Settlement, Government would still have got only 3 crores, unless rents had been periodically enhanced. Had management been khas the 10 per cent. allowance to the zamindar would have been saved, but mostly spent again in collection costs. He regarded subinfeudation as a necessary evil consequent upon the Permanent Settlement. He thought it occurred mostly in areas where jungle had been cleared or swamps brought under cultivation, but in West Bengal it was due to other reasons.

He did not agree that the zamindari system is, generally speaking, harassing to the tenants. There are black sheep in every fold, but he would not revise his opinion that the Permanent Settlement has been

for the greatest good of the greatest number. His main reason for saying so is that the average rent in permanently settled areas is lower than that anywhere else. So far as Bengal is concerned rent is not regulated by any theories of political economy.

Replying to Khan Bahadur M. Hosain he said that an economic rent in Bengal would be at least Rs. 10 an acre. He thought the tenants are in a position to pay their rents, and compared the condition of cultivators in Madras where rents are much higher. He had not heard of the theory advocating that no rent should be charged from holdings which yield no profit, on the same analogy that no income-tax is charged below a certain scale of income. He was definite that cultivators in Bengal have a sufficient surplus from which to pay rent. If that was not true, he shuddered to think what their condition in other provinces must be. He considered that Rs. 220 per annum was sufficient income for the maintenance of a family. He was aware that Rs. 41 a head per annum was the dietary rate in jails. He agreed that subinfeudation is a necessary evil but considered it to be a question of practical politics, and cited the case of the Maharajadhiraja Bahadur of Burdwan to show how impracticable it was for him to attend to the interests of his tenants in Bankura without the help of an intermediary. He mentioned that in Bakarganj, where subinfeudation is greatest, the tenants are most prosperous: whereas in Bankura, where there is little subinfeudation, they are very badly off.

He regarded a rise in the price of staple food crops as a logical and fair ground of enhancement. When the pay of ministerial officers was revised, the ground for revision was the prevailing prices.

In reply to Khan Bahadur Hashem Ali Khan he said that subinfeudation has not been caused by the Permanent Settlement but is a necessary consequence of it. He estimated the cost of collection at about 13 per cent., or at 15 per cent. including law costs. Arrears of rent are now increasing.

The average incidence of revenue per acre would be between Re. 1 to Rs. 2 in West Bengal, and much less in East Bengal.

There is no reason why landlords should not get the unearned increment on land. If the value of land in the neighbourhood of Calcutta goes up from Rs. 100 to Rs. 20,000 a bigha, that is no reason for penalising the landlord.

The tenants in Bakarganj are more indolent than elsewhere. They grow only one crop, and have it reaped by hired labour. The raiyats in Bengal are better off than those in any other province.

Government as a model landlord spends money annually on improvements in khas mahal estates. In some permanently settled estates the landlords have also made improvements, partly to benefit their tenants and partly to secure their own income. He would not agree that the landlords have done nothing to benefit their tenants. The Murshidabad estate spends Rs. 3,000 to Rs. 5,000 a year in improvements, and many zamindars contribute to hospitals, education, etc

In reply to Dr. Mukherji he agreed that about 8 crores are intercepted by landlords and tenure-holders and that income-tax is higher in Bengal than in any other province.

The reason for the higher incidence of rent in khas mahal estates is that Government has made periodic surveys and assessments.

In reply to the Chairman he said he had advocated bonds that would be free of income-tax, because according to the calculation in his reply to question 14 the compensation payable to zamindars would be Rs. 700 for every Rs. 1,000 of their present profit. If income-tax is charged, the amount of compensation would be less than Rs. 600, which would be too little. He did not ordinarily regard bargadars as raiyats and was not in favour of granting occupancy rights to all of them. Protection of their interests postulates protection against some one else. He cited the case where a landlord is unable to settle a khas purchased holding and has to give it in barga settlement. If rights are granted to such bargadars the landlord would be deprived of his salami. Sir F. A. Sachse pointed out that no compensation was given when occupancy rights were granted. The witness agreed but differentiated the two cases, because in the example given by him the land was in the landlord's khas possession whereas in the other case it was already in the tenants' possession.

Asked by the Chairman whether the statutory raiyat might not profiteer at the expense of the bargadar, he said the position was really that of a contract. If the barga system was now extending, that might indicate that the share paid by the bargadar is not excessive or uneconomic. There is now competition for barga land. If the system were uneconomic bargadars would surrender their land. Bargadars cultivate indifferently because they have no security.

He was not in favour of protecting raiyats who had been sold up and have become bargadars on their old holdings. There was no logical reason why a tenant who had paid no rent for 4 years and had been sold up should be allowed back on the same terms.

The Chairman enquired whether a better system of collecting rent might not be the solution. The witness replied that this would largely solve the whole problem.

The present-day tendency for the moneyed classes to invest in houses in cities, in shares and other securities rather than in land, was due to the comparative insecurity of land investment. He thought the reason for this insecurity was not so much the inability of tenants to pay, as the faulty procedure for realisation of the landlords' dues.

In reply to the Maharaja Bahadur of Burdwan he said that the pledge given at the Permanent Settlement could only be broken if compensation is paid. This could be done with Government bonds, and no money would be required. All intermediate interests should be bought out at 20 times their profit. The market value of estates 2 years ago was 20 times their profit: *Cf.* the purchase of part of the Kakina estate by the Murshidabad estate.

According to the Land Acquisition Manual the value on which compensation is assessed is that existing before the proceedings are published. Similarly compensation to landlords should be calculated on the value prevailing before the recent agitation against the zamindari system arose. The present price would depend on the amount of anti-zamindari propaganda in a particular locality.

In reply to Khan Bahadur Hashem Ali Khan he said he could not agree that the value of land has fallen by 1/3rd. It is possible now to get more than 10 times the net profit of an estate

The tenants are in a position to pay their dues, but there has been a change in their mentality.

There has been propaganda against the zamindari system and the tenants have been incited not to bid for khas purchased holdings at sales. He would only grant occupancy rights to those bargadars who have been recorded as tenants: their rights still subsist.

There is still a demand for land owing to overpopulation, and he did not think that large areas would go out of cultivation if the barga system is restricted.

In reply to Sir F. A. Sachse, he agreed that after bargadar has been in occupation for 4 years or so, the arrears of rent for which that holding was sold are automatically cleared off. He would be prepared to consider more favourable terms than half the crop after 4 years, but he thought that in practice half the crop rarely reaches the landlord.

Replying to the Chairman he said he was in favour of restricting transfer. He advocated the system introduced in Bihar by which a tenant holding a certain area is debarred from purchasing any more land. Purchase by non-cultivators is not desirable and tends to decrease the value of land.

In the event of the landlords being bought out, the big jotedars should be bought out along with other middlemen. If the State became the sole landlord, he thought there would be political repercussions and that a programme of reduced rents would be a common election promise.

He considered that the imposition of income-tax on agricultural incomes would be impracticable in the case of the tenants. In the case of the zamindars it would raise the question whether it was not a breach of the Permanent Settlement pledge.

He agreed that income-tax on agricultural incomes had been imposed in the 1860's, but had been removed after a short while. He also agreed that the Taxation Enquiry Committee had come to the conclusion that there can be no theoretical objection to taxing agricultural incomes, and he himself would agree to it, provided it was moderate and could be borne.

In reply to the Maharaja Bahadur of Burdwan he agreed that the scale of income-tax should be graded according to a landlord's margin of profit. In West Bengal, Dinajpur, and the areas near Calcutta, the assessment of revenue was high at the Permanent Settlement, while in East Bengal and most of North Bengal it was low. He mentioned an estate in Dacca division which pays revenue of Rs. 300 and collects 3 lakhs.

He considered that the tenants in khas mahal estates are contented: their only complaint is that they are made to pay up their rent punctually.

He thought that the position of the patnidars had become difficult in the last few years, owing to increasing difficulty in collecting rent and the establishment of Debt Settlement Boards Either Regulation VIII of 1819 should be abolished, or the patnidars should be given greater facilities to realise their rents.

In reply to Khan Bahadur Muazzamuddin Hosain, he agreed that there should be an agency for the provision of agricultural credit. The mahajans had been frightened off by Debt Settlement Boards, and Government would have to take the initiative unless conditions improve.

Reply by Rai J. N. Sircar Bahadur, B.A., B.C.S. (Retd.), Manager, Cossimbazar Raj Wards' Estate.

Q. 1. The description is not exhaustive. There were many other circumstances which made Permanent Settlement the only possible solution and an imperative necessity. The main grounds may be summarised as follows:—

(1) *The urgent necessity of securing a fixed permanent income to relieve the financial strain.*—The Company had to pay under the Dewani Altamgha 26 lakhs of rupees annually to the Emperor. Besides this they had to maintain an army and bear all the expenses of civil justice. They had further to contribute Rs. 53,00,000 towards the household expenditure and other expenses of the Nawab Nazim. "There were territorial payments in England which (during 1814-15 to 1828-29) amounted to £23,825,712, or an annual average of £1,588,381." (page 100 of Banerjea's "Indian Finance in the days of the Company, 1928" Macmillan & Co.). Money was also required for "investments". This was the name given to "a certain portion of the territorial revenue set apart every year to be employed in the purchase of goods for exportation to England" (p. 24, ibid). Figures, under this head from the year 1766 to 1780 are given below:—

Year.	Amount £	Year.	Amount £
1766	437,511	1774	648,867
1767	565,461	1775	932,837
1768	658,338	1776	788,623
1769	742,286	1777	1,082,233
1770	663,665	1778	1,266,224
1771	768,458	1779	1,082,453
1772	865,878	1780	1,254,958
1773	632,572		

(Appendix No. 6 to the Ninth Report of the Select Committee, 1783.)

The conquest of other provinces and the unsettled conditions of the country required large sums. I may quote again from Mr. Banerjea:—

"Bengal's revenues as usual were more than sufficient to meet her expenditure. But year after year, she was called upon to meet the deficiencies of the other Presidencies and to finance most of the schemes of conquest." (pages 83-84, ib.).

Deficiencies of not only other provinces but of far distant countries had to be met:—

"This (the surplus in the years 1814-15 to 1828-29), of course, was exclusive of the expenses of the subordinate settlements of Bencoolen,

Prince of Wales's Island, Singapore and St. Helena. It would certainly strike an impartial observer as strange that, although India derived no benefit from these settlements, her revenues should have been called upon to meet the deficiency at all these places." (p. 100 ibid).

It is clear that financial embarassments were very grave and steady receipt of the largest possible land revenue was an imperative and immediate necessity.

(2) *Failure of attempt at direct collections.*—Both the Moghul Government and the East India Company failed in their attempts at direct collection. Murshed Kuli Khan (Jaffar Khan) in 1722 tried to make direct collection by the hastabood method. He obtained a small increase by adopting the severest measures. Sir John Shore in paragraph 15 of his Minute, dated 18th June 1789, observed: "Yet moderate as this addition (Total of Rs. 24,18,298 in 140 years since Toder Mal assessment) may appear, that part of it imposed by Jaffar Khan, and amounting to Rs. 14,31,136 was obtained by measures of the greatest severity; the zamindars, with few if any exceptions, were dispossessed of all management in the collections, and his own officers were employed to scrutinise the land and their produce The severity employed upon renters in arrears, and upon the zamindars to compel them to a discovery of their resources, were disgraceful to humanity." The system was tried till 1725 and was found to be a complete failure. His successor Shuja Khan released the zamindars and restored most of them to the management of their lands and reverted to the old system. Sir John Shore proved conclusively that the figures of the Moghul assessment were unreliable and on that account probably excessive. He observed that: "The balance of unpaid revenue at the end of the Bengali year 1168, answering to the period between April 1761 and 1762, is stated in the public accounts at Rs. 79,74,065." (Fifth Report App. I, para. 47.) For subsequent years he gave detailed figures:—

Year.	Administrator.	Assessment.	Collection.	Balance.
		Sicca Rs.	Sicca Rs.	Sicca Rs.
1762-63	Cosim Ali Khan (*d*) ..	2,41,18,912	65,60,992	2,55,31,986
1763-64	Nandakumar Banerjee (*e*) ..	1,77,04,766	1,04,96,453(*a*)	1,00,86,358
1764-65	Do. (*e*) ..	1,76,97,678	1,06,68,328(*b*)	95,22,145
1765-66	Mahammad Reza Khan (*e*)	1,60,29,002	1,47,04,876(*c*)	13,24,135

(*vide* abstracts 5, 6 and 7 annexed to Sir John Shore's Minute in App. I to Fifth Report.)

(*a*) Includes Rs. 2,05,046 collected after the end of the year.

(*b*) Includes Rs. 5,73,092 collected after the end of the year.

(*c*) Includes Rs. 2,07,964 collected after the end of the year.

(*d*) Inclusive of ceded districts.

(*e*) The figures are exclusive of ceded districts (24-Parganas, Burdwan, Chittagong and Midnapore).

At first, attempt was made to collect through Mahammad Reza Khan, the Deputy or Naib Nazim. This was a failure and in 1769 supervisors were appointed for preparing rent rolls, examining titles and all matters connected with settlement of land revenue and revenue collections with a view to direct collection by the Company, ignoring the zamindars. They were to work under two Councils of Revenue established at Patna and Murshidabad in 1770. This system also failed. On May 11, 1772, the Court of Directors issued a proclamation stating that the Company was determined to stand forth as Dewan, i.e., to collect its own revenue and to administer the fiscal system itself. The post of Md. Reza Khan as Naib Dewan was abolished. Supervisors failed to prepare rent rolls and the Council decided that the four junior members should form a Committee of Circuit, and make settlements locally by auction for periods of 5 years irrespective of claims of zamindars. Thus the ijara (farming) system as opposed to zamindari system was adopted. This proved ruinous. The estates were knocked down to speculators at a revenue which, as the old zamindars knew, the estates were unable to bear. The only hope of the farmers was to extort what they could and leave the estates ruined and deserted. Quinquennial settlement of Dacca Province amounted to over Rs. 38,00,000 against 19¼ lakhs in 1722 but the arrears averaged 8 lakhs per annum. Similar conditions prevailed in other districts. This effort resulted in the extinction of skilled, though corrupt, collecting agency and the substitution of an untrained foreign agency (*vide* Ascoli's Early Revenue History of Bengal). When this system failed a controlling Committee of Revenue was formed at Calcutta (1773) with 6 subordinate provincial Councils at Calcutta, Murshidabad, Patna, Dacca, Burdwan and Dinajpur. Collectors were abolished and amils were entrusted with the collection of the jama of previous year. The result was again unsuccessful. On 20th February 1781, a new system was introduced with 4 covenanted servants of the Company forming a Committee of Revenue, the provincial Councils were dissolved the Collectors were restored, the post of Superintendent of Khalsa was abolished and the Kanungos were restored. When all the systems had failed, Barwell on March 28, 1775 and Francis on January 22, 1776, advocated settlement with zamindars. Warren Hastings concurred. The Permanent Settlement with zamindars was therefore not because it was intended to show any special favour to the zamindars but inasmuch as all other systems had failed. The main object was to place the revenue collection on a stable basis, through this agency and to secure an assured income of Rs. 2,60,00,000 from the 3 provinces of Bengal, Bihar and Orissa. The net result of the Decennial Settlement is thus recorded in the Fifth Report (p. 18):—

"The whole amount of land revenue, by these means, and by this agency, obtained from the provinces of Bengal, Bihar and Orissa,

ultimately proved for the year 1197, corresponding with the year 1790-91 to Sicca Rs. 2,68,00,989 or £3,108,915."

(3) *To reduce cost of collection of revenue.*—The experiment made at different systems enumerated in (I) above showed that in order to make direct raiyatwari collection practicable, it was essential to prepare records-of-rights of all classes of persons holding lands which would have involved enormous expense and a trained and experienced agency which was totally lacking. To give an idea of the amount necessary for doing this kind of work, the costs actually incurred in preparing records-of-rights in the course of district settlements undertaken in recent times are given below of certain districts:—

	Rs.
Bankura . .	25,03,000
Midnapore ..	45,53,000
Jessore .	28,89,000
Khulna . .	8,26,000
Faridpur . .	21,28,000
Dacca . .	26,54,000
Mymensingh .	59,12,000
Rajshahi . .	25,69,000
Tippera ...	22,53,000
Noakhali	12,93,000

Generally the cost rate was about Rs. 950 to Rs. 1,000 per sq. mile. In the then state of the finances it would have been impossible to launch such a vast and expensive scheme. It would have moreover taken a long period to complete such an operation and the lack of a trained agency made the idea wholly impracticable. In direct raiyatwari collection it would have been necessary to grant remissions and abatements in cases of loss through drought, excessive rainfall, diluvion, etc., which would have affected the income. Besides this, expenses would have been necessary for works of improvement such as embankments, irrigation works, etc. In farming too, if it was intended to protect the tenants, preparation of record-of-rights would have been essential and above this an expensive agency would have been necessary for the periodical revision of assesment. The zamindari system was, therefore, the cheapest and had the prospect of securing an assured steady income. Practical experience has amply justified the anticipations of the framers of the Permanent Settlement. Statistics have been given in reply to question 5 to prove that in khas mahals there are always heavy arrears and percentages of collection in khas mahals are much lower than in permanently settled estates.

(4) *To encourage extension of cultivation and improvement.*—The famines of 1770-71, 1784, 1786 and 1787 had carried off more than ⅓rd of the population and the same proportion of cultivated land had been converted to jungles haunted by ferocious wild beasts. In order to bring such a large area under cultivation organised action was necessary. Expensive irrigation works and embankments were necessary for this and in the absence of a suitable State agency for such works, the zamindars were the most proper persons who could be expected to undertake them. It was incumbent on them to do so as the assessment at the Permanent Settlement was an advance assessment and their only hope of saving their estates, was by increase of income by extension of cultivation. In his letter, dated 6, March 1793, to the Court of Directors, Lord Cornwallis observed that "It is the expectation of bringing them (the extensive waste and jungle lands) into cultivation and reaping profits of them, that has induced many (of the zamindars) to agree to a decennial jama which has been assessed upon their lands." Any attempt by a zamindar at raising the rates of rent beyond the pargana rates was not only prohibited but was impossible with the extremely lower margin of profits of the tenant in those days. The price of paddy was annas 8 per maund and the tenant could hardly have more than Rs. 6 per bigha (2·8 bigha=1 acre) for his land. Attempt at extortion of high rates would have made him migrate, a possibility which the zamindar was anxious to avoid. It is well-known that in his eagerness to secure tenants, he had recourse sometimes to abduction. Had there been any illegal exactions on a large scale, so many zamindars would not have been ruined immediately after the Permanent Settlement. For the sake of his existence, he had to strain every nerve to extend cultivation. There was no other agency with such an impelling force behind it to extend cultivation.

(5) *Necessity of securing loyalty on political grounds.*—Unrest prevailed both in Europe and America and in India also the conditions were very unsettled.

The following extract from the Minute of Lord Cornwallis, dated 3, February 1790, shows clearly how this factor influenced him:—

"In case of a foreign invasion it is a matter of least (?) importance, considering the means by which we keep possession of this country that the proprietors of land (meaning the zamindars, polygars, talukdars etc.) should be attached to us for motives of self-interest. A landholder who is secured in the quiet enjoyment of a profitable estate can have no motive for wishing for a change. On the contrary, if the rent of his lands are raised in proportion of their improvement, if he is liable to be dispossessed should he refuse to pay the increase required of him or if threatened with imprisonment or confiscation of his property on account of balances due to Government, upon an assessment which his lands were unequal to pay, he will readily listen to any offers which

are likely to bring a change that cannot place them in a worse situation but which held out to him hopes of a better."

(6) *Ultimate individual wealth, rather than immediate State gain more profitable through improvement of trade and commerce.*—As direct raiyatwari collection was found impracticable, the only alternative to a Permanent Settlement was temporary settlement. The latter would have resulted in a continual state of uncertainty with demeaning hagglings at the periodical reassessments. In the absence of any record-of-rights or any reliable data the tendency at the periodical revisions of assessment would have been to squeeze out as much as possible without any idea as to what burden the lands were capable of bearing. It was necessary to create a peaceful atmosphere to afford facility to the people to recover from the disastrous effects of famine and pestilence and semi-anarchy of the preceding half century Peace and tranquility alone could make trade and commerce flourish and these are the mainstay of any Government and had speical attraction for a Government carried on by a trading Company. It was, therefore, of greater importance to direct attention to the improvement of these than to quick profit which would have retarded progress towards the main goal. It was therefore, a very sound policy and the following extracts from Lord Cornwallis's letter very forcibly express it:—

"A Permanent Settlement which alone in my judgment, can make the country flourish, and secure happiness to the body of inhabitants.

"And I have a clear conviction in my own mind of the utility of the system, I think it a duty I owe to them, to my country and to humanity, to recommend it most earnestly to the Court of Directors, to lose no time in .... not to postpone for ten years the commencement of the prosperity and solid improvement of the country."

The Court of Directors also said this in plain language. Their observations are reproduced in para. 10 of Appendix No. 18 to Fifth Report (*vide* page 172, Vol. III, Firminger's Edition of Fifth Report):—

"10. We quote for your information the following observations of the Court of Directors, on a Permanent Settlement applied to Bengal, viz., 'we find it convincingly argued, that a permanent assessment, upon the scale of the present ability of the country, must contain in its nature, a productive principle; that the possession of property, and the sure enjoyment of benefits derivable from it, *will awaken and stimulate industry, promote agriculture, extend improvement, establish credit, and augment the general wealth and prosperity.* Hence arises the best security, that no permanent diminution can be expected to take place, at least to any considerable amount..... There will

thus be a gradual accumulation, while the demands of Government continue the same; and in every step of this progressive work property becomes of more value, the owner of more importance, and the system acquires additional strength,—Such surely appears to be the tendency and just consequences of an equitable fixed assessment."

(7) *To free Collectors for devoting time to general administration.*—Up to the Permanent Settlement, the time of the Collectors had been monopolised by revenue settlement and collections and constant applications for abatements and remissions of revenue and very little had been done towards improvement of the general administration, including administration of justice, maintenance of law and order, regulation of ports, customs, consolidation of newly acquired territories, etc.

(8) The creation of a body of landlords whose interests are naturally bound up with the welfare of the land.

(9) The ancient origin of the zamindari system which was well understood by the people.

(10) *To disarm opposition to the appropriation of excise and other internal duties by Government.*—The zamindar had the right to all excise revenue including license fee for excise shops and also to duties on raw silk, betel leaves, etc., and salt. It was notified by an advertisement on the 11th of June 1790 that (with an exception of tax on tenements which appeared derivable from land thus occupied) the management and collection of sayer revenue would in future be separated from the zamindari charge and placed under the authority of officers to be appointed directly on the part of Government.

The description of duties mentioned in the question is not exhaustive. They included the following:—

(i) Police duties.—Such as apprehension of thieves and maintenance of law and order. They used to maintain a police force (thanadari) and a body of village watchmen. It is stated in the Fifth report that Burdwan had to maintain 2,400 armed constables and 1,900 zamindari paiks. They were relieved of their police duties and directed to discharge their police establishment by Regulation XII of 1793.

(*ii*) Jurisdiction over petty Civil Court suits.

(*iii*) There was a special class of zamindars called Ghatwalls whose duty it was to guard the ghats or passes in the western frontier of the province and who had to maintain armed forces for the purpose.

(*iv*) Maintenance of records to a certain extent.

(*v*) Supply of rations to Government officers on tour and army on the march.

(*vi*) Maintenance of village accounts of each tenant and statistics of cultivated lands under different crops.

(*vii*) Works of improvement such as excavation of tanks, well, etc. and maintenance of all irrigation works and embankments.

In many districts specially in the barind area as well as in Burdwan, etc., innumerable irrigation tanks, some of which were of very large size and are called dighis, are still to be found though almost all are now silted up and the beds of many are at present under cultivation. It was not possible for individual tenants to construct embankments and irrigation channels and the zamindar had to undertake these.

(*viii*) Reclamation of jungle by granting lease on favourable terms sometimes through people like Santals from other provinces who had special aptitude for such work.

(*ix*) Maintenance of places of worship like temples, mosques by rent free grants and religious and charitable institutions. Sir John Shore in para. 311 of his Minute, dated 18, June 1789, observed that "In the list of zamindari charges there will be found charitable donations, which ought properly to be paid by officers of the Government."

The Permanent Settlement did not take away any existing rights of the tenant. The position of the raiyat was, on the other hand, defined and strengthened. The avowed object of Lord Cornwallis was to protect the tenants (*vide* his Minute, dated February 1790) and in Regulation I of 1793 this was emphasised. The object has been kept in view by the Government in all subsequent tenancy legislation. For an analysis of the classes of raiyats and their rights and of the measures adopted in the period of the Dewani for their protection, please see the judgment in the great Rent Case.

Sir John Shore in his Minute, dated 18, June 1789, after prolonged investigations recorded his findings about the rights and privileges of raiyats existing at the time and a comparison with these will clearly show that the Permanent Settlement did not take away any of their rights, on the contrary, confirmed them and laid down measures for preventing infringements of them. Extracts from his Minute are quoted below:—

"389. It is, however, generally understood, that the raiyats by long occupancy acquire a right of possession in the soil, and are not subject to be removed; but this right does not authorise them to sell or mortgage it, and it is so far distant from a right of property. This, like all other rights under a despotic or varying form of government, is precarious. The zamindars, when an increase is forced upon them, have exercised the right of demanding it from their raiyats: If we admit the property of the soil to be solely vested in the zamindars, we must exclude any acknowledgment of such rights in favour of the raiyats, except where they may acquire it from the proprietor."

"406. Pattas to the khudkasht raiyats, or those who cultivate the land of the village where they reside, are generally given without any

limitation of period; and express that they are to hold the lands paying rents from year to year. Hence the right of occupancy originates; and it is equally understood as a prescriptive law, that the raiyats who hold by this tenure, cannot relinquish any part of the lands in their possession or change the species of cultivation without a forfeiture of the right of occupancy, which is rarely insisted upon; and the zamindars demand and exact the difference. I understand also, that this right of occupancy is admitted to extend to the heirs of those who enjoy it."

"407. Paikasht raiyats, or those who cultivate the lands of villages where they do not reside, hold their lands upon a more indefinite tenure. The pattas to them, are generally granted with a limitation in point of time: where they deem the terms unfavourable, they repair to some other spot."

Q. 2. The Permanent Settlement did not convey any new power to the zamindar. On the other hand, it curtailed much of his powers, such as judicial, police, etc , and also by imposing restrictions on his power over tenants. It merely confirmed some of the rights he had. They were:—

(1) Khudkasht tenants had practically occupancy rights and could not be evicted, so long as he continued to pay his rent. So far as they were concerned, the zamindars had no choice but as transfers were not permitted without the zamindars' consent he had the right of selection of transferees.

(2) As regards paikasht or non-resident tenants, they were mere tenants-at-will and the zamindar had a free hand in selecting them. The principal point in selection was the economic interest, i.e., the cultivation of the land to best advantage and also elimination of bad characters and selection would naturally fall on actual cultivators.

(3) As regards new settlements he had an entirely free hand and selection was no doubt by the consideration mentioned in (2) above. *Vide* section LII of Regulation VIII of 1793 extract from which is quoted below:—

"The zamindar, or other actual proprietor of land, is to let the remaining lands of his zamindari or estate, under the prescribed restrictions, in whatever manner he may think proper..." With the object of extending cultivation, various classes of middlemen were created. As mentioned in the beginning, no new powers over the tenants were conferred by the Permanent Settlement but it restricted them considerably with a view to protect the tenantry. For a summary of the then existing rights of the raiyats, the extracts quoted from Sir John Shore's Minute in answer to question 5 may be seen. The justification

for imposing the restrictions after confirming his proprietary title are thus explained by Lord Cornwallis in his Minute, dated February, 1790 (para. 2).

"If Mr. Shore means that after declaring zamindars proprietors of the soil, in order to be consistent we have no right to prevent his new abwabs or taxes on the lands in cultivation, I must differ with him in opinion, unless we suppose the raiyats to be absolute slaves of the zamindars. Every bigha of land possessed by them must have been cultivated by them under express or implied agreements that a certain sum should be paid for each bigha of produce and no more. Every abwab or tax imposed by the zamindar over and above that sum is not only a breach of the agreement, but a direct violation of the laws of the country. The cultivator, therefore, has in such cases an undoubted right to apply to Government for the protection of his property, and Government is all times bound to afford him redress."

This view was embodied in section 8 of Regulation II of 1793 and the main object of all subsequent tenancy legislation was this.

There can be no economic development without State aid. There were no organised industries like jute, silk manufacture and textiles generally, lac, salt, sugar, tobacco, etc., and the growers and manufacturers were ruthlessly exploited by the merchants and the zamindars were helpless and could afford no protection in this matter to their tenants. Whenever any new industry was started by foreign capital, the interest of the capitalist became the sole concern of the State. The indigo industry affords the best example of this. The cultivators were like slaves and had no interest in the profits. They were compelled to grow indigo on any plot pointed out by the planter and on failure they were oppressed and tortured with impunity. They were obliged to receive payment at rates dictated by the capitalist. Development of tea industry in Assam is another example of a similar nature Development of jute industry is of more recent origin, when public opinion had gained in strength, and there have been no gross abuses like those in connection with indigo and tea but the grower is still exploited by a ring of capitalists and the zamindar is a helpless spectator. In the early days, facilities for education were lacking and the zamindars were ill-educated and had little knowledge of the possibilities of economic development nor did they receive any help or inspiration from Government. They did what they could and helped very largely in the growth of educational institutions but these could not yield immediate results. Their sole anxiety was to pay revenue punctually to save themselves. In the absence of encouragement from the State the cottage industries like spinning and the manufacture of fine muslins and other textiles, manufacture of salt, etc., gradually became extinct. It is the function of the State to develop the resources

but here there was no attempt in this direction and in some cases the attitude of Government was openly hostile and the machinery of the State was employed to extinguish industries like salt, spinning and weaving, etc., by direct action and also by indirect tariff walls. The interests of a foreign Government representing trade and not responsible to the people, and those of the masses were antagonistic and the zamindar was powerless to interfere. They were moreover at that time extremely poor as has been recorded by Sir John Shore in his Minute of 18th June 1789:—

"129. Secondly, it is a certain fact, that the zamindars were almost universally poor. This assertion, if doubted, may be enquired into with respect to the zamindars of Rajeshahy, Beerbhoom, Jessore, Nadia, Dinajepoor, and Salsyka; to whom I do not mean to restrict it. Justice and humanity call for the declaration, in opposition to insinuations of another tendency, and to positive assertions of a Member of the Board of Revenue, that the zamindars are wallowing in wealth and luxury."

A few more extracts from his Minutes are given below to show why there was no economic development in the early days:—

"131. The Company are merchants as well as sovereigns of the country. In the former capacity they engross the trade; whilst in the latter they appropriate the revenue.

"Whatever allowances we may make for the increased industry of the subjects of the State, owing to the enhanced demand for the produce of it (supposing the demand to be enhanced) there is reason to conclude, that the benefits are more than counter-balanced, by evils inseparable from the system of remote foreign domination.

"Upon the whole, I have no hesitation in concluding, that since the Company's acquisition of the Dewani, the current specie of the country has been greatly diminished in quantity, that the old demands of importation, by which the drains were formerly replenished, are now in a great measure closed; and that the necessity of supplying China Madras and Bombay with money, as well as the exportation of it by Europeans to England, will contribute still further to exhaust the country of its silver.

"It is obvious to any observer, that the specie of the country is much diminished: and I consider this as a radical evil, which without some unforeseen changes, will progressively operate to affect the British interest in Bengal."

In addition to the extracts from "Indian Finance in the days of the Company" by Mr. P. N. Banerjea, M.A. (Cal.), D SC., Econ. (Lond.) quoted in reply to question I, I am quoting below a few more extracts from the same book. Mr. Banerjea was the Minto Pofessor of Economics of the Calcutta University and made extensive researches among the old records:—

"But the most serious evil of the system was the application of the revenues of the country to the objects of trade (p. 24).

The provisions of investment led to another evil, namely, the shortage of currency." (p. 27).

For an explanation of "investments" and the figures of actual expenditure under this head please see answer to question 1.

Public debts rose to £30,876,788 by 1809 and "the largest portion of the debt was raised in Bengal" (p. 114).

"The main cause of the growth of the public debt in India was war." (p. 120).

"It is to be presumed that a part of the loans of Bengal must have been raised in aid of the wants of Bombay and Madras." (pp. 114-115).

Q. 3. Economic development in any country is impossible without State-aid. When the Company took over the Dewani, there was semi-anarchy and it took a long time to evolve some sort of orderly Government. All the big zamindaris were broken up and the big zamindars were ruined and reduced to beggary as a result of the Permanent Settlement in 1793. Sir John Shore found that the zamindars were very poor (*vide* extracts quoted in answer to last question) and also that the country was being drained of its specie and the sources of replenishment were closed, as the Company as merchants was engrossing the trade and as Sovereign appropriating the revenue (*vide* Extracts from his Minute of 18th June 1789 quoted in answer to previous question). It took nearly 40 years for things to settle down under a new set of zamindars who were purchasers for full value. There were no facilities for education and the tenants as well as the zamindars were mostly illiterate and Government of the time was too preoccupied with consolidating their position, expanding trade and commerce and sending remittances regularly to the Directors at Home and had no time nor the inclination to mind about education, etc. Moreover, after meeting the cost of general administration and military expenses and Home remittances there was nothing left for nation-building activities. In fact no attention was paid to such subjects at all. Government was on behalf of a foreign Company whose main consideration was to secure the largest amount of dividend. It was necessary, therefore, to develop their own trade and commerce and secure monopolies at the expense

of the helpless and voiceless conquered subjects. There was no attempt at fostering the growth of trade, commerce, industries, arts and crafts of the country in the interests of the subject people. On the contrary many of these were systematically stifled and killed. It is impossible to give a full description of the state of affairs at the time and to get a complete picture the books of Mr. R. C. Dutt, I.C.S., or any impartial history of the period may be read. I may quote a few examples to illustrate what has been said. Take mercantile marine on which trade and commerce and the prosperity of a country depends. It was in the crude and infant stage and the first care of a Government in the interest of the country would have been to develop it to meet modern requirements. It was not done and the fleet of foreign merchantmen took the place of the country boats. Then take the textile industry. Bengal was famous for its muslin and silk and embroideries on silk and the rich kimkhabs. The mass of the people used to wear homespun cloths. All these industries were extinguished. Then again take salt manufacture. Mr. Grant estimated that along the 300 miles of sea coast from Jellasore West to Chittagong, comprehending at least 7,000 sq. miles, there were kollaries each yielding 233 maunds, i.e., a total of 28 lakhs of maunds and a net new revenue of 13 65 lakhs of rupees. During the 3 years preceding the arrival of Lord Cornwallis "the net advantage to the Company, from this (abolition of monopoly) and improved sale, has risen to Sicca Rs. 11,725,700 or £1,360,180 on an average of the last 3 years" (Fifth Report, p. 23). Mr. Ascoli in his Early Revenue History of Bengal records that by 1873 manufacture of salt in Bengal ceased entirely. After taking over the salt revenue from the zamindars the Company created a monopoly. Firminger in his introduction to the First Volume of the Fifth Report observed "The existing contracts for salt had, in Francis's opinion, led to the depopulation of the salt districts, and what had been gained by a monopoly, itself contrary to the Company's instructions (November 20, 1767), was lost by the injury done to agriculture". In jute the entire trade is controlled by a ring of foreign capitalists and the cultivator never gets fair value for his crops and some portion of the profits is absorbed by middlemen and the bulk of it goes to the capitalist. All these industries like salt, textile, etc., disappeared and the people were accustomed to cloth imported from Manchester. Thus on the one hand some sources of income of the people were gone and new needs were created and he had to incur expense to clothe himself and the money so spent went out of the country. Indigo manufacture was started by foreign capital and the cultivators who had to grow the plants were like slaves. They were compelled to grow it on any plot pointed by the planter and he had to receive payment at rates dictated by him. For any failure they were harassed and even tortured. The profits went out of the country. Tea cultivation also had a somewhat

similar history and abductions of men, women and children from Bengal for supplying labour force for the Assam gardens became common occurrence. In reply to questions 1 and 2, extracts have been quoted to show how the country was being drained of its silver. In circumstances like these it was impossible for a zamindar to do anything worth the name towards economic development. Moreover, what was his position. For a long time after the Permanent Settlement, the highest among them was liable to be put to the greatest indignities. Burke's speech at the impeachment of Warren Hastings contains blood-curdling accounts of the atrocities performed on them. The severity of these gradually decreased but the long period over which they extended left its impress and firmly instilled the slave mentality. He was shorn of all his former powers and glory. During the Moghul regime, he was deprived of his military and during the Dewani by the Company, of his police and judicial functions and in relation to his tenants also various restrictions were imposed on his former powers over him. When the country was being drained of its wealth (*vide* extracts quoted in answer to last question) on such a large scale and the people were being impoverished by being deprived of their sources of wealth and by having to purchase articles which formerly they could manufacture themselves at little or no expense, it is idle to expect any substantial economic development or prosperity. In the early days the zamindar never got a chance. The utmost he could do was to dig a tank here or erect a temple there and take measures for helping cultivation by protective and irrigation works. It was not till the introduction of the Constitutional Reforms that he had some hand in the affairs of his country and by that time education also had spread to some extent and public opinion was growing and since then progress has been rapid

As regards the second part of the question, it may be pointed out that the main functions of the zamindar were punctual payment of revenue, keeping of correct accounts and granting proper receipts, extension of cultivation, undertaking works of improvement and works for helping cultivation, etc. So far as these are concerned, there has been no failure. Embankments and irrigation works as well as clearance of jungles on a large scale required capital which the tenant lacked and all such works were undertaken by the zamindar. There are numerous irrigation tanks to be found in many districts which are still the property of the zamindar but in which the tenants have the right of irrigation. In many districts tenures almost as big as an ordinary zamindari were created to hasten reclamation. This was done in cases the zamindar himself lacked the capital and the necessary agency. All this was done by the new set of zamindars who took the place of the ancient zamindars ruined by the Permanent Settlement. Nothing could be done during the unsettled condition immediately following the Permanent Settlement. Some extracts from the Fifth Report are

quoted below to show the state of affairs immediately following the Permanent Settlement and which will explain why it was not possible for the zamindars to do anything during that period.

An extract from a letter from the Collector of Midnapore, dated 12th February 1882, quoted in the Fifth Report (p. 59):—

"It has been found by melancholy experience, that the system of sales and attachments, which has been substituted for it, has, in the course of a very few years, reduced most of the great zamindars in Bengal to distress and beggary, and produced a greater change in the landed property of Bengal than has perhaps ever happened in the same space of time in any age or country, by the mere effect of internal Regulations..."

A reason for this is given a little further down in the same letter:—

"...and it required little discernment to see, that they (the zamindars) had not the same powers over their tenants, which Government exercised over them. It was notorious, that many of them had large arrears of rent due to them, which they were utterly unable to recover; while Government was selling their lands for arrears of assessment....., farmers and intermediate tenants were till lately, able to withhold their rents with impunity, and to set the authority of their landlords at defiance."

After quoting from the letter of the Collector of Midnapore the Committee observed:—

"The Committee conceives it has now been shown, that the great transfer of landed property, by public sale and the dispossession of zamindars, which were observed to take place in an extreme degree, during several years after the conclusion of the Permanent Settlement of the land revenue, can not be altogether ascribed to the profligacy, extravagance, and mismanagement of the landholders; but have to a certain extent followed as the unavoidable consequences of defects in the public Regulations combined with inequality in the assessment, and with the difficulties, obstructions and delays with which the many nice distinctions and complex provisions of the new Code of Regulations were brought into operation, among the very numerous, but for the greater part, illiterate inhabitants of the Company's provinces, who were required to observe them" (p. 59, Fifth Report).

The fact is also mentioned in paragraph II of the letter of the Court of Directors, dated 15th January 1819, an extract from which is reproduced below:—

"When we bear in mind the fact stated by Mr. Roche in his Minute recorded on your revenue consultations of the 12th August 1815 that subsequently to the period of the Permanent Settlement "probably one-third, or rather half, of the landed property in the province of Bengal

may have been transferred by public sale on account of arrears of revenue, etc....."

When it was humanly possible, revenue was paid punctually and after the unsettled period of transition was over, irregularities or defaults were rare. The object was attained after all the big zamindars had been ruined and reduced to beggary. The statement annexed in reply to questions 10 and 11 will show how high the percentage of collection nowadays is in permanently settled estate in comparison with the temporarily settled estates.

Q. 4. The original zamindars were the descendants of Rajas who were the proprietors of the soil. Sir John Shore in his Minute, dated 18th June 1789 (paragraph 374), observed:—"Formerly their services were required for the defence of the State, against rebellion or invasion, when they possessed the means of furnishing this assistance. This obligation was principally upon the principal zamindars; but was binding upon all." It will be seen that even in the times of the Mahabharat the principle of proprietary right and actual possession of the Raja was well recognised and the Emperor of All India only realised tribute from him. Whoever wanted to be the Emperor over all the Rajas and potentates of Bharatbarsha had to perform the Aswamedh Jajna or horse sacrifice and a preliminary condition was that he should first of all subjugate the hosts of Rajas all over India and he had to do it systematically in all the directions of the compass. In the detailed description given in the Mahabharat of the Aswamedh Jajna performed by the five Pandavas, it will be found that four of the brothers proceeded in four directions North, East, South and West and methodically subjugated every Raja in the direction allotted to him. The conquest of the eastern countries was allotted to Bhim Sen and he penetrated as far as the Orissa coast and in the north-east up to the Brahmaputra river which is specifically mentioned. He conquered the Mlechhas or aboriginals who inhabited the sea coast and the Kings of Tamralipta (Tamluk), Karbat, Sumbha, etc., and also the country bounded by the Brahmaputra and exacted tributes from all the kingdoms but did not disturb the possession of any of the kings. There was no annexation and each Raja was left in possession of his kingdom provided he paid a tribute. Some did it immediately on the approach of the Pandavas without a fight whereas some resisted and fought sanguinary battles and were overcome and tribute was forcibly realised but even these were left in undisturbed possession of their lands. There is a description of those who submitted without a fight and those who had to be conquered in battle and generally descriptions are given of the tributes paid or exacted from each. The title of the Raja was never disturbed. The Pathan Emperors found the zamindars and so did the Moghul Emperors and the English after them. (*Vide* extracts of paragraph

370 of Sir John Shore's Note, 18th June 1789, quoted in the last two paragraphs of this answer). What the Moghul Emperors did was to deprive them of their military powers and they were not allowed to repair their fortresses but they were not disturbed so long as they paid the State dues regularly. Those who opposed the Moghuls were defeated in battles and deprived of the zamindaris and their lands were distributed in jagirs for the maintenance of the Army and Civil and Military officers. It is in record that on many occasions zamindaris were purchased by the Emperors for the creation of jagirs and also whenever a loyal zamindar was deprived of his zamindari, a malikana or proprietary allowance was given to him. This practice has been continued by the British Government. It is not a new principle introduced by the British but confirmation of the custom they found in vogue. The tenants derived their interests from the zamindars and were not the proprietors. The only class of tenants who had some stability were the khudkasht kadeemee raiyat. In the great Rent Case (Thakurani Dasi *vs.* Bisheswar Mukherjee) Trevor J. observed as follows:—

"But when Regulation XI of 1822 was passed, the use in section 32 of that law of the term khudkasht kadeemee raiyat, or resident and hereditary raiyat with a prescriptive right of occupancy, to designate the cultivator who was not liable to eviction on a sale for arrears of revenues ... .."

Thus whatever rights the best class of raiyats *i.e.*, the khudkasht kadeemee raiyat, acquired was derived from the zamindars and he had a prescriptive right (*vide* paras. 389, 406, 407 of Sir John Shore's Minute, dated 18th June 1789, reproduced in answer to question 1) but the mass of raiyats had no rights at all and were constantly evicted. In paragraph II of the letter of the Court of Directors, dated 15th January 1819, it was observed that Mr. Roche's Minute of 12th August 1815 showed that probably one-third or rather one-half of the landed properties in the province of Bengal may have been transferred by public sale on account of arrears of revenue and for this fact "we can readily perceive how prodigiously numerous must have been the instances in which engagements between zamindars and raiyats were annulled" The majority of the present body of the tenants are therefore of fairly recent origin and neither they nor the older class created by the zamindars can have any claim to proprietary right. Even if it be conceded for the sake of argument that the zamindars had no valid proprietary title at the inception, some thousands of years back, they had no doubt acquired a prescriptive right in the long era when dynasty after dynasty came and went. (*Vide* paras. 370 and 371, of Sir John Shore's Minute, dated 18th June 1789, reproduced below.) They were recognised by every one of them except for a brief

spell of 3 years of Murshid Kuli Khan's regime (1722-25 A.D.) who tried to do without them. His successor Shah Shuja restored the old order. In a Privy Council case (Freemason *vs.* Fairlie I.M.I.A. 305 at page 341) the Lord Chancellor observed as follows:—

"I think it is impossible to read these articles, which were prepared obviously with great caution and consideration by persons well acquainted with the subject, and possessing every means of obtaining most accurate information on it, and as far back as 1793, without coming to the conclusion that the zamindars and talukdars were owners of the soil."

In the Fifth Report there is a clear record of the fact that the zamindars in Bengal used to exercise the rights of a proprietor and differed from the zamindars of Bihar. After dealing with the province of Bihar, where the practice was for the State to receive the entire produce of the land and to give shares out of it to the zamindar, the tenant and the collecting agency, the conditions in Bengal are described in the following words:—

"The difficulty was increased by a difference which had originally prevailed in the mode of forming the assessment of Bengal from what has been described as the practice in Bihar. In Bengal, instead of a division of the crop, or of the estimated value of it, in the current coin, the whole amount payable by the individual cultivator, was consolidated into one sum, called the assul or original rent: and provision made for the zamindar, the village accountant, the mandal and the other inferior officers, by other means than by a division of the zamindari portion of the produce. This was effected either by grants of land, or by the privileges of cultivating on lower terms than the rest of the inhabitants, and partly in money; a mode which, as it afforded the officers of government no interest in the accuracy of the village accounts, rendered the fabrication or concealment of them, the more feasible. *It, moreover, placed the zamindar in a condition more consistent with European notions of proprietary right in the soil, than could be inferred from the portion of his produce, shared with the officers of Government; and was, perhaps, the foundation of much of that difference of opinion, which appeared in the official discussions on that topic, under the Supreme Government at the time.*"

The extract quoted above is a finding of fact and not a mere expression of opinion.

It is clear that the hereditary zamindars had the proprietary right from before the Permanent Settlement but in many cases temporary farmers in possession were recognised in the Permanent Settlement as zamindars and treated as such. There was a process of levelling up and both were put in the same category.

The findings of Sir John Shore in his Minute, dated 18th June 1789, are reproduced below:—

"370. I consider the zamindars as the proprietors of the soil, to the property of which they succeed by right of inheritance, according to the laws of their own religion; and that the sovereign authority can not justly exercise the power of depriving them of the succession, nor of altering it, when there are any legal heirs. The privilege of disposing of the land, by sale or mortgage, is derived from this fundamental right, *and was exercised by the zamindars before we acquired the Dewani.*"

"371. The origin of the proprietory and hereditary rights of the zamindars is uncertain; conjecture must supply what history does not mention; they probably existed before the Muhammadan conquest, and, without any formal acknowledgment, have acquired stability by prescription. I do not admit the sanad which the zamindars sometimes receive, to be the foundation of their tenure; which though it may acquire confirmation from it, exists independent of this deed. The origin of the possession of some zamindaris may be traced to a grant, but the inheritance goes on without it."

Q. 5. The solemn pledge given at the Permanent Settlement was reaffirmed by Governors in reply to civic addresses presented to them. The agreement was between the proprietors of the soil and the Government and there was no occasion to consult the tenant but Government was not unmindful of his interest. His rights as found by Sir John Shore were summarised in paragraphs 389, 405 and 407 of Sir John Shore's Minute, dated 18th June 1789, reproduced in answer to question 1. While recognising the proprietary right of the zamindar Government made a clear declaration that steps would be taken to protect the tenant and to see that the zamindar did not realise more than what he was entitled to, by contract. Even during the Moghul period the tenants were never consulted. Jaffar Khan as well as his successors added imposts over the zamindari assessment, the total of such assessments between 1722 and 1763 being Rs. 1,17,91,853. There were contracts between the State and the zamindar and the latter was left free to distribute the addition over his raiyats in any way he considered proper. The State was not interested in that. The direct receipt from land revenue has undoubtedly been restricted to a certain extent by the Permanent Settlement but this loss has been more than compensated in other directions. This settlement established peace and enabled the population to recover from the effects of the famines of 1770-71, 1784, 1786 and 1787 and brought back prosperity which was reflected in higher receipts from other sources such as customs, excise, forests, etc. The other advantages gained have been fully described in reply to question 1. Apart from the legal aspects of the case,

annulment of the Permanent Settlement is not a practical proposition. It does not mean only the repeal of Regulation I of 1793 but of the entire tenancy legislation up to date which is all based on it. There will be a complete social revolution. A vast body of middlemen have been created who, to a great extent, depend upon their income from land. If their interests are all acquired, as a necessary corollary to the annulment of the Permanent Settlement, the entire social structure will be altered. These middlemen form the bulk of the bhadralok middle classes and they will be driven by want to join the communists or socialists. Their ranks will be swelled by the dispossessed zamindars and also the large body of tenureholders and tenants at fixed rates who will have to give up their long cherished rights. Communists and socialists are gaining strength daily and a sudden large access of strength to their ranks will render administration extremely difficult. If the rent of the tenants is increased and the fixity of rent ignored, the entire body of them will range themselves against the Government.

The increase in revenue to be obtained by the annulment of Permanent Settlement and elimination of middlemen and removal of law about fixity of rent in certain cases will not be very high. According to the Land Revenue Amendment Report of 1936-37 the areas of land and income from different classes of estates are as shown below:—

	Area in sq. miles.	Revenue in lakhs.	Revenue per sq. mile.
		Rs.	Rs.
1. Permanently settled estate ..	58,386	215	367
2. Temporarily settled estate ..	5,211	26	500
3. Government estate ..	5,710	71	1,243

The utmost that can be expected will be Rs. 1,243 – Rs. 367 or Rs. 876 per square mile increase in 58,386 sq. mile or about 511 lakhs but from this will have to be deducted—

(1) Interest on capital outlay incurred in acquiring all interests.

(2) Cost of periodical revisional survey at Rs. 950 per sq. mile.

(3) Cost of agency to be employed in undertaking the resettlement.

(4) Cost of direct management including cost of enquiries into the extent of diluvion, alluvion and deterioration of land.

(5) Average loss for remission and abatement of revenue in bad years.

It is a well-known fact that the percentage of collections in estates under the direct management of Government are very much below what they are in permanently settled estates. In order to demonstrate this, I compiled a comparative statement, from the Board's Annual

Land Revenue Administration Reports, showing the demands, collections and the percentages of collections in the two classes of estates for the last 6 years. It will be seen from copies of it annexed in replies to questions 10 and 11 what a huge amount always remains outstanding in Government estates as arrears and also that the percentages of total collections on total demands in Government estates are about half of what they are in permanently settled estates. It shows that the total rent demand in Government estates may be a very large amount on paper, but standard of actual collections is low and for this reason if the permanently settled estates are brought under direct management after removal of all intermediate holders, the demand on paper may show great increase but actual collections will be much below the paper demand.

Q. 6. The immediate result of the Permanent Settlement was disastrous both for the zamindar and the tenant. As the assessment of revenue was on the expected increase from reclamation of about 1/3rd of the previously cultivated lands thrown out of cultivation by the famines of 1770-71, 1784, 1786 and 1787, the big zamindaris were unable to bear the strain and all the old zamindaris were ruined and split up. After each sale the new zamindar evicted all tenants except khudkasht kadeemee or made fresh settlements. Conditions were therefore very much unsettled. To make the reply self-contained I am again quoting the extract below to show the extent of these changes, from paragraph II of the letter of the Court of the Directors, dated 15th January 1819:—

"When we bear in mind the fact stated by Mr. Roche in the Minutes recorded on your revenue consultations of the 12th August 1815, that subsequently to the period of the Permanent Settlement 'Probably one-third, or rather one-half, of the landed property in the province of Bengal may have been transferred by public sale on account of arrears of revenue' we can readily perceive how prodigiously numerous must have been the instances in which engagements between zamindars and raiyats were annulled."

It is not to be expected that so long as condition like that described above prevailed there would be any improvement. Mr. Ascoli estimates that by 1802 the increase of cultivation in Dacca was about 6¼ per cent. and that it was typical of the province. It took at least 40 years for the zamindars to settle down and since then progress has been rapid. The zamindars had the greatest incentive to extend cultivation as this was the only way by which they could save their estates. Increase of cultivation required costly protective embankments and irrigation works, the capital for which the tenants did not possess. In reclaiming jungles also capital was necessary and generally the zamindars employed middlemen who found the capital and organised the work and

for which allowance was made in fixing the rent payable by them to the zamindars. I can say from personal experience that the greater part of the Rangpur district was reclaimed in this way by creating big jotes and giving 50 per cent. margin of profit to the jotedars. It may be said therefore that a great portion of the extension of cultivation was due to the initiative of the zamindars. In some cases such areas were cleared by the tenants themselves, who were given concession during the period of reclamation. In the absence of any statistics it is not possible to indicate the exact proportion of the increase due to the three causes mentioned in the question but considering the circumstances it may be estimated that more than half was due to cause (*iii*).

Q. 7. Not possible to estimate proportion in the absence of statistics but it may be pointed out that the increase would not have taken place so quickly, if peace and tranquility had not been assured by the Permanent Settlement and also if District Officers had not been set free from their continual pre-occupation with revenue settlement and revenue collections. Temporary settlement whether with zamindars or farmers would have retarded progress and there would have been no incentive for undertaking costly works of protection and improvement and oppression on tenants would have been inevitable. Trade and commerce would have been depressed all round. The increase was the result of the conditions brought about by the Permanent Settlement.

Q. 8. Immediately after Permanent Settlement, it was the zamindars who needed protection. All the big zamindaris were dismembered and most of the old zamindars were ruined and reduced to beggary (*vide* extracts from Fifth Report quoted in reply to question 3). The tenants were defiant and the zamindar was unable to collect his rents and his estates were sold. There was no question of generosity in the Permanent Settlement but a case of pressing need which impelled the Government to this course and the immediate result was the disruption of nearly all the ancient aristocatic families. This state of affairs continued for several years until the Regulation VII of 1799 was passed which gave the zamindar the power of distraint. This led to oppression. The main trouble was that the Government did not implement the declaration about granting of pattas to tenants. The Regulations passed were ineffective and so long as there were no records-of-rights, grant of pattas was not practicable. It is true that Regulation VIII of 1793 contained detailed instructions as to what the pattas should contain (sections 56 to 61). Prohibitions were imposed against exactions of abwabs and penalty for infringement was provided (sections 54 and 55) but all these proved infructuous. The Court of Directors in their letter dated 15th of January 1819, summed up the causes of failure of the Regulation VIII of 1793. It was observed that "original Patta Regulation (VIII of 1793) was also

materially defective, in making no sufficient provision for the ascertainment of the rights in which it professed to secure the raiyats by their pattas." Act X of 1859 removed many of the grievances and took away the zamindar's right of distraint. Although Lord Cornwallis had declared in the most emphatic terms that it was the duty of the State to protect the tenants (*vide* extract from his Minute, dated February 1790, para. 2 quoted in reply to question 2), subsequent Governments failed to do this effectively. So far as the rents payable by the tenants were concerned it may be said that generally they were moderate. In the Cossimbazar estate, the biggest single estate is in Rangpur district with a rent roll of Rs. 5,59,432. The rate at which rents are generally paid by the old tenants is Re. 1 to Rs. 1-4 per local bigha. In a small percentage of cases it is Rs. 1-8 per local bigha. These work out to annas 8 to annas 12 per standard bigha. The main crops are jute and winter paddy. The former is a very valuable crop. In many districts like Burdwan, Nadia, etc., lands are going out of cultivation on account of the ravages of Malaria and the zamindar has to try his best to keep the tenants by making concessions as much as possible. Many villages once very populous are now wildernesses and the haunt of wild animals. It is only in areas where land has still some value that rents are fairly high. Figures were compiled in the Revenue Department when I was the Assistant Secretary for 13 districts from district settlement reports. The result is noted below. In some reports the rates of rents paid by undertenants to tenants are available and these also are noted below:—

Name of district.	Average rate of rent per acre of raiyat.			Average rate of rent of under-raiyat.
	At fixed rent.	Occupancy raiyat.	Non-occupancy raiyat.	
	Rs. a.	Rs. a.	Rs. a.	Rs. a. p.
Bankura ..	2 14	1 12	2 0	2 9 0
Midnapore ..	3 10	3 2	3 8	5 7 6 1st grade. 6 3 5 2nd grade.
Jessore ..	1 5	2 7	2 8	3 14 0
Khulna ..	2 6	3 6	3 8	5 0 0
Faridpur ..	2 9	2 9	2 10	3 12 3 1st grade. 4 0 0 2nd ,, 4 6 5 3rd ,,
Bakarganj ..	3 2	4 9	4 8	7 0 9 1st grade. 7 13 4 2nd ,, 9 14 7 3rd ,,
Dacca ..	2 3	2 13	2 13	3 6 0
Mymensingh ..	1 14	2 12	2 12	5 0 0
Rajshahi ..	2 8	3 5	3 5	5 13 0
Tippera ..	3 12	3 2	3 6	7 0 0
Noakhali ..	5 3	4 4	4 8	6 9 0
Murshidabad ..	2 15	3 7	4 8	9 4 7(*a*)
Birbhum ..	3 7	3 14	4 0	8 11 6(*b*)

(*a*) For those with occupancy right. Rate for under-raiyat without occupancy right is 4-12-6.

(*b*) For those with occupancy right. Rate for under-raiyat without occupancy right is 5-4-2.

The averages given above do not indicate that there are high rents on a large scale. The general tendency is moderate though there are no doubt black sheep in the flock. My experience shows that whenever there is any rate which is higher than what the land can bear it is bound to be sold up in time and the zamindar gets it back on his hands by khas purchase with a loss of arrears of rent. It is not to the interest of a landlord to resort to rack-renting as it is a shortsighted policy which involves loss in the end and moreover creates discontent which renders collections difficult and if rent is not collected, payment of land revenue has to be made by incurring debts. So far as my information goes, all the big zamindars follow the policy of moderate rent and punctual collection. Now-a-days specially when the tenants are more or less organised and imbued with socialistic ideas—only in respect of the classes above him—the zamindar is obliged to follow a policy of conciliation and rack-renting is becoming an impossibility. The worst offender in this direction is the tenant who sublets his land on cash rent as the Table above will show.

Generally speaking the tenants under a private zamindar are much better off than in an estate under the direct management of Government. The tenant can extort concessions by threats from a zamindar and the latter has to submit as he must pay the land revenue punctually and has to take whatever he may get, even if the demands made of him are unreasonable.

The answer to the question is that the expectation, so far as punctual payment of revenue and moderation towards tenants are concerned, has been fulfilled and it may be said that the tenants have now got concessions at the expense of the zamindars which were never contemplated at the time of the Permanent Settlement.

The views expressed above are amply corroborated by the findings of the late Director of Land Records in connection with the settlement of Murshidabad district—the Final Report for which was published late last year. This officer had probably the largest experience of revenue settlements first as Assistant Settlement Officer, then as Settlement Officer and then as Special Land Revenue Settlement Officer and lastly as Director of Land Records and Surveys and his findings should, therefore, carry weight and the report is also of great value as it is recent and embodies the experience up to date. Some extracts are quoted below:—

"The question as to how far the Permanent Settlement as a legal measure was detrimental to the tenantry has been much debated. Sir J. Colebrooke has been quoted to have expressed on the melancholy errors of the Permanent Settlement, on the sacrifice of the yeomanry, etc. I am afraid, as far as I could judge from a somewhat intensive study of the conditions in this district, the charge cannot in my opinion be fully endorsed. Rarely one meets a village where the

tenantry has not continued for generations. It is easier to trace old connection of the peasantry with a village than that of the landlord. That the tenantry could hold to their lands from a time prior to the safeguarding Bengal Tenancy Act is a proof that the circumstances were not so unfavourable as are sought to be made out. The village rights exist—except in the case of pasturage—no worse than what existed before. In the matter of common pasturage more tenants are found to take up and break down such land for tillage than the landlords could ever expect and for this Permanent Settlement in my opinion is less responsible than various other circumstances with which the Permanent Settlement had little or no connection. This will be borne out by a study of the circumstances in the temporarily settled or even khas mahal estates. It was asserted that the Permanent Settlement left the zamindar to make his settlement with them on such terms as he might choose to require. The continuity of the tenantry from father to son for generations is a proof that in the largest majority of cases the terms were not unfavourable. The average rent-rate is about rupees three and odd per acre. Judged by the outturn, and the rent-rates in the temporarily settled estates in the province this is not high. Here, too, his terms cannot be said to have been harsh, while in every village one may get from any old tenant that in the majority of cases in the past, the relation between the landlord and the tenant was sweeter and much more friendly evincing greater goodwill on either side than what could be claimed to-day. If people's verdict be any evidence—to my mind there can be no better evidence—the position has gone from bad to worse in more recent times when tradition was lost and law was substituted to regulate the relation. For all that Permanent Settlement cannot by any process of logic be held responsible. Black sheep there were, are and must be in future. The exchange of pattas and kabuliyats—which was the one omission to which all the alleged ills of the tenantry are attributed could have availed little when large ignorance, little education, still less capacity for organised action were the order of the day. Those who know how in spite of the strictest injunctions of law to-day rent receipts in proper form are not granted, and abwabs are collected, must realise that law is incapable of enforcing what can only be enforced by organised and educated social sense. The Permanent Settlement by securing the necessary conditions of growth has done more than anything else to create the beginning of that social sense. The clear provisions in the Permanent Settlement Regulations have enabled the Government to step in and protect the cultivators and now that a piece of legislation like this is entirely in the hands of the people it is up to them to speed up the perfection of what in the largest interests can be held to be conducive to the real welfare of the country as a whole.

"My conclusion is that the Permanent Settlement as a fiscal measure did nothing to the detriment of the raiyats. It took away no rights

which the tenantry then possessed, deprived them of no security which they otherwise had. The processes of rent realisation in the beginning had to be made harsher as were the processes for the realisation of land revenue but much of that hardship was due to rationalisation of business methods which had to come. On the other hand, I believe that the ultimate effect of the Permanent Settlement certainly was for the good of the tenantry. It provided the State at once with the moral background to interfere whenever it thought that the tenants had a grievance and the tenancy legislations embody in the main the effect of the strenuous endeavours in the interests of the actual tiller."

Q. 9. The first part of the question has been dealt with in paragraph (3) of reply to guestion 1 and also in replies to questions 2 and 3.

The other duties imposed were maintenance of correct accounts and granting of rent receipts which have been generally fulfilled.

Absenteeism is of recent origin and has not affected the policy followed by the zamindars. Most of the big zamindars are resident but they can reside in one place only while their zamindaris are very much scattered and cover a wide area and in such cases it matters little whether he resides in a town or village within his zamindari or in a town outside it, unless he has the energy to inspect and come into touch with all parts of his zamindari. If a zamindar is energetic he will inspect all parts of his estate and it is immaterial whether he starts on these tours from a village within the zamindari or a town outside it. So far as the big zamindars are concerned "absenteeism" has no meaning. The temperament of the zamindar is of greater importance than the place of his residence. Most of the big zamindars do very little of touring but employ managers and depend upon them. I know of some zamindars who employ managers but keep a very close watch over them and in order to do so they come in touch with the tenants. Petty zamindars who manage their own estates without the help of a manager necessarily remain in touch with the tenants.

Q. 10. The Permanent Settlement was the outcome of pressing necessity (see reply to question 1). The old tenants have benefited by getting their rents fixed in cash on the basis of assets at the time of Permanent Settlement. Considering that the price of paddy at the time of Permanent Settlement was about annas 8 per maund, the rates prevalent now-a-days is about 4 times that. Rents in some cases have been enhanced at annas 2 per rupee at intervals of 15 years but this has not affected his profits materially. The reason why he is hard up is that the purchasing power of the rupee has decreased and wants have increased. Limitation imposed by tenancy legislation has placed the tenants in a position and has given them rights and privileges which they never enjoyed even under the Moghul rule. It can be said that the Permanent Settlement taken along with the subsequent tenancy legislation has materially improved the lot of the mass of tenants. A

middle class of bhadraloks has been created and they are the intelligentsia of the country. After the disastrous years, which immediately followed the Permanent Settlement, were over and most of the original zamindars, with whom the Permanent Settlement had been made, had disappared, their successors benefited, until socialistic tendencies disturbed the peaceful atmosphere. The cry now-a-days is not so much due to any injustice according to old ideas but the growth of socialistic and communistic doctrines and the preaching of modern popular leaders against the unequal distribution of wealth and the moneyed class in general. If the future aim be a policy of appeasement towards the socialists and communists, there is no reason why the zamindar should be singled out and the other property owners and owners of unearned wealth should be left untouched. If the doctrines are followed to their logical conclusion there should be no individual ownership of land or house or any other property and no inheritance. The cry now seems to be that the zamindars must be deprived of their unearned wealth but the same principle is not to be followed any further down nor is any other class to be touched.

The reply to the question is that the system did the greatest good to the largest number so long as revolutionary doctrines did not permeate society. It has been pointed out in reply to question 5 that any attempt at bringing down the entire social structure which has been evolved in the last 150 years would end in a cataclysm.

The present tenancy laws are all for the tenant and it is the zamindar who needs protection. The tenants have gained considerable advantage at the expense of the zamindars and the zamindar has not gained anything worth mentioning at the expense of the tenant.

The reply to the question is that when the Permanent Settlement was effected the question of greatest good for the largest number was not at issue. The main problem for consideration was how to assure the punctual realisation of the largest possible amount of land revenue that could be then demanded. Experience, however, shows that the measure has been for the greatest good for the largest number, i.e., the masses, the middlemen and the zamindars.

Another point to be considered is that actual collection in permanently settled estates is far more satisfactory than in estates under the direct management of Government and it is, therefore, more advantageous to the State also. Figures are given in the statement annexed at the end of this question showing collections in permanently settled estates and Government estates in the last 6 years. It has been compiled from the Board's Annual Land Revenue Administration Reports. It will be seen what a huge amount of arrears always remain outstanding in estates under direct management and how the percentage of total collections on total demand in such estates is generally about half or even less than half in Government estates in comparison with permanently settled estates. In direct management the total rent roll

on paper may be very high but actual collection will be less than what it is now under Permanent Settlement.

The present unrest is mainly political and also because the country is very poor and there is not enough national wealth to go round to everybody to make the nation prosperous. The policy of robbing Peter and paying Paul may temporarily satisfy the class benefited but even if the policy is followed the masses will ultimately realise that the removal of the hated class has not left them very much better off and the main problem must be the increase of national wealth. Any temporary palliative will be ineffective and only fan the flame of class hatred.

The late Director of Land Records in his Final Report on the Settlement of the Murshidabad district has observed in paragraph 105:—

"But it can hardly be denied that its economic and political effects on the whole was satisfactory. It gradually stabilised habits and standardised life. Though the security of the tenants was not made safe by the statutory contracts—which later had unfortunate effect—yet at the time when there was more quest for tenants than for land the situation itself was a substitute for law."

"Stabler conditions increased the population, converted the quest of landlords for tenants to a ceaseless quest of tenants for land....."

"It is not improbable that a cynical nationalist economic of the future may even attribute to the self-imposed limitation of the executive Government, a part of the progress which Bengal unquestionably enjoys. He would probably argue that it tended to conserve automatically a part of the wealth which in taxation would have gone out of his country for expenditure over which constitutionally, till of late, the people had no control. He might even attribute to this measure a part of that culture and general well-being which the people of Bengal—its peasantry, its middleclass, its landlords, and even its much abused mahajans and lawyers enjoy. The question of the abrogation of the Permanent Settlement, therefore, needs to be approached with the utmost circumspection....."

Year.	Total Demand.		Current Demand.	
	Permanently settled estates.	Khas Mahals.	Permanently settled estates.	Khas Mahals.
1931-32 ..	2,32,43,736	99,61,730	2,15,56,925	62,30,304
1932-33 ..	2,43,78,514	1,16,16,894	2,15,53,131	64,15,819
1933-34 ..	2,52,81,101	1,35,52,480	2,15,31,443	66,09,714
1934-35 ..	2,51,50,753	1,49,32,873	2,15,14,560	68,18,527
1935-36 ..	2,45,62,219	1,49,01,445	2,15,01,774	71,70,109
1936-37 ..	2,44,11,784	1,33,88,505	2,14,98,926	71,00,040

Year.	Total Collection.		Percentage of total collection on total demand.		Percentage of collection on current demand.	
	Permanently settled estates.	Khas Mahals.	P.S. estates.	Khas Mahals.	P.S. estates.	Khas Mahals.
	(b)	(a)				
1931-32 .	2,04,20,976	47,87,414	88·12	48 05	94·73	76·84
1932-33	2,06,18,800	46,00,204	87 80	40·11	95·57	72·63
1933-34 . .	2,16,37,609	52,86,419	85·58	39·00	100·49	82·39
1934-35 .	2,20,83,115	67,85,600	84·57	44·26	103·17	99·51
1935-36 .	2,16,14,328	74,39,383	87·85	49·11	100·52	103·75
1936-37	2,22,67,413	74,59,032	91·21	55·46	100·35	106·04

(a) Includes interest.

(b) Does not include interest though interest is now being realised—Nor are amounts realised as penalties for exemption from sale shown.

Q. 11. (*i*) and (*ii*) Without statistics it is not possible to state what percentage is appropriated by the classes above the tenant. The total amout appropriated is shared by the zamindars and the middlemen which include *de jure* raiyats who have let out their lands on cash rent. These middlemen form the bulk of the middle class gentry of the province. Exact figure about the number of such middlemen is not available.

It may be true that 75 per cent. or 80 per cent. is absorbed between the cultivator and the State but it is necessary to examine whether it is for the greatest good of the largest number. Between the actual cultivator and the State there are sometimes as many as 20 to 30 intermediate holders. At the very bottom is the tiller of the soil. Above him there are in some cases 2 or more grades of under-raiyats. On the top of these is the *de jure* raiyat. Then above him are layer after layer of tenureholders. If the object of the State be to reach directly the income from the soil it will be necessary to do away not only with the zamindar but the *de jure* raiyat who has let out his lands to under-raiyats and also the top grades of under-raiyats. Subinfeudation existed during Moghul times, and there were jagirs and tenures like ayemas, madadmash, altamgha, etc. During the Dewani period also there was subinfeudation. Sir John Shore in paragraph 180 of his Minute of 18th June 1789 observed:—

"A zamindar possessing an extensive district having made a settlement with Government, relets, in portions, to several farmers; they

again make over their leases, in whole or in part to others; and these again, to renters of inferior denominations."

Subinfeudation existed from before but the Permanent Settlement gave an impetus to it.

Another point to be considered is that under direct management, the rent roll may show a very high figure but it has been found in practice that a very large amount always remains outstanding in Government estates under direct management and the percentage of total collection in these estates on the total demand is generally half or even less than that as compared to premanently settled estates. This will be clear from the comparative statement annexed at the end of the last question. It has been compiled from the Board's published Annual Land Revenue Administration Reports.

The existing order of society has been evolved from conditions brought about by the Permanent Settlement. The extinction of the zamindars and middle class will create a new order—probably socialistic —the result of which it is difficult to foresee. It is certain that there will be bitter class war and unsettled conditions will prevail for the long period of transition. The dispossessed zamindars and middlemen will swell the rank of the communists and if the intention is to realise the entire income from land direct from the tillers of the soil after removing all intermediaries including *de jure* raiyats, the existing laws about fixed rents will have to be abolished and the law about enhancements modified and this will affect the masses. Considering the appalling state of unemployment it would be highly impolitic to deprive such a large body of men of the means of their livelihood. Please also see reply to question 5.

(*iii*) No.

See reply to question 8 where it is fully dealt with.

(*iv*) The tenants are better off under private zamindars than in estates under direct management.

(*See* reply to question 8).

There are complaints about the corrupt collecting agency but even under direct management, the class of agency now employed by the zamindar will have to be employed by the State also. So long as national characteristics do not change the collecting agency will behave in the same way under State employment as under private employment. Whenever the agents of the private zamindar are oppressive, the tenants appeal to the zamindar and failing him move the Government. The zamindar is more amenable to threat and persuasion by organised body of raiyats as he must collect sufficient money to pay land revenue and cannot afford to displease the tenants and the latter can, therefore,

get the best terms from him. The present day zamindar shorn of all his previous powers and most of his privileges, is not what the term overlord ordinarily connotes nor is he burdensome.

Q. 12. The grounds are without any substance as explained in replies to previous questions and based in many cases on wrong assumption and this question therefore does not arise.

Q. 13. (i) Anything which contributes to the welfare and prosperity of the largest number of the people cannot be described as a "loss". There may be a loss according to mathematical calculation but on the whole it is a gain to the people. Ultimate individual wealth alone contributes to the wealth of the nation and on that depends all prosperity. Attention ought to be directed to the most important and basic question whether it is conducive to the best interest of the people at large. In reply to question 8 it has been shown that zamindars have acted with moderation towards the tenants and how it is more advantageous for them to be under a private zamindar than directly under the State. The welfare of the zamindar is bound up with the welfare of the tenants and the main goal of both is the same. He is a human being whereas the State is a machine. He is a buffer between the State and the people with a leaning towards the latter and his removal will be prejudical to the interests of the tenant. Apart from the legal aspect of the question, it has been shown in reply to question 5 that it is impracticable to do away with the Permanent Settlement without a social and economic revolution which will inevitably result in the socialists and communists gaining the upper hand. The present unrest is due to the spread of revolutionary doctrines which lay the greatest stress on the unequal distribution of wealth and the inequity of any one enjoying unearned wealth. These are considerations which do not affect the zamindar alone but the capitalist as a class and all those who enjoy properties by inheritance. For the present the zamindar has been singled out and zamindar-bating has become a popular pastime. In the printed hand bills distributed broadcast by the Krishak Samities (peasant associations) the zamindars are abused in choice epithets like blood-suckers, etc., and resolutions are passed in a similar strain. The tenants are already a privileged class and for them the ordinary law in the Indian Penal Code against promotion of class hatred is apparently in abeyance. If, however, full effect is given to the doctrines on which the attacks on zamindars are now being based, the capitalists and all persons enjoying unearned wealth should go and this will include the grades of tenants which do not cultivate lands themselves as well as those who inherit properties. The financial aspect of the thing also needs serious consideration. Direct management will involve heavy costs in revisional settlements, costs of collections, maintenance of protective works and undertaking of irrigation works and works of improvement and also losses in the shape of remissions and abatements for failure of crops, deterioration, diluvion, etc.

It ought to be ascertained what the net increase may be after allowing for all these. On the basis of figures in the Land Revenue Administration Reports of the last 6 years it will be seen that the percentage of collections in khas mahals is much lower than in permanently settled estates (vide statement annexed in answer to question 10). Investigations on these points and also regarding the cost of acquisition of the interests of the zamindars and middlemen and also the annual charges for interest and sinking fund on the capital outlay, are essential before any of the alternatives suggested can be properly examined. Without any data on this all-important point, the present discussion is more or less academic and of theoretical value only. For these reasons, I consider that the alternatives suggested in (*i*) and (*ii*) to be highly injudicious.

(*ii*) Temporary settlements were found by experiment to be unsatisfactory, as the temporary lessee having no permanent interest was always inclined to extract as much as he could during his tenure and leave the estate ruined. This led to oppression and malpractices. Moreover, costly agency will have to be entertained for periodical revisions of the record-of-rights with a view to accurate assessment and the Colector's time will be monopolised by the work of revisional settlements and general administration will suffer.

Sir John Shore in his Minute of 18th June 1789, fully discussed the 3 alternative systems of collection (1) directly by the State, (2) through farmers and (3) through zamindars. Most of the arguments used by him against (1) and (2) still hold good and deserve careful consideration. For facility of reference, I am herewith annexing extracts of the paragraphs 154 to 164 of his Minute.

(*iii*) If there is no legal bar, the imposition of a tax on agricultural income seems theoretically desirable. I am not competent to express an opinion on the legal aspect of the thing but it will involve the breach of a solemn pledge. It is bound to be highly unpopular, as it will affect not only the zamindars but a considerable body of middlemen and all aspects of the question have to be thoroughly examined before any decision can be arrived at.

Appendix to Question 13.

Extract from Sir John Shore's minute, dated 18th June 1789.

154. There are three modes by which the revenue of the country may be realized for the State. First, by employing officers for this purpose on the part of Government, to collect them immediately from the raiyats or lower denomination of tenants, without the agency of the zamindars or farmers. This mode of management is usually termed khas, the inferior agents and receivers under the Collector are chosen by him, and have fixed salaries allotted to them.

155. The due and successful administration of this plan, supposes sufficient knowledge and experience in the Collector employed, with respect to the rent and land, to regulate all the detail of the settlement and collections as well as time and application to go through with it, the mufassal account should be examined, the charge of the inferior agents, whether employed to collect the rents of a village or pargana should be inspected and curtailed where exorbitant, the number must be regulated and the rent of each village and indeed of every raiyat ought to be adjusted.

156. The advantages attending this mode of settlement, in speculation are these:—The Collector has it in his power to reduce the cesses where they are burthensome, and to equalize the assessment paid by the lower classes of raiyats; it affords him an opportunity of ascertaining the resources of the district; to acquire a knowledge of any improper reductions which have been made in the rental; to afford relief where wanted; to encourage improvement; and to establish such Regulations as he may deem best calculated for the security of the cultivators of the soil, against present exaction and future oppression.

157. It ought also to be the most productive, by bringing to the account of Government the profits of intermediate farmers and contractors, as well as the produce of their frauds and embezzlements.

158. The objections to the plan and its disadvantages are these:—That it presumes a degree of knowledge, experience and application in the Collectors, which is rarely to be found or attained: It may exist in those of the present day, without any assurance that it will be found, in their successors. The selection of proper inferior agents depends upon them; and their fidelity and exertions, from the Dewan and officers in his cutchery to the lowest deputy, will be in proportion to the ability and vigilance of the superintending officer. If incapable of examining the accounts of his agents, and of detecting the fallacies of them, he will be exposed to constant imposition, and the public loss will be proportionally great. The same effects would follow from indolence.

159. The Government is not secured, with respect to its revenues, by any specific engagements; it must stand to all losses and accident of seasons; where the raiyats fail or are unable to pay, there is no remedy, and the annual amount of the revenues must be subject to considerable variation. The native officers employed in the detail of the business are only bound to a responsibility generally for the faithful discharge of the trust reposed in them, and to account for what they collect.

160. The Board of Revenue can exercise little control over this mode of management, but must rely upon the conducting officers; the detail is too minute for their inspection.

161. Where the operation is applied to the lands of a zamindar, he remains idle; or, what is worse, employs himself secretly to counteract the success of the Collector, and a subsistence must be allowed him by the Government.

162. In general it will be found, that the settlements attempted upon this plan, have proved unsuccessful under our administration. It was, however often executed by the Muhammadan Government, who entered into all the details of the business, and examined the accounts of the aumil or Collector with rigour and minuteness. Whether, for this reason it ought to be attempted by us, or not, remains to be decided. (185).

163. In the execution of a khas settlement, as usually performed, details which I have described are seldom entered into; and it means little more than delegating authority to the Collector of a district, to conclude specific engagements with farmers or with petty landholders for the rents of the several pergunnahs and divisions, instead of entering into an agreement for the revenues of the whole zamindari, with the proprietor of it. These engagements are more or less detailed, at the discretion of the Collector. The principal advantage attending this mode of management, is the probability of larger receipts. That rests upon the supposition, that the zamindar declines engaging for the revenue of his lands, and that the resources of them, are equal to the assessment on them, as well as to furnish a provision to the zamindar upon the Collector's knowledge of these emoluments, and upon his ability to collect them. With regard to the persons with whom he may enter into engagements, a comparative advantage may arise to them; that of a better security from contracting with Government, than with the zamindar, but this ought not to be the case, where the Collector knows and discharges his duty. In other respects, the plan combines many of the evils attending the farming system which is now to be considered.

164. The conveniences of collecting the revenues by farmers are, few and small; whilst the disadvantages are many and great. It is certainly easy and simple to contract with a farmer for the revenues of a district: and this is all that can be said for it. Experience proves that it is fallacious in point of security for the farmers and securities both fail; and that it is oppressive in its execution. The engagements with a farmer, from a deficiency of local knowledge in the officers of Government, can seldom be made with sufficient precision to prevent impositions on his part; and the subsequent attempt to redress them generally affords him grounds for claiming remissions. A temporary farmer never looks to future improvements: and the system opens a door for the introduction of persons in the management of the collections, who ought ever to be excluded; those who are in the service of Europeans, and participate their influence: But as it stands universally condemned,

there is no occasion to detail inconveniences, which are acknowledged. The partial admission of farmers may perhaps take place on the grounds of necessity, as a remedy against greater evils.

Q. 14. I do not advocate (*i*) or (*ii*), but there can be no question that compensation should be paid if it is decided to expropriate the zamindars unless the Russian method of dealing with the kulaks is adopted and the zamindars are driven out in a body to some wilderness after being deprived of all their properties, and then left to starve. Clause (*2*) of section 299 of the Government of India Act, 1935, is a bar to the acquisition of any landed property without compensation. Land as defined in that section includes immovable property of every kind and any rights in and over such property. Compensation should be on the basis of market value of the property. Market value is generally calculated by a certain number of years' purchase on the net profit. Many factors tend to determine the question how many years' purchase should be adopted for a particular estate. Estates forming a compact block are more valuable than scattered properties. Then again 16 annas interest in a village is more valuable than a joint undivided fractional interest. Facilities of communication is another factor and facilities for irrigation another. There should also be compensation for any costly works of improvement such as embankments, excavated irrigation channels, and tanks, etc. The principle of section 82 of the Bengal Tenancy Act which provides for the payment of compensation for raiyats' improvements in case of eviction should be extended to zamindars or tenureholders who are expropriated and compensation should be paid to them for such improvements. The form of payment should be either cash or bonds with a guaranteed rate of interest, the rate being not less than 5 per cent.

To calculate the total cost of acquisition of the interest of the zamindar and middlemen it is necessary to ascertain the profits of each zamindar or tenureholder after deduction of management charges and land revenue or rent payable to superior landlords. Then it will have to be determined for each case how many years' purchase should be given. Without these data, the total cost cannot be calculated.

Q. 15. Redeemable would be preferable if there is no financial difficulty. The period should be the shortest possible. Interest should not be less than 5 per cent.

It should be understood that I do not advocate the expropriation of zamindars and the answers above are not to be taken as implying that I am a supporter of expropriation.

Q. 16. A complete social revolution with the communists on the top. For detailed reasons please see replies to questions 5, 13 and 21.

Q. 17. If the object is to reach the income from land and do away with middlemen who absorb portions of it, all of them will have to be eliminated. On this principle the raiyat under the Government should be the cultivating raiyat and not the *de jure* raiyat.

The answer to the last part of the question cannot be given until the financial aspect of the thing has been thoroughly examined. It will be necessary to examine what the cost of the acquisition will be and then expenses under the following heads will have to be ascertained:—

(*a*) Capital outlay necessary for acquisition and cost of interest and sinking fund on capital outlay.

(*b*) Cost of maintenance of records and periodical revisional surveys.

(*c*) Collection charges.

(*d*) Cost of maintenance as well as new construction of protective and irrigation works and works of improvement.

(*e*) Cost of permanent survey establishment for measurement of alluvions, diluvions and deteriorations due to sand deposit, etc., and also of areas affected by flood and drought and for splitting up holdings, measuring lands for new settlements, settling boundary disputes, etc.

(*f*) Cost of agency for supervision and check of works in (*e*) above.

(*g*) Cost of agency for carrying out resettlements with tenants involving reassessment and execution of leases.

(*h*) Additional grants for hospitals, dispensaries, schools, etc. to replace grants now paid to them by zamindars.

Thus losses due to remissions and abatements for failure of crops, deterioration and diluvion will have to be calculated and deducted from the gross profits. Estimated percentage of collection should also be calculated.

When figures for all the items mentioned above have been calculated and the amount of net profit ascertained, then only it can be said whether the proposed purchase will be more advantageous than the existing system.

Q. 18. (1) Survey and settlement agency for periodical revisions of records-of-rights. In the past the cost rate for this has been Rs. 900 to Rs. 1,000 per square mile.

(2) An agency to carry on the periodical resettlements with tenants.

(3) A permanent survey establishment to measure lands for splitting up holdings, settling boundary disputes, measuring lands for new settlements, areas affected by flood, drought or deterioration through

deposit of sand or inrush of saline water, etc., and preparation of detailed statements after such surveys.

(4) Agency to supervise works mentioned in (3) above.

(5) Cost of establishment for maintenance of records.

(6) Cost of agency to carry out resettlements with tenants involving reassessments and execution of fresh leases.

(7) Engineering establishment for undertaking new works and maintaining existing protective and irrigation works and works of improvement.

(8) Overhead establishment for general supervision and prevention of abuses.

(9) Collecting agency.

When the costs under all these heads have been correctly calculated, then only it can be said what the estimated total cost will be. Without any data no forecast can be made.

Q. 19. The answer to the first part of the question is "no", for reasons given in detail in answer to question 13. The zamindar is not popular now as class hatred is being sedulously preached without any let or hindrance as a part of the political game but when the passion has spent itself and the matter is examined coolly on its merits it will be found that the tenants are best off under private zamindars.

The khas mahal raiyats enjoy no advantages over tenants under the proprietors. It will be found if statistics are collected that rates of rent in khas mahal are generally higher than those in private estates of the neighbourhood. As an instance, I may mention that last month while I was inspecting the temporary settled Sunderban estate of the Cossimbazar Raj, the Presidency Commissioner unexpectedly paid me a visit there, and asked me what should be the maximum rate for lands reclaimed from the Sunderban. I told him that the maximum should be Rs. 2 per bigha and that in our property the maximum rate was generally this but a small area was being held at Rs. 2-8 to Rs. 3 per bigha, but I was cutting them down to Rs. 2. I was then informed by him that he was then inspecting the neighbouring khas mahals which also have a similar origin, i.e., have been reclaimed from the Sunderbans but that the khas mahal officers were advocating much higher rates although the lands in the khas mahals were inferior in quality in comparison with the lands of the Cossimbazar estate. Another point is that collections in Government estates are made more stringently than in private estates. The zamindar is amenable to pressure and can be more easily influenced than the Government. The point of view of the zamindar is the welfare of the tenantry with which

his own welfare is bound up but with Government such a consideration occupies a minor role and attention is directed more to the extraction of the largest possible amount of revenue.

Q. 20. The answer to the first part of the question is in the affirmative.

There is a confusion of ideas in the second part of the question. The creation of the permanent tenures has not affected the position of the raiyats as they are entrenched behind the tenancy legislations and it is immaterial to them whether the man to whom he pays his rent is a tenureholder or a zamindar. Generally speaking the ordinary tenureholder other than the patnidar is treated more as a man belonging to the people than to the higher aristocratic classes and also, as such, tenureholders with small limited area under them, are in more intimate touch with them than the zamindar The patnidar is more akin to a zamindar than a tenureholder although he is technically so. The ordinary tenureholder, however, belongs to a higher status than the petty cultivator and intercourse between them has a beneficial effect on the cultivator socially and economically.

Q. 21. "Tenure" is a very wide term and includes the big patnis, as well as semi-zamindaris like the holders of the Sunderban Lots under 40 years' leases as well as middle class people holding comparatively small areas. All tenureholders below the first degree will come under the last class. The first 2 classes mentioned above may be classed as zamindars and the effect of acquisition of their interests will be the same as that on expropriated zamindars. They belong to the upper classes of society. If they are bought off they will soon be reduced to begarry as the compensation they may get will be very small in view of the present slump in the value of agricultural lands, and they will never be able to recover their invested capital. The utmost they may expect to get will be a small amount calculated at the present slump rate which will soon melt away. So long as he has his landed property, he can have the assurance of getting his food supply for himself and his family from the produce of his property and there is no risk of actual starvation. Once this sheet anchor is lost his condition will be precarious. Landed property gives stability as well as social status and credit. He can raise money on it in times of stress and liquidate his debts in prosperous year. With the loss of his land, he will loose credit and in times of need he will be bound to spend out of the small capital he might have got as compensation for his lands. When his condition becomes desperate he will naturally join the ranks of the revolutionaries who are already in the field. The latter will daily gain in strength and having removed the landholders out of their path make a dead set of other moneyed classes and capitalists and persons enjoying unearned wealth, and there will be discontent and class war all over the land and

stable government will be a difficult problem, if not impossible. Trade and commerce will inevitably suffer. All respect for the upper classes will be gone and strikes will be the order of the day and industries will be crippled. The loss of prestige both of the Government and of the upper classes who held a commanding position all along is already sorely affected and the downfall will be very much accelerated by adopting a policy of appeasement *ad libitum*. Growing clamour of the revolutionaries may be appeased temporarily by holding out a sop in the shape of some concession, but the demands will go on increasing and larger and larger concessions will have to be made until a time will be reached when no further concession is possible and then there will be a clash. The zamindars and the landed classes may be the first scapegoat offered, but this will be a very temporary palliative. So long as means are not found to increase the national wealth by a popular Government working solely in the interest of the people, there cannot be any satisfactory solution and the suggested expropriation of the landholders will be taken as a victory for the revolutionary forces and infuse vigour into them for bolder actions. By the proposed measure there will be no increase in national wealth and on the contrary wealth which is now confined to the country will be transferred to sources from which they can be easily taken out of it. The lot of the masses will remain the same, as no part of the spoil will go to them but will be appropriated entirely by their rulers. The combined effect will be to hasten the end of capitalism and there will be a long period of chaos and semi-anarchy before things settle down again under a new order of Government.

The smaller tenureholders will be similarly affected. Some of them may earn something by manual labour but it will hardly be possible to find work for the large mass that will be set free from the lands. Discontent and unrest will be widespread and the days of peace and contentment will come to an end. The process of disruption has commenced and the proposed measure will hasten it.

Q. 22. The zamindars and the tenureholders should be given the option of retaining their homesteads and khas lands or of selling them to the State for fair value which should be determined by some expert and impartial tribunal.

Khas lands are of 2 classes—cultivated and uncultivated. As regards the latter the best way will be to refer to the record-of-rights where they are of fairly recent date. In districts where the record-of-rights are old and out of date, independent evidence will be necessary. All land not in the occupation of a tenant is khas and in case of dispute between the zamindar or tenureholder and a tenant regarding any plot or area the burden of proof should be on the tenant to prove his tenancy.

There is a large amount of holdings purchased khas by the zamindar or tenureholder at rent or certificate sales, which nominally are the property of the zamindar or tenureholder by right of purchase but are, however, in the actual possession of the outgone tenants who are mere trespassers and enjoy the lands rent free. Such lands ought to be treated as khas.

As regards khas lands under cultivation, the tests ought to be whether they are cultivated by—

(1) ploughs and cattle belonging to the zamindar through his servants or hired labour,

(2) bargadars or adhiars on annual leases,

(3) through tenants-at-will of any other class.

In all such cases the land should be treated as khas.

Q. 23. Yes; occupancy right, as it is understood now, was created by the British by Act X of 1859. Previous to that the only permanent tenants were the "khudkasht". Their rights were, however, more limited than was conferred on them by the Tenancy Act. In the great Rent Case presided over by 14 Judges of the Calcutta High Court (Thakurani Dasi *vs.* Bisheshwar Mookerjee, 3 W.R.) there is a very clear analysis of their rights. Extracts are quoted below:—

"These tenants seem, at the settlement practically and legally, though not by express Statute, to have been divided into 2 classes, the khudkasht kadeemee, and the simple khudkasht, or those who have been in possession of the land for more than 12 years before the settlement, and those whose possession did not run so long. Both by Hindu and Muhammadan laws, as well as by the legal practice (Colebrook's Digest of the Regulations, Vol. III, page 4) of the country, twelve years had been considered sufficient to establish a right by negative presumption, that is, by the absence of any claim on the part of other persons during that period.....

"As I have observed above, it had become the practice of the Government for the time being, to collect various imposts from the zamindar, who again was entitled to collect them from the raiyats..... By section 54 of Regulation VIII of 1793, all proprietors of land and dependent talukdars were required to consolidate these charges with the asal or original rate, into one specified sum. And by section 55 of the same law, proprietors and farmers of land of whatever description, were prohibited from imposing any new abwab or mathoot on the raiyats, and a penalty was exacted in case of any infringement of the provi-

The khudkasht kadeemee raiyat had the right to hold his land, so long as he paid rent at the pargana rate. This was a fluctuating rate for different classes of crop and a raiyat cultivating one class of crop had to take the permission of the zamindar for cultivating any other crop and if necessary pay higher rate.

The ordinary khudkasht raiyat was liable to eviction by a purchaser of the zamindari at revenue sale. It is observed in the same judgment:—

"It follows that these laws, Regulation XI of 1822, Act XII of 1841 distinctly gave the purchaser the power to eject a khudkasht raiyat whose tenure was created after the Permanent Settlement, and, if not ejected, they are liable to be assessed at discretion of the landlord."

The paikasht or non-resident raiyats were mere tenants-at-will, no matter how long they might have cultivated the same land.

By subsequent tenancy legislation, all these disinctions were done away with and one uniform class called occupancy raiyat was created and tenants who were ordinary khudkasht or even paikasht came to enjoy almost all the privileges of a khudkasht kadeemee. The doctrine of a settled raiyat acquiring occupancy rights is altogether an innovation. Act X of 1859 provided for the rights of 3 classes:—

(1) Certain tenureholders declared entitled to hold at fixed rents.

(2) Certain raiyats declared to hold at fixed rates of rent.

(3) Raiyats entitled to a right of occupancy.

The old classification was amended for the benefit of the raiyat and the rights of the zamindar have been systematically crippled by subsequent tenancy legislation in order to grant new privileges to the tenants. For a summary of the rights of tenants as they existed at the time of the Permanent Settlement, paragraphs 389, 406 and 407 of Sir John Shore's Minute of 18th June 1789, reproduced in answer to question 1, may be read.

The allegation is totally unfounded. In answer to question 4, it has been explained that the zamindar was recognised as the proprietor from the earliest Hindu times and also during the Pathan and Moghul periods. This in itself rebuts the allegation in this question, but there is ample evidence to show that the cultivating raiyat had never any proprietary right. In the Moghul period there were 3 classes of raiyat:—

(1) Khudkasht kadeemee.

(2) Khudkasht.

(3) Paikasht.

No. (1) was the old resident raiyat with a right of inheritance. He derived his interest from the zamindar and was his creation and he was entitled to a patta from the zamindar. So long as he paid the rates at the pargana rate, he was not liable to eviction but he could be evicted if he refused to do so. He had no right of transfer by sale, gift, etc. In the great Rent Case (Thakurani Dasi *vs.* Bisheswar Mookerjee 3 W.R.) 14 Judges of the Calcutta High Court who heard it found that "khudkasht raiyats are simply cultivators of the lands of their own village, who, after being once admitted into the village, have a right of occupancy so long as they pay the customary rents, and therefore with a tendency to become hereditary, and with an interest in the produce of the soil over and above the mere wages of labour and the profits of stock, in other words above the cost of production."

The ordinary khudkasht raiyats were creation of a later date and during the period of Dewani of the East India Company, they were liable to ejectment by the purchaser of the zamindari at a revenue sale. The Company was simply following the custom of the country and not introducing a new principle. The following extract from the same judgment makes the position quite clear:—

"Regulation XI of 1822 was passed, the use in section 32 of that law of the terms khudkasht kadeemee raiyat, or resident and hereditary raiyat with a prescriptive right of occupancy, to designate the raiyat who would not be liable to eviction or a sale for arrear of revenue, gave rise to the doctrines, that khudkasht raiyats who had their origin subsequent to the settlement were liable to eviction though, if not evicted, they, under section 33, could only be called upon to pay rents determined according to the law and usage of the country, and also, that the possession of all raiyats whose title commenced subsequent to the settlement was simply a permissive one, that is one retained with the consent of the landlord." (S. D. Decisions for 1856, pp. 617 to 628). As regards the paikasht raiyat, he was merely a tenant-at-will.

None of the classes "of cultivating raiyats" mentioned above can by any stretch of imagination be called proprietors of the soil. As a matter of fact as a result of the Permanent Settlement, a prodigious amount of tenancies were terminated and renewed. The following is an extract from Para. II of the letter of the Court of Directors, dated 15th January 1819:—

"When we bear in mind the fact stated by Mr. Roche in his Minute recorded on your revenue consultations of the 12th August 1915 that subsequently to the period of the Permanent Settlement "probably one-third, or rather one half, of the landed property in the province of Bengal may have been transferred by public sale on account of arrears of revenue," "we can readily perceive *how prodigiously*

numerous must have been the instances in which engagements between zamindars and raiyats were annulled."

The term "proprietor" denotes the person who originally had the absolute right of use or disposal of the land. He may transfer portions of his rights to other by contract, such as by lease to tenants or alienate in any manner he wishes. (*See* paras. 389, 406 and 407 of Sir John Shore's Minute, dated 18th June 1789, reproduced in answer to question 1.)

Q. 25. The occupancy right ought to be extended to all under-raiyats paying cash rent, no matter what his grade may be. It should not be extended to bargadars. *See* reply to question 32.

Originally the occupancy right belonged to the actual cultivators of the soil. In Act X of 1859 and also in the Act of 1868 this right belonged to those who actually held or cultivated the land as raiyat. Thus the right of the actual cultivator was recognised in the old tenancy legislation as well as in the Moghul period. A change was introduced by the Bengal Tenancy Act of 1885, which defined raiyat as one who primarily acquires lands for the purpose of cultivation with his own labour or by hired labour. The expression "hired labour" was added to the definition at the instance of the European indigo planters. The underlying principle of occupancy right being originally actual cultivation, logically the actual cultivator ought to get it as he acquires it by his own industry. The bargadar is not a raiyat but a hired labourer. (*See* Answer to question 32.) Advantage was taken of the wide definition of a raiyat in the B. T. Act by many tenure-holders who claimed that the original purpose for which the land was acquired was cultivation although subsequently they might have sub-let them to tenants.

Q. 26. A tenant who voluntarily parts with his rights for good consideration cannot claim further protection against the under-raiyat. He should be bound by his contract. It would be an arbitrary act in violation of the Contract Act to attempt to annul rights created by the tenant himself.

Q. 27. At the time of the Permanent Settlement the contingency that non-agriculturists might come in was not visualised and there was no mention of them anywhere nor was any provision made to exclude or protect them. The Permanent Settlement was dealing with landed interest and the Government reserved the right to protect "the dependant talukdars, the raiyats and other cultivators of the soil," although it might have been the duty of the Government to protect all classes of people. Expropriation of agriculturists by non-agriculturists is becoming a serious problem and it has become necessary to protect

the agriculturists but in doing so it will be found that for their sake the non-agriculturists also should be protected within certain limits. The non-agriculturists who are now coming are generally the moneylenders who finance the tenants in their times of difficulty. But for the help rendered by them much of the land would have remained uncultivated. Unless Government is prepared to finance the agriculturists, the village moneylender must be maintained but the abuses may be corrected by a Money-Lenders' Act. If the provisions in such an Act be too harsh against the moneylender, he will stop lending and the agriculturists will suffer. Great circumspection is necessary in framing the Money-Lenders' Act. Usurious rates ought to be cut down but at the same time he should be given facilities of realisation and the primitive village moneylender should not be called upon to maintain an elaborate and expensive system of accounts based on European ideas with which he is quite unfamiliar. There was no express provision in the Permanent Settlement regarding non-agriculturists, but there is no reason why they should be protected except in so far as it may be to the interest of the raiyat to protect them.

Q. 28. The answer to the first part of the question is an emphatic negative.

There should be provision for settlement of fair rent in urban areas on the lines of the provisions made in the Bengal Tenancy Act for settlement of fair rents of agricultural lands. The provision should extend to all lands which though not in urban areas are used for non-agricultural purposes. There are many instances of tenants holding lands under agricultural leases within municipal towns or big villages forming trade centres at the low agricultural rates and leasing them out in small parcels for the erection of jute godowns, shops, etc., at rates as high as Rs. 50 or Rs. 60 per bigha or even more. In the majority of such cases the lands were originally in rural areas and had been leased for agricultural purposes but subsequently the areas developed into big trade centres or towns and lost their rural character.

Q. 29. Yes; the main reasons are that lands are passing into the hands of non-agriculturists who do not cultivate lands themselves, and, secondly, as holdings are ultimately being split up by inheritance and sales, they are becoming of uneconomic size. The fact that bargadars and adhiars have no statutory rights has been no doubt helpful in increasing the tendency to bhag and adhi settlements. The Bengal Debt Settlement Act is very much hastening the process. As a result of the Act, moneylenders are not granting loans to agriculturists and when, therefore, the tenant needs money he has to sell outright at least

portions of his holding. He generally becomes in such cases the bargadar under the purchaser. Other causes are :—

(*a*) In cases of new settlements of lands by zamindars, tenure-holders or *de jure* raiyats, the practice is to realise a premium for settling on cash rents. There is lack of cash and new settlements on cash rent are, therefore, smaller in number now and there is corresponding increase of settlement on bhag or adhi.

(*b*) Fall in prices of food crops has the same tendency. A tenant is afraid of binding himself down to a fixed cash rent and prefers the sliding scale of the bhag or adhi system.

(*c*) Many holdings at high rates have been sold in Court sales and no one is willing to take settlement of these at previous rates and where the zamindar is unwilling to bring down rates in the hope of better times, he lets out the land in barga or adhi.

(*d*) With increase of population the class of landless labourers has enormously increased and they are always very anxious to have some land to cultivate as bargadar or adhiar for getting their food grain.

(*e*) Continual subdivision of interest in a holding by the law of inheritance by which many individual co-sharer becomes practically a landless labourer and he too is anxious to add to his income by cultivating lands in barga or adhi.

Q. 30. Please see reply to question 29. The suggestions in (*i*) and (*ii*) are correct. (*iii*) The occupancy right was originally a personal right, hence the occupancy holding could not be transferred. This was really meant for the preservation of this class of people who not only did not understand their own interests but were very low in the scale of life morally and intellectually, only with few exceptions. The social needs override individual needs. In matters like marriage or other social requirements, they spent a lot and generally far in excess of their means. The result is that they become indebted and are forced to transfer their holdings. Giving of free right of transfer temporarily eased the situation but is not a permanent remedy. There are many political and economic causes behind. Economic exploitation has been the root cause of the present troubles. If the poor tenants can weave their own cloths and manufacture their own salt as before there will be some relief. Economic and industrial developments will give them a means of supplementing their income and are essential. The export of distress gold deprived the people of their last hoarding of money. In order to prevent further destitution of the cultivators, the object should be to devise means of restricting transfer instead of affording facilities for doing so.

Q. 31. Area normally held by a bargadar can be ascertained fairly accurately from the Appendices to the Final District Settlement Reports. The average will be 8 to 10 bighas.

The bargadars are mostly tenants with lands insufficient for their maintenance, who cultivate lands in barga to supplement their income and also include some landless labourers.

Q. 32. At first sight it seems that bargadars should have the occupancy right as they actually cultivate the lands but they are really hired labourers and it is not advisable to extend the right to that class. There are females and minors or lunatics, as well as religious and charitable institutions whose lands have of necessity to be cultivated through bargadars and if the latter are allowed to acquire a right against their employers, then their employers will be all ruined. The non-agriculturists in possession of land will be unable to cultivate their land, if bargadars are allowed to acquire rights of occupancy. Similarly the khas lands of zamindars and tenureholders and big raiyats with more lands than what they themselves can cultivate will all be waste. Even a genuine cultivator who ordinarily cultivates his lands himself may be incapable of doing so in some years through disease or lack of funds or absence and he is compelled to let out his lands in bhag but if he knows that bhagidar will acquire rights, he will rather let the land lie fallow than let it go out of his control They are hired labourers and should be treated as such. The only protection he needs is that he should get the stipulated share of wages and any attempt at cheating him out of a portion of it may be made punishable. Any rigid rule about the proportion is undesirable. It should be regulated by the ordinary laws of supply and demand. There should also be corresponding penalty for a bargadar trying to cheat his employer by surreptitiously removing part of the produce.

Q. 33. Considering that this system affords a means of livelihood to the landless labourer and also to small tenant having raiyati land insufficient to maintain him, it is an economically sound one and its extension should not be prevented. At present the barga settelements are made from year to year and the bargadar has no interest in improving the yield by using manures, etc., and my experience in many districts is that a petty tenant cultivating lands in barga always takes care to cultivate his own lands first and then he cultivates the barga lands, when the season is far advanced and the yield is affected. If he can be given leases for 2 or 3 years at least, there may be an inducement to him to take more care and try improvements. In order to encourage this, it is necessary to make it perfectly clear to all concerned that cultivation for a fixed period will not confer any right, as otherwise no one will be willing to let out for fixed periods. Giving

occupancy right to a bargadar will throw large quantities of land out of cultivation.

Q. 34. *See* reply to question 32.

Extension of right to the bargadars will lead the zamindars, tenure-holders and some classes of raiyat to let their lands lie fallow rather than loose control of them. The large number of bargadars who are mostly small tenants with insufficient lands and landless labourers will be deprived of their means of livelihood and considerable quantities of land will be waste and the owners of the lands, who now employ the bargadars, will suffer loss of income.

(*See* replies to question 33.)

Q. 35. The proportion according to general custom is half. It should not be fixed by law and should be left to be regulated by the laws of supply and demand. In theory a zamindar or other employer of a bargadar may realise more than half but considering the present state of the country it can never be done in practice. The tenants have now organised themselves and just now their party are the rulers over the zamindars and the latter deserve protection more than the tenant. If a maximum limit is sought to be fixed by law, a minimum limit also ought to be fixed but any such attempt is undesirable.

Q. 36. It varies in different localities. In Rangpur and adjoining districts of North Bengal, the rate is between annas 4 to annas 8 per day and one meal.

Towards Burdwan and industrial centres it is as high as annas 8 per day during transplantation period plus one meal. At other times it is about annas 3 per day.

In Rajshahi it varies from annas 5 to annas 8 per day, the highest being in the transplantation season.

In Murshidabad it is annas 4 to annas 5 without meals.

The bargadars and under-raiyats are undoubtedly better off than the agricultural labourers and being possessors of land occupy a higher status in rural society.

Q. 37. Please see reply to question 30.

The answer to the fist two questions is in the affirmative. Another prolific ground has been the Bengal Debt Settlement Act. No moneylender is now willing to lend money to a tenant on mortgage and whenever he wants money badly, he has to sell outright a portion at least of his holding. The moneylender is a necessary evil and his activities should be regulated and nothing should be done which may drive him out altogether.

The occupancy right was originally a personal right and therefore non-transferable. Unrestricted right of transfer was a move in the wrong direction and against the interest of the raiyat. Restrictions about such transfers to agriculturists only will be inoperative as very few agriculturists possess the necessary funds to acquire more lands. Some of the big tenureholders may have the funds but transfers to them will increase the number of bargadars or under-raiyats of other classes. If the field is thus restricted, value of land will deteriorate. The tenants generally are illiterate and ignorant and have to be protected against themselves. The old rule about non-transferability seems to have been in the best interest of the raiyat. In cases of absolute necessity there should be some authority to decide this question. In the case of sales in Civil Court or Certificate Court, the Court may be given discretion to allow a sale, if he considers it to be absolutely necessary. In the case of private sales, the zamindar's consent should be taken and if it is unreasonably withheld, there should be an appeal to the Sub-divisional Officer or the Collector. The suggestions made above are theoretically attractive but any attempt at giving effect to these is bound to meet with violent opposition from the very persons sought to be benefited, as tempers have been roused to such a pitch by incessant preaching of class hatred and zamindar-baiting in particular that cool reasoning can no longer be expected and the decision will be influenced by the passions roused and not by calm consideration. Restriction of transfer is theoretically sound but impossible in practice under present conditions.

Q. 38. Bighas 15 to bighas 20. The test should be as much as can be cultivated by one plough and one pair of bullocks. This varies from bighas 15 to bighas 20 according to the nature of the soil.

Q. 39. The replies to both the questions are in the affirmative. So long as the laws of inheritance remain as they are at present and the unrestricted right of transfer continues, there is no remedy.

Q. 40. Desirable—but not practicable on account of the Hindu and Muhammadan laws of inheritance and unrestricted right of transfer. Consolidation should be made permissible whenever a tenant so desires and all lands with similar rights and interests may be amalgamated. Amalgamation should be for divided shares and should not be allowed for joint undivided shares as it will lead to confusion.

Q. 41. Yes—but the benefit will be of short duration. Under the operation of the laws of inheritance and as a result of the unrestricted right of transfer, fragmentation will commence very soon after the consolidation. One objection of the tenant to consolidation is that it gives him only one class of land on which he can grow one kind of crop only. Scattered plots give him variety of soil on which he can grow different classes of crops.

Facilities should be given to persons or firms willing to start agricultural farms on scientific lines by mechanical ploughs and tractors. The number of such persons or firms cannot be many but they will serve as models. In order to make any such scheme successful, it is essential to have compact blocks. Those willing to undertake schemes like these may be allowed to purchase the necessary quantity of land and then given the right to consolidate by exchange of plots on payment of compensation where the land given by the tenant is of superior quality. Statutory powers may be given to the Collector to do this and to settle amounts of compensation.

Q. 42. As an abstract principle unequal distribution of wealth is undesirable and consequently any tendency towards accumulation of wealth in one hand ought to be put down. In other words, in theory communism is more advantageous to the masses than capitalism. Considering, however, the difficulties in the way, and the policy of the existing form of Government, it would be inconsistent to direct legislation for levelling up the inequalities in the case of agriculturists only. If the policy is changed and the process of levelling up is extended to all spheres, then only it may be consistent to attempt restriction against acquisition of large quantities of land by one person. Under present conditions it is desirable that effort should be made to promote collective farmings. For the improvement of agriculture, co-operative collective farms may be started which will improve the methods of cultivation and give better crop outturns and such organisations may control marketing also and thus intercept the profit that now goes to middlemen. In this way alone, additional wealth can be secured for the tenants. There may be a marketing board consisting of elected representatives of these collective farms with some experts as co-opted members. The Central Board should be not only a marketing board but an advisory board for all matters connected with cultivation. For instance they may decide which crop should be given preference in any particular year and as to what area should be sown with jute or sugarcane, etc. If the Central Boards and primary collective farms act efficiently, they may effect agricultural improvements and construct embankments and excavate irrigation channels by collective credit and collective effort.

With the same object in view, the promotion of large agricultural farms on scientific basis should be encouraged. For such farms, I would strongly advocate the system of produce rent. It has the advantage that it is on a sliding scale depending on the actual outturn and operates less harshly than cash rent. When there is no crop, nothing is payable by the tenant. On the other hand when the yield is very large the tenant shares in the increased profit. Stringent laws will be necessary for enforcing correct division. The tenants always have a tendency to surreptitiously remove part of the crops from the field before

division. There should be corresponding provision restraining the rent receiver from attempting to realise more than his proper share.

I am not in favour of legislative interference on the question of limit of the quantity of land to be held by any one. For the betterment of the condition of the masses, spread of education is essential so that they may help to improve themselves and attempt at eternal spoon-feeding and protection ought to be given up. A tenant is no longer the helpless creature he was in the olden days and he knows now how to assert himself and to organise for combined action. Unfortunately, however, these associations are concentrating their attention on politics which have a very remote and indirect bearing on the lot of the actual cultivators. The tenant will have to pay his rent whether the zamindar remains or goes and the channels in which the activities of the associations are now directed have no bearing on the immediate welfare of the members of it. Questions like crop selection, manuring, protective and irrigation works, marketing and promotion of cottage industries—in fact matters which may bring more wealth to the tenant, are not receiving any attention from the peasants' associations. Another direction in which these associations ought to take action is curtailment of expenses. With this object, home spinning ought to be encouraged and also salt manufacture where there are facilities. I found that in the Sunderban reclaimed areas, the tenants are allowed to manufacture their own salt from the saline deposit on the soil but Government has imposed a limit to the quantity he may sell. It is not to the interest of the masses to have any such limit. Economic development is preached but in practice restrictions are put and many of the avenues by which the poor people can get some income are shut out against them. The present peasants' associations are all political organisations and not peasants' welfare associations but these are in their infant stage and may be expected to improve with experience. In any case, whether these associations properly function or not, State interference will complicate matters and is undesirable.

Q. 43. Coparcenary is certainly detrimental to good cultivation but it cannot be minimised without interfering with the laws of inheritance. Economics generally deal broadly with 2 kinds of cultivation—extensive and intensive. In Bengal cultivation is extensive, but in the absence of scientific knowledge intensive cultivation is not possible. The people are poor and do their cultivation in the primitive way. Coparcenary gives rise to division into smaller and smaller holdings and generally, what is worse, to smaller and smaller fractional interests in the same holding. No amendment of the Tenancy Act can minimise the evil so long as the laws of inheritance remain unchanged. The economic forces that have arisen in the country and are arising should not be restrained without due care and foresight.

Q. 44. Nothing can possibly be done under the existing laws of inheritance. (*See* answer to question 43.)

Q. 45. No. The numbers of joint landlords are very often as many as 40 or 50 for one undivided fragmentary joint interest. The total number of co-sharers in the entire estate very often exceed one hundred. If a joint landlord fails to make collection he alone suffers and there is no occasion for State interference.

Q. 46. It was not contemplated by the Permanent Settlement that the rents of the khudkasht raiyats should be enhanced above the pargana rates and it was declared in section 8 of the Regulation I of 1793 that Government would protect the interests of tenants whenever necessary. Regulation VIII of 1793 was passed to give effect to this declaration and it was directed that the rents should be settled at the pargana rate and pattas given specifying the rates (*vide* sections 58 to 61). By section 54 and 55 of the same Regulation the imposition of any abwabs or mathoot was prohibited. In the great Rent Case it was held that the rents of the khudkasht kadeemee raiyats "were, under no circumstances, not even on a sale for arrears of revenue, liable either to enhancement of rent, or eviction from their holding, so long as they paid the rents they had all along paid". Regarding khudkasht raiyats whose tenancy commenced subsequently to the Decennial Settlement it was held that they were entitled to hold on at the rate which they have either expressly or impliedly contracted to pay, etc., and on a sale of arrears of revenue, they also are entitled to a renewal of their leases by a purchaser at the pargana rate." The decision of the High Court embodied their interpretation of questions of fact and the law as it then stood and was not an enunciation of any new principle.

In the case of paikasht raiyats and new settlements made of reclaimed lands, the zamindar was given a free hand. It was not the intention that the rents of resident raiyats should be enhanced above the pargana rate and in practice this was never done. The average rates of rent now prevailing in some districts were calculated in the Revenue Department from figures in final Reports of District Settlement and the results are noted in the reply to question 8.

Those figures show that the rate of rent for occupancy raiyat is generally very moderate. There are no doubt instances of high rent, but these are invariably in the case of new settlements and that such instances cannot be extensive is shown by the low average of the district rates. Some extracts are quoted below from the Final Report of the District Settlement of Murshidabad completed recently (p. 116):—

"As far as I could judge from a somewhat intensive study of the conditions in the district, the charge ('melancholy errors of the Permanent Settlement') cannot in my opinion be fully endorsed. Rarely one

meets a village where the tenancy has not continued for generations. It is easier to trace old connections of the peasantry with a village than that of the landlord. That the tenantry could hold to their lands from a time prior to the safeguarding Bengal Tenancy Act is a proof that the circumstances were not so unfavourable as are sought to be made out."

* * * * * *

"The continuity of the tenantry from father to son for generations is a proof that in the largest majority of cases the terms were not unfavourable. The average rent-rate is about Rs. 3 and odd per acre. Judged by the outturn and the rent-rates in the temporarily settled estates in the province this is not high. Here, too, his terms cannot be said to have been harsh, while in every village one may get from any old tenant that in the majority of cases in the past, the relation between the landlord and the tenant was sweeter and much more friendly evincing greater goodwill on either side than what could be claimed to-day. If people's verdict be any evidence—to my mind there can be no better evidence—the position has gone from bad to worse in more recent times when tradition was lost and law was substituted to regulate the relation."

"My conclusion is that the Permanent Settlement as a fiscal measure did nothing to the detriment of the raiyats. It took away no rights which the tenantry then possessed, deprived them of no security which they otherwise had."

The description given above is typical and applies to all other districts of the province as the average low rates of rent, still prevailing, amply testifies.

Q. 47. Fixity of rent was never contemplated at the time of the Permanent Settlement and the principle was quite unknown in the Moghul period and the early British period up to the year 1859. It was an innovation introduced for the first time in Act X of 1859. The first systematic revenue settlement of Bengal in Moghul times was that made by Todar Mal in 1582. He fixed a pargana rate for each pargana and his intention was that the resident khudkasht raiyats should be liable to pay rent at this rate. There were different rates for different crops and a tenant wishing to change his crop had to take the permission of the zamindar and enter into a fresh engagement. The non-resident raiyat was a tenant-at-will liable to ejectment whenever the zamindar pleased, and for him there were no special safeguards nor for new tenants. This idea underlay not only the Permanent Settlement but all subsequent tenancy legislations prior to the passing of Act X of 1859. The right of the khudkasht raiyat was a personal one and not transferable by sale or otherwise, but succession by inheritance was recognised. In Regulation VIII of 1793 provision was made for the interchange of pattas with khudkasht raiyats. Section 56 provided

that it was desirable to settle the rent on the basis of the species of the produce likely to yield largest profit. "Where, however, it is the established custom to vary the patta for lands according to the articles produced thereon, and while the actual proprietors of land, dependent talukdars, or farmers of land and raiyats in such places shall prefer an adherence to this custom, the engagements entered into between them are to specify the quantity of land, species of produce, rate of rent and amount thereof with the term of the leases and a stipulation, that, in the event of the species of the produce being changed, a new engagement shall be executed for the remaining term of the first lease, or for a longer period if agreed on; and in the event of a new species being cultivated, a new engagement, with the like specification and clause, is to be executed accordingly." In the great Rent Case the 14 learned Judges of the Calcutta High Court came to exactly the same conclusions. It was not contemplated that the pargana rate would continue to be the same till the end of the world and under all circumstances. The essential point is that rents for khudkasht raiyat should be paid at pargana rates. Mr. Grant has mentioned in his Minutes that in those early days the price of rice was annas 8 per maund. More than 350 years have elapsed since the introduction of pargana rates by Todar Mal. Prices of food crops and all articles have gone up considerably since then. In a Minute, dated 29th November 1776, Warren Hastings remarked that the "the price of coarse rice, which forms the principal consumption of the people, was five and a half times cheaper in the time of Sujah Khan than it is now" (*Vide* page cccxviii in Firminger's Introduction to the Fifth Report.) In reference to this passage Mr. Firminger quotes the following Table:—

Table of the purchasing power of the Rupee.

	At Murshidabad in Sujah Khan's time.	At Calcutta 1776.
	Mds. Sr.	Mds. Sr.
Rice, fine Bansephoot	1 10	0 16
First sort	1 23	0 18
Second „	1 35	0 21
Rice, Coarse, called—		
Dama	4 15	0 32
Mansurah	5 25	1 0
Kurkashalle	7 20	1 10
Wheat, First sort	3 0	0 32
Second „	3 30	0 35
Barley	8 0	1 13
Bhoot, a kind of grain for feeding horses (gram)	4 35	0 20 to 22
Oil, First sort	0 21	0 6¼
Second „	0 24	0 6¾
Ghee, boiled butter—		
First sort	0 10½	0 3
Second „	0 11½	0 4

These prices are those prevailing at the 2 then biggest towns of Bengal. It was nowhere laid down that the pargana rate of Todar Mal was fixed in perpetuity. Such a conception would have been irrational. It is, moreover, a matter of history that jama assessed by Todar Mal in 1582 at the pargana rates were added to from time to time. Various kinds of abwabs, like the 12 subadari abwabs, were added to the zamindar's jama from time to time and the zamindar was left free to distribute the addition to his jama rateably on the raiyats. The amount of "Aboab Soubahadarry or Viceroyal Imposts, from 1722 to 1763" amounted to Rs. 1,17,91,853 (for details see abstract No. I attached to Sir John Shore's Minute of 18th June 1789). There was no idea of fixity of the raiyat's rent in Moghul times. The rights of the raiyats were summarised by Sir John Shore in paras. 389, 406 and 407 of his Minute referred to above. I have reproduced these paras. in answer to question 1.

Q. 48. (*a*), (*b*) and (*c*). As stated in reply to the last question, it was never contemplated that the rents of raiyats would be fixed in perpetuity. All that was intended was that the khudkasht raiyats will be liable to pay rents at the pargana rate but it was nowhere declared thdat the pargana rates introduced by Todar Mal in 1582 was fixed in perpetuity for all eternity. Such a supposition would be unreasonable The paikasht raiyats were mere tenants-at-will and for new settlements also the zamindar had a free hand. The terms of paikasht raiyats and new raiyats were governed by contracts and what Lord Cornwallis was anxious to maintain was that no demands should be made beyond what was permissible according to the contracts. There was no intention to interfere in any way with the making of these contracts. An extract is quoted below from paragraph 2 of his Minute, dated February 1790, to illustrate this:—

"If Mr. Shore means that after having declared the zamindar the proprietor of the soil, in order to be consistent, we have no right to prevent his new abwabs or taxes on the lands in cultivation, I must differ with him in opinion, unless we suppose the raiyats to be absolute slaves of the zamindar. Every bigha of land possessed by them must have been cultivated by them under express or implied agreement that a certain sum should be paid for each bigha of produce and no more. Every abwab or tax imposed by the zamindar over and above that sum is not only a breach of that agreement, but a direct violation of the laws of the country. The cultivator, therefore, has in such cases an undoubted right to apply to Government for the protection of his property and the Government is at all times bound to afford him redress."

The basis of the rights of the tenant was his contract and the avowed intention of Lord Cornwallis was to enforce the terms of the

contract and not to confer any new right to either party. This was implemented by sections 54 and 55 of Regulation VIII of 1793.

(*d*) Section 50 (1) of the Bengal Tenancy Act was an innovation introduced for the protection of tenants as it was found that in practice it was impossible at such a long subsequent period to produce legal proof of the rate of rent prevailing at the time of the Permanent Settlement. The principle of fixed rent was an innovation introduced by Act X of 1859 for the benefit of the tenant on account of the difficulty of producing the necessary proof and action was necessary to make the provision operative, presumption was provided for, to help the tenant. The object of the Legislature in providing for the presumption as to fixity of rent in this section was to provide an easy method of determination of the rights of the parties (Nityananda *vs.* Nanda Kumar 13 C.L.J. 115). The presumption, although it might in one sense be considered as a rule of evidence is to the tenant in this province a cherished right granted to him so long ago as 1859 in consideration, it may be, of his general ignorance and incapacity to cope with the superior intelligence and ways and means of the landlord (Prithi Chand *vs.* Shaikh Basarat, 13 Cal. 30: 13 C.W.N. 1149: 10 C.L.J. 343). The rulings referred to above show what has been accepted by the High Court to be the object of the section. There can be no presumption from this section that any such rule of thumb was contemplated by the promoters of the Permanent Settlement or that they had any idea of fixing rents in perpetuity.

(*e*) The intention of the Permanent Settlement in this connection was declared in the third paragraph of section 7 of Regulation I of 1793:—

"The Governor-General trusts that the proprietors of land, sensible of the benefits conferred upon them by the public assessment fixed for ever, will exert themselves in the cultivation of their lands, *under the certainty that they will enjoy exclusively the fruits of their own good management and industry* . . . ."

It was not intended that the zamindar would enhance the rates of rent of khudkasht raiyats above the prevailing pargana rates. In fact provisions were made to guard against such a contingency by subsequent Regulations. It was however intended that the zamindar would enjoy the increase from introduction of new tenants for new reclaimed lands or by enhancements by contract from paikasht raiyats. As shown in reply to question I, the assessment made at the Permanent Settlement was an advance assessment and the land was not then capable of bearing it as by the famines of 1770 and subsequent years more than one-third of the population had died and about the same proportion of cultivated land had been thrown out of cultivation. Details have been given in the same answer of the disastrous effects of the Permanent Settlement on the big zamindars in Bengal. The main reason was that

it was not possible to increase population quickly or to bring the extensive areas thrown out of cultivation by famines into cultivation, immediately after the Permanent Settlement. Zamindars were therefore sold up year after year until they could manage to increase their income to some extent by increase of cultivation. It was never intended that the State would share in the profits of acts mentioned in paragraph 3 of section 7 of Regulation I of 1793 (vide portion in italics in the extract quoted above).

It may be pointed out that the State at the time of introducing Permanent Settlement took a broader view of things and had the ultimate object of increase in national wealth in view as that alone could make trade and commerce prosper. An extract is quoted below to prove this from the observations of the Hon'ble Court of Directors (Reproduced in paragraph 10 of Appendix 18 of the Fifth Report) :—

"We find it convincingly argued, that a permanent assessment, upon the scale of the present ability of the country, *must contain in its nature a productive principle; that the possession of property, and the sure enjoyment of the profits derivable from it, will awaken and stimulate industry, promote agriculture, extend improvement, establish credit, and augment the general wealth and prosperity.*"

Q. 49. As stated in reply to questions 47 and 48 it was not the intention of the framers of the Permanent Settlement that the rents of the tenants then existing would be fixed in perpetunity. There were 3 classes of tenants at the time, namely khudkasht kadeemee the old resident tenants, ordinary khudkashts created since the Decennial Settlement, and paikasht. The khudkasht kadeemee could hold his land so long as he continued to pay at the pargana rate. This pargana rate was not fixed in perpetuity. This class was not liable to eviction on revenue sale. The ordinary khudkasht was the new settler. He was made liable to eviction by purchase of the estate at a revenue sale. The intention of the framers of the Permanent Settlement regarding new settlers can be judged from their treatment of the ordinary khudkasht raiyat created since the Decennial Settlement and also from section 52, Regulation VIII of 1793. The paikasht tenants were tenants-at-will.

It will be more reasonable now to revise the pargana rate or to fix rates of areas smaller or larger than a pargana according to similarity of quality and conveniences and to cut down or bring up all rates to this level. Large tracts, such as the barind or rarh areas, are of uniform quality and the same rate should apply to all such areas. The cheapest way of giving effect to a scheme like this will be for the Government to lay down the rates after due expert enquiry and then direct all zamindars and tenants to adjust rents accordingly. If, in any case, either the zamindar or the tenant is unwilling to give effect to it, the

other party aggrieved by it may go to Court to enforce the order, the cost being made payable by the party at fault. For every area there should be different rates for different classes of soil. If there is considerable reduction in the rent roll as a result of these operations, the land revenue assessment should be revised.

In many places the old pargana rates are still generally in force. I can say this of Rangpur district but in districts where they are not traceable, new rates may be fixed.

It may not be possible to legally prove the connection between the existing tenants and those existing at the Permanent Settlement, but it can be said who are old resident tenants and who are new settlers from village tradition. The trouble is that when there is tension of feeling, people are not likely to tell the truth but ordinarily it is a matter easy to find out.

It will be seen from the table of prices quoted in reply to question 47 how enormously prices have risen now since the Permanent Settlement and it would be unreasonable to go back to the level of those days now, in fixing rent.

Q. 50. No. In the first place, the assumption that it was the intention that the rents of either class of raiyats should remain unalterable is wrong. Reasons in support of this assertion have been given in answer to questions 47 and 48. The tenancy legislation was all along for the benefit of the tenant. It was the intention ever since 1859 to give him new rights such as rights of reduction of rent for fall in prices, loss of area, flood, drought, deterioration, etc. A *quid pro quo* was necessary and the zamindars were given corresponding rights of increase of rent. The personal right of occupancy was transmuted into a transferable interest and privilege after privilege was added to it. If the idea is to restore the conditions as they prevailed in 1793, it may be necessary not only to cut down the rates in some cases but to cancel all the privileges given to the tenant since then. Such a retrograde measure is not possible now as the present surroundings are quite different from what they were in 1793.

Q. 51. It was not the intention of the framers of the Permanent Settlement that all future settlements of waste lands should be at the pargana rate (*vide* section 52, Regulation VIII of 1793). It was the avowed intention of Lord Cornwallis to preserve the sanctity of contracts. Extracts quoted and detailed reasons given in reply to questions 47 and 48 may be seen. The zamindar was declared the proprietor and he had full control over all lands subject only to rights created by himself by contracts. In those days areas available for cultivation were extensive but tenants were scarce and the zamindar could not afford to scare away tenants by imposing high rates. As

the purchasing power of the rupee was then very high (*vide* table quoted in reply to question 47) and the rents were fixed in cash, they were for this reason very low.

Q. 52. 1 and 2. The systems are very difficult to work. The stumbling blocks are determination of the quantity of produce, the value of the produce (it varies from month to month and some times from day to day and covers a wide range) and cost of cultivation. The amount of out-of-pocket expense of a cultivator is negligible but the value of his labour, cost of up-keep of cattle, etc., have to be calculated. On principle, the systems are sound but practical difficulties make them unworkable. Different Settlement Officers tried to calculate this with varying results.

3. Inspite of its disadvantages, this is the most easily worked in practice and therefore desirable.

4. On account of the present slump in the market value of land the system will give abnormal figures now.

5. Customary rates periodically revised according to the change in prices of staple products ought to give results satisfactory to both parties—the tenant and landlord—but it is a costly procedure.

6. Most objectionable and should never be tried. In Cossimbazar estate at least in making new settlements, the rate of rent is never put to auction. Only the salami payable is put to auction.

Q. 53. It is not possible to answer this question without statistics. The productivity of the land is always taken into account. It is now my experience that in practice the rates differ greatly for lands of similar value in almost every village. Rack-renting is common in the case of under-raiyats but for *de jure* raiyats the rates are generally uniform. The majority may probably be described as lump rates, but they are always for a specified total area. For increase or decrease in area there ought to be provisions for increase or decrease in rent. According to High Court rulings, the principles laid down are unworkable and neither increase nor decrease can be proved except when there are registered documents.

Q. 54. (1) No.

(2) Customary rate, productivity, laws of supply and demand, quality of soil, marketing facilities, irrigation facilities, liability to floods and other natural calamities, and healthiness of the place. Malaria is depopulating villages in some districts and there is no demand for land in such places.

Q. 55. Yes; the principle will be uniform but rates will differ according to the class of soil, facilities for marketing, facilities for irrigation, prevailing prices of staple food crops, liability to natural

calamities like floods, diluvion, drought, etc., and healthiness of the place. In districts which are being depopulated by Malaria there are no applicants even if lands are offered free of salami and at quit rents. Lands in such districts are going out of cultivation and once populous villages are being converted to jungles.

Adjustment of rent cannot be done without a revision of the record-of-rights. Except in riparian areas where a fresh survey is essential, cost of revisional operations can be minimised by commencing from the attestation stage. There should be settlement of fair rents in these operations. Rates of fair rent for different classes of land will have to be determined first and then the village may be divided into different blocks, classified according to quality, and rents for all plots in a particular block, should be at the rate for that block. This was the practice in Bihar settlements but the system gave indifferent results as the Assistant Settlement Officers very often shirked their duty and avoided trouble by fixing rates after cursory inspection of a part of the village only. If the system is worked conscientiously it ought to give good results. Very close supervision by officers over the actual working is necessary to ensure that correct rates have actually been applied to all plots and also that the calculations, plot by plot, are correct.

Q. 56. For cash rents it should be a tenth share of the average value of the produce as it is rigid and applies equally to lean years and good years. Half in case of produce rent as it operates on a sliding scale. Tenth share of the value of the produce may tend to increase existing rates of rent in some cases and lower in others. According to the Final Report of the Murshidabad District Settlement the existing incidence of settled raiyats' rent is about 4 per cent.

Q. 57. Rent should not be fixed in perpetuity. It may operate harshly both for the landlord and the tenant. The rents should be revised at intervals of 15 years. The revision should be on the grounds contained in the existing Bengal Tenancy Act. The needs of the State should certainly not be a ground for enhancement in any case.

Q. 58. No. It will be impracticable to calculate the income of an agriculturist and annual enquiries will be highly expensive and harassing and very liable to leakage and malpractices.

Q. 59. I do not consider the existing accepted principles and procedure for fixing fair and equitable rent to be defective.

Q. 60. It is true that the landlord does nothing in the case of improvement by fluvial action, but on the other hand the tenant also does nothing to earn the increase. The extra profit ought to be divided in the same proportion as in the case of the original rent in relation to the value of the produce. For instance, if the rent has been fixed at

1/10th of the value of the gross yield the extra profit by fluvial action ought to be divided in the same ratio, i.e., landlord 1/10th, tenant 9/10th.

It is not possible to judge slight improvements or deteriorations through fluvial action in lands already under full cultivation and in such cases no enhancements or reductions should be allowed. But when there are marked changes, such as when lands which were completely unculturable or very partially culturable and the rates of rent were for that reason fixed low, and become fully cultivable through fluvial action, enhancement should be allowed. Similarly, when lands under full cultivation at high rates go out of cultivation through fluvial action there should be reduction.

Q. 61. No. The corollary to disallowing enhancements on account of rise in prices would be similar disallowance of reduction on account of fall in prices. Rigidity is harmful both to landlord and tenant.

Q. 62. The underlying principle involved in this question is unsound and will lead to absurd results. The rule should apply equally to all and individual need ought not to be taken into account. If rates of rent are adjusted on the basis of individual needs there will be no confusion and injustice. For instance, a man who is the head of a big joint family with say 30 members may require not only the entire produce but some extra income from other sources and he may very well claim under this doctrine that he will pay no rent at all. On the contrary a man having no dependents ought to be liable for high enhancements. Such a doctrine cannot be worked in practice and is not rational.

Q. 63. There should be a law for reduction on the ground of prevailing rates and there is nothing objectionable against a corresponding provision for enhancement on the same ground. If a raiyat had made improvements long ago, he must have been fully compensated by the increased yield. Section 77 of the Bengal Tenancy Act gives full right to the raiyat to make improvements and when both the landlord and tenant want to make the same improvement preference is given by this section to the tenant. If the tenant effects an improvement and is ejected he is entitled to compensation (section 82). The tenant enjoys the full benefit of improvements made by him and the landlord cannot claim enhancement of rent for this. No special rule is necessary for improvements made long ago. Salami is not advance rent (Dinanath *vs.* Debnath 13 W. R. 307). It is paid in consideration of the lease granted and rights conferred. The finding of the High Court in the ruling mentioned above is to this effect.

Q. 64. Contractual rents which are not for fixed periods should be liable to revision at intervals of not less than 15 years. The right to

contract should not be interfered with except for very special reasons and the only valid reason in cases of contracts between landlords and tenants is that the period is indefinite and a long time has elapsed and circumstances have altered. Non-interference should be the rule and interference the exception.

There should be no attempt at fixing rents for new settlements. The ordinary laws of supply and demand and the sanctity of contracts should not be interfered with. A rigid rule about rates of rent will retard progress. There are many factors to be considered in fixing rent and it is not possible to take into account all these in a rigid rule. Result of any attempt at fixing rates for new settlements will be the levy of very high rates of salami.

Q. 65. I do not consider that the law is defective but the spirit in which it is generally administered gives rise to complaints. A good deal of discretion is left in the hands of the Revenue Officers and in matters like these such discretionary powers are essential. In practice, however, it is found that in Government estates and temporarily settled estates there is always a tendency to look more to the increase in revenue than to the interest of the tenant. The officer has an eye to his preferment in future career and there is an impression that merit is judged by the capacity to increase the revenue and if an officer succeeds in doing so he will get his reward by special promotions to higher services. On the other hand in permanently settled estates there is generally a bias against the zamindar as in these the officer gets more credit if he can pose as the saviour of the masses by showing preference to them. There may be an improvement if the settlement staff is made permanent with a self-contained cadre on time-scale so that the officers may be less liable to be influenced by considerations mentioned above.

Q. 66. The answer to the first part of the question is in the negative. The second part does not arise.

Q. 67. Revisional settlements of land revenue are invariably made with the object of enhancing revenue. This will be demonstrated if the results of the revisional settlements are examined. In every instance it will be found that there was a large increase.

Q. 68. No. The tendency is always in the opposite direction in the case of permanently settled estates but I have not got the records with me and I am unable to quote instances. An examination of the final reports of revisional land revenue settlements will throw light on this point.

Q. 69. No; because the tenants in such cases get the advantage of the lower prices to reduce rent. I have not heard of any legitimate

grievance on this ground. Revisional settlements in permanently settled estates are unpopular as the tenants have to bear a portion of the burden. Land revenue settlements are not popular as they involve a good deal of harassment for several years and some expenses not always legitimate are unavoidable.

As a rule, however, revisional settlements should not be undertaken during a protracted period of depression as the recovery of cost becomes burdensome in such years.

Q. 70. I have no information on this point.

Q. 71. The rules in the Tauzi Manual about remission and abatement of land revenue in permanently settled and temporarily settled private estates are inoperative not so much on account of any inherent defect in the rules but as a result of practical difficulties and the spirit in which they are administered. The rule is that the zamindar will give the same relief to the tenureholder or tenants as he himself gets. For example, if half his revenue is remitted, he will remit half the rent due for that year. One great difficulty is in estates in which there is considerable subinfeudations. The zamindar can extend the concession to the man from whom he gets his rent, i.e., the tenureholder of the 1st degree but it is impossible for him to see whether the tenureholder of the 1st degree is extending the concession to the one immediately below him and that latter again is passing on to the one next below and so on throughout the chain until the cultivating raiyat is reached. One solution may be to tackle the man at the top—the zamindar—and the one at the very bottom, the cultivating raiyat. Whenever Government grants remission to the zamindar, Government may issue a proclamation in the villages to the effect that the rents of the tenants for that year also are remitted in the same proportion as the revenue of the zamindar. The law may be slightly amended to give the Government the necessary power to remit rents of tenants in the same proportion as Government revenue and also to restrict Civil Courts and Certificate Officers from decreeing or realising any part of the amount so remitted by a proclamation, either on behalf of a zamindar or tenureholder of any degree.

It will be found that famine after famine have passed and test works were opened but no relief has ever been granted to zamindars or tenants under them. The rules in the Famine Code are evaded by refraining from declaring a famine and declaring a state of scarcity only. If famine is declared, elaborate measures have to be adopted which are not only very costly but throw very heavy work on district officers who generally do not relish such a prospect.

There are zamindaris in which subinfeudation is negligible and in which, therefore, the difficulties of transmitting the concession to the

raiyat do not exist. Even in such estates no remission of revenue has ever been allowed.

In general administration there is always an eye to the revenue, an unexpected diminution in receipts from which may upset the budget and so far as my experience goes, remissions in Government estates are very grudgingly given and not to the full extent.

No amount of modification of rules will bring about an improvement until the point of view and spirit of the administration is changed. The sole consideration should be the welfare of the masses and not the effect on the budget or the wrath of the Finance Department.

Q. 72. (1) *Jute.* Average yield is 12 to 15 maunds per acre.

Cost of cultivation—2½ rupees per maund. Ordinary expense per acre is about Rs. 30.

(2) *Paddy.*—Average yield 15 maunds per acre.

Cost of cultivation—By hired labour it is estimated between Rs. 5 and Rs. 10. In the case of a cultivator who cultivates with his own plough and cattle and does not employ hired labour, he incurs no out-of-pocket expense except the price of seed.

(3) *Sugarcane.*—Average yield is 150 maunds.

Cost of cultivation about Rs. 60. In districts like Burdwan a good deal of expenditure has to be incurred on irrigation—the cost being estimated at the rate of Rs. 30 or above.

The estimate of cost given above is based on reports obtained from the Circle Superintendents of this estate. It is a curious coincidence that exactly the same figure is given in the Final Settlement Report of Murshidabad. A detailed calculation of the cost at every stage will be found on page 318 of the Report.

Q. 73. The answer to the first part of the question is in the affirmative. The reason is that manure is seldom used and the lands are becoming exhausted. Government have taken no steps worth mentioning. The Agricultural Department took some action towards proving to the tenant that cowdung manure gives best results if collected in pits. The effort was, however, sporadic and spasmodic and the result attained is negligible. So far as I am aware, no attempt has been made to popularise chemical manures. Distribution of improved seeds has been done to a certain extent specially in the case of paddy. It was, however, not done systematically in the entire province. In dealing with common pests the Agricultural Department is thoroughly inefficient and no help can be obtained from it. Except as a relief measure in times of scarcity, seeds or manure are never distributed free by

Government. No serious attempt has been made to improve the breed of cattle. Stud bulls are occasionally kept by District Boards and also by jails but they are hardly accessible to the masses. The value of irrigation also needs demonstration. In Rangpur district potato is grown but the fields of potatoes are never irrigated and the potatoes grown under such conditions generally attain the size of a marble and the yield is small. Another direction in which action ought to be taken is growing of additional crops to bring additional income. For instance kalai or other pulses can be grown in paddy fields after winter paddy but the universal trouble is that the custom is that cultivators let loose all their cattle in the fields after paddy harvest and it is impossible to grow any crops after paddy. Stall-feeding of cattle is expensive but by joint action certain fields may be set apart by rotation every year for cattle grazing and crops grown in the rest. The tenants are very conservative in matters connected with cultivation and are adverse to doing anything which their forefathers never did and they need guidance and expert advice. Government can do much to improve the lot of the cultivator apart from distribution of seeds or manure.

Q. 74. *Land Improvement Act.*—Very little advantage has been taken of it by the tenants. They are as a rule heavily indebted and do not wish to incur further debts. Zamindars from time to time want loans under the Act but they are difficult to obtain specially on account of inadequate budget provision.

Bengal Sanitary and Agricultural Improvement Act.—The first Act passed was very defective and therefore inoperative. Some advantage has been taken of the amended Act but not to any large extent.

Bengal Rural Development Act.—Practically a dead letter. Systematic propaganda is necessary in the early stages to make the provisions generally known. District Officers and Subdivisional Officers are the best agencies which can be utilised for actions under the Act until the benefits of it become known to the public. The agency of the Agricultural Department may also be utilised.

The Acts are not utilised as the people lack initiative and are very conservative. Cultivators as a rule do not want to do anything which their forefathers did not do. Illiteracy is a great evil. The aim should be to popularise all the acts mentioned above and to induce union boards to take the initiative. Intensive propaganda by Government is necessary and in the beginning the initiative should come from the Government.

Q. 75. I have no information on these points.

Q. 76. I have no information regarding the first two questions.

As regards expenditure on improvement, there is a rigidly fixed percentage which is adhered to and all receipts from salami or any other source, such as sayer revenue, are treated as Land Revenue and are spent on general administration or other State purposes. Receipts of salami are never ear-marked for improvement.

Khas Mahal Report, 1938, by Mr. M. M. Stuart, I.C.S., Special Officer, shows that salami is realised in Government estates but he recommends that in case of diluviated tenants the rate of salami should be reduced (p. 30).

Q. 77. The general policy of Government is responsible to a great extent for the uneconomic condition of the raiyat. The free right of transfer has done great mischief but the greatest mischief has been done by the Debt Settlement Act which has deprived the raiyat of the last vestige of credit. The general policy of the Government has made the tenant more improvident than what he was before. The idea has gained ground that if sufficient clamour is made Government will make any concession. The habit of payment of just dues when the tenant is in a position to pay has been completely lost and as a result of this all co-operative credit societies, loan offices, agricultural banks, etc., have been wrecked. The source from which all these bodies used to get their capital—the middle classes—has been choked up. The village mahajan is a necessary evil but instead of trying to moderate his evils he has been driven out altogether The zamindar has been deprived of his means of speedy recovery of legitimate undisputed dues by suspension of certificate procedure, and the result is that heavy arrears are accumulating and the burden will be too heavy for liquidation in future. Conditions now are chaotic. Attention ought to be concentrated on finding out ways of increasing the wealth of the masses and Government should, therefore, be in the interest of the people. This means that economic development in the interest of the people is essential. I may suggest the following as an illustration of the general proposition made above—

(1) Introduction of additional crops and improving methods of cultivation by irrigation, use of improved seeds, manuring, etc.

(2) Marketing facilities to give a better return to the cultivator for his crops. My idea is that there should be combines or co-operative credit associations of the peasants to control the sales on the lines of the Rajshahi Ganja Society. There should be primary associations with 1 or 2 or more homogeneous villages and Central Boards above them and a Provincial Board on the top. Both paddy and jute may be controlled like this. The main object is to absorb the profit now enjoyed by middlemen.

(3) Promotion of cottage industries, specially spinning and weaving for home consumption.

(4) Free permission to manufacture salt where facilities exist.

(5) Improvement of sanitation and drainage.

(6) Rural development. Clearance of water hyacinth will not only provide employment for a large number of people but improve both sanitation and communications. Works like these can be undertaken under the Sanitary and Drainage Improvement Act; the zamindar and tenant and middlemen paying in proportion to the advantage. Nobody wants to take the initiative as it involves too much labour and the busy District Officer and Subdivisional Officer can hardly find time for such works. The work ought to be taken over by the Agricultural Department. Agricultural Department needs expansion and when expanded can take up items 1, 2, 5 and 6, 7, 8. The Industries Department can take up 3, 4. The other items may be taken up by the respective departments of the Government.

(7) Improvement of tank and fisheries on scientific lines.

(8) Improvement of cattle.

(9) Establishment of a credit system through Land Mortgage Banks or otherwise.

(10) Improvements of communications and arrangements for transport of produce to markets.

(11) Supply of drinking water and water for cattle.

(12) Spread of primary education.

(13) Establishment of dispensaries both veterinary and for the people through local bodies and with Government aid, when necessary.

In most of these there should be co-ordination of the activities of the Government, local bodies and the zamindar. Government may draw up general schemes and declare what help they expect in connection with each from local bodies and zamindars and how much they propose to do themselves and to see that each does his share.

It is essential that the tenants should be trained to habits of punctual repayment in order that their credit may be rehabilitated and the institutions from which they used to get help may function once more. All these institutions and zamindars should be given power to realise their dues promptly. Until credit is re-established, economic development is not possible. Steps for increasing the wealth should be taken simultaneously.

Q. 78. (*a*) and (*b*) About Rs. 150 per annum for an average family of five with an economic holding growing paddy only. Some times there are incomes from side-crops to the extent of Rs. 50 at the most.

In paragraph 119 of the Murshidabad Final Report it is stated that incidence of rent represents 4 per cent. of the total value of crops. In paragraph 124 the average size of a holding is given as 5·22 of which 5 per cent. remains fallow. Net area on this basis is 5 acres. The value of the total produce on these figures works out to Rs. 375. This seems to be an over-estimate. If the average yield of paddy is taken at 15 maunds per acre the yield of 5 acres should be 75 maunds and the value about Rs. 150. This is for an average family of 5, the individual income being Rs. 30 per annum or about annas 1-4 per head per day. Where there is good crop the tenant can meet his bare requirements but has no reserve for emergencies like sickness, etc. The position is better in jute districts and in districts where other valuable crops are cultivated and also where the majority of lands is twice or thrice-cropped. At a rough guess it may be said that about 50 per cent. of the cultivators can maintain themselves from their income.

Q. 79. The present system and organisation for the preparation of land records is adequate. They are properly maintained in khas mahals and Wards' estates. One difficulty experienced is that if mutations are noted in the printed records the Civil Courts generally decline to accept such corrected records in evidence. In order to satisfy the Courts a double set of records are necessary but the expense of that would be prohibitive. The law may be amended to make such corrected records admissible in evidence. Maintenance may be made obligatory on private zamindars by law but this will be operative only in districts where the records are of comparatively recent date and also only for tenants directly under the zamindar and in other cases only in respect of tenureholders of the 1st degree. It will not be possible to maintain the records of tenants under tenureholders.

It is possible to maintain the records by noting all changes but it will not be possible to note the crops of each plot each year. When a zamindar gets his rents from a tenureholder, it is impossible for him to get information about tenants under tenureholders.

I have no knowledge of the system in use in the United Provinces.

Q. 80. Please see reply to question 77.

I have recommended items (*i*) to (*iv*) and several other measures.

I do not think that cattle insurance will succeed. The cattle are kept under such conditions and moreover they are liable to sudden wholesale death by floods and necessarily, therefore, the premia will be very heavy and a tenant will never agree to pay it.

Q. 81. The answer to the first part of the question is in the affirmative.

The second part cannot be answered in the absence of statistics. It is very easy to calculate the surplus population from available reports.

(1) Take the agricultural population from the last census reports including rent receivers and rent payers and agricultural labourers.

(2) Take the net cropped area either from the statistics of the Agricultural Department or by adding from the final district settlement reports as far as available. For the districts for which settlement is still in progress (Rangpur, Dinajpur, Howrah) the proportion of net cropped area to total district area may be taken in the same ratio as the average for districts for which such reports are available.

(3) Take a family of 5 as the unit for a holding of bighas 15 or bighas 20.

(4) Work out how many such families are required for cultivating the total net-cropped area.

(5) Deduct the figure obtained in (4) above from the figure in (1) and the result will be the surplus population.

Q. 82. Establishment of industrial concerns is one solution but attention should also be directed on the points mentioned in reply to question 77. Establishment of industrial concerns will help the landless labourers and the small tenant but employment cannot be found for sufficient numbers to relieve the bulk of the cultivators. For them, attention should be directed to the points mentioned in reply to question 77.

Q. 83. Stability of tenancy legislation and debt legislation is essential. Frequent amendments to Tenancy Laws and Debtors Acts have made the tenants lose all credit. No improvement in the credit system can be expected so long as present conditions continue. The Acts, meant to protect the tenant, are damaging his credit and at present he has practically no credit. All organisations have been dislocated as a result of this loss of credit and the direct encouragement given to the tenant-debtors not to pay their dues. All the co-operative credit societies, which were at one time functioning efficiently, are now in a moribund condition. The village mahajan has been hit hard and is no longer willing to advance loans and the tenant has to sell part of his land to raise money. The Debt Settlement Boards have made matters worse. There were at one time over 100 loan offices in Rangpur district, all of which have suspended payment in consequence of which the middle-class people who had put money in them have lost all their hard-earned savings and a very important source from which capital could previously be obtained for agricultural credit has been completely lost. Co-operative credit societies also used to get a considerable portion, if not the bulk, of their capital

from deposits by middle-class people. For those societies also this source is now completely dried up. By recent legislation all the efficient organisations that existed have been killed. In all legislations both sides of the question ought to be examined. It must be recognised that the village mahajan is a necessary evil and indispensable. His abuses should be controlled but he must be given reasonable facilities to realise his just dues if it is intended to maintain this institution. Similar facilities for realsation ought to be given to the co-operative societies, loan offices, agricultural banks, etc. One-sided legislation destroys credit. Debt settlements should be on equitable lines and on fixed principles and it should not be left to the whim of the ill-educated and ignorant President of a Board to do what he pleases.

Q. 84. I have no statistics to check the percentage mentioned. The only remedy is to fix the maximum rate of interest. The question does not rise now as the village mahajan, co-operative credit societies, loan offices, etc., have all stopped granting loans and the tenant has to sell his land in order to get money. The drain has been stopped but the tenant is being and will be sold out. Agricultural credit must be rehabilitated and consideration of questions relating to the defects of such organisations is useless now. When such organisations come into existence again, their workings may be regulated and defects cured.

Q. 85. If the societies had been backed and realisation of their dues enforced and a habit of repayment of debts inculcated, they would have been very useful. The rate of interest charged by the co-operative societies is not too high in view of the rates at which they themselves have to raise capital. The societies have practically ceased to function as all their capital is frozen up. There are some debtors who are unable to pay but the majority are in a position to pay but will not pay as they are confident that Government will always extinguish their debts by a stroke of legislation or executive order. I am not aware of a single society which succeeded within the short time it functioned in clearing the debts of its members. If these societies had been helped to grow, such a result might have been attained in time but being frozen up they are practically non-existent. The bulk of the capital for these societies used to come from private depositors but as they have practically lost all their investments, no one is likely to invest in them any more and it will no longer be possible to tap this source for capital to finance such societies.

Q. 86. Debt Settlement is operating very badly. The principal defects are—

(1) Paucity of suitable men for the post of President.

(2) Inordinate delays. Presidents are sometimes deliberately sitting over cases as they themselves or their near relatives are debtors.

Delays of over 1 year are very common. The creditor has to attend every day a number of Boards only to be told that the case is adjourned. No reasons are generally given for these adjournments. Sometimes they are due to want of a quorum but generally because the President tries to put off the evil day as long as he can.

(3) There are no fixed principles in fixing instalments. Government ought to lay down general principles. For instance, in the case of rents, Government should declare what the instalments should be for the sake of uniformity of practice. As suits are generally filed for 4 years' dues there should ordinarily be 4 instalments and the tenant should pay each year—1 year's arrears according to instalment and the current dues for the year. The minimum instalment should be half year's dues and maximum one year's dues. In this way the debt may be ordinarily cleared in 4 years. I know of an instance in which the 4 years' dues amounted to about Rs. 70 and the Board allowed 20 years for repayment of it. The instalments should be reasonable.

(4) Another defect is in the method of service of notice on the creditor. The procedure for it is not prescribed. It is sent by ordinary post and if for wrong address or wrong description of the name the notice does not reach its destination the creditor gets no information and the case is decided *ex-parte*. The Boards never satisfy themselves that the notice has been served. The tenants seldom know the names of all the co-sharer landlords and the bulk of them get no notice.

(5) The Law does not say what should be the remedy for co-sharers who are not named by the debtor and therefore on whom no notices are issued at all and who get no information. In the first place notices should be issued by registered post with "acknowledgment due". The case should not be heard until acknowledgments are received. Co-sharers to whom notices are not issued should not be bound by the decisions and should be at liberty to re-open the case when they come to know of the proceeding.

(6) The section 8 (1) provides that the debtor may file applications before the Board having jurisdiction over the place where his property is situated. In the case of rents this gives a handle to the debtor to harass the landlord. For instance in the case of mauza Frasergunge in the Sunderbans in 24-Parganas district, most of the big jotedars are people of Midnapur, Calcutta, etc., and they have filed applications before Boards in Midnapur district in different places like Tamluk, Contai, etc., and it is difficult for the tahsildar at Frasergunge to produce the necessary papers and other evidence in so many distant places. For rents, the jurisdiction should be of the Board constituted for the area in which the land is situated.

(7) There are gross abuses as persons who are not actual cultivators but are big tenureholders and even business and professional men are taking advantage of this Act to thwart the creditors. Heavy penalties should be provided for such abuses and the law should be made more explicit about the persons who are entitled to apply. Even an Hon'ble Minister has applied under this Act. Big tenureholders may have hundreds of tenants under them but as a rule they keep bighas 5 or bighas 10 for khas cultivation. He is primarily a rent receiver like the zamindar but taking advantage of the fact that he has a few bighas under khas cultivation he claims to be a cultivating raiyat. Cases of this nature are very common. Some Boards rightly reject such applications but others take the opposite view and entertain application from such persons. These persons have in most cases been recorded in the settlement records as tenureholders but such evidence is rejected and the Boards practically over-ride the settlement records and come to independent conclusions at their discretion.

(8) No guiding principles are laid down in the Act to decide the proportion in which the debt is to be cut down. It may be laid down that all compound interest should be disallowed and the rate of interest cut down within limits which should be prescribed by the Act. Some indication should also be given of the period to be allowed.

Q. 87. They will be failure unless punctual repayment is made obligatory. At present the tenant has no credit and such banks will be more like benevolent charitable institutions rather than business concerns. In order to make them function they must be relieved from the jurisdiction of Debt Settlement Boards. The impression now common is that all debts and even arrears of rents can be wiped out by executive order or legislation, if sufficient clamour is made. Last month a crowd of about 1,500 people came to Rangpur to see the Collector. Their prayer was wiping out of arrears and reduction in rates of rent. No Government official has the courage to say that the arrears cannot be wiped out. So firm is the idea in Rangpur district that tenants who are in a position to pay are withholding payment as they fully expect that all arrears will be wiped out by Government and it is more profitable to accumulate arrears. So long as ideas like these are common, no bank can function. People won't repay in the expectation that Government will clear all debts by legislation. Contracts now are scraps of paper.

Q. 88. So far as I am aware these banks also are not functioning as their prosperity, as in the case of co-operative credit societies, depends upon free circulation of money for which punctual repayment is essential. If capital is frozen up, no bank, or co-operative credit office, or loan office or mahajan can continue to function.

So long as punctual repayment cannot be enforced, there can be no improvement.

Q. 89. The machinery available for amicable realisation is not costly or cumbrous but the procedure for realisation through Civil Courts is cumbrous and more costly to the tenant. The reason why the tenants hate certificate procedure is because it is effective. Mr. M. M. Stuart, I.C.S., who was appointed Special Officer to investigate the conditions prevailing in the khas mahal came exactly to the same conclusion. An extract from page 8 of his "Khas Mahal Report", 1938, is quoted below:—

"When the debt of one person to another is not in dispute it has been considered unnecessary to use full civil court procedure for its realisation. The existence of a settlement record has normally put the existence of the debt of rent beyond doubt. It is not on account of injustice that certificate procedure has become so unpopular but on account of its greater efficiency."

Again on page 10 of the Report:—

"The chief advantage the tenant had in zamindaris was being able to get into arrears."

It may be explained that in realising rent through a Civil Court, a plaint has to be filed and the amount payable is determined and there is a decree. Separate application has then to be filed for execution of the decree. In certificate procedure the certificate is equivalent to a decree and the proceedings therefore starts from the decree stage.

The greatest harassment and increase in costs both in rent suits and certificate cases are due to the extreme degree of corruption that prevails among court peons. At every step he has to be paid something. For service of notice there are fixed rates. A report of personal service can be obtained without stirring out from headquarters by satisfying the peon. If a peon does not get his perquisite, service will never be personal. If a distress warrant has to be executed he must be paid sufficiently. If the judgment-debtor outbids the plaintiff and pays more than what the latter has paid, the distress warrant will be ineffective or very partially so and the distress warrant will be issued over and over again increasing the cost. There is nothing to choose between the civil court peon and the certificate peon. So long as there are persons to tempt the peon for gaining undue advantage the evil cannot be checked. Executive action alone cannot eradicate it unless there is public opinion to back it and bribe-giving is taken as seriously as bribe-taking.

Q. 90. The answer to the first part of the question is in the negative. As was found by Mr. Stuart, the Special Officer, it is so unpopular because it is effective. He came to this conclusion after extensive local investigations. Please see extracts from the report quoted in answer to last question.

Summary procedure like certificate procedure should be allowed when there is no dispute about the demand.

Q. 91. The question is too diffuse to be answered.

Q. 92. Impossible to answer within the time allowed. At least 6 months' time is necessary to investigate this and give opinion in detail.

Q. 93. So far as this estate is concerned the annual loss is:—

		Rs.
1342 B.S.	... ...	17,426
1343 B.S.	... ...	17,437
1344 B.S.	... ...	17,520

Average Rs. 17,461 per annum.

Considering that the rent roll of the portion of the estate in which collections are made directly from tenants is Rs. 13,20,721 the amount of loss is not considerable.

Oral evidence of Rai J. N. Sircar, Bahadur, B.A., B.C.S. (retired), Manager, Cossimbazar Raj Ward's Estate, on 9th February 1939.

In reply to Sir F. A. Sachse, Rai Bahadur J. N. Sircar said that certificate procedure is one of the reasons why khas mahal management is unpopular with the tenants, but it is in the best interests of the tenants themselves that they should be made to pay rent punctually. As was observed by Mr. M. M. Stuart, the Special Officer appointed by Government, the certificate procedure is unpopular on account of its efficiency. If tenants are allowed to fall into arrears of rent for three or four years, they are apt to feel that they have no hope of paying off the arrears and take little interest in their holdings.

He mentioned that in Baharbund parganas, the threat of certificate procedure had been largely successful in clearing off arrears, which were now reduced to 1½ times the current demand. He thought it important to give plenty of notice to the tenants. If the crop was good, his practice was to issue notice to the smaller tenants telling them that the estate expected, say, 1½ years' rent, and to the bigger jotedars that the estate expected payments in instalments mentioned in the notice. If no payment was made this was followed by a second notice threatening certificate procedure. On failure to pay after the second notice a draft certificate was sent to the Superintendent who served a third notice before filing a certificate. The tenants generally paid up and actual filing of certificates was necessary in a very few cases only. Had certificate procedure not been suspended, all the arrears would have been cleared off by now.

He agreed that all landlords, including khas mahals, who allowed the tenants to fall into heavy arrears during the boom period were guilty of a great disservice to the tenants themselves. The smaller landlords are irregular in realising arrears because they can only afford to bring rent suits when rent is about to be time-barred.

In reply to the Chairman, he said that he belonged to the Provincial Civil Services (Executive Branch) and served in the Khas Mahal Department at Monghyr from 1900-1906, since when he had served in various districts in charge of khas mahals and Court of Ward's Department, and was Assistant Secretary in the Revenue Department from 1928 till his retirement in 1935. Since 1935, he has been Manager of the Cossimbazar Raj Ward's estate.

In reply to Khan Bahadur M. Hosain, he said that Regulation I of 1793 made no express provision regarding the raiyats. It certainly said that they would be protected but it did not define their position. The word "raiyat" was used in general terms. Regulation VIII of 1793 laid down that pattas must be granted by zamindars but it does not mention either "khudkasht" or paikasht". Section 52 of that Regulation does not imply that settlements could only be made with farmers: otherwise the words "in whatever manner he likes" become meaningless. He would not agree that the zamindars were not proprietors of the soil. They were distinctly referred to as proprietors in the Regulations, and previous to the Regulations Sir John Shore had come to the conclusion that they had proprietary rights from before. Khan Bahadur M. Hosain quoted the Despatch of the Court of Directors of September 1792 in order to indicate the opposite view. Rai Bahadur J. N. Sircar did not agree that the vast majority of landlords at the time of the Permanent Settlement were simply rent-collectors. In reply to a quotation from a Minute by Messrs. Mackenzie and Grant he quoted Sir John Shore's note reproduced in his answer to question 4.

He considered that most raiyats had no rights at the time of the Permanent Settlement and thereafter. He agreed that Lord Cornwallis might have said that no raiyat should be ejected, but in practice they have been ejected and it was certain that when the frequent revenue sales took place after the Permanent Settlement, new purchasers stepped in who had a right to evict.

His figures showing the profit derived from buying out the landlords were only a rough estimate. His figures given in reply to question 10 covered the last six years but he did not agree that the whole period could be considered one of economic depression. In the last 3 to 4 years, there has been an improvement, and the collections in the Cossimbazar Raj estate were about 120 per cent. of the current demand in 1343 B.S. This was the average for the districts in which there are

zamindaris, and in some individual districts the percentages were over 150.

Most bargadars supply the plough and cattle but not the seed. If they are given occupancy rights, the result will be that no one will give land to them and a large area will go out of cultivation. He agreed that some bargadars might have been recorded as tenants in the record-of-rights but he was not aware of it. Provided there was no commutation section, he thought there would not be so much objection to giving bargadars occupancy rights but he thought that there would be a great agitation against it. Bargadars are tillers of the soil, but he would describe them as hired labourers.

Before the Permanent Settlement, the khudkasht raiyats had the right of paying not more than the pergana rate, but the rate was assessed differently for different crops and if a tenant wished to grow a more valuable crop his rent was enhanceable. He thought that the pargana rate was rather vague in its application and did not agree that it governed the paikasht raiyats.

Khan Bahadur M. Hosain then quoted from the Directors' Despatch of September 1792 to show that the object of the Directors was to secure to the raiyats the same security as to the zamindars, and asked whether there was any authority to show that the rent of khudkasht raiyats was enhanced after the Permanent Settlement. Rai Bahadur J. N. Sircar replied that the quotation meant simply that existing rights were to be observed. The great Rent Case was an authority to show that rents could be enhanced. The other authorities for this principle could be found in the Minutes quoted by him in his reply. As there was no codified law until 1859, no other authority was available.

In respect of a certain class of tenants, fixity of rent had developed, but in the Moghul period there was no such idea.

In reply to Khan Bahadur Momin, he said that at the time of the Permanent Settlement the tenants had no proprietary rights. He agreed that before the Permanent Settlement various systems of collection had been tried by the Company such as farming leases and direct collections. He did not agree that direct collection by the Company was a negation of the zamindar's proprietary rights. The zamindars were given malikana which in itself means payment to a malik or proprietor. The Government of the day was autocratic and did what they pleased. Murshid Kuli Khan (Jaffar Khan) realised the dues direct from the tenants but he made use of the zamindars' staff and after three years the zamindars were restored to their estates by Shuja Khan. This was not necessarily contrary to the idea of proprietorship. In Bengal there is no absolute proprietorship as there

is in England. In Bihar, it was the custom to realise rents in kind and the produce was distributed partly to zamindars and partly to Government officers, and in Bihar therefore the exercise of proprietary right by the zamindar was not clear. In Bengal the zamindars themselves made the collections: there were no State officials, and the practice was more consistent with their proprietary right. He agreed that zamindars were proprietors subject to the payment of revenue. He said that the tenants could not be considered to have proprietary rights. If that was the case, who was the proprietor of the waste land at the time of the Permanent Settlement? Khan Bahadur A. Momin replied that the State was the proprietor of such lands. This reply he considered inconsistent with section 31 of Regulation II of 1819. The State was not the proprietor and to say that tenants were proprieors would be inconsistent with facts. Now-a-days propaganda is being made against the landlords, and the tenants' associations have gone to extreme lengths in promoting class hatred. Had the zamindars done so, they would surely have been prosecuted. That was his meaning when he said in reply to question 13 that the ordinary law in the Indian Penal Code was apparently in abeyance. He was certain that anarchy would follow the abolition of the Permanent Settlement. Terrorism has certainly existed since 1905 but it was a different matter and not connected with the agrarian problem. If 4 millions of middlemen are turned out and left without subsistence, they will join the ranks of the agitators. He agreed that five-sixths of Madras is not permanently settled but said that the structure is different there and the people there have adapted themselves to it. The introduction of that system in Bengal would cause a great upheaval.

Landlords have taken part in all progressive movements and have contributed towards education, dispensaries, etc. They have built and maintained all the big embankments and tanks. The Cossimbazar estate has spent a heavy amount in Frasergunge. It has about 23 miles of circuit embankment and about 29 miles of cross embankments on which a large amount (about Rs. 7,000) is spent annually for maintenance. The estate has no irrigation project before it at the moment. Recently nearly Rs. 40,000 has already been spent on reclamation by tractor of waste lands in Bhagalpur and Monghyr districts. He mentioned that under section 87 of the Bihar Tenancy Act (which is word for word the same as section 87 of the Bengal Tenancy Act), he had given notice to the tenants of all abandoned holdings and obtained formal possession through Court. The tenants had left the villages long ago but when the lands were cleared of jungle and ploughed and cultivated on behalf of the estate, they came back in a body and cut the crops, claiming that they owned the land.

He suggested that the present situation could be improved by trying co-operative cultivation and marketing which would give the tenant better value for his crop. The amended Act allowing free transfer has not benefited the tenants. He did not think that restriction on transfer would decrease the value of land. The value had not decreased when there was restriction on transfer.

The loss in landlords' fees was not a large portion of their income and was not so important as the ultimate good of the tenants.

In North Bengal, the tenants are very well-off. In lower Bengal they are badly off. The condition has deteriorated as a whole mainly owing to Malaria. He mentioned that in Ranaghat, some villages have been completely depopulated and become overgrown with jungle. An attempt was made to cultivate these lands by bringing in tenants from Dacca but it has not been successful. In Burdwan and Nadia some areas have suffered similarly.

He found it difficult to suggest any remedy for small uneconomic holdings. There could be no remedy as long as the laws of inheritance are unchanged. Tenants of such holdings supplement their income by large cultivation. There is barga land for most of them but not for all: consequently there are some landless labourers. The tenants are not employed in cultivation throughout the whole year. He referred to his suggestion for revival of various cottage industries.

In reply to Khan Bahadur Hashem Ali Khan, he agreed that the object of the Permanent Settlement was the safer collection of revenue. Zamindars were certainly collectors of rent, with certain powers and rights which were required for safe collection. Shortly after the Permanent Settlement, the Collector of Midnapore reported that the zamindars were being sold up on a large scale and were being beggared, as the zamindars had not the same power to realise his dues from said that Government officers are in a sense the tenants' representatives. they were given greater powers through Regulation VII of 1799. He said that Government Officers are in a sense the tenants' representatives. If any one had done any good for the tenants in tenancy legislation, it was the Government. Before 1938, transfers had been surreptitiously made by giving sub-leases or mortgages, but such cases are very rare. Before 1929, the landlords used to get 25 per cent. on the sale price of land by custom, and after that they got more than 25 per cent. in the case of part-sales as the splitting up of holdings was not obligatory. He was in favour of cutting down unduly high rents that would give the landlords wider powers for regular realisation. He considered that a rise in prices is a fair ground for enhancement of rent, and similarly fall in prices is a fair ground for reduction. He agreed that section 38 was little used and that proper facilities should be given so that the tenants may apply under that section. He did not agree that enhancements are objectionable because the increment goes entirely to

zamindars and not to the State. He pointed out as an instance that rents for Calcutta houses can be easily increased without Government getting any of the proceeds.

In reply to the Maharajadhiraja Bahadur of Burdwan, he said he had no objection to the imposition of a tax on agricultural incomes provided there was no legal bar. The percentage of land revenue in Baharbund pargana is very small compared with the collection. The incidence of revenue is 3 to 4 annas an acre. In western Bengal, land revenue is higher and as much as 65 per cent. of the assets. A tax on agricultural income will have to be graded and calculated on a different basis for the two areas. He undertook to forward a subsequent memorandum on this point.

He agreed that some corruption exists amongst the khas mahal staff and that it was not true to say that the entire zamindari staff from the Manager downwards is corrupt. If the State bought out the zamindars, the same type of naib and gomastha as now exist, would go to the tenants for collection of rent. He considered that one-tenth of the value of the gross produce would be a fair proportion but agreed that if rent in Burdwan was as high as Rs. 2 per bigha at the Permanent Settlement, the application of the proportion proposed by him would result in decrease in the assets and would nullify enhancements which the zamindars have been able to obtain. He was definitely not in favour of buying out the zamindars and middlemen. Such a course would not stop subinfeudation. It would take away the means of subsistence of the middle classes who have been responsible for much of the country's development.

In reply to Dr. R. K. Mukherji, he said that the Baharbund pargana was permanently settled 10 years before the Permanent Settlement on a lump sum. At that time, it was mostly jungle. The land revenue is about Rs. 84,000. After the Permanent Settlement, the landlords were in such financial difficulties that they were unable to effect any agricultural improvements. The sales that took place after the Permanent Settlement are evidence of the proprietary rights of the zamindars. Had there been no such proprietary interests, there would have been nothing to sell. The proprietary right of the zamindar is distinguished from the rights of the tenant. The proprietor transfers part of his right to the tenant and if a raiyat dies intestate, or a holding is abandoned, his holding goes back to the zamindar. He said that there was nothing in the Regulation to show that the Sovereign power reserved the proprietary right. He did not agree that there will be a saving of 5 crores if the landlords are bought out by the State; nor did

he agree that agriculture is now in a ruinous condition. It is true that many tenants are in debt but this is largely due to their own improvidence. Generally speaking, agriculture is still a profitable business though that is not the case everywhere. The main cause of poverty is improvidence. He suggested co-operative cultivation and co-operative marketing as remedies. By these means better prices would certainly be obtained. He mentioned that the Rajshahi Ganja Society gives advances to the cultivators immediately the crop is bought, to the extent of 70 or 80 per cent. of the estimated value. Later, it sells the crop in the best market and thus the full price goes to the cultivator. Without the Society, the produce would pass through a number of middlemen. He could not give an exact estimate of the increase in price obtained by dealing through the Society but was certain that it was substantial. The Society is very successful financially. The jute co-operative societies failed because the cultivators were not taken in as members. He would have no objection to payment of rent in kind.

Sir Frederic Sachse enquired whether it would be possible for the Cossimbazar estate to collect its rents in kind. He admitted that there would be difficulties in collection and transport and said that the tenants would probably remove surreptitiously a portion of the crop. He thought, however, that the estate would get a higher price. He agreed that the estate would have to sell the produce locally, if possible, or else engage brokers.

He said that consolidation of holdings is a very difficult problem. His suggestion was that a man willing to start a farm on the above principles should be allowed to buy up scattered plots and then apply to the Collector for consolidation. He would allow compensation to the owners of plots whose land was taken in exchange.

In reply to Sir F. A. Sachse, he said that the Cossimbazar estate had not tried settling scattered plots of a khas-purchased holding with the adjacent holdings of other tenants.

In reply to the Chairman, he explained that the figures given in his reply referred to the percentage of revenue paid to Government by permanently settled estates and rent collected by Government in khas mahal estates. He was in favour of altering the laws of inheritance if that was possible, and thought that there is no other alternative to prevent fragmentation. As a suggestion for increasing the revenue, he mentioned the possibility of reviving the salt industry. The manufacture of salt would give employment to a large number of

people and produce a large revenue. At the time of the Permanent Settlement, the excise revenue from salt was collected by the zamindars and at one time it was as much as 73 lakhs.

In reply to Sir F. A. Sachse, he said that a considerable part of the estate's income is derived from coal. At present the annual income is 10 to 12 lakhs but it might be very much greater in time of industrial prosperity.

Extract from D. O. No. 9507 Aj.|xxi-22, dated the 17th February 1939, from Rai J. N. Sircar Bahadur, to the Secretary, Land Revenue Commission, Bengal, regarding acquisition of mineral rights along with the State purchase of the zamindaris.

I would like to mention another point which I had overlooked both in my written replies and in the oral evidence. It is regarding the mineyral rights. It is well-known that according to a Despatch of the Secretary of State the mineral rights were recognised to be the property of the zamindar with whom any estate had been permanently settled and, as matter of fact, the zamindars are working these mines either directly or through Managing Agents or lessees. So far as the claim of the raiyats to proprietary rights in lands is concerned, it may be pointed out that the fact that the zamindar is the undisputed proprietor of the underground rights is inconsistent with the claims of the raiyat to the proprietary right. It will be absurd to suggest that there are two sets of proprietors and that the raiyat is the proprietor of the surface and the zamindar is the proprietor of the underground rights.

Apart from this question another very important point is what should be done with the mines if the zamindaris are acquired by Government. If all the rights of the zamindars are to be acquired, then necessarily the underground rights also have to be included in the acquisition. Most of the collieries are being worked and many valuable vested interests have been created. A very big amount will be required to acquire all the interests in the underground minerals.

The Cossimbazar Raj Ward's estate has about 37 collieries one of which is in Bihar and the rest are in the Raneegunge field in Burdwan district. Besides these 37 collieries actually in work there are virgin lands also. The value of the assets of these collieries and virgin lands in the Bengal area is about 8 crores of rupees and the value of the minerals in the entire province will therefore be an enormous amount—may be a hundred crores or so. I shall not be surprised if it comes to double that amount.

Two courses seem to be open. One is to acquire these collieries but in view of the very big amount necessary for the purpose, this may probably be given up as impracticable and secondly to exclude the collieries from acquisition but in that case portions of the surface which are required for working the mines will also have to be excluded. Surface lands are required for quarters for the staff, the labour population, offices, godowns, etc., and also for railway sidings and tram lines. Besides these, each colliery wants a certain area of cultivated land for settling with the resident labour population as an inducement to them to stick to the mine. If these surface lands are acquired along with the zamindaris of which the former form a part, the working of the mines will be impossible. This also does not appear to be a satisfactory solution and, in fact, I do not see any way in which this problem can be solved.

General Note, dated the 27th February 1939, by Rai M. N. Gupta Bahadur, M.A., B.L., B.C.S. (Retd.).

The objects of the Permanent Settlement cannot be indicated merely by a reference to Regulation I of 1793. The numerous other Regulations passed at the time and the contemporary records have to be studied; also the political situation, the history of the preceding half a century and the effects of the famines of 1771, 1784, 1786 and 1787 upon the economic conditions of the people at the time.

2. The constitutional methods of revenue assessment of Akbar and subsequent Emperors, were broken by Nawab Murshid Kuli Khan in 1722 A.D., synchronising with the decline of the Moghul power and the gradual weakening of the control from Delhi over the provincial Governors. Murshid Kuli Khan attempted a new method (called "hastabood" assessment) in some parts of the Subah but generally, he enhanced the assessment on the zamindars by arbitrary additions on the plea of supposed concealed lands. His methods of realisation were harsh, and he alienated also the great body of jagirdars by extensive resumption of their lands. The innovations of Murshid Kuli Khan were, however, short-lived: they were given up by his successor Nawab Shuja-uddin Khan (1728 A. D.). But although quiet was restored, other evils followed from the system of obtaining increase of revenue by impositions of lump abwabs on the zamindars which then came into vogue. These were at first intended to meet temporary exigencies, but once imposed they were not given up, and became permanent. Their effect, apart from the inevitable demoralisation in the administration which accompanied them, was disastrous on the tenantry: for, it was left entirely to the zamindars to make as best as they could of the situation by increasing the rents of the raiyats in the name of these abwabs and otherwise. Then there were the constant raids and looting by the Maharattas which the Government of the time was unable to resist or stop. Other causes also were accelerating the breakdown of the Moghul Empire, and the central authority was unable to render any assistance to the Provincial Subahdar for maintaining order or affording protection to his subjects. The people were exasperated, and security of life and property was gone. Bengal had thus been in a state of semi-anarchy for over quarter of a century when the Nawab's Government came in open clash with the English East India Company.

Hastabood method of Murshid Kuli Khan (1722-25-A.D.).

Abwabs by subsequent Subahdars (1728-62).

Their effect on the Administration.

3. It was on this background that the Company, at first mere trading concern, obtained the Dewani of Subah Bengal in 1765

A. D., and were called upon to administer the revenues of the province. Immediately before this, Cossim Ali who was made Nawab in 1762, had enhanced the previous highest Moghul assessment of Rs. 187 lakhs, inclusive of jagirs and sayer—to as much as Rs. 247 lakhs exclusive of Rs. 9 lakhs of sayer. It was a paper assessment which was never realised: and during the first 5 years after the Dewani when the old system was continued, the assessment averaged only about 219 lakhs, while actual collections were below 2 crores.

Cossim Ali's paper assessment of 1762 A.D.

4. Then followed the unfortunate quinquennial settlement by auction with the highest bidder, in which many zamindars in their anxiety to retain their ancestral estates, made impossible bids which they could never pay. In its tail came the terrible famine and pestilence of 1770-71 which perpetrated ravages throughout the country and turned a vast tract out of cultivation. In a few years the zamindars had gone into a debt of over 3 million sterling to meet the Government demand. The Company however persisted in their strenuous efforts to realise the stipulated revenue and this had its repercussions in exactions from the tenantry. There was a wide-spread discontent, and an outcry. Powerful voices were then raised in England, and the Parliament issued mandates on the Directors of the Company to take immediate measures to redress the grievances of all concerned, and to establish "upon principles of moderation and justice according to the laws and constitution of India, permanent rules by which their respective tributes, rents and services shall be in future rendered and paid." It was not too early: for so weakened had the people become that their miseries were extremely severe when there were again famines in 1784, 1786 and 1787, the last causing particular havoc in the eastern Bengal districts. The Company, however, still insisted on having at least two and half crores and its officers were much deluded by intriguing hearsays that the people were all a bad lot and that there were still much hidden resources. The true condition of the country may best be explained in Lord Cornwallis's own words that over one-third of the population had been swept away and a third of the cultivable lands reduced to waste and jungle infested by wild beasts.

Quinquennial settlement by auction (1769-70). Famine of 1770-71.

Pitt's Regulating Act of 1784-24 Geo. III, Chap. XXV, section 39.

Famines of 1784, 1786 and 1787.

Effects of the famines during 1770 to 1787.

5. The political atmosphere at the time was also far from being clear. In India the English had got themselves involved in the family feuds of the Peshwa, and after a defeat in 1778, were just having a footing by the Treaty of Salbaye in 1782. Similar struggles were going on in Berar and the Doab area, and although Benares had been obtained in 1775, it was not free from troubles yet. At home, although open war with France had not yet been declared, heavy clouds were gathering in the political

horizon of Europe. The English had to yield in the United States of America in 1783, and this was followed by quarrels with France for the division of Canada. The possible repercussion of these in India, could not be overlooked by any prudent statesman. (Lord Cornwallis's Minute of 3rd February 1790).

Political conditions at the time.

6. But apart from political considerations, what—(after a long period of misrule, frequent devastations by the Maharatta freebooters, vacillating experiments by the English Company and the widespread ravages of the several famines),—Bengal needed most at the time was speedy establishment of a stable system and peace and order, as would enable the people to recover and gain confidence in the new rulers. This was the uppermost thought in Lord Cornwallis's mind, and in his various Minutes he often expressed it in passionate terms. The only way in which this could be achieved was by rapid extension of cultivation over the vast areas of waste and jungle lands: and to him no amount of inducement to the landholding classes, to promote this object, was too much. If eventually at some future date there was a loss of the revenue from land, it would be amply compensated, he thought, by increased prosperity of the people, and from the development of trade and commerce which would naturally flow from such prosperity.

Country needed peace and a stable form of administration in which they would have confidence.

7. But his dilemma was in securing an immediate land revenue of anything near Rs. 260 lakhs which the Directors of the Company wanted. Shore could not justify such an assessment without surrendering the tenantry to oppression and exactions: and Lord Cornwallis was deeply solicitious that nothing was done which might tend to increase the burden of rent on the existing tenants. It is a mistake to think that Lord Cornwallis neglected the tenantry: but there are ample records to show that he was most anxious to see that the tenantry were well-protected. Certain Regulations were made at the time, but he emphasised that if these proved insufficient, other and more comprehensive measures should be adopted. It is an unfortunate part of the later history that this spirit of his measures was forgotten after he left India: and it is still more unfortunate that when he was recalled later, he had to attend to other business outside Bengal and died before he was in India for six months.

Difficulty of securing a revenue near Rs. 260 lakhs which the Directors wanted.

8. But what were the rental assets of the zamindars at the time? And what was the capacity of the tenantry to pay in the deplorable conditions to which the country had been reduced then? Grant (Analysis of 27th April 1786) had an exaggerated idea of the capacity of the raiyats for rent, and his inflated estimates were not accepted either by Shore (Minute of 18th June 1789) or by Lord Cornwallis. Grant started by reference to

Rental assets at the time of the Decennial Settlement.

a vague statement by Holwell 20 years earlier, that the gross rental of the Subah was about 11 crores of rupees. However, he rejected this estimate as going "beyond reality", and observing that Holwell had no details. Grant, even with his tendency to exaggeration, estimates no more than 18,000 square miles (out of 90,000 of the entire Subah) or 115 lakhs of acres, as the "proportion, alone in cultivation, liable to the rents of the territorial proprietary government (he was always asserting the State as the proprietor) at the established rate of the *rubba* or one-fourth" (*sic*: Akbar's rate was one-third). He then adopted a rate of as much as Rs. 1-8 per bigha or Rs. 3-4 per acre (1396 bighas as he stated being enquivalent to one sq. mile or 640 acres, giving 2·18 bighas of the time for an acre) as the average rent. It apparently was an absurd rate, for even to-day after 160 years, the average is not more than Rs. 3. It is curious, for Grant himself stated that the average rent was no more than Re. 1 per bigha of the time (i.e. Rs. 2 per acre), except in parts of 24-Parganas near Calcutta where it was Rs. 1-8. The estimate of 18,000 sq. miles was subsequently verified by Lord Cornwallis (*see* Ascoli, "Early Revenue History of Bengal", page 51; Mr. Ascoli made a mistake by taking a bigha as the present standard bigha of one-third of an acre): and taking at Rs. 2 an acre, the total rental could not by any stretch, be more than Rs. 230 lakhs. This stands to reason in another way also. The price of rice at the time was about 8 annas per maund (*see* Ascoli, page 51): and assuming that 13 maunds were the average outturn (Akbar's estimate was 12 maunds 38½ seers: see Ain-i-Akbari, Gladwyn, page 246), the value of gross produce per acre could not be more than Rs. 6-8. One-third of this was thus Rs. 2-3 and one-fourth Re. 1-10 per acre. Taking it yet in another way—the highest Moghul assessment (including the jagir lands) prior to Cossim Ali's paper-assessment of 1763, was (Alivardi Khan's time, 1756-A. D.) Rs. 185 lakhs. Even Grant estimated that this did not leave more than 8½ per cent. to the landlords for cost of collection (including nankar, mazcoorat, etc.), and profit. Adding even ten per cent., the total raiyati rental thus would work out to about Rs. 195 lakhs or say 200 lakhs only. Turning to Cossim Ali's paper-assessment of Rs. 247 lakhs (excluding Rs. 9 lakhs of sayer), the total raiyati rental could not have been then (1763 A. D.) more than Rs. 272 lakhs. But then there were the devastations by the famines during 1770 to 1787, which swept away over one-third of the agricultural population, and reduced also a third of the cultivable area into waste and jungle infested only by wild beasts. If even one-fourth was deducted for this from Cossim Ali's assumed rental, the total rental capacity of the raiyats from the lands in their the then conditions could not be more than Rs. 204 lakhs.

9. But giving the greatest latitude to figures, if about 15 lakhs of acres in 24-Parganas and the ceded districts were taken at Rs. 3 per acre and the remaining 100 lakhs of acres at Rs. 2 per acre the gross raiyati rental could, at the time of the Decennial Settlement, be only Rs. 245 lakhs. And yet the assessment fixed on the zamindars was for Rs. 2,68,00,989 (*see* Fifth Report)—and this too was exclusive of all lakheraj lands, valid or invalid, comprised within the limits of the various estates.

Gross rental of raiyats could not have been more than Rs. 247 lakhs.

10. It is a mistake to think that in the districts of Bengal, the assessment of the Permanent Settlement was made on the basis of "assets" or the existing rent roll of the zamindars. The unfortunate assessment by the auction system in 1769 was pursued during the period 1775 to 1787, and whatever the collections they were attended with the greatest hardship, which are notorious facts of history. The assessment of the Bengal districts was based on the assumed jamma of the preceding year (Bengal Special Orders, section 68 of Regulation VIII of 1793), except in the case of the small separated taluks, and certain parts of the districts of 24-Parganas, Midnapore, Burdwan and Chittagong, which had been ceded to the Company in 1760 A.D. (*vide* section 75), where an allowance of one-eleventh was provided[1].

Permanent Settlement of the Bengal districts not based on the rental assets of the time.

11. To secure a revenue near Rs. 260 lakhs in the conditions in which Lord Cornwallis made his Settlement, the only offer he could make to the zamindars was to place the extensive areas of untenanted waste and jungle lands at their disposal, with promise that the profits to be derived from them would be entirely to their benefit, and that at no time in future would the Government claim any share of these profits. For some time the assessment would tell heavily on the zamindars, and perhaps many of them would lose their estates; but there was, he felt, ample future prospect, which an efficient zamindar could explore: and if for his failure his property passed into the hands of the more industrious, the better it was for the country and the community as well as for the State.

Prospective assets from extensions of cultivation could only justify the assessment.

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[1] Referring to the supposed assessment in parts of the ceded districts with an allowance of one-eleventh to the zamindar, it is interesting to note what Mr. H. Strachey, Judge-Magistrate, Midnapore, wrote in January 1802. Referring to axactions by the zamindars, he wrote—"They (the zamindars) cannot spare their raiyats, for Government never spares them." Yet many of the zamindars lived in "wretched huts generally worse than the stable of an European gentleman". Other ways for them to pay the Government demand was to rob and plunder, but as under "the operation of the Regulations they soon found themselves unable to rob and plunder, as before, in consequence most of them fell heavily in arrears and lost the whole or great part of their estates, and many more were hastening to ruin". (Firminger, Vol. II, Pages 596, 599, 600.)

Risks thrown on the zamindars.

12. The future was unknown: but all the risks of exploring the prospects were thrown on the zamindars. Lord Cornwallis fully realised the immediate hardships of the zamindars: but thought that these hardships would serve to give the more an "excitement" to them out of "motives of self-interest", to exert themselves to speedy settlement of the untenanted lands, particularly when definite promise was held out that the benefit of improved rental would entirely enure to them It was, he wrote to the Directors, the expectation of bringing the extensive waste and jungle lands into cultivation and reaping the profits of them that had induced many of the zamindars to agree to the Decennial jamma assessed upon their lands (letter, dated 6th March 1793). If in this way at any future time, a greater share of the rental went to the zamindars and talukdars than they had been accustomed to, he would only welcome it. It would in the first place give a real value to landed property which in itself would then be a firm security for the Government revenue (then so badly wanting), and at the same time contribute directly to accumulation of wealth in individuals and thus to general prosperity. In this he was quite in line with the general view of social economists at that time (more forcefully later with the industrial revolution in England at an early period of the 19th century) that the prosperity of a people should be sought for more in the growth of wealth in individuals than in augmentation of the revenues of the State from such direct sources as land. It was particularly so in the conditions of Bengal where land was the main source of the wealth of the people.

But if advantges properly availed of, all landed interests whould attain property value in course of time and, afford good security for the Government-revenue.

State-revenue *vs.* Individual wealth.

13. The assessment of the Decennial Settlement (1790-91) which was eventually made permanent in 1793, was fixed at Rs. 268 lakhs, exclusive of sayer (separately reserved by the Government) and even of the invalid lakheraj lands within the zamindaris. Over 60 lakhs of the assessment was thus entirely on prospective basis. It was a perfect business proposition for a trading company, when the future, political or otherwise, was still so much in the hands of the God. Sure of a revenue of Rs. 268 lakhs and armed with the power of bringing an estate forthwith to sale when the revenue was not paid punctually (and even to keep the zamindars under confinement—section 4 of Regulation XIV of 1793, a provision which however, was repealed by Regulation III of 1794), they found large sums of money for application to the development of their own trade for meeting deficits in other parts of their possessions in India, prosecuting territorial campaigns, and even assisting outside as far as St. Helena and the wars in Europe (*see* Dr. P. N. Banerjea's

Permanent Settlement of Rs. 288 lakhs, was Rs. 60 lakhs or over in advance.

"Indian Finance in the Days of the Company," Macmillan, London, 1928)[1].

Immediate effect:— Revenue-sales of numerous estates.

14. While this happened estate after estate was knocked down in revenue-sales. How pitiable the condition was, is evidenced by the fact that for many years, these sales did not fetch even the arrear revenue, and in many cases there were no bids. By 1815, wrote Mr. A. D. Campbell, "one-third or rather one-half" of the zamindaris in Bengal passed out of the hands of the older families. It was as useless to try to explain it as due to incompetency or profligacy of the zamindars, as it was to justify later the more rigorous measures for realisation of rent from the tenantry (Regulation VII of 1799) describing the latter, who were a few years before obedient and submissive, as "entering into combinations," intriguing and of worse vices (Rev. letter of 31st October 1799, referred to in the Fifth Report). The fact was that the revenue assessed was too excessive. The proper adjustment of the value of the species was also retarded by the trade policy of the Company. The new purchasers of the zamindaris, presumably more venturesome and industrious as Lord Cornwallis had expected, laid their money and their energies in the confidence of reaping the fruits of increased assets in course of time, as held out in the proclamation of the Permanent Settlement.

About 30 per cent. margin attained after 50 years.

15. Mr. Ascoli, studying the History of Dacca where he was Settlement Officer, mentions an investigation made by Government in 1802. It showed that in that district in ten years which had followed the Permanent Settlement, the increase by extension of cultivation was only about 6¼ per cent. Mr. Strachey writing for Midnapore in 1802, doubted whether the population had reached what it was before the famine of 1770, although "every body marries and an unmarried man of 25 or an unmarried girl of 15 is hardly to be found." Mr. H. Colebrooke, writing in 1813, estimated that the zamindars were getting a margin equivalent to about half the amount they were paying as land revenue: but he was including or rather particularly referring to Bihar districts where produce rent prevailed, and the zamindari income automatically increased with rise in the prices of the produce. Mr. R. D. Mangles writing in 1848 estimated that "for every 100 rupees that the zamindar in the permanently settled

[1]Over 12 million sterling out of the revenues of Bengal were utilised for the Company's trade during 1766 to 1780. A new plan was devised by Hastings in 1782, and it was revised in 1793. Lord Wellesley's complaint in 1800 that the demand of the Court of Directors for investment far exceeded the resources of the country, was unheeded. During 1811 to 1814 the supplies from India exceeded the Company's investment to the extent of nearly ten million sterling: Wilson, History of India, Bk. I., Ch. VII, p. 349. The same historian further observes, that the treasuries of India furnished a considerable contribution to the European war in which England was then involved.

estates pay to Government, they get 200 rupees from their estates." Here also the produce rents of Bihar districts was mixed up: while in Bengal proper the rents were in money and fixed for the older raiyats,—and for others limited to the established pargana rate. It will probably be reasonable to take that the zamindars of Bengal districts did not get a margin of 30 per cent. to cover cost of collection and profit till about 50 years after the Permanent Settlement.

Tenants not neglected by the authors of the Permanent Settlement.

16. As has already been observed, it is a mistake to think that the authors of the Permanent Settlement neglected the tenantry. They, as constituting the Government, took upon themselves the representation on behalf of the tenantry and not only laid down definite rules of law for their benefit (*see* para. 18 post), but also reserved powers to make further laws and take further measures as the Government might think proper later on. In the bargain made at the time, as between the zamindar and the tenant, the latter came off much better. All that he lost was in a different way, viz., ruin of his subsidiary occupation (cottage and other industries) to foreign competition: but this was no part of the arrangement with the zamindars.

Condition of the raiyats before the Dewani.

17. What was the condition of the raiyats prior to the advent of the English? Shore in his Minute of 18th June 1789, gives a fairly clear description of their position. The paikasht raiyat was absolutely a tenant-at-will: and as regards the khudkasht raiyats, they were not usually disturbed, not so much by reason of any recognition of rights in them which would be protected by the State, as by the reason of mere sufferance: for, in the conditions of the time the landlord could not afford to lose a tenant so long as he paid the rent. A prescriptive right of occupancy might at the most, be presumed for them. They could not change the species of crop without the permission of the landlord, and when he grew a more valuable species, he was liable to pay a higher rent. According to the Moghul plan, the raiyat's rent varied not only according to the class of soil but also according to the kind of crop grown (*see* Ain-i-Akbari): and if there were defined rates at any time (*see* para. 21 post) they varied in wonderful mazes. The additions of abwabs after abwabs during the previous 40 or 50 years had added their miseries to the pitch. They had no right to transfer, and in fact with rent as much as one-third or more, there was little left of a margin which could give a market value to their interest. They could not even relinquish, and if any of them found it impossible to bear the rent demanded by a landlord, his relief was in abandoning the village or repairing to another zamindari, which however, it was easy enough. Any question of a right to make a brick-field or

build a masonry structure was not thought of. The only right contemplated in the system was cultivation of the surface and paying a varying rent according to the kind of crop grown[1].

In the matter of payment of rent, with the extensive powers (including Police) which the zamindars wielded, the tenants were almost helpless. The normal method was seizure of crops or other goods of the tenant without recourse to any State-authority, or confinement and physical coercion (*see* reference in Preamble to Regulation XVII of 1793).

18. Now, by the terms of the Permanent Settlement, the rents of the existing khudkasht raiyats (later called khudkasht kadeemee) were to remain unaltered except on grounds of fraud or collusion or adjustment by measurement of area [section 60(2) of Regulation VIII of 1793]: and the rents of the new raiyats, could first be fixed for no more than 10 years (section 2 of Regulation XLIV of 1793), but for subsequent rents there was also a limit to increase, viz., the established pargana rate (section 7 of Regulation IV of 1794). In both cases the money-rents (as paid in the Bengal districts) of the raiyats, were to be fixed in specific sums for certain quantities of land with liberty "to cultivate whatever species of produce may appear to them likely to yield the largest profit" (section 56)[2].

Raiyats under the Permanent Settlement.

In the matter of realisation of rent from the tenants, though still harsh when judged on modern standard. Regulation XVII of 1793 retained the old practice of seizing and selling the crops or other moveables of the tenants, but provided rules regulating the sale of the articles seized, and stopped confinement and physical coercion. Kists according to season were fixed, and penalties were laid down for exaction of new abwabs or failure to grant rent receipts (sections 4, 3 and 54 of Regulation VIII of 1793). Patwaris keeping accounts were also made liable to produce these before the Collector, and if found to have kept false accounts they were liable to prosecution for perjury (section 2 of Regulation VIII of 1793).

19. The terms of the Regulations of the Permanent Settlement, thus contemplated a very substantial improvement in the position of the raiyats, and gave a fairly precise definition of the rights, both as regards tenure and rent, which they were to enjoy,

(I) Dropping of the patta plan and failure to devise a substitute method.

[1]There is no reference to rights about trees: but it is interesting to note that according to the Hindu Code as indicated in Manu,—though it is doubtful whether this ever applied to Bangadesh,—the husbandman was liable (besides one-sixth to one-twelvth of the crops), to pay also a "sixth part of the clear annual increase in trees, * * * * flowers, roots and fruits: and of gathered leaves, pot-herbs, grass * *" Ch. VII, 131-32.

[2]The reference in this section to variation according to the kind of crop grown, applied mainly to Bihar districts where rent was paid by division or appraisement of crop.

and which the State undertook to protect. It is unfortunate that these intentions were to a certain extent impaired by the acts and omissions of later Governments. When Lord Cornwallis's patta plan failed (because the old raiyats would not take a patta and because it was futile to pursue the elusive pargana rates where none existed), they let the plan die a natural death. As early as 1815, the Court of Directors drew the pointed attention of the authorities in Bengal, to the necessity of having written records of the rents and lands of the tenants: but nothing eventually was done. The plan of patwaris liable to keep correct accounts and to submit them for the Collector's inspection, was also gradually dropped.

(II) Dropping of the Patwari plan.

20. When read with the other Regulations, it is difficult to reconcile the cancellation rule in section 5 of Regulation XLIV of 1793. The provisions in this section show an extreme nervousness on the part of the authorities as to whether it was safe to fix in all circumstances, the rents of the old khudkasht raiyats as permanently as the land revenue assessed on the zamindar, or to let the new raiyats continue to hold on the rent engaged for previously, when there was such a revenue-sale. Conscious as they were of the high pitch at which this revenue had been assessed, and of the inability of the lands in their the then conditions to bear it, they were naturally anxious that some scope should be left for adjustment when an estate was sold for arrears of revenue, so that the Government revenue might be safe. The section laid down that in the event of such sale of an estate, all engagements including those with "raiyats for the cultivation of land",—"shall stand cancelled from the day of sale". It was left to the option of the purchaser to let the existing tenants continue to hold their lands: and only when he did so, a limit of not more than the "established rates of the pargana" could be realised from the raiyat. The provision must have operated harshly on good many tenants both old and new, when it is remembered that by the year 1815 half the zamindaris of Bengal were knocked down at revenue-sales: and this probably affords one reason why the proportion to-day, of raiyats at fixed rent bulk of whom would only be the old khudkasht raiyats of the Permanent Settlement, is not as much as would otherwise be expected. (For other reasons *see* para. 39 post.) But, as the Preamble to the Regulation shows, the object here was not that the zamindar should have this power for his own benefit under the terms of the Permanent Settlement, but that it was necessary to safeguard the Company's revenues: and when with the improved conditions, in course of time, this safeguard was no longer required, the vigour of Regulation XLIV was relaxed by Regulation XI of 1822. Under section 32 of this later Regulation the khudkasht raiyati holdings of the

Cancellation Rule in section 5 of Regulation XLIV of 1793 in the event of Revenue sales.

Old Khudkasht Raiyats protected by Regulation XI of 1822.

time of the Permanent Settlement (called the khudkasht kadeemee), were not to stand cancelled, but their rents were only liable to enhancement up to the "old established rates"—meaning the rates at the time of the Permanent Settlement. No such protection was, however, afforded to the raiyats created after the Permanent Settlement, till Acts X and XI of 1859. They were however, not affected[1] in the matter of their rent, when they were not evicted: for, under section 7 of Regulation IV of 1794 as well as section 5 of Regulation XLIV of 1793, their rent could be only up to the "established pargana rates", i.e., as at the time of the controversy, as opposed to "old pargana rates" for the khudkasht kadeemee raiyats.

21. But the supposed "pargana rates" whether "old" or "new" (established at the moment) were a mirage which deluded the authorities for many years. Akbar's model plan as narrated by Abul Fazl does not mention any pargana rates in money. Assuming that such rates were known or had developed during the best period of Moghul rule, they must have been greatly confused by the arbitrary methods adopted by Murshed Kuli Khan in 1722 A. D.: and then greater confusion resulted when abwabs after abwabs were imposed in irregular proportion and went on being consolidated with rent by stages, during the next 40 years. How various they were is illustrated by the several examples given by Grant in his Analysis of 27th April 1786[2].

Pargana rate a delusion in Bengal districts.

Lastly the consolidation of all these impositions in "specific sums" for the rent, as enjoined in the Permanent Settlement Regulations, obliterated any vestiges of what might have been pergana rates at any time. Any rate which developed from such consolidated rent, could thus be only the arithmetical[3] quotient of dividing the total rent by the total area: and it was perhaps no more than this that was meant by the term "nirkhbandi", a

[1]Raiyats at "rents assessable by fixed rules under the Regulations in force" were protected by Act XII of 1841. This is one of the many obscure expressions in the old laws: but it apparently meant that the rents of these raiyats were to be no more than the established pargana rate at the time being, as by sec. 7 of Regulation IV of 1794.

[2]Shore rightly doubted whether Akbar's plan of assessment as narrated in Ain-i-Akbari, was at all applied in the Bengal districts, and whether an operation which involved measuring every field, determining its class, the kind of crop it yielded and the value, could at all be done by Todar Mal during the short period of his stay. In fact Abul Fazl does not give any figure of areas for Subah Bengal while such figures are given for the Subahs round Delhi. It is probable, however, that in Bengal districts where rent was paid in money from the earliest known time, certain rates per bigha or plough-land were generally known. *See* Mukundaram's account (1577 A. D.) given in para. 36 *post*, footnote.

[3]The intricacies of pargana rates where they were supposed to give the "asal rates", are illustrated by the following statement for a village, given by the Collector of Bhagalpur, on 11th August 1790. For dofasali there were 22 sorts of land with rates varying from 8 annas to Rs. 5-8 per bigha: for ekfasli 5 sorts with rates from 8 annas to Re. 1-2.

new term used in section 60(2) of Regulation VIII of 1793: and no more than this could be meant by "old established rates" for khudkasht kadeemee raiyats in section 32 of Regulation XI of 1822. As for new raiyats created after the Permanent Settlement (section 7 of Regulation IV of 1794) or allowed to hold on after cancellation (section 5 of Regulation XLIV of 1793), where the rent was liable to enhancement, the term "established pargana rate" gave no better meaning than the rate obtained by similar division of the lump rents received from the bulk of the raiyats in a village, by the areas held by them.

22. This obscurity in the meaning of the expression "established pargana rate", raised controversies in enhancement cases before courts. It might be taken as recognition of whatever the level to which any particular landlord might have been able to raise the rents of the bulk of his tenants, whether as a result of competition, speculation or coercion. But it was not till 1859 that the possibility of mischief from this obscurity was removed by laying down a limit, viz., what could be justified by rise in prices (section 17, Act X of 1859). The incidence of the initial rent, however low (it might have been so far a valuable consideration or for the exigencies of the time for which the landlord might have found it necessary to attract a cultivator with low rent), could not be attacked, and only such increase on that incidence as might be justified by rise in prices could be obtained.[1]

Established rate involved competition or speculative rates.

Limit put by the rule of rise in prices in Act X of 1859.

23. The theory of "rise in prices" was not, however, altogether an unknown idea. It got automatically applied in practice when the rent was realised by division or appraisement of the produce actually grown in a year, as was the practice in the Bihar districts. The conversion of the quantity to money then followed the current prices. "From the commencement of the immortal reign" (of Emperor Akbar's) wrote Abul Fazl, "persons of integrity and experience have been annually employed in preparing the current prices for his Majesty's information, and by which the rates of collection were determined." The annual variations which necessarily followed from this method was moderated by Akbar who directed later that the average of preceding 10 years' prices should be taken. The settlement of Subah Bengal attributed to Todar Mal (1582 A. D.) was not altered till the time of Shuja Khan in 1658 A. D. i.e., till 76 years afterwards when the zamindari assessment (excluding jagirs) of Rs. 63 4 lakhs was

The theory of rise in prices.

How far implied on the Moghul system.

[1]See the exposition of the view in Iswar Chandra Ghosh *vs.* Hills, W. R. Sp. No. F. B. 148, also repeated by Chief Justice Sir Barnes Peacock in the Great Rent Case Thakooranee Dasee *vs.* Bisweswar Mukherji, 3 W. R. Act X Rulings, 29: also the history of the law prior to 1859 per Trevor, J. in the latter case.

enhanced by Rs. 9·9 lakhs or 15·6 per cent. There was an additional assessment of Rs. 14·4 lakhs for new territories acquired by conquest or otherwise. The increase of Rs. 9·9 lakhs for the old territories was due mainly to adjustment of the "rupee" to the rise in prices, though to some extent it might have been due also to increased cultivation. Whatever be the "pargana rates", a proportionate increase was thus automatically recognised.[1]

Later when the irregular increases and imposts of abwabs during the 40 or 50 years preceding the Dewani were allowed to be consolidated with the rents of the raiyats, the Company's authorities justified this on the ground of rise in prices during the period. The element of rise in [2]prices must always be present when a "pargana rate" expressed in money, is adjusted with reference to any theory of rent being a proportion of the produce. Rise in prices or the money value, at the moment, of the produce, will work in the minds of the parties when the rent of a new tenancy or an enhancement is agreed to,—call it competition, speculation or by any other term. Assuming that the money-rent of a cultivator was enhancible from time to time, from whatever angle the matter is viewed, rise in prices undoubtedly gives the most equitable basis for measuring the enhancement. Judged from the point of view of the economics of the cultivating class as a community,—it is a healthy check against artificial increase by competition or speculative rates which some people might be inclined to agree to. The Act of 1859 (and later the Act of 1885 amplified by the amending Act of 1898) retained a trait of the earlier "established pargana rate", when it changed the expression to prevailing rate": but for the Bengal districts, where rent, as will have appeared from the above account, had almost universally developed into lump rentals (i.e., "specific sums" for specific total quantities of the lands irrespective of

And applied at the Decennial Settlement.

Latest in "Pargana rate' or established "Pargana rate.'

Changed expression "Prevailing rate"—in 1859.

"Prevailing rate" not applicable in Bengal districts.

[1]As observed by Shore, Akbar's plan so far applied to Bengal, did nothing more than fix the amount to be paid for each mahal (pargana or taraf), estimating it at one-third of the supposed annual produce. The assessment of the rents on the tenants (whether cultivators or intermediate talukdars) was left to the parties concerned. It is interesting to note that Aumils and Aumilguzzars for the collection of revenue in the Subahs round about Delhi, never existed in the distant and late-conquered province of Bengal—(though some of the zemindars of Bengal allied with and helped the Moghuls, there were others who stubbornly resisted them, and the Moghul conquest of Bengal was not complete till 1611 A.D. or perhaps 1636). The divisions of land as Poolej, Perowty, Checher or Bunjer described in Ain-i- Akbari has never been known in Bengal districts: nor the extra levy of "ten seers of grain for every bigha of land" for provision of cattle.

[2]The Subahdari abwabs—and following them the abwabs on the tenants—were, however, not imposed with a conscious idea of adjusting rise in prices: they were for meeting exigencies and intended at first to be only temporary, though eventually perpetuated. The increase on the tenants varied widely, but generally they were about or over cent. per cent. of the previous rent; and it is impossible to believe that the prices during this disturbed period of the Moghul rule could rise cent. per cent.

their classes or of the kinds of crop grown) the rule of "prevailing rate" has been rarely, if ever at all, applied. It might have been applicable in some Bihar districts: but in Bengal proper,—in enhancement suits after 1859, and in the rent-settlement proceedings following the completion of cadastral survey and record-of-rights since 1908, the rule of "rise in prices" has really been the only method which was applied.

Lump rental in Bengal and its resultant inequalities in the incidence.

24. One result of this development of "lump rental" in Bengal has been that there are wide inequalities in the "rates per bigha" of the raiyat's rent in the different districts, and sometimes in the same district or localities within a district. Measured with reference to the capacity of the land, inequalities in the incidence have also arisen from the changed condition of the soil, and from production of special crops such as jute, potato, sugarcane, tobacco, etc. But judged as "rates per bigha" irrespective of those restrictions in the kind of soil or crop, it is doubtful whether inequalities are really great in the areas of the same landlord in a village, or even of different landlords in the same village. The inequalities are however great from district to district. The following summary of the average incidence per acre of the rents of ordinary (i.e., not mokarari) raiyats in some of the districts is illustrative:—

	Rs.	As.	P.
24-Parganas	5	15	6
Midnapore	4	0	0
Bankura	1	12	7
Nadia	2	11	3
Jessore	2	8	0
Khulna	3	6	10
Faridpore	2	10	0
Rajshahi	3	3	0
Pabna	3	2	10
Bogra	2	14	6
Dacca	2	15	0
Mymensingh	2	12	0
Tippera	3	2	6
Noakhali	4	2	2

How far these incidences are telling heavily or otherwise on a raiyat in a particular district, can only be judged from the estimate of average produce he derives from the land. But taking all the above districts together, the average incidence of rent is about Rs. 3-3-6 per acre: and as the rents of the temporarily settled estates and Government khas mahals which are generally higher are included the average incidence in the permanently

settled areas would be somewhat less: probably about Rs. 3. If the old ceded districts of 24-Parganas and Midnapur (where the rents were levelled up during the special management which followed the cession in 1760 A. D.) and the district of Noakhali (adjoining Chittagong) be excluded, the average would be only Rs. 2-13: and in the permanently settled portion of these districts, probably not more than Rs. 2-10.

The incidence of rent of mokarari raiyats (raiyats at fixed rent) is considerably lower. Excluding the districts of 24-Parganas, Midnapur and Noakhali, the average of the remaining 11 districts mentioned above is about Rs. 2-1-9 per acre.

25. From the above accounts, it cannot certainly be said that the zamindars have used to any great extent the advantages they had in cancelling raiyati engagements on revenue-sales, or of enhancing the rents on the ground of established pargana rates or rise in prices. If the average incidence of the rent of the raiyats in the 11 districts mentioned above was Rs. 2 per acre at the time of the Permanent Settlement, the rents of the raiyats subsequently created (including those who by the operation of the effects of the revenue sale laws, or otherwise, have suffered enhancement)—do not give to-day, after 160 years, more than Rs. 2-10 or about one-third, while the prices of produce have risen over six times. The Commission's estimate of the average rent in the permanently settled estates of the province, is Rs. 3 per acre (Statement IX), and the estimate of the average value of produce is Rs. 44-5 (Statement II). The last figure is based on the actual net cropped area: but as raiyats sometimes hold lands which are not cropped and to be on the liberal side for them, I would deduct 10 per cent., i.e., take Rs. 40 as the average receipt of a raiyat from an acre of land held by him. His average rent of Rs. 3 thus represents still only about one-thirteenth part of the produce. For the raiyats holding at fixed rates, the average rent (excluding the old ceded districts) is only Rs. 2-2 per acre, or about one-eighteenth part of the produce. Including the ceded districts it is one-sixteenth part.

The distribution of the value of the produce between the landlords of all grades together and the raiyat, may be exhibited thus:—

	For ordinary raiyats.	For raiyats at fixed rate.
	Rs. a.	Rs. a.
Raiyat ..	.. 37 0	37 14
Landlords of all grades (less the Govt. Revenue)	.. 3 0	2 2 (less the Govt. Revenue)
Total	40 0	40 0

To compare the distribution of the net income, the cost of production has to be deducted from the total given above. The cost varies for various reasons, but taking one-third in the average (exclusive of the raiyat's own labour) the net total value may be taken at Rs. 27. Similarly 15 per cent. may be deducted for the landlords, as the cost of collection and bad dues. The distribution would be:—

	For ordinary raiyats.	For raiyats at fixed rate.
	Rs. a.	Rs. a.
Raiyat	24 0	24 14
Landlords of all grades ..	2 9 (less the Government Revenue).	1 13 (less the Government Revenue).

Cause of economic distress not in rent.

26. Judged on any standard, a proportion of one-thirteenth must be said to be extremely low. It will therefore, be wrong to seek for the cause of the economic distress of the peasantry in "rent." It is very considerably lower in relation to the value of the produce, when compared with raiyatwari areas or temporarily settled areas in this or any other province. It is about one-ninth in the temporarily settled estates of Bengal and about one-eighth in the khas mahals (Commission's Statement IX): while in the raiyatwari areas of Madras, I believe, it is worked out for a standard of one-fourth of the average of a series of non-famine years: and in the temporarily settled mahals of other provinces more or less towards that standard (*see* the Government of India's Land Revenue Policy, 1902). Mr. R. C. Dutt in his open letters to Lord Curzon emphasised this position, and explained that, inspite of the economic strain (for which other causes should be sought for), the peasantry of Bengal had exhibited a much greater staying power during famines or scarcity than the peasantry of other provinces. It can never be so easy for a private landlord, whatever the legal advantages, to obtain enhancement from the tenantry as it is in revisional operations by Revenue Officers in a temporarily settled estate or a khas mahal. It is thus impossible to say that the zamindars and subordinate landlords of Bengal have not, in the assessment of rents on their raiyats, treated them with "good faith and moderation," as was expected of them by the authors of the Permanent Settlement.

27. The real causes of the economic distress of the peasantry of Bengal and the remedy, must be sought for elsewhere. In the 14 districts mentioned before, there are over one lakh of "raiyats" who hold about one lakh of acres of land altogether "rent free".

Are their economic conditions in any way the better? Two Revenue Officers of great experience have in recent years made particular study of the causes, and every Settlement Officer in his Final Report has dwelt more or less on the problem. Of the two Revenue Officers who made a special study one was late Major J. C. Jack and the other is Mr. W. H. Thompson. Mr. Thompson, had (besides having, as Settlement Officer of two districts, intimate direct knowledge of village conditions) the additional advantage as Superintendent of the Census of 1921. According to the Agricultural Statistics of 1919-20, there were then about 24½ million acres of land under cultivation in Bengal, and according to the Census of 1921, the total number of actual agricultural workers (ordinary cultivators, farm servants, field labourers and growers of special products) was over 11 millions. This meant an average of only 2·2 acres per worker, and Mr. Thompson observes—"it is in such figures as these that the explanation of the poverty of the cultivator lies. The cultivator works fairly hard for a few days when he ploughs his land and puts down his crops, and again when he harvests them, but for the most of the year he has little or nothing to do".[1]

Land dangerously insufficient for the population now depending on agriculture.

28. The statistics furnished in the Commission's Statement VIII, show that the condition in this respect is growing worse: 21 million of raiyats and under-raiyats hold no more than 31 million of acres of land or an average of even less than one and half acre per holding, while the population of persons dependent on agriculture is estimated at 34 millions (Statement VII). Both Mr. Thompson and Mr. Porter (Census Superintendent, 1931) estimate the non-working dependents of agricultural workers as below 3 per worker. It looks rather low, as children, women and old and incapable persons must be included amongst the dependents. But taking at 3, an earning of at least Rs. 16 a month or Rs. 192 per year is necessary for bare living and clothing: and if the family is to depend on land alone, it should have at least 8 acres of land. Or, if the land be compact and the cost of production low, at least 6 acres.

A family needs at least 7 acres whereas he has only two.

29. But his average is only about 2 acres. The question is thus a stupendous one: and hardly believeable. For, it is still a remakable feature in Bengal that people of the labouring class have not been drifting to work in the mills and factories which

[1] Mr. Thomson proceeds then to compare with the conditions in England. The cultivated area in England and Wales, he says, is just over 26 million acres and according to the census of 1911, the number of male workers in agriculture was 1¼ million. These figures give some 21 acres per worker, ten times as much as in Bengal. In 1851, England and Wales gave 17 acres for every agricultural worker. But still Mr. Thompson had missed one other aspect in England and Wales: the industry of cattle breeding and cattle-grazing gave to a large proportion of agricultural population a very substantive subsidiary occupation—and there were 4 million acres of rough grazing land, and 15 million acres of permanent pasture.

Aversion of the people to factory labour.

are to-day manned largely by men from outside the province. It may be true that there are traditional prejudices against such labour, and aversion to the kind of life it involves, or it may even be, as Jathar and Beri have put it, the rights which the cultivator has in Bengal make him "stick like a limpet to his petty holding": yet these can hardly be said to give the correct, much less complete explanation. On the other hand, it is a notorious fact that artisans and men in professions like the barber's, washerman's and the like, are also drifting to land. Mere figures such as we have got, do not, as observed by the Agriculture Commission, give a proper idea of the economic conditions. It is a pity that no attempt has been made to compile correct statistics of agricultural produce on any scientific basis, such as was suggested by Dr. Bowley and Prof. Robertson a few years back.

30. Nevertheless, the fact remains that too large a proportion of the population is dependant on agriculture alone, than what the land can provide: while even those who work have nothing to do for half the days in the year. The position is worse where, for instance, in a family of 5 able-bodied persons, the few bighas of land it has, does not provide occupation for more than two, and that for only half the days of the year. This population must be given opportunities for other work to augment their resources, and as observed by Mr. Thompson (a view fully endorsed also by the Agriculture Commission, Chapter XVI of their Report) "the only amelioration of present conditions in Bengal that seems possible, is by bringing work within reach of the cultivator near his own village." Mr. Thompson refers to the possibilities of hand-loom as a cottage industry: and the Agriculture Commission has referred to other industries such as rice-husking, oil-crushing, sugar-refineries, cotton ginneries, manufacture of agricultural implements, paper manufacture, manufacture of oil-cakes, bone-crushing, pottery, rope making, cane and grass products (as mats, baskets etc.), sericulture, poultry-rearing and lac. To these may be added for Bengal with over 300 miles of sea-coast, the salt industry which at one time yielded over Rs. 117 lakhs as the State revenue: Fifth Report of 1812.[1]

Subsidiary occupations nearer home necessary.

A regular organisation, both educational and constructive, under the direction of the State is urgently needed. It is a question inseparable from any deliberation for improving the conditions

[1] Bengal used to supply not only its own needs of salt, but also the needs of other provinces. Grant in his Analysis (1786) says that even in 1763-64 there were along the 300 miles of the sea-coast 12,000 khallaries, each yielding 233 maunds of salt, or a total of 3 million maunds. The industry grew rapidly under the changed administration for good many years of the Company's rule: but subsided later to foreign enterprises. Bengal as now constituted is practically shorn of any mineral wealth, and the question of exploiting the natural advantage of its sea-coast, in a manner as will afford occupation and gain to its population, is important. It may bring over one crore of rupees a year to its individuals' wealth, besides one crore of revenue to Government (Provincial or Central).

of the people now employed in agriculture: and the Agriculture Commission also definitely thought so. In fact, the poverty of the villager is not so much a question of landlord and tenant, as a question of providing for unemployment by provision of subsidiary occupations: particularly so in Bengal where rent represents one-fourteenth part only of the produce.

31. There is little scope in this province for provision by extension of cultivation in uncultivated areas. There may be some tracts in West Bengal and in North Bengal, which may be brought under cultivation by irrigation or embankment arrangements; but generally, cultivation has extended in the villages to a dangerous limit, leaving little or no land for grazing cattle or even for a *bhagarh* where a carcass could be thrown: roads and pathways have been encroached upon. In some places decadent river beds have been embanked, obstructing drainage and bringing diseases in its tail and raising a different problem. There are reserved and protected forests: but they are serving a better purpose and their denudation is not free from the danger of many evil consequences. Colonisation in the Sundarbans is proceeding apace: and whether it should proceed faster is a question which may need particular investigation. Otherwise, in the 14 districts mentioned previously, there are only about one million acres of uncultivated land, exclusive of water and beels and marsh, roads and house-sites,—a very insignificant proportion to a total area of about 29 million acres.

Little scope for further extension of cultivation.

32. It is however an important question whether some substantial improvement cannot be effected by consolidation of small holdings by making compact the lands of a cultivator which are scattered in small plots all over, involving greater expense in the "production", and waste in some cases. This is generally recognised as an evil, though, as Prof. Radhakamal Mukherji has observed (article on Fractionalization in the Indian Journal of Economics, April 1927), it is not without an economic advantage. It affords a certain amount of insurance against vagaries of the season which may destroy the crops in one field, while the cultivator may still be able to have a crop in another. The causes which develop subdivision and fragmentation of holdings, and the ways by which the evil effects may be remedied are fully discussed in the Agriculture Commission's Report (1928), Chapter V, pages 129-44. The main cause may be said to be increase in population without corresponding expansion of industry: then the contributory factors are dissolution of the joint family and growth of individualistic spirit, all assisted by subdivisions as a family grows by succession. Jathar and Beri writing in 1931 (Indian Economics,

Evils of scattered lands of the same cultivator.

Punjab Method of consolidation

Vol. 1, page 210) refers to considerable success in the Punjab from the experiments made there under the auspices of the Co-operative Department. The average area of 0·7 acre of a detached block in over an area of 98,000 acres was raised to 3·8 acres. Co-operation and combating against fear and suspicion in the mind of even the smallest right-holder are what are mainly needed: but assistance by legislation is also necessary. On the other hand, too much zeal is likely not only to frustrate the object, but also to lead to other evils. For instance, a rule of impartibility such as was proposed by Mr. Keatinge, Director of Agriculture, Bombay, in 1916, besides being repugnant to the Hindu and Muhammedan sentiments, would tend only to create a large population of landless proletariat which would be particularly dangerous in a country where the industries are so little developed that they cannot absorb even a fraction of the existing surplus agricultural population (Agriculture Commission's Report, para. 123). There should be an experiment in small trial-areas in the first instance, and in selecting such areas, the easiest villages (e.g., where there is one zamindar or one large tenureholder under whom a large number of raiyats hold directly) should be taken up.

The economic holding and the optimum holding.

33. But this, even if successful, may solve to a certain extent the problem of having an economic holding taken only in its abstract sense, meaning a piece of land which from its situation, size and compactness, is capable of yielding "the highest possible net return to every unit of capital and labour engaged in its cultivation". But it will not produce an "economic holding" from the practical point of view of the cultivator, i.e., an optimum holding which as defined by Keatinge, (Rural Economy in the Bombay-Deccan, pp. 52-53) would be "a holding which allows a man a chance of producing sufficient to support himself and his family in reasonable comfort after paying his necessary expenses", or as Dr. Mann puts it "one which will provide (an average family) at the minimum standard of life considered satisfactory." This takes us back to the question already discussed, viz., finding at least 7 acres of land for each agriculturist; or providing cottage and other industries as subsidiary occupations for the rural population.

Need of subsidiary occupations, again.

Development of under-raiyats.

34. Under-raiyats were unknown in earlier days. Even at the time of the Act of 1885, they were not considered of much importance, though Hon'ble Sir Stuart Bayley when introducing the Select Committee's Bill, envisaged that as population would increase the problem of under-raiyats was likely to become important, and he left it to the next generation to tackle. The Amendment of 1928 proceeded thus to give some very substantial rights to the under-raiyat, of course to the curtailment of the rights of the raiyat. So far, the measure aimed at preventing too much

Bargadars.

sub-letting; but the provisions regarding bargadars (persons engaged for cultivation on stipulation of a share of the actual produce) gave an encouragement to creation of *de facto* under-raiyats, though not to be called "tenants" to the hearing of law. One good point in this rule about bargadars is that it leaves a raiyat or a small tenureholder more free to resort to subsidiary or additional avocations, an important aspect of the economic problem of the villager, which has already been discussed at some length.

Proportion of under-raiyats.

35. Commission's Statement VIII shows that there are about 5 million under-raiyats against 16 million raiyats. Numerically, therefore, they are very considerable. Out of 28 million acres held by the raiyats, 3 million acres only are however sub-let to these under-raiyats, with the result that the average holding of an under-raiyat is about two-thirds of an acre. If they are supposed to live entirely on these lands, their position is hopeless. But most of them are ordinary day-labourers also and earn a living as such. Otherwise not only do they hold very inadequate quantities of land, but have to pay a much higher rent than the raiyat. The average incidence of their money-rent in the 14 districts mentioned before is Rs. 5-13 per acre, as against Rs. 3 of the raiyat. If their growth proceeds in this way, fortified with a substantially stable position as they are under the Amendment of 1928, they will at no distant future raise the same problems as now do the raiyats: and in more acute form, because their rent is so much higher. The Amendment of 1928 fixed their maximum rent to one-third of the gross produce (the theory of a definite share of the produce for money-rent first introduced in a legislation), as judged from this standard, their average rent of Rs. 5-13 cannot be said to exceed that limit: it is still about one-sixth. If gradually a larger number of the raiyats turn to be *de facto* tenureholders, viz., rent-receivers, the level of rent of the actual cultivators will automatically get raised: and the "raiyats" will be liable to be assailed as uneconomic intermediaries as the "tenureholders" and "zamindars" are being assailed by a section to-day. I do not suggest that this natural development of economic laws should be stopped: for it has its healthy aspects as well. The extent of this subinfeudation varies widely from district to district: it is highest in the southern districts of Jessore, Khulna, 24-Parganas and Nadia, and lowest in the eastern districts. It may be that some of these under-raiyats have originated from transfer of raiyati interests to men of the non-agricultural class: but I do not think that the position would be different if the right of transfer recently given to the raiyats were taken away. On the other hand, the result may be the reverse. Sales will continue, and as the people of the agricultural class will have greater difficulty to obtain recognition, sub-letting will increase both with the raiyats and

Incidence of their rent.

No change suggested.

the non-agriculturist purchaser. In so far as sub-letting indirectly helps the diversion of men of the raiyat-class to other occupations, without at the same time having to give up altogether their interest in land,—I would not call it an evil; the reduced income which such a raiyat would have, will still serve as a sort of insurance in bad times.

Tenureholders' characteristic of the Bengal System from early times.

36. It is a mistake to suppose that the tenureholders between the zamindar and the cultivator are only the creation of the zamindars. They have formed a part of the land system of Bengal from a very early period: and probably developed from a process of reclamation and settlement quite natural in the deltaic areas, which at not a very pre-historic time, were a dense forest infested by tigers and leopards, and intersected by wide rivers and the violent estuaries of the Bay,—forming innumerable islands, large and small all over the area. Reclamation of such areas needed pioneers with substantial resources such as visualised by Baden-Powell for similar areas where—the most severe and protracted labour has to be undergone in getting the dense forest and jungle cleared, and in digging out masses of stumps and roots", and the labour unremittingly continued for some time. In such cases "the man (or family) whose hands and funds have effected the change, is sure, at an early stage to regard himself, and be regarded by others, as peculiarly entitled". (Land Systems of British India, Vol. I, p. 114.)[1]

Tenures at the time of the permanent Settlement.

37. Shore in his Minutes of 1788 and 1789, refers to the extensive existence of tenureholders between the zamindar and the

[1]A glimpse of the process may be had from the account of Kalaketu's Settlement of a village by Mukundaram written in about 1577 A. D. It has no historical value, but still gives a picture of what was known even at that time as the traditional method of such settlement. Kalaketu had, in the first place, to be a good huntsman, able to kill or drive away tigers and other wild animals, so as to make the place safe. He had also to be a man of considerable resources with which he was simultaneously to engage barunias (wood-cutters) to clear the forest. He had next to invite cultivators on attractive terms:—"Come to my lands, I shall remove your distress and give you golden ear-rings to wear; settle here, cultivate as much land as you need and pay rent in 3 years: the rent is to be one rupee per plough-land. take patta from me as your authority, and fear no one". He then brought traders, artisans, etc., and settled them in the village. But Kalaketu was in trouble. He had not taken the previous permission of the Raja within whose jurisdiction the tract lay. The Raja (corresponding to later zamindars) sends his men to seize Kalaketu and he is put in prison. Eventually there is reconciliation, the Raja recognizes him and puts tilak on his forehead in the presence of the assembled people. It is a picture drawn by a poet, but shorn of the poetic appendages, it describes quite a probable process by which jungly tracts in the delta might have been originally reclaimed. In fact, somewhat similar process is still adopted in the reclamation of the Sundarban areas. The theory could be supported by references to Kautilya's Arthasastra (321 to 297 B C.)—an excellent synopsis of which is given in F. J. Monahan's Early History of Bengal. I will not, however, add to the length of this note by digressing into the darkness of ancient history or the earlier accounts of the process in the Rigveda or Manu, which, by the way, did not pretend to represent the conditions of Bangadesh.

cultivators and takes the view that Todar Mal's assessment in Bengal attempted at no more than fixing the revenue to be paid by the zamindar calculated at a certain share (one-third) of the estimated value of the produce from the land, leaving it entirely to the latter to adjust the rents of the subordinate tenantry (tenureholders and raiyats) as best as they could. New settlements with extensions of reclamation and cultivation, during the long intervals between revisions of the revenue-assessment, were matters according to the circumstances and the convenience of the parties. Farming in lots by the larger zamindars for convenience of management were also common. The Regulations of the Decennial and Permanent Settlements, contain references throughout, to all these tenures, as istemrari (i.e., permanent and heritable) and even, curiously, *mokarari* (i.e., at permanently fixed rents) besides ordinary farming for definite periods. Some of these tenures (called "taluks") had existed from before the zamindari or had been obtained by purchase or gift from the zamindar, and at the time of the Decennial Settlement these were separated and formed into independent zamindaris (section 5 of Regulation VIII of 1793): but the rest continued under the zamindars who were made bound to respect the previous arrangements (sections 19, 48-51 of Regulation VIII of 1793). The jungle-barry taluks of Chittagong originating from grants or permits for "clearing away the jungle and bringing the land into a productive state" were also protected by special provision (section 8 of Regulation VIII of 1793).

38. As for how tenures after the Permanent Settlement, section 2 of Regulation XLIV of 1793, prohibited leases for a term exceeding 10 years or for renewal of such a lease excepting in the last year of the existing lease, the object, as stated in the Preamble, was that zamindars would otherwise "with a view to raise money or from other causes or motives" be induced to create tenures on reduced rates for long terms, thus endangering the security of the Government revenue from the estate itself. The restriction was removed by Regulation V (and XVIII) of 1812 when the zamindars were left free to create tenures or raiyati holdings in whatever manner the parties might agree. But immediately with the Permanent Settlement, it was fully realised that leases on too favourable terms would be offered by the zamindars to people who could lead reclamation of the extensive areas of waste and jungle lands, infested by wild beasts. It must have been the information of the authorities that they were doing so to speed up extension of cultivation, and stabilisation of their position. The agricultural population was severely dwindled, and attractive offers were obviously necessary to induce cultivators and reclaimers.

Kinds of tenures. Their developments.

39. Settlements by the zamindars with persons of some means who could organise clearance of jungles and extension of cultivation became thus common particularly in the southern districts. Many of the jotedars of Rangpur, and howladars, gnatidars and holders of abadi tenures in Bakarganj, Khulna, Jessore and 24-Parganas, owe their origin in this way. Otherwise, smaller tenures created by the zamindars have not been many. In the zamindari of the Burdwan Raj, the division of the extensive country into a large number of lots (farms or taluks) had been in existence long before the Permanent Settlement: and these were later recognised as patnis with special incidents and obligations, by Regulation VIII of 1819. Tenures created by zamindars since then, merely for the purpose of shifting the responsibility, expenses and trouble of collecting rents from the tenants, have been generally in the form of patnis. But tenures have developed more largely in other ways. Invalid "rent-frees" (non-Badshahi lakherajes) below 50 bighas, when assessed to rent, became tenures: and their number is considerable in certain districts. The "100-bigha" rule of presumption in the Tenancy Act, has also led to the treatment of a large number of tenants, probably originally raiyats, as tenureholders. When raiyati holdings passed into the hands of non-agriculturists who let out the bulk of their lands the tenants came also to be treated as tenureholders, unless they could prove the origin of their tenancy. Similarly where the members of the family of a raiyat having taken to other avocations, left their lands on rent from others, but could not or did not care to prove the origin of their tenancies, came to be treated also as tenureholders. So also with many of the more prosperous amongst the agriculturists when they acquired considerable areas by purchase or otherwise. It has been said that an "aristocrat" is only a "democrat grown old" .The case with good many of these tenures has been similar. Many of the "tenureholders" of to-day were raiyats of yesterday.

Statistics of tenures.

40. In the 14 districts mentioned previously, the total number of rent-paying tenures (including under-tenures) is over one and half million (rent-free tenures another half million), against about 50 thousand estates over them, and about 9½ millions raiyati holdings below. The total area comprised in these tenures is not stated, but the total area in the khas possession of the rent-paying tenureholders (i.e., without any raiyat) is about 3¼ million acres. Except in the district of Bakarganj, where there is a maze of under-tenures, the tenures do not go generally below the second grade. I think about two-thirds of these tenures are mokarari (at fixed rent), and as these include patnis, the proportion of area of the mokarari tenures is greater. Where the rent is enhancible, the Tenancy law leaves a minimum profit of 10 per cent. to the

tenureholder after deducting the cost of collection and management. Usually, about 40 to 50 per cent. of the gross rental is fixed as fair rent by the Settlement Department.

Are tenures an evil ?

41. Are these tenureholders an evil to the community or to the State? The tenureholders (along with the smaller zamindars) form the middle class,—the intelligentsia of Bengal. Mr. Field in his Introduction to the Bengal Regulations, states that this class (which is a special feature of Bengal) have readily availed themselves of the educational advantages of the British system, and it is amongst them that many men of great intelligence, public spirit and social influence can be found, although individually in comparative poverty. If a gradual accession to the wealth and influence of sub-proprietors (tenureholders), wrote Sir George Campbell (Administration Report, 1872-73), be a desirable thing for the interest of the community, this development has not been a matter for regret. The population of these tenureholders in the province is probably over four millions against about half a million zamindars (taking 5 for an estate): and the automatic distribution of a portion of the latter's rental profits amongst this middle class has a great economic value in itself. The individual income of a tenureholder is probably not more than Rs. 60 per annum in the average: but it still affords him a steadying anchorage in land, an insurance to fall back upon in times of distress: and for the poorer branch of the family the only stay. This class has largely taken to arts and cultural occupation and to that trade and commerce which was envisaged by Lord Cornwallis. They have also been providing the services, and the various professions such as of law, medicine, etc.

They formed the educated middle class.

Danger of detaching them from land.

I may thus note here that any scheme which will break this steadying anchorage and tend to create a landless proletariat of these four and half million of the middle class, is bound to lead to social and economic unrest to a much more dangerous extent than that envisaged for the landless labourers in this country by the Agriculture Commission. The State will be committed to some organised scheme for the absorption of this population in lucrative avocations suited to their education and ideals from closer touch with Western culture. It will also be a matter for serious consideration whether such a scheme will not give a definite set-back to the progress of higher education amongst this class and the community at large. As this class form the leaders of society, of whatever community—the landlords or the tenantry,—its repercussions in politics may also be very embarassing.

Zamindari or landlord system ancient in Bengal.

42. A landlord class—later called zamindars—has been a part of the land-system of Bengal from the earliest known times. The less deltaic part comprised of several principal kingships (Banga, Paundra, Modagjri, Pragjyotish, Summa and Ondra) each with a host of hereditary landholding chiefs under them: while the more deltaic area to the south and west of the river Padma, gradually began to develop similar institutions, later. The divisions changed from time to time and often under diffierent names, but the institutions did not die. During the period of Magadh domination, these kings remained as allies or confederates, independent to continue their indigenous systems.[1] The twelve chief zamindars (barabhuiyas) during the Pathan period are well known: and all had subordinate zamindars under them. One of these latter once became even the ruler of the province. So little interference was made with the organisations of these zamindars, that many of them maintained armies and fortresses, while the police and magisterial functions were largely exercised by them.

Continued by the Pathans.

Also by the Moghul.

43. Whether as a matter of convenience, or political expediency, the Moghuls did not disturb the system of collection of land-revenue they found prevailing in this distant province. But they crippled the powers of the zamindars, *firstly* by taking away the military function from them (one of the first instructions of Emperor Akbar to his Governor was to stop the zamindars maintaining any army or repairing their fortresses—Sair Mutakherin), and *secondly* by splitting them up by increasing their number and encouraging divisions. Several of the zamindars opposed by force the establishment of Moghul power: and their estates were divided up and distributed amongst the adherents. Two-fifths of the lands were given to jagirdars for civil and military establishment, and a large portion of the revenues of the province were drained off to provide for the splendour and luxury of Delhi. By the time the British came, the total number of zamindaris had been raised to near about 3,000, besides the innumerable jagir estates and the badshahi lakherajes. Although the military powers were taken away, the police and magisterial functions of maintaining order, were retained with the zamindars. The thanas and the outposts had to be maintained by them, and the larger ones of them had to keep a semi-constabulary staff of pikes and barkandazes. The settlement of civil disputes amongst the tenantry (barring succession by inheritance) was largely in their hands. The assessment and collection of sayer comprising duties on transit of merchandise by land or water, taxes on shops, bazars and gunges, and excise were their functions. And in the matter

Zamindar's functions.

[1]Fa-hien (405-11 A. D) grazed along the western border of Bengal: and Hiuen-tsang (629-45) travelled through at least 6 practically independent kingdoms in Bengal each with a large capital.

of enforcement of rent from the tenantry whether by seizure of their crops and other moveables, or by confinement and physical coercion, they had almost unrestricted authority.

Not expanded by the Permanent Settlement.

44. I do not suggest that this was good administration, either for the State or for the people. But it will not be correct to say that the status of the zamindars was elevated by the Permanent Settlement. On the other hand, it was reduced to more or less that of rent collectors, tied down by various restrictions about disposal of land and treatment of the tenants, enjoined in the Regulations then passed with reservation of the power for further Regulations as might be deemed fit. They were no doubt called "proprietors of the soil", but with all these material restrictions, it was only a very limited ownership which was recognised. In fact, with the tenancy conditions in this country (and perhaps in any country) no one person can be said to be full owner of "land". All that it meant was that residuary rights or rights not sepecifically restricted would rest in the zamindar: for example—rights in mines and minerals, or right to dispose of lands (subject to limitations imposed by law) which were not tenanted or which a tenant abandons or which otherwise merges in the zamindar. As a matter of fact, the manner of putting the position would be to say that—every raiyat (or under-raiyat) is the owner of that quantum of rights in the land which the law allows him and so for every tenureholder and every zamindar. The sum total of these quantums would give the full ownership, but no one in the chain possesses it.

Zamindars recognised as proprietors of the land.

45. The Proclamation of 1793 declared that the zamindars and independent talukdars with whom settlement would be made, were to be recognised as the proprietors of the land. There was a good deal of study and anxious consideration at the time, before this decision was finally arrived at. Bengal was not a *tabula rasa* on which, when the English came, they were free to construct any system of land tenure that pleased them. The institution of zamindars was there, and could not be ignored. At the outset, Lord Cornwallis made a very pertinent observation that when a settlement was to be made with the zamindars and that in perpetuity, and full powers were to be reserved for the protection of the tenantry, the question of proprietory right was a matter of little practical importance. Shore, however, dipped into the question both in the abstract as well as from what could be gleaned from past history and the maze of inconsistent practices under a long period of autocratic monarchy, where the Sovereign's will was the law. He maintained that of the three parties in the field, viz., the King, the zamindar and the cultivator, the zamindar possessed the largest quantum of interests which constituted proprietary

Proprietary of this recognition.

right. Imbued, however, as he naturally was, with the conception of legal ownership of an English landowner, Shore was puzzled how this could be reconciled with any idea of inviolable rights of the tenantry as well. A complete answer was given to him by Lord Cornwallis, as will appear later on: but as later critics have often questioned the propriety of the declaration that the zamindars at that time were the actual proprietors of land and the question has been definitely raised now also, I would try to elucidate first what exactly was meant by the proprietary right of the zamindars, in the several articles of that Declaration and in the Regulations made in 1793.

Meaning of proprietary right as then intended.

46. In the first place full and free right of transfer by sale, gift or otherwise, the whole or any portion of their estates without applying to Government for sanction, was recognised (article 8 of the Proclamation). When a portion of an estate was so transferred the zamindars would obtain from Government a proportionate division of the assessment, without any increase in the total. The zamindari right would pass also by succession according to the law of inheritence governing the individual (same article 8). For the untenanted lands, which comprised the bulk of the waste and jungle, the zamindars were to be free to let them out in whatever manner they liked (section 52 of Regulation VIII of 1793). It was difficult to say that, whatever occasional deviations were attempted at times under an autocratic rule, these privileges were not being on the whole enjoyed by the zamindars for centuries prior to the advent of the English.

The restrictions then imposed.

47. However, while these elements of ownership were specifically mentioned, certain liabilities and material disabilities were also specified. In the first place the zamindars were required to pay the Government revenue, strictly punctually, without any claim for suspension or remission on account of drought, inundation or other calamity of the season (article VI of the Proclamation): in default their estates, either entire or in part, were liable to sale forthwith (same article), or these might be attached and let out in farm (or held khas) for such time as the arrears was not recovered, and in case of contumacy they were even liable to be kept under confinement (section 4, Regulation XIV of 1937)[1]

Punctual payment.

Rents of existing tenants not to be increased.

As regards the then existing khudkasht raiyats, their rents (consolidated with and asal jama and the abwabs already imposed) were not to be increased in future, and the pattas to be granted

[1]Section 4 of Regulation XIV of 1793 was superseded by section 3 of Regulation III of 1794.

with these amounts could not be cancelled (sections 55 to 61 of Regulation VIII of 1793).[1]

As for the existing farmers, the zamindar's engagements with them were to be respected and where there were permanent tenure-holders as istemraris, their respective rights of inheritance or fixed rent were also to be respected (sections 48 to 51 of Regulation VIII of 1793).

New raiyats not to pay more than the established pargana rate.

As regards new holdings after the Permanent Settlement in the then untenanted waste and jungle, the right to let them out was restricted to no more than at the established pargana rate or incidence of the raiyat's rents whether initially or at renewals of leases (section 7 of Regulations VII of 1794).[2]

Sayer, etc., abolished.

While imposition of any future abwab was forbidden, the previous practice by which the zamindar used to levy sayer and other internal duties or taxes on merchandise in hats, gunges and bazars was stopped [article VII (2) of the Proclamation and section 35 of Regulation VIII of 1793]. Their functions regarding maintenance of the police establishment were to cease and they were to disband the pykes who were being employed by them wholly or partly for this purpose (article VII of the Proclamation and section 41 of Regulation VIII of 1793).

Invalid lakharajes not to be assessed.

The zamindars were also forbidden to assess for their benefit, invalid lakheraj lands within their zamindaris, whether claimed under a Royal grant or otherwise [article VIII (2) and (3) of the Proclamation] or the police chakran lands.[3]

They were to employ a patwari in every village to keep a correct account of the raiyats, and the patwari was to be liable to produce his book to the Dewani Adawlat or the Collector for inspection, when called for (section 62 of Regulation VIII of 1793). Although the power of the zamindar to seize and sell the crops and other chattles of the tenant when he had failed to pay rent, was retained, his previous power of confining the tenant was taken away: and otherwise his remedy for realising an arrear was by a rent suit in the Dewani Adawlat (Regulation XVII of 1793).

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[1] Exceptions were when there was fraud or collusion or when there was a later adjustment of rate on a measurement as to the correct quantity of land.

[2] Under section 2 of Regulation XLIV of 1793 the granting of such lease was limited to 10 years, in apprehension that the zamindars might settle at rates lower than the established pargana rates, to the prejudice of the security of Government revenue. The restriction was withdrawn by Regulation V of 1812.

[3] In case of claims not under a Badshahi grant, areas below 50 bighas were left to the zamindar by Reg. XIX of 1793: in all other cases the assessment on invalid lakherajes was separate and enured directly to Government.

Further full power of legislation for the tenantry reserved by Government.

Besides these, full power was reserved to Government for the protection and welfare of the tenancy by legislation or otherwise, as occasions might need [article VII (1) of the Proclamation].

48. This was, in brief, the position of the zamindar *vis-a-vis* the State on the one side and the raiyat on the other, as enunciated in the Regulations of the Permanent Settlement. Whatever may be the strict judicial conception of the expression "proprietary right in land", the meaning which the authors of these Regulations intended, was abundantly clear from this enunciation of specific rights and specific disabilities in the Codes which they made. Shore was inclined to the view that the restrictions imposed were inconsistent with "proprietary right": that it was an encroachment upon such right to prohibit its owner from imposing taxes on his tenants, for it was saying to him that he must not raise the rents of his estate and that if the land was zamindar's, it would be only partially his property, whilst Government prescribed the quantum which he was to collect. Lord Cornwallis gave a complete answer to this. In his Minute, dated February 1790 (paragraph 2), he said:—

Were these restrictions inconsistent with proprietary right ?

"If Mr. Shore means that after having declared the zamindar proprietor of the soil, in order to be consistent we have no right to prevent his imposing new abwabs or taxes on the lands in cultivation, I must differ with him in opinion, unless we suppose the raiyats to be absolute slaves of the zamindars. Every bigha of land possessed by them must have been cultivated under an expressed or implied agreement that a certain sum should be paid for each bigha of produce and no more. Every abwab, or tax imposed by the zamindar over and above that sum is not only a breach of that agreement, but a direct violation of the established laws of the country. The cultivator, therefore, has in such case an undoubted right to apply to Government for the protection of his property: and Government is at all times bound to afford him redress."

Harington in his Analysis of the Regulations (page 222), while comparing this proprietary right with the corresponding right of the English landlord, observed:—

'If by the terms *proprietor of land and actual proprietor of the soil*, be meant a landholder possessing the full rights of an English landlord, or free-holder in fee simple, with equal liberty to dispose of all the lands forming part of his estate as he may think most for his own advantage, to oust his tenants, whether for life or for term of years, on the termination of their respective leaseholds, and to advance their rents on the expiry of the leases

at his discretion,—such a designation, it may be admitted, is not strictly and correctly applicable to a Bengal zamindar, who does not possess so unlimited a power over the khudkasht, raiyats, and other descriptions of under-tenants possessing as well as himself, certain rights and interests in the lands which constitute his zamindari."

But the position need not be read in this manner. The only difference is that while in the English conditions the restrictions and limitations in the exercise of the landlord's rights were specified in an agreement, probably in writing, the Regulations of the Permanent Settlement only laid down what these customary and necessary restrictions were and which would generally apply to all. In the condition of things in this country—its vast area and millions of illiterate people concerned—this differentiation is perfectly intelligible. While it is true that the rights which the Government recognised in the zamindars, did not in any way affect or derogate from the rights and the protection which the raiyats enjoyed whether by custom or by specific legislation by the State on public grounds, the existence of such rights and protection does not necessarily affect or derogate from the proprietary right of the zamindars so as to make that right nugatory. The law courts[1] have felt no difficulty in reading the position in this way, and in holding that the zamindars were, by these Regulations, nonetheless proprietors of the land.

Law Courts have felt no difficulty in reconciling them.

All that these restrictions meant was that they were of the nature of implied *jus in re aliena*, or detached rights recognised by custom or the system of the law of the country, and accepted as sound from the point of view of public policy and welfare of the people at large. The parent right of ownership was with the zamindar. So, when a raiyat abandoned, his occupancy rights merged in the proprietor. All residuary rights not specified in the restrictions, belonged to the proprietor: and so it has been held[2] that rights in mines and minerals in the permanently settled areas belonged to the zamindars by reasons of their being recognised as "proprietors", land meaning all things down to the centre of the earth. So, also for fishery rights.

And interpreting that barring these restrictions all residuary rights were in the zamindar.

This proprietary right or ownership, does not vanish by diluvion or submergence of the land, for law makes no difference between land covered with water and land covered with crops. (Lopes

[1] *Freeman* vs. *Fairlie* (*1828*) I. M. I. A. 305 (at page 341); *Raja Ranjit Singh Bahadur* vs. *Srimati Kali Dasi Debi* (1917) 44 Cal. 841 (P.C.), 21 C. W. N. 609, 25 C. L. J. 499.

[2] *Nasi Bhusan Misra* vs. *Jyoti Prasad Singh Deo* (1916) P. C. 44 I.A. 46 (per Lord Buckmaster), 21 C. W. N. 377, 25 C. L. J. 265.

vs. Mudddun Mohon Thakoor 13 M. I. A., 467). It extends to alluvial accretions from public domain as by the gradual recess of an adjoining river. (Section 4 of Regulation XI of 1825).

Meaning of proprietary right more clear in the matter of disposal of the untenanted lands—waste and jungle.

But the more tangible side of this proprietary right was with regard to the extensive area of waste and jungle lands where there were no tenants. At the time of the Decennial Settlement they covered about 4/5ths of the total area. Tenants subsequently coming to occupy these lands clearly came in rights *jus in re aliena*: and for the same reasons as stated before, it did not necessarily mean that the State was debarred from exercising its Sovereign powers for the protection of such tenants who were its subjects, or that such protection would be construed as affecting or inconsistent with the otherwise proprietary interest of the zamindar.

Practical view taken by Lord Cornwallis.

49. As practical administrators called upon to ascertain and respect the privileges actually possessed then under the indigenous system by various classes of persons having interests in land, the authors of the measures taken in 1793, directed their attention mainly to the consideration of facts as they found then, modifying only so far as any detail appeared to them to be unconscionable, but otherwise adopting the existing framework in their codification of the relative rights and disabilities of these various classes. Lord Cornwallis did not trouble himself with discourses of abstract theories of growth of property rights in a country still strange to them; and when he had defined what were the relative rights and disabilities as between the State, the zamindar, the cultivator, and also the intermediate landholders, the question as to who amongst them was called the "proprietor", was of little practical importance. In his robust judgment he felt that in the conditions in Bengal, the Ruling Power could not be called the "proprietor". The raiyat, as he found him possessed so very poor privileges, were subject to so many limitations regarding disposal or user of the lands held by them, [2]while the zamindars were the party who had the privilege and responsibility of disposing of the abandoned holdings and the vast areas of uncultivated and untenanted lands in their respective jurisdictions, he took the view that of the two, if any were to be called the proprietor, he was the zamindar. It is a truism that in law, no man can be the absolute owner of lands: he can only hold an "estate" in them, i.e., a quan-

[1]Apart from the fact that the raiyat could not sell or even change the species of crop at his free will, neither the Hindu nor the Muhammadan codes conceived the cultivator as concerned with anything beyond tilling the soil. The conception of land as meaning all things down to the centre of the earth (including mines and minerals) was unknown, and user of land by the "tiller of the soil" for purposes other than agriculture was not contemplated.

tity of interests in the lands very much controlled not only by the nature of the property being immovable and indestructible, but also by the existence of the interests of many others[1]: or as Mr. Justice Field has observed, "no one ever did or can own" land in any country in the sense of absolute ownership—such ownership as a man may have in movable property, for example a cow or a sheep which may be stolen, killed or eaten, or a table or a chair which may be broken up and burnt". No such absolute ownership was or could possibly be conceived by the authors of the Proclamation of 1793 which recognised the zamindars to be the "proprietors of land". The Courts of Law have thus felt no difficulty (see the Great Rent Case of 1865, *per* Macpherson J., Campbell J., and Seton-Karr J.) in understanding the import of the "proprietary right" as recognised in the Proclamation though it was of the nature of "limited ownership" and could not be exactly reconciled with the "ownership" of English landlord.

Later critics—other grounds: The King not the owner of land.

50. Later critics who have approached the question in other lines have generally agreed that the Sovereign could not claim the ownership of land whether under the Hindu codes or under the law established during the Muhammedan period. Keeping aside the question whether Manu's code at all applied to Bangadesh, that code put the king's levy on the profits from land in the same category as his levies on industrial produce such as gems, gold, silver, utensils and profits from trade. It was of the nature of a tax, or as Jajnavalkya calls it "rajyapalana betanam", i.e., for meeting the expenses of Government.

The law as established during the Muhammadan period.

When the Muhammadans conquered Hindusthan, in theory all rights vested in the conqueror, but in practice, and as a measure of expediency, they did not, as will have appeared from the previous discussions, disturb the existing institutions which had developed in different ways in different provinces. Legal theorists easily found a solution from the precedent in the concession for the Suwaud of Iraq, Syria and Egypt. According to Hidaya—"the land of the Suwaud is the property of those who live in it * * * * because the Imam when he has conquered a country by force of arms, may confirm the people in possession of it and may impose upon the people a tax or tribute, after which the land remains the property of the people". Galloway in his Law and Constitution of India, states—"India was brought under the

[1]Williams—"Law of Real Property," Markby in his Elements of Law has explained how it is impossible to define "ownership" with reference to "land", and has referred to unsatisfactory attempts made by German, French and American jurists. Ownership in real property may be conceived as the "home" of all rights where, if any of these, as a detached right, lapse it would come back.

principle or law of settlement of land of the Suwaud of Iraq, because the people paid the jijeeat or capitation tax and consented to pay the khiraj". However explained, the fact remained, as Col. Briggs has observed, that the Muhammedans saw the policy of not disturbing existing institutions: they assessed all districts at a certain sum, and required the *des adhikars* whom they subsequently entitled zamindars, to levy the amount from the respective villages or towns under their charge. So far as Subah Bengal was concerned, we will see later that when any land was taken out from the zamindars for conferment on a jagirdar an yearly allowance out of the profits of the jagir called malikana was provided for, and sometimes the lands were actually purchased from the zamindars.

Zamindar and the raiyat.

51. So far, therefore, as the Ruling Power was concerned the position was that the land belonged to the subject, and the king was entitled only to levy a tax for his revenue. But who was this subject in Bengal,—the zamindar or the raiyat? The disquisitions on this question have led to very learned studies as to the origin of rights in land, when in some primitive time all lands were *res nullius*, open to any one to go over and till and then retain, so long as he could by force. Manu's code (supposed to be written about 1000 B.C.) has a verse which states that cultivated land is the "property of him who cut away the wood or who cleared and tilled it". Taking the instance of Kalaketu (para. 36 *ante*),—who was this man?—Kalaketu who drove away the beasts of the forest, or the barunias who cut away the woods, or the cultivators whom he invited with offers of golden ear-rings or the zamindar in whose allotted estate the forest lay?[1]

Theory of *res nullius* and first occupation.

Assuming that the person who first brought under plough a particular patch of ground, then nobody's property, in some bygone time, thus acquired absolute right in it which then descended to his son, grandson, great-grandson and so forth, would any of the present cultivator be able to satisfy this test?[2]

Such progeny must have long passed into the landlord class. It is idle to go into those theoretical discussions. Lands had

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[1] I would not digress to explain that the accounts of migration in Rigveda or in Manu or of settlement of new lands in Kautilya, did not represent the conditions in Bengal. Bangadesh, separated as it was by the 27,000 sq. miles of the hills and plateaus of the Kolharian tribes of Chota Nagpur and the Sonthal Parganas, had developed its institutions quite on different lines, as the Sindh areas on the lower Indus, the Dravidians in southern India, or the Kols and Sudras. It has till now retained its distinctive features as much in its language, thoughts, forms of worship, etc., as in, what is more pertinent, its conception of property rights as expounded in the Bengal School of Hindu Law.

[2] Taking the theory that "land belongs to him who tills it" literally, the real owner would be the actual cultivator, i.e., the under-raiyat of the lowest degree or perhaps even the cultivating labourer as the bargadar. The conception of *jus re aliena* would vanish.

ceased to be *res mullius* or nobody's property centuries ago, long before the English or the Pathans came. Societies had organised into kingships, and lands had been allotted (confining to Bengal conditions for the moment) to the jurisdiction of various chiefs. The least rights recognised in them were reclaiming either by themselves or by induction of tenants on soils which were still virgin, or had been abandoned by their previous cultivators. This process in Bengal was not an easy matter. The whole of the deltaic area between the rivers Padma and Bhagirathi (or perhaps up to the old course of the Damodar) was, as has been observed before, dense forest intersected by wide and violent rivers or the estauaries of the Bay, with ferocious animals on land and sharks and crocodiles in the saline water. It needed organisation by persons who could command men and money.[1] This was not in the pre-historic times of "*res nullius*", but within the comparatively recent history when societies and kingships had already been well-formed in Bangadesh. The zamindari system has thus been as observed by Baden-Powell, a special feature in the very early development of the land system in Bengal.

Special features of deltaic Bengal.

52. The position of the zamindar was fully analysed by Shore in his very able Minute of 2nd April 1788, recorded in the Proceedings of the Revenue Department of that date. He commenced his Minute by a reference to the division of Bengal—during the Hindu period, into numerous properties of Rajas and how these were not disturbed during the Pathan regime. The change effected by Todar Mal's settlement did not, in his opinion, "destroy the right of property in the soil, although it greatly reduced the interest of the proprietors in it", because it fixed the Sovereign's share at a definite proportion of the gross produce. In one very material respect was Akbar's plan modified in its application in Bengal. There were no officers of the State in Bengal corresponding to Amils, in the code of Akbar, and Shore observed—"He (Akbar) left with the zamindars the management of their land" —only stipulating with them what revenue they were to pay. Shore could find no mention of nankar lands, supposed to have been meant to cover the zamindar's profit, in the account of Todar Mal's proceedings. The zamindar's resources, were thus from the rents he derived from the tenants, improvements of cultivation, and new settlements of land, which often were called his "hidden resources". Jaffar Khan (Murshid Kuli Khan) in his drastic

Shore's Minute of 2nd April 1788.

[1]Many ancient families of landholders have their traditions how some ancestor of theirs had fought with beasts, cleared jungles and built embankments for reclamation of these areas. The suffix 'al' in Bengal, means "embankment", and according to Abul Fazl (1603), these embankments were then usually 20 cubits in breadth and 10 cubits in height.

attempts did not, Shore commented, "annul their (the zamindar's) right of inheritance and that he (Jaffar Khan) considered the zamindars to have a property in the soil": and that during the 25 years of administration by the English they had constantly admitted that the zamindars were the proprietors of the soil.

53. The main arguments put forward against the zamindar's claim were from the terms of the zamindari sanads of grants. These arguments were that a sanad proved that it was essential that there should be an investiture: that the zamindari was expressly called in it a service: that an acknowledgment was constantly paid to the Sovereign previous to an investiture: that security for personal appearance of the zamindar was demanded: and that all these were inconsistent with right of property and with the constitution of the Moghul Empire which fixed a share of the gross produce of the soil as its revenue. Shore commented that "although the avowed principle of the Moghul Government limits the value of the landed property, and makes it dependent on the equity and humanity of the Sovereign, it is not incompatible with its existence and goes no further than to establish the right of the State to a proportion of the rents of all land". The inheritable quality of zamindari tenure, he said, was ascertained by the laws of usage and prescription, which he added, were admitted in all countries as legal and indefeasible where they were derived from any principle of natural right or were conformable to right reason. He distinguished this position from that of a Cronia or Aumil in other provinces, which were offices and did not succeed by inheritance. That the term "service" was used in the sanad, he said, proved nothing; for "property may depend upon services, or service, in the course of time, by usage, be converted into property and inheritance". The acknowledgment on investiture, he said, was rather a proof of this, unless it was deemed an exaction.[1] In any case it was only from the bigger zamindars that this investiture and nazar were demanded, and the smaller ones were left undisturbed. "In a country subject to frequent disturbances", Shore continued to observe, "and revolutions, in which the zamindars so often took part against the established Government, the propriety as well as necessity of personal obligation, by which one became bound for the atten-

[1]An interesting instance of what happened when the peskhush and nazaranah for a renewal of *sanad* or succession by inheritance was not paid, is given in Patton's Asiatic Monarchies (pages 177-78). The succeeding zemindar was not allowed to sign the public accounts, and year after year his revenue remained unpaid. The dues thus swelled and eventually only as much of these as could be exacted was realised. Shore in another place observes that these investitures or sanads were often considered a mark of honour for the recipient.

dance and good behaviour is obvious", and that this did not authorise an inference to the prejudice of zamindari property.[1]

54. But the strongest arguments of Shore were perhaps where he referred to the practice of malikana allowance, transfers by sale or otherwise of zamindaris, creation of taluks or dependent tenures—(also transferable and heritable)—by the zamindars, and actual purchases by the Government when a jagir was granted out of a zamindari. Malikana was an allowance (usually 10 per cent. of the assets) which was granted to the zamindar as a sort of pension not only when temporary management was taken over for default in revenue, but also when any land was taken out for a jagir or altamga to an official of the State. Sometimes, Shore says, lands were actually purchased from the zamindars for such transference. The terms "malikana", continued Shore "was a very expressive term, which may be rendered the right of proprietorship", and "when it is considered that the altamga grant has no reserve or limitation, and that the persons who acquired by it the possession of land in perpetuity, had generally very considerable interest at Court, it may be reasonably supposed that they would not have relinquished any part of their Sovereign's donation except in compliance with an acknowledged right".

55. For further proof of clear recognition of a property right of the zamindar, Shore refers in his Minute also to be practice of the Moghul Government to sell zamindaris for the discharge of the arrears of Government revenue, and to the records of such sales.

56. Shore referred to the Institutes of Timur, which avowed that the Sovereign was the sole proprietor of the soil, and observed that it was highly probable that the principle was modified in actual application: that is to say in exigencies and circumstances as were later found in Bengal. The zamindars in Bengal, Shore observed in the same Minute, were not the creation of the Moghuls they were there from before the regime of the previous Muhammadan Rulers (Pathans), and in Akbar's time they were "numerous, rich and powerful". "From this circumstance, as well as other collateral considerations," continued Shore "there is reason to suppose that the new invaders, who claimed the revenues of the country, from motives of policy and humanity, employed

[1]Otherwise Shore doubted whether the practice or sanad for renewal was at all the practice. He could trace no account of the zamindari sanad to the reign of Akbar except one, the authority of which, he felt, was doubtful. He named a number of zamindars who had succeeded without any sannad,—Mukund Ram and Ramkrishna holding two divisions of the zamindari of Mohamed Aminpur, Narendra Narayan and Mod Narain holding Luskerpur, the zamindars of Kankjol, Pargana Muldevar, Pargana Chandordeep, Homnabed, Edelpore, Kismat Pargana Hougla, Pargana Ateah, Pargana Kharganj, Pargana Mehlind.

the ancient possessors of land as their agents for the collection of the taxes of the State, superadding the jurisdiction exercised by the Collectors of revenue in their own system of finance.[1]

57. Shore's discourse on this subject was so thorough, that though at places it read like special pleading, it was entirely convincing to the authorities of the time: and whatever halting views the Court of Directors had (*vide* their Despatch, dated 12th April 1786), were gone. It was thus that, quite apart from any question of policy, the zamindars were recognised as the actual proprietors of the land, the raiyats were their tenants, and the Ruling Power was entitled to assess such revenue as it considered proper consistently with the capacity of the raiyat. The articles of the Proclamation of 1793 were prepared accordingly: and in a later case as early as 1828, the Privy Council (Lord Chancellor) observed: —

"I think it is impossible to read these articles which were prepared obviously with great caution and consideration by persons well-acquainted with the subject, and possessing every means of obtaining most accurate information on it, and as far back as 1793, without coming to the conclusion that the zamindars and talukdars were owners of the soil.' Freeman *vs.* Fairlie (1828), 1. M. I. A. 305 (at page 341).

The unnamed author of the admirable book—"The Zamindary Settlement of Bengal" (1879), cites extensive references on this subject: most of which are covered by the observations already made. But there is one remark by Galloway in his "Law and Constitution of India", 1825, and another by Patton in his Ancient Monarchies which appear to be unsupportable in facts, and require explaining.

Galloway adverts to a statement in Ain-i-Akbari that the husbandmen in Bengal, who were very obedient, used to bring mohurs and rupees to the places appointed for the receipt of the revenue, and concludes from this that "it was a matter of undoubted history that there was no such thing as a great zamindar either in Bengal or Bihar". But the facts of history are otherwise. The zamindars of Krishnagar, Chanchra, Naldanga, Kus-

[1]The list of "officers" in Ain-i-Akbari does not include the "zamindar" and this, Shore pointed out in his note to the Minute, was significant. In the original Ain-i-Akbari Shore found frequent mention of the term "Bomee" with reference to the zemindar, which he interprets as equivalent to the Persian term which meant "possessing the soil". It was probably the same as "Bhuiya" or "Bhumia" of Bengal. Harington mentions that the term "Buzbuzgur" used with reference to a zamindar who was disobedient, and says that "Buzurgur" in Persian denoted generally a landholder or husbandman. "Aumilguzar" was the "office" of the Collector of revenue and meant an "officer" of the State. There was no "aumilguzar", but his function was superadded to the "zamindar".

daha and other places who helped Man Singh, existed before the Moghul conquest, and continued as great zamindars afterwards. There were also other similar zamindars who had so sternly resisted the Moghul. It is true that many zamindaris, large and small, sprang up after the conquest: but these were only by divisions of the lands of the Bhuiyas and other great zamindars who had resisted the Moghul, and were eventually crushed. The history of the consolidation of the zamindaris of Burdwan at a later period of Moghul Rule was also a history of subjugation or consolidation of smaller zamindaris or principalities by the ancestor of the present Raj-family.—Abu Roy. The ancient Rajas and Rajanyas in Bengal and their subordinate landholders formed undoubtedly the nucleus of the institution which during the Muhammadan regime was given the Persian name zamindari. The landlord was called the "Raja", and even to-day in Bengal, the relationship of landlord and tenant is called raja-praja-sambandha.

Patton dwells on the dispossessions of zamindars by Jaffar Khan (Murshed Kuli Khan) during Aurangzeb's reign, and takes it as indicating that they were not recognised as having any stable property right in the lands. How far Murshed Kuli Khan's attempts were induced by political motives in those troubled days we do not know definitely. But as pointed out by Shore these were confined to cases of default in payment of the revenue, and perhaps were of a temporary nature, for in some cases, as he found, the malikana allowance was continued. But Murshed Kuli Khan's attempt to assert a previously unknown power of the Sovereign,—was a failure, and the zamindars had to be restored within three years.

The author of the Zamindary Settlement, also mentions Colebrooke's Supplement (p. 190), where it is stated that in 1772 the Court of Directors wanted to exercise authority to dismiss zamindars as well as the Nazim Nawab Muhammad Reza Khan. This, in the first place, gives no precedent of what the constitutional practice was during the Moghul period: and in the second place the fact remains that the zamindars were not dismissed and the Directors had very soon (1775) to withdraw their orders regarding the zamindars. This recession of the Order of 1772 only indicates that that order was issued under a misconception.

Confusion of thought on the analogy of Sir Thomas Munro's exposition of Madras polygars.

58. All these later critics were apparently much influenced by Sir Thomas Munro's exposition of the polygars in central and southern Madras. But they overlooked that India was a continent, in which widely divergent manners and systems existed and had developed in different parts in different ways. Though all these bore some mark of the influence of ancient Aryan thought and

culture, the frameworks remained in tact. It was particularly so in the land system. The Muhammadans did not break these frameworks, though at places there were what Baden-Powell calls compromises, adaptations or super-impositions. Bangadesh—the delta of the Ganges and the Brahmaputra,—was forbidden land (akin to mlechas) of the proud Aryans in central Aryabarta. It developed its own earlier traditions,—not only in language, thought, societies and forms of religious worship, but what is more pertinent, also in its conception of property right (the Bengal School of Hindu Law) and in pursuits for trade and commerce which its physical situation afforded, and for which it has been noted from the earliest historical time. Its land system also developed on the lines of local exigencies and conveniences. Geographically, it was detached from Northern India by 27,000 square miles of the rugged hills and plateaus of Chota Nagpur, inhabited by a distinct race—the Kolharians with their indigenous institutions which are not yet extinct.

Detached situation of Bengal.

Existing land systems generally recognised:—

59. The truth about these diversities in different parts of India, has been brought out by Baden-Powell in his admirable comparative study of the Land Systems in British India (3 vols. 1892), and will be apparent to any cursory reader: and it may be said at once that it was never overlooked by the British administrators, when they adopted their revenue systems in different provinces. They never treated any country as "without a past": and even in Oudh where the estates of talukdars where confiscated (Proclamation 1858) on the Sepoy Mutiny, these were almost entirely restored to them, and the previous land system was continued.

(I) Oudh talukdary system.

(II) The Northern Circars.

In the Madras Presidency, the northern part (called Northern Circars) which extended to the south almost as far as the Godavari river, was obtained from the Emperor at Delhi, in 1765, but only nominally, because the Emperor had then little control over this area. It was obtained by the British later in 1768, from the Nizam of Deccan: and then they found that excepting certain lands called haveli which were reserved for the royal family, the rest were held by zamindars, much in the same manner as in Bengal. The same plan was adopted here.

(III) The N. W. Provinces.

The northern provinces of India had suffered the greatest disturbances from constant political changes and raids such as those by the Scythians in the 2nd century, the Ephathalities in the 5th century, the Muhammadans before they settled down as rulers, and even as late as 1740 by the terrible Nadir Shah. In the midst of apparent diversities in the different parts, when the British obtained (1801-1813) the territory then called the North Western Pro-

vinces, they found that generally a landlord system existed, though in various names as rajas, talukdars, malguzars, lambardars or mustajirs. This general system was recognised, and the main point of difference from Bengal, was that the land revenue was not fixed in perpetuity (Regulation VII of 1822 and Regulation IX of 1833).

(IV) The Punjab.

In the Punjab, during Maharaja Ranjit Singh's time, a good part was reserved as Crown property: but the rest were distributed amongst Muhammadans and Sikh chiefs who had their subordinate chiefs—all linked up in a sort of feudal chain. The British obtained the territory during 1846-49, and, to state generally, except for the areas of Crown wastes, the system is being continued with assessment of 50 per cent. of the rental assets of the landlords.

(V) The Central Provinces.

The Central Provinces (keeping Berar separate) came under British administration by stages during the long period 1818 to 1860, the bulk, however, being obtained in 1818 by the treaty with the Peshwa and by the cession from the Bhonsla king Appaji. When constituted a separate administration in 1861-62, it was as stated by Mr. (Sir Bamfylde) Fuller—"a veritable territorial puzzle" with circumstances differing widely from tract to tract. The Nagpur portion was the centre of the great Maharatta confederacy: the Nimar part was included in one of the Muhammadan Deccan kingdoms: the central part bore affinities with the "landlord" village communities of the Rajputs: Sambalpore had influences of Ondra or Oriyas: and the remaining districts had the system of estate holders and quasi feudal chiefs of the Gond kingdoms. Escheats or conquests brought large tracts as Crown lands: but in the rest the local chiefs or estate holders, were absorbed in the general landlord system recognised in the temporary settlements which now generally go by the name of "Saharanpur method".

(VI) Madras.

In the part of the Madras Presidency, south of the Northern Circars, there were first the jagir (khas zamindaris) obtained from the Nawab of Carnatic and Emperor Shah Alam during 1750 to 1763 A.D. Then there was the remaining area with the peculiar system of village polygar: all quarrelling and fighting amongst themselves. These fightings came to be notorious as disgraceful "polygar wars". But though usurping some functions which might be compared with those of Bengal zamindars, "they were for the most part", writes Baden-Powell, "no zamindars properly so called". Such of them as were really of local weight and standing and could be called landlords, were recognised with perpetual ownership, and their estates are till to-day called "settled polliams". But for the rest they were a source of constant trouble,

and the authorities had to suppress them altogether. Sir Thomas Munro wrote: "the country is over-run with polygars. I am trying with the help of Dugald Campbell, General of Divisions here, to ged rid of as many as possible: but it will take some campaigns to clear them out." This was how the raiyatwari system in Madras originated.

(VII) Bombay. Surat, Bharoch and Kaira were acquired from the Nawab of Surat and the Gaekwar of Baroda (as a result of the Maharatta war) during 1800 to 1805. Bulk of the rest was acquired after the war in 1818. Part of Belgaon was obtained by cession in 1818, and the rest was acquired from the Raja of Kolhapur in 1827. Satara was obtained by the deposition of the Raja in 1837. Some tracts of Poona and elsewhere were obtained by treaty with the Scindia in 1860. North Canara was previously part of Madras: and was transferred to Bombay in 1862. The nature and process of the acquisition of territories in Bombay, gave a peculiar development to its administration. But although, so diverse,—no system allied to zamindars, writes Baden-Powell, ever existed whether during the Hindu times or during Maharatta domination. The Hindu model—as in Manu—was however adopted to a very great extent, and the system of village headman and assessment by villages prevailed. Emperor Shah Jehan (1637 A.D.) introduced Akbar's raiyatwari system, which could easily be adapted to this system and Murshed Kuli Khan was employed on this task. When the Maharattas came into power, they continued the system, but with a new "kamal" assessment field by field, based on a classification of soils, with rates for dry crops at Re. 1 and Rs. 1-8 per bigha. It was thus natural with the British administrators to continue here the raiyatwari plan of Madras, when they made the first settlement in 1824-28.

(VIII) Berar. The administration of Berar is now governed by the treaty of 1936 with the Nizam. But when under the treaties of 1853 and 1860 the country was under the exclusive management of the British Government, there was first an attempt to make village settlement on the N. W. Provinces (or the Central Provinces) model: but the conditions were so much allied to those of Bombay, that eventually raiyatwari method was adopted.[1]

(IX) Sind. A system allied to Bengal zamindars had developed in Sind with the conquering chiefs (Jats and Rajputs)—"each ruling a

[1]It may be noted that this raiyatwari settlement in Berar or in Bombay, does not mean that the raiyat must be the actual cultivator. All that he is liable is to pay the assessed rent; and as this rent is high, he has little scope to sub-let on money rent. But the raiyat may and does often make over land to a cultivator on "batai" or metaiyer or division of the gross produce.

certain area of country, being often in a sort of feudal subordination to some greater Raja of the tribe, or in later times, paying tribute for retaining their possession under a conqueror" (Baden-Powell, Vol. III, 326). Gradually, privileged under-tenures also developed. But cultivation in Sind depends peculiarly on situation near a river or canal: while these chiefs or zamindars—already with small territories,—rapidly got divided up, with no more than a village or part of a village each. But still there were some who were zamindars in the proper sense: and in the first British settlement of Upper Sind, "where the zamindari right was clear, the settlement of the whole was offered: but the zamindar could not afford to pay assessment on the whole, and the offer was unfortunately declined, * * in 1875 the zamindars were offered leases of tracts including a certain portion of waste on general reduction of assessment (about 30 per cent.) but even this did not prove sufficiently attractive. They preferred to pay on what is called the "new system".—Baden-Powell, Vol. III, pp 330-31. This gives the origin of the direct system in Sind.

(X) Assam.

The district of Goalpara and parts of Sylhet and Cachar were permanently settled along with Bengal. The Assam Valley and the hill districts in the centre of the province and also on the frontiers, present special features. The Ahom rulers claimed not only the soil but also the subjects as the king's property: and there was the practice not only of paying a land tax but also of personal service as labourer or otherwise. The nature of the country did not allow continuous cultivation, and the practice of fluctuating cultivation (jhum) presented another peculiar aspect. There was, however, a heirarchy of hereditary nobles and officials bearing titles as Phukan, Borwa, Bissoya, etc., who held lands: and where there were "landholders" in this way or otherwise, they were recognised: *see* Regulation I of 1886. But there were also good many as lakherajdars or nisf-lakherajdars. Excepting these the system adopted is essentially raiyatwari, though there may be leases under the Waste Land Rules.

60. I have given the above rapid sketch just to explain that the frameworks of the indigenous systems were maintained as far as possible everywhere, not only by the British administrators but also by Muhammadan rulers. The landlord system which we have in Bengal is not an exception: and it is a mistake to suppose that the zamindar is a creation of the British Government, or that he was a creation of the Moghuls or the Pathans. The term "raja" has often been confused with "king" as sovereign power. "Raja" also means a landlord, and in Bengal, as I have already stated, the relationship of landlord and tenant is still called "raja praja sambandha".

Revisions of settlement during Moghul time, moderate and at long intervals.

61. Lord Cornwallis' settlement fixed the land revenue demand of the State, permanently. I have explained in the beginning,—that from the financial point of view as between the State and the zamindar, it was a quite good business proposition in the circumstances of the time, though I would not belittle the other noble sentiments which actuated that measure. But judging from the history of the best period of Moghul Rule, it was not perhaps such a drastic innovation as may appear from modern ideas of State finance. The first settlement of Todar Mal in 1582 A.D. was for—

	Rs. lakhs.
Zamindari (khalsa)	63·4
Jagir	43·5
Total	106·9

It was not till 76 years later, viz., in 1658 A.D., that the next revision was made:—

	Rs. lakhs.
Previous zamindari territory	73·3
New territories	14·4
Jagirs	43·5
Total	131·2

The increase in the previous zamindari assessment was by Rs. 9·9 lakhs, or about 15½ per cent., after 76 years.

There was no revision for the next 67 years: after which Murshid Kuli Khan (1725), whatever his method, raised the previous zamindari assessment of Rs. 87·7 lakhs to Rs. 99·4 lakhs or an increase of Rs. 11·7 lakhs (about 13½ per cent.), after this long period.

The subsequent Subahdars, till 1762, never attempted a regular revision: but adopted irregular methods of subahdary abwabs with the ostensible object of meeting emergencies: like what is done for instance in times of war. If these be ignored, there was no revision till that made 38 years after Murshid Kuli Khan, by Cossim Ali who was made Nawab in 1763. It was thus rather during the first 25 years of the Company's administration that innovations of quinquennial and annual settlements were introduced.

62. But ignoring the period of disorder and experiments from 1725 to 1788, the net position was as below:— Summary.

Years.	Assessment.	Period intervening.	Percentage of enhancement.
1582 A. D.	106. 9 lakhs	..	.
1658 A. D.	131. 2 ,,	76 years	15½ per cent.
1725 A. D.	142. 9 ,,	67 ,,	13½ ,, ,,
1790 A. D.	268 ,,	65 ,,	90 ,, ,,

And this 90 per cent. was obtained in spite of the fact that immediately before, over one-third of the population had been swept away by famines and pestilence and about a third of the cultivable area had been reduced to waste and jungle. I will not revert to what I have explained already, that this was an assessment on prospective basis, with two assurances, *one*, that no portion of the increased rental from the untenanted waste lands would be claimed by the State: the *other*, that the revenue assessed was fixed for ever. If it be right that Lord Cornwallis should have at that time submitted to a reduction of the assessment by over half a crore at least, then only it may be said that he made an error. But it could not be that: and the measures which he took to protect the tenantry, threw all the risks on the zamindars and they suffered heavily for at least 20 or 25 years. Lord Cornwallis did not overlook that after this period of trial was over, there would be increased profits to the landlords from rent, and to the raiyats from the rise in the values of their produce. If it be right that measures which would tend to accumulation of wealth with individuals (whether landlords or raiyats), rather than increase in the State revenue from land, and thus accelerate the growth of the country's prosperity and consolidation of the British power in India, were wise at the time and laudable,—he must be given the fullest credit for what India, particularly Bengal, is to-day. I will try briefly to elucidate this object of the authors of the Settlement of 1793.

63. One avowed object of the Permanent Settlement was that, although there would be immediate hardships on the zamindars they, as well as tenants down to the cultivator, would, in course of time, acquire a real and substantial value of their interests in land: a consummation which—as at that time believed (it is true for all times)—would form the surest foundation of the wealth and prosperity of the people, so far as it could be laid on land. It may be said unhesitatingly that this object has been amply fulfilled. The statistics gathered in 1929 show that barring exceptional cases of high value, mokarari tenures are ordinarily sold at 25 to 30 times the annual rental profit, and where large areas are khas of the tenureholder, the year's purchase is higher. Private sales of

Object of giving a real value to landed property—amply fulfilled.

zamindar's estates during 1927-28 in the district of Dacca (excluding the high sales which were probably for town lands), gave ten years' purchase. A measure of the value of an ordinary raiyati holding may be had from the net annual value which I have estimated at Rs. 24 per acre average (para. 25). This should give a market value of Rs. 480 to 600 per acre (at 20 to 25 years' purchase) when sold to another raiyat who would cultivate himself. It will be lower when sold to a person who would think of deriving an annual value only by letting out to tenants. The variations in the price actually derived will depend on circumstances such as availability of persons able and willing to buy in the locality. It would be interesting if satistics could be obtained of what the raiyats in other provinces get by sale or mortgage where the raiyatwari or temporary settlements prevail. Surely with a rent of one-fourth or even one-fifth of the gross produce (subject again to sure increase at regular intervals) which leaves no more than Rs. 15 or Rs. 16 per acre as the net annual value, market value to the raiyat must be only about half of that in the permanently settled areas in Bengal, if not less.

Greater staying power of the Bengal raiyat in times of distress.

64. This property value with the raiyat, gives him a definite steadying power in times of scarcity or other distress. He finds it easier to raise money on its security, while with the higher margin he has from the produce, he can make up when the scarcity is over. It relieves the State from that worry and financial assistance, which is a constant anxiety in raiyatwari and mahalwari provinces. This aspect of the question has been so fully explained in the well-known open letters of Mr. R. C. Dutt to Lord Curzon in 1900 and 1901, that I need not repeat the details of facts and figures given by Mr. Dutt. Lord Curzon's Government announced a general policy of adopting the Saharanpur rule of "50 per cent. of the assets" in the case of landholders with whom Government would make temporary settlements: but with regard to the raiyats, the sentiments expressed were vague and unsatisfactory. But they cannot be blamed for this, because the statistics furnished to them were generally inaccurate. For instance, it was reported from Bengal that the raiyat's rent here was one-fifth of the gross produce or little less than that: while we know to-day that it is one-fourteenth to one-sixteenth of the gross produce. The rule which the Government of India indicated in 1902 was, to state generally, that the raiyat's rent should approximate half the net value of the yearly produce: i.e., value after deducting cost of production.

Rule of half the net produce —how it would operate in Bengal?

If this were followed in Bengal, the raiyat's average incidence of rent should rise from the present Rs. 3 per acre to Rs. 10 or Rs. 12. The Taxation Inquiry Committee's recommendation is that this rent should be on a comparatively low standard of one-fourth of

the "annual value": and by "annual value" they meant "the gross produce less cost of production, including the value of the labour actually expended by the farmer and his family, and the return for enterprise." Taking this at half, the Taxation Inquiry Committee's recommendations give a rate of one-eighth of the gross produce.

65. The Taxation Inquiry Committee's view is that in the conditions here both the zamindars and the raiyats are possessors of property right subject to the payment of land revenue: or in other words, as Baden-Powell has observed, land is as if hypothecated to the State as security for the land revenue assessed on it, and by way of that for the rent of the raiyat from which this land revenue comes. There is no use going into the abstract discussion whether in such circumstances, this levy is a tax or rent: it is only, as the same writer observes, a "profitless war of words". But as the question of what ought to be the proper measure of the "rent" which the raiyat may be expected to pay, and for the enlightenment of those who think that the raiyat's distress in Bengal is due to the rent he pays, it will be well to examine how assessment is made in provinces where other systems prevail. I am taking figures from the "Land Revenue Policy of the Indian Government" published in 1902: but since then rents must have gone up further.

What is the proper rent of a raiyat?

66. *First*, with regard to raiyatwari areas:—

(*i*) *Madras*:—In the raiyatwari area, the rent is assessed at half the cultivator's price (this is about 25 per cent. less than the trader's price) after deducting from it certain percentages for vicissitudes of the season and expenses of cultivating. The cultivator's price is supposed to be taken on an average of 20 non-famine years. The proportion of deduction varies according to circumstances, and apparently much depends on the personal equation of the Revenue Officer. However, the assessment at the first settlement of 1805 gave averages of as much as Rs. 11-1, Rs. 3-10, and Rs. 21-9 per acre for wet, dry and garden lands in the Southern Division, and Rs. 15-3, Rs. 3-12 and Rs. 18-9 in the Northern Division. The rates were, however, moderated later, and still the result in 1900 was Rs. 4-15-2 per acre for wet and one-half extra for a second crop, i.e., a rate of Rs. 7-2-9 per acre for dofasli lands. (Madras Board of Revenues' letter of 6th December 1900 appended in the Land Revenue Policy.) Yet, the money value of the gross produce of the first sort of land then was no more than Rs. 33-12 per acre.

Raiyatwari area of Madras.

(*ii*) *Bombay*:—The background in the raiyatwari areas here was the high assessment of the Maharatta time—at half the gross

Raiyatwari area of Bombay.

produce. Section 107 of the Bombay Revenue Code of 1886, laid down:—"In revising assessments of land revenue regard shall be had to the value of land and, in the case of land used for the purpose of agriculture, the profits of agriculture."

The increased profits from the improvements at the expense of the tenant were to be excluded. There was or is no rule of proportion to the gross or net produce as in Madras. The materials relevant for consideration were prices which the miras tenant got by sub-letting and so forth. The Bombay Government reported in 1901 that, to state generally, this incidence of rent did not exceed one-sixth of the average gross produce of a series of years. In the highly assessed parts of Broach, Kaira and Surat—it was as high as 20 per cent.: and in the poorer parts of the Deccan—5 to 7 per cent. of the value in a normal year which was equivalent to one-eighth or one-sixth of the average produce of a number of years.

Raiyatwari area of the Punjab.

(*iii*) *Punjab*:—Half the area of the Punjab is held by owners directly under Government. No particular fraction of the gross produce is prescribed as the limit of the owner's rent: but it is said that the incidence "nowhere exceeds one-fifth." (Punjab Settlement Commission's Report, dated the 30th November 1900 in the Land Revenue Policy."

Raiyats' rent in the temporarily settled areas in other provinces.

67. Next, with regard to the mahalwari or malguzari areas (equivalent to temporarily settled estates), the general principle is to take the actual rents paid by the raiyats and a valuation of the khas lands, and then to calculate the proportion (50 per cent.) for the Government revenue. But it would naturally be apprehended that there would be less restriction to the landlord's scope for enhancement of the raiyat's rents during the interval between two revisional settlements: and the Settlement Officer may even treat the actual rents as too low. For instance in the N. W. Provinces at one time the rental adopted "was not necessarily the actual rental, but an estimate of what the rental should be under proper management. If the Settlement Officer thought the rents too low, he assumed that the landlord could or should raise them, and assessed them on the supposition that they were raised to his standard." This rule has now been set aside and the Settlement Officer "does not, except in the case of gross fraud or negligence, go beyond the ascertainment of the rent actually paid". In the Punjab, however, the rule (as stated in the Land Revenue Policy) is that the basic rent is to be the rent paid by a tenant-at-will. The result of this would be that the rents of the other tenants would be levelled up by the landlord to those of the tenants-at-will. In the Central Provinces, the Settlement Officer takes account of such

immediate enhancement of the raiyat's rents as he deems reasonably possible, and estimates the real letting value by such tests and comparison as is possible for him. He then fixes his revenue on the assets so estimated. It will be illustrative to state that the revision of the 30 years' settlement made about 1898, gave an increase in the raiyat's rental from Rs. 52·23 lakhs to Rs. 75·17 lakhs or about 50 per cent. The incidence of the rents of the raiyats in these mahalwari areas, varies, it would seem, from one-half to one-fourth or one-fifth of the gross produce, and in the Central Provinces, in by far the greater portion, 14, 15 and 16 per cent.: in Nagpur—9 per cent. (Land Revenue Policy—pages 65, 66, 88, 75 and 121.)

Permanent Settlement leaves the Government more free to restrain the landlords.

68. A Permanent Settlement of the State demand, leaves the Government more free to restrain the landlords in the matter of the rent of the tenantry: at any rate will always carry the impression in the minds of the public that it does. It is unfortunate that for many years, till the direct assumption of Government by the Crown, a contrary view prevailed with the authorities, many of them were so much prejudiced against Lord Cornwallis' measure, that they thought that the Permanent Settlement had thrown up a stone-wall between the officials and the tenantry: and that so long as the revenue was safe they had nothing to do.

Have the zamindars failed to fulfil their part of the terms of the Permanent Settlement ?

69. So far as the zamindars are concerned it is impossible to say that they have not substantially fulfilled their part of the terms of Permanent Settlement. The first was that they must pay the land revenue punctually, without any excuse. It is however no credit to the zamindars that they have fulfilled this obligation: for, it was enforced by the rigorous Sale Law. Where they failed they lost their estates. The Government have at times allowed suspension or postponement of payments when there was distress, but it has only been a matter of leniency on their part.

Treatment with the tenantry :

70. As regards treatment with the tenantry, the Regulations categorically indicated how this should be: see paras. 18 and 47 *ante*. The history of the legislations regarding granting of patta does not show that the zamindars were obstructive. The main causes of the failure were, firstly, that the old tenants would not to take pattas: and, secondly, because the plan as it was framed could not succeed. At the last resort, the authorities had to stop by asking the zamindars to publish a table of pargana rates in the Collectorates. But the other and the more substantial part of the plan which it was open to the zamindars to do, was to fix the rents in specific sums consolidating the abwabs already imposed. This they did: and I am not aware of any record or reference in any of the Regulations that they neglected. It was on the other hand

(I) Granting of pattas.

a negligence on the part of the Company's Government not to have forthwith started an authoritative record of the tenant's rents and lands, when their patta plan gailed, in spite of the strong observations of the Directors so far back as 1815.

(II) Enhancement of rent.

It was enjoined that the zamindars were not to cancel pattas of khudkasht raiyats except on grounds of fraud or collusion or for adjustment of rent to area: and it was also enjoined that the rents of the new raiyats would be limited to the pargana rates established at the renewal of their leases. I am not aware that they, to state generally, violated these directions. On the other hand, in spite of the facilities afforded to them by the positive law in section 5 of Regulation XLIV of 1793 which laid down that all tenancies stood cancelled on the revenue sale of an estate (*see* para. 20 *ante*), and the wide scope given for levelling up rents till Act X of 1859, the fact remains that the incidence of the rent of the raiyats (including those created in all these years) averages no more than only 50 per cent. above that in 1793 A.D.: while prices alone, leaving apart other considerations, have risen over 6 times.

(III) Kists and accounts.

The zamindars were to fix kists according to the season: and this they have done, and to state generally, they have also been giving receipts for rent. Presumably, their employees were keeping generally correct accounts, for else the patwari plan with a corresponding duty of the Collectors to inspect accounts and bring wrong-doers to justice would not have been dropped.

(IV) Abwabs.

The only matter in respect of which the zamindar cannot escape blame, is exaction of abwabs. There was a good deal of outcry for many years, but it is curious that the authorities stood by all the time, and even when Act X of 1859 was passed, the penalty for realisation of abwabs was substantially reduced (compare section 10 of that Act with section 55 of Regulation VIII of 1793). Abwabs, however, have long ceased to be an "exaction", allowing that it cannot be expected that amongst half a million estates and three times as many tenures, there would not be some exceptions of impropriety in conduct. To a large extent these are of the nature of tips to the landlord's staff or bribes to gain a private end, or some facility in their business. On the other hand I am not aware that the landlords realise the charge of 4 annas for a receipt showing arrears, as is permitted by section 57 (2) of the Bengal Tenancy Act.

Voluntary resort to zamindars.

71. Yet it cannot be said that abwabs as nazarana or as fee for a settlement of dispute did not prevail at one time. The worst picture is given in "a zamindar's diary" in the Bakarganj Settlement Final Report of a time over 30 years ago. The raiyats flocked to the zamindar for settlement of their petty disputes, and

obtain a sort of rough and ready justice for which they paid a nazarana or dastur. To what extent this was a relic of the olden days—we need not enquire. But Mr. Beatson Bell put the question—"why did the raiyats come to the zamindar at all?" I would not go into the details of his answer: but only mention another part of this same anecdote, when, as Collector of the district, he had to meet the raiyats of an estate which had been taken under direct management. They said that they were all happy —but who was to settle their petty disputes?—they could not afford to go over a dozen rivers and khals and meet the expenses of the law courts. In the physical conditions of that district, even in his time, the machinery of the administration of justice, was not within the reach and means of the peasantry in a manner they needed. This difficulty was felt more keenly soon after the Regulations of Lord Cornwallis, when these functions of the zamindar were suddenly taken away. I need only mention here the recorded papers and enquiries which were made in the earlier part of the last century and from time to time later, about the inadequacy of the judicial machinery. The conditions have however materially eased off by the facilities of journeying which have developed throughout the country. But if these ways did continue for many years—(I do not justify the zamindar),—it reads rather surprising that the authorities took no measures to stop them: and they cannot altogether escape the charge of having been a contributory party.

Salami on transfer.

72. Another allied matter is salami on transfers. It is hardly a part of the terms of Permanent Settlement: the question did not arise at that time at all. No right of transfer by a raiyat was, as I have stated before, recognised in the earlier periods. It was not recognised in any of the Regulations. Even Act X of 1859 did not recognise it: and when there was a decree for arrears of rent it could be executed by seizure and sale of crops or other goods or the huts of the tenant, or by ejectment, i.e., the lands would not be sold. But by this time, with the changed conditions, raiyat had begun to have a real saleable value for his interest. By the time when the next Tenancy Bill came, it became a moot question. Judging from previous history, it was recognised that the landlord had the choice of his tenant, which of course meant a valuable consideration for recognition, call it salami or premium. It was thus that the option of a pre-emption right was introduced in the first Bill of 1883. This provision was dropped, but no right of transfer was recognised either, except where it oculd be proved by custom. The intentions of the Bill of 1883 were revived in 1928. By the amendment of 1938 the

raiyats have now full right of transfer and are not liable to pay any salami, only the purchaser has to give notice to the landlord, and the pre-emption provisions were taken out. In the view taken by the authorities as to the intention of previous laws and regulations (viz., that the landlord had a right in the choice of his tenants) the fact that the zamindars had for some time been realising a salami, as the price of recognition of a new tenant, cannot be said to have been any violation of the terms, express or implied, of the Permanent Settlement. On the other hand, the recognition of free right of transfer by the Act of 1938 has been a curtailment of the privileges of the landlord which the Permanent Settlement did not intend to curtail. I am not to be understood by this that I am opposed to this free right of transfer: on the other hand I think that it cannot be resisted—and in one sense it is necessary so as to ensure to the raiyat the full benefit of the value which his property has acquired in course of time. There was a half-way recognition in the Act of 1885, when sales were permitted in execution of decree for arrears of rent.

Choice of tenants generally.

73. On the question of choice of tenant generally, the Permanent Settlement Regulations did not contemplate any with regard to the then existing khudkasht raiyats except when by reason of fraud or collusion or the raiyat not agreeing to equalising the assessment of rent on a measurement, his patta would be cancelled [section 60 (2) of Regulation VIII of 1793]. For the untenanted land the zamindar had the full power to dispose of them in any manner he liked (section 52 of Regulation VIII of 1793), and of course the first tenant would be according to his choice. Later, the tenant might hold on by a renewal of his lease, if he agreed to pay at the rate established then (section 7 of Regulation IV of 1794): and if he did not so agree, the zamindar had the right to chose a new tenant. Again in both classes of tenants, the zamindar was given the option of choice when there was a sale of the estate for arrears of revenue (section 5 of Regulation XLIV of 1793). I have already explained how these powers of choice have been gradually curtailed by various legislation and finally by the Act of 1938.

Improvement of estates and good conduct towards tenantry.

74. The Proclamation of the Permanent Settlement, also mentions two matters generally, viz.—

(1) that it was expected that the proprietors would exert themselves in the cultivation of their lands (marginal note "to improve their estates"); and

(2) that they should conduct themselves with good faith and moderation towards their tenantry.

Regarding the latter it was explained that this was a matter of "moral duties at all times". It was only a general statement of a rule of conduct for any gentleman when dealing with any person. But as a legislation, the Regulations did not stop short with a mere platitude, but accompanied it with categorial mention of what this conduct should be (paras. 18 to 47 *ante*). From what I have already said, it is impossible to say that the zamindars have not generally treated the tenantry with good faith and moderation in the sense as elaborated by the various categorical provision in the Regulations.

Regarding the first, it was obivously more or less of the nature of an advice partly, and partly as an explanation why the State was not reserving any share of the fruits of extension of cultivation or of improvements by the exertions of the zamindar. If any zamindar did not act up to the advice, he simply lost the benefits, or perhaps his estate altogether. It was an additional "excitement", as Lord Cornwallis said, for what the zamindar would do for his "self-interest". It is difficult to apportion at this distance of time how much of the reclamations of waste and jungle was due to the zamindar's exertions, and how much to individual cultivator's enterprise. In the beginning the task was not easy. With one-third of the agricultural population swept away, it was difficult to find men to cultivate new lands. Attractive terms and low rents had to be offered (*see* Preamble to Regulation XLIV of 1793), and the old records show how "kidnapping" of raiyats by one zamindar from another zamindar's estate was common. In places these reclamations required men of enterprise and money, and I have already explained how many of the tenures in the 24-Parganas, old Jessore, Bakargunj and in the northern part of Bengal originated in this way. Most of the private embankments in the southern parts of the present Howrah district owe their origin in this way. The natural presumption would be that with the Government revenue pitched so high on them, the zamindars must have exerted their utmost to stabilise their finance: and where they failed, they lost their estates at revenue sales, and others more "industrious" took their place. Gradually, but not till after 40 or 50 years, the conditions changed, and the table was turned: and it is not unnatural that one should forget to-day what happened in the early fifties of the last century.

Landlord's part in economics.

75. But a question has been asked—what part have the landlords played in the economic development of the country since the Permanent Settlement? So far as the terms of that Settlement go, or even generally so far the question is one relating to the relation of landlord and tenant,—it will have appeared from what

has already been explained, that it cannot be said that the zamindars have failed in any grievous manner, to do what was required of them by the Permanent Settlement or what they could possibly do. It is to their credit that the zamindars as a class, have not made a selfish appropriation of the entire rental of the raiyats. A good portion of this rental is distributed amongst the tenure-holders and under-tenureholders, and goes towards the support of about four millions of the population (*see* paras. 39-41 *ante*). In the development of this middle class,—the intelligentsia of Bengal its leaders in culture, art and literature, and in as much of the trade and commerce for which they had a scope,—the zamindars cannot be said to have not been a contributory party.

Question of annulment or modification of the Permanent Settlement.

76. On the question of annulment or modification of the Permanent Settlement,—it will be a bad argument to say that it is justified by any default on the part of the zamindars. Even if they be thought as having failed in any respect, the obvious remedy is for the Government to take action to enforce compliance, and thus redeem what Government must then be taken to have neglected for so many years. But as I have said, I do not find in what material respect the zamindars have been guilty.

The constitutional aspect.

77. Any such question raises at the outset a "constitutional" point of importance. The foundation of every good Government is the confidence which the people have in its acts: particularly so where property and property rights have developed and people have parted with their monies on the faith of such acts. Many of the present day zamindars are purchasers who paid for their purchases in the belief of inviolability of the assurance of the Permanent Settlement: and many arrangements between the zamindars and the tenantry (such as patni, mokarari tenures, mokarari holdings) are founded on this assurance. Any Government which lightly upsets all these arrangements in which several millions of its subjects are concerned, cannot expect to have any confidence of the people in whatever act it may do now: and the result may be disastrous.

For whose benefit ? The raiyat or the State revenue?

78. I do not mean by this that an old order can never change, and that the State cannot fulfil itself in other and better ways: but the necessity of such a change must be clearly and definitely demonstrable. The most pertinent question which thus arises is —for whose benefit is this change to be made? For the raiyat's, or solely for increasing the revenues of the Government? It can well be envisaged that a change, whether by wiping out the landlord class, or making the revenue assessment enhancible from time to time, will not, so far as the burden of rent goes, benefit the raiyat. There are bound to be plans either for removing inequalities in the

Raiyat's burden of rent bound to be heavier.

incidence, or for fixing fair rates according to the theories of "rent" which may be accepted from time to time. In either case the burden will become heavier: and there will be no buffer between the State and the raiyat.

Expropriation without compensation is impossible.

79. Assuming that the zamindari system is abolished, I do not believe that it can be seriously argued that the landlords should go out without proper compensation. Such general expropriation was never thought of by the most autocratic monarch in India. It is repugnant to ideas of individual rights of property—whether ancient or modern, in this country. The Government of India Act does not recognise such expropriation, and even the Regulating Act of 1784 (24 Geo: III Cap. XXV) provided for redressing injuries which might have been done to the landholding classes during the experimental period of the Company's Dewani. The ruthless Soviet plan of expropriating the *kulaks* is not limitable: and it has to be remembered that once the devil is raised, it will continue its ravages. Its next turn will be, as has happened in Russia, the raiyats themselves,—first those who are well-to-do amongst them, and then *en bloc*: and then the *kolkhoj* with complete abandonment of individual rights in land,—all being labourers in a collective farming. I will not go into the merits or demerits of the idealism behind this movement: but will say simply that this country is not prepared for it, or even for being put into the path which may lead to it.

Logically, the theory should first apply to revenue-free lands.

Taken to its logical sequence, the first objective of the application of the theory would be the holder of revenue-free lands (we are scrapping all past promises). They have lesser claim to hold without payment of revenue than the zamindars at a fixed assessment. In the 14 districts I have mentioned before, there are over two million acres of such lands, and probably for the whole province their area is over three million acres.[1]

Incidence of land revenue varies in different districts.

80. Before proceeding to examine what would be a proper compensation for the landlords, it will be well to state that although 9 annas has been taken to be the average incidence of land revenue of the permanently settled estates per acre, this incidence varies considerably from district to district and amongst different estates in the same district. It is highest in Howrah, viz., Rs. 1-14-10, in Burdwan it is Rs. 1-7-3, in Chittagong Rs. 1-5-3, in 24-Parganas Rs. 1-2-4, and in Hooghly Rs. 1-0-10. These are what were the old ceded districts of 1760 A.D. In Tippera it is

[1] I include the rent-free tenures and rent-free holdings, the bulk of which may be presumed to be really revenue-free having been excluded from the Permanent Settlement assessment, but only left within the zamindaris because they were less than 50 bighas in one claim.

10 annas and in Noakhali annas 9-7. The incidence is lowest in the eastern districts:—Mymensingh annas 3-4, Dacca annas 4-4. In the central and northern districts the incidence varies from annas 5-4 to annas 7-9. In Murshidabad it is annas 12.

Estimate of compensation —(A) for the lands held by the raiyats.

81. For estimating a proper compensation for the landlords, it will be well first to take the total area of the permanently settled estates in two parts, viz., (*a*) the lands which are let out to raiyats now, and (*b*) the lands in the khas possession of the zamindars and tenureholders.

The total area let out to raiyats (including under-raiyats) in all classes of estates (viz., permanently settled, temporarily settled, khas mahals and revenue-free estates) is, according to Commission's Statement VIII, 31·1 million acres. Taken proportionately for the permanently settled area (excluding 2,760 sq. miles of revenue-free estates also) the raiyati area will be about 25·19 million acres. The gross rent at Rs. 3 per acre for this area would thus be 7,557 crores of rupees, and the net profit of the landlords of all grades (after deducting 15 per cent. for cost of collection and management, and 9 annas per acre as land revenue), would be Rs. 5 crores. I think 16 years' purchase may be taken as average, and the total amount required will thus be 80 crores of rupees.[1]

If it be possible to float a perpetual loan at 3½ per cent. at par, the State will have to carry a perpetual recurring annual charge of Rs. 2·8 crores, besides having to spend about 4 crores (viz., 5 per cent.) during the first 8 years for the cost of establishment for the proceedings and the additional judicial machinery which would be necessary to settle disputes about title to receive payment. Apart from the question whether it will be possible to float such a loan, it is a matter of very doubtful expediency that the State should burden itself with a perpetual charge of this nature. If the loan is to be made repayable after say 30 years, a further annual provision of sinking fund of Rs. 1·55 crores would be necessary. This is on the assumption that the sinking fund would be invested also at the same rate of interest, viz., 3½ per cent. At the ordinary bank rate of 1½ per cent. it would be necessary to have about Rs. 2·14 crores. The cost of direct collection and management by Government at 15 per cent. would be Rs. 1·14 crores a year.

[1]In acquisition of agricultural lands in England, the year's purchase is usually taken on a security of interest at about 1 per cent. less than what the Consols at the time being yield. In Calcutta, the 3½ per cent. Government paper is selling now at Rs. 97-8 or say at about par. The number of year's purchase, even at the same security, would be about 28·6, say 28. It is however the practice in land acquisition in Bengal to give 20 years' purchase: and allowing for the special nature of the problem, the year's purchase may be put at the lowest at 16: but it is suggested that fuller statistics of the year's purchase actually obtained by zamindars and tenureholders in private sales should be ascertained.

The net position will thus be:—

	Rupees in crores.	
(i) if there be a perpetual loan—		
Gross receipt		7·557
Outgoings—		
Cost of collection, etc. ..	1·14	
Interest	2·80	3·940
Balance ..		3·617

Deducting the present proportionate land revenue of Rs. 1·416 crores, there will be an apparent surplus of Rs. 2·2 crores. For the first 8 or 10 years, there will be a further charge of about half a crore a year. But against this apparent surplus will have to be set off inevitable periodical remissions under State management, and also reduced percentage of collection as against about normal 95 per cent. collection of the current demand in permanently settled estates. I think in Madras, the annual remissions amount to about 33 per cent. Even taking at 25 per cent. for the two heads, almost the whole of the apparent increase would be swallowed up, leaving little or nothing for any improvements for the benefit of the agriculturists.

(*ii*) *If a repayable loan is floated*:—The position will be worse: for, the annual outgoings will increase further by Rs. 1·55 or 2·14 crores.

Any scheme of State purchase of landlord's interest would not thus seem to be a financially feasible proposition. It gives no benefit to the raiyat: for, Government will have no surplus for any work of improvement, even by the ordinary enhancement of the raiyat's rent for rise in prices.

Scheme of State purchase not financially practical.

Regarding next (*b*)—viz., lands in the khas possession of the zamindars and tenureholders, the proportionate area in the permanently settled estates may perhaps be taken at about 12 million acres. These would comprise some cultivated lands, but the greater portion would be uncultivable lands as roads, drains, waste, jungle, beels, etc. It will obviously not be worth while to pursue these khas lands for increased assessment, after paying a compensation for the increase.

82. The other scheme suggested for consideration is conversion to temporary settlement. This seems at first sight attractive, but it can be financially feasible only if no compensation is paid to the zamindars and the patnidars and the mokarari tenureholders, whose revenues and rents would be increased against their existing arrangements. The gross assets of Rs. 12·64 crores estimated in

Conversion to temporary settlement.

the Commission's Statement X, include, I take it, temporarily settled estates and khas mahals. The gross assets in the permanently settled estates and revenue-free estates, would thus be Rs. 10·7 crores: against which the Government revenue is Rs. 2·15 crores. If the assessment be put at 50 per cent. according to the Government of India's general policy (i.e., leaving no more than 50 per cent. to the zamindars and all grades of tenureholders as their allowance), there is an apparent immediate prospect of a gain in the State revenues of Rs. 3·2 crores. But here also several other matters have to be considered:—

(*a*) compensation for the loss of profit to the zamindars and tenureholders;

(*b*) liability for remission in times of drought, inundation or other natural calamity;

(*c*) immediate cost of a revisional operation;

(*d*) periodically recurring cost of similar operations: say at intervals of 30 years (Saharanpur rule); and

(*e*) risk of the landlords availing of the enhancement rules more extensively.

Scheme not feasible or advisable.

I have already expressed my views that proper compensation ought to be paid for expropriation of present profits or any portion of them; and it is obvious that if this is done this scheme also will not be financially feasible. There may, however, be one possible way of meeting this compensation. The obligation under the terms of the Permanent Settlement for punctual payment without excuse for drought, inundation or other natural calamity may be relaxed, and the allowance may be increased midway say 70 per cent. This would give a revenue of Rs. 3·21 crores or an increase by Rs. 1·06 crores. But, the practical application of the first relaxation will be fraught with difficulties, if it is expected that the landlords should as a corollary allow corresponding remission to the tenants, items (*c*) and (*d*) are also important for consideration; while generally the revenue staff will have to be increased. But the risk in the last item (*e*) of more extensive enhancements of the raiyat's rent is a real one; and it is extremely doubtful whether the raiyats will be benefitted at all in the end. In any case, Government will be forced, for the security of its revenue, to afford greater facilities for enforcing punctual payment of rent by the raiyats. On the whole I do not think that this scheme is either feasible or advisable.

Revenue-free lands.

But there is another aspect in this last scheme, viz., what I have observed with regard to revenue-free holders in connection with the suggestion of expropriation without compensation. If

the plan be carried to its logical sequence, the same observations will apply whether compensation is denied altogether or only partially allowed. It is bound to create widespread disaffection, which I think it is not desirable that the Government should face.

Agricultural Income-tax.

83. The third plan suggested is for the imposition of an agricultural income-tax. It is difficult to say that such an impost will not be an infringement of the terms of the Permanent Settlement. To put it bluntly, it will be an impost of the nature of the Moghul abwab in addition to the asal jama, only that the imposition will vary according to the income of the person, and not according to the income of an estate or tenure. When the road and public works cesses were imposed in Bengal, there was strong opposition by the landholders; but the objections were overruled. The reasons are fully explained in the Secretary of State's (Duke of Argyll) Despatch in 5—Ed., dated the 12th May 1870, and I would not repeat them here. Assuming that the view then taken was correct, a tax on profits from agricultural lands, can only be justified as a "local rate" meant for specific local purpose, and not a "tax" which would merge as the ordinary "public revenue" of the State which the State may use for any purpose of its ordinary administration. This was the clear limitation with which the imposition of road and public works cesses was approved. The purpose of these cesses then put forward was—"providing from local sources the means of extending elementary education among the masses of Bengal, and of constructing and maintaining roads and other works of public utility". The utmost that can be stretched is that if any impost is made on agricultural (which includes rental) profits from land for which a Permanent Settlement of land-revenue was made in 1793, it can be made with similar limitation, i.e., not as an addition to the land-revenue, or to the ordinary public revenue, but as a local rate meant exclusively for a specific local purpose. Considering that the resources from the existing cesses are not sufficient for proper measures for extending elementary education amongst the masses—(a large proportion of whom, in spite of these cases being in existence since 1870, are still illiterate)—and also that in places it is necessary to provide for agricultural improvements,—I think it will not be inequitable to ask those of the community who are directly concerned with the agriculturists and who are better off, to contribute towards these objects. But one important subject I would add for the purpose of this levy,—and that is provision for organised development of local industries and marketing of the products of such industries. I am confirmed in my belief that unless such occupations are made available to the village people,

the economic problem will never be solved. I would therefore insist on this aspect of the levy and its use being made definitely clear. Otherwise, if it is sought to be imposed only for the purpose of augmenting the general revenues of the State, it will have no justification from any point of view. I would rather avoid the use of the word "income" lest it be confused with the ordinary "income-tax" which is an ordinary revenue of the Government.

It is difficult to say what the probable receipt may be from such a cess. No data have been furnished. But the basis being the "person", all the landed properties of the same person will have to be brought together. Returns will have to be called for, from persons appearing to derive a profit above the minimum limit, and these may be verified from whatever records the Collector has. I would put this limit at Rs. 2,000, taking simply the difference between the rents (including valuation of khas lands) actually received and the rents or revenues actually paid, less 15 per cent of the collections.

84. On the questions about further amendments of the Tenancy Law,—I would suggest the following:—

(1) *Co-sharer landlords*:—The law should be simplified. It has to be remembered that it is not only that the landlords themselves feel difficulty in realising rents, but there is often greater difficulty in the tenants to pay rents. It is idle to expect that more than half the tenants should combine to apply to the Collector, and then wait on the Civil Court for adjudication about a common manager. The Collector should be given power to act on his own information and to appoint a common agent to realise rents for the co-sharers. It may read drastic, but the evil is growing to be serious. When a raiyat is not able to pay at a time when he has just been able to scrape out a small sum, and his arrear accumulates to 3 or 4 years' rent, he finds himself in deep water—and runs into debt or sells or mortgages his land.

(2) *Limitation of rent suits*:—It is a cruel mercy to a raiyat to let him accumulate rent for more than two years. In spite of the low incidence of the rent, he has very insufficient land for his needs. The result is that many raiyats are perpetually in arrears. He is forced to seek the indulgence of the landlord's gomostha to accept a part-payment, or is forced to face a rent suit with 4 years' arrear and its consequences. The period of limitation for rent suits should be reduced to two years: and in the meantime some organised measure should be taken for arrangement for paying off the accumulated arrears.

(3) *Tender of payment*:—The rules about tender of payment in section 54 are useless. A tender can be made only for "the rent payable *for the year* at any time *during* the year *before* it falls due". The words in italics show that no tender can be made of part of the rent of a year, and no tender can be made for arrear rent. As a matter of fact, the raiyat does not pay rent in part, and also arrear rent voluntarily: but for this he has to hang on the indulgence of the gomastha. If he finds obstacles in paying what little money he is able to spare at a time, he begins to fall into arrears.

(4) *Rent suits*:—The procedure of rent suits requires to be simplified and made less expensive for the interest of both the landlord and the raiyat. It is striking that even in an uncontested case, the raiyat has to pay thirty per cent over his arrears. Protracted procedure in rent suits, or in execution proceedings, does more harm to the raiyat than the landlord. It increases the costs, but ultimately the raiyat has to pay the major part of them.

85. In concluding I must apologise for the length of this note. But the subject is of the greatest importance as it vitally affects millions of people. The Commission has put down 93 questions, and with their sub-questions, the number will probably exceed 200. The questions necessarily traverse a very wide field. It is undoubtedly true that the conditions of the peasantry are far from what they should be: and they are so, in spite of the very low incidence of rent which the raiyat has to pay. The primary object of the questionnaire, as I take them, is to find out whether there is anything radically wrong in the land system for which this is due. I have tried to explain my sentiments—which will be summed up if I say that the real cause of this distress is not in the land system or the rent which the raiyat has to pay, but it lies in the absence of subsidiary occupations. Those actually required for agriculture have no occupation for half the number of days in the year while there is a surplus population who have no work. The remedy should therefore be sought for, in finding work for these people: in other words, organised effort for providing subsidiary occupations. It is a mistake to suppose that Bengal does not afford field for industries: and that its trade is only such as is afforded by its situation as door-way to foreign trade. Bengal has been noted from the earliest times for its indigenous products of fabric and other goods mentioned by the ancient Greek travellers. We find mention of its trade, from whcih the people were flourishing, in the early Sanskrit literature. It had trade with Malaya and the far-off islands much earlier than the Chinese travellers (*see* History of Malaya by R. O. Winstedt, London, 1934). The accounts of Huen-Tsang also show how the people flourished from

trade by sea in the products of local industries: and Fa-hien travelled to China by ship straight from Tamralipti (Tamluk). The account given by Ghulam Husain in his History of Bengal (Riyazu-s-Salatin) written probably about the end of the 18th century, shows that Bengal had direct trade connection with Persia not only during the Pathan period but earlier. There is a good translation of this book with excellent commentaries and references in the foot-notes by Maulvi Abdus Salam, a member of the Bengal Civil Service—Abul Fazl in his Aın-i-Akbari (1603 A.D.) mentions the cotton fabrics of Bengal, and says that the locally manufactured hempen carpets were "so beautiful that they seemed to be made of silk." With their trade, the same historian says, the people of Bengal brought "diamonds, emaralds, pearls, agates and cornelians from other countries to the sea-ports of this Subah". I have already mentioned of the extensive industry in salt which at one time used to bring one crore seventeen lakhs of rupees as the Government revenue alone. With proper development, it may perhaps be possible even now to derive one crore as the State-revenue, besides another crore for the net wealth of the people.

Replies to Questionnaire by Rai M. N. Gupta Bahadur, M.A., B.L., B.C.S. (Retd.).

(*Supplement to the General Note, dated 27th January, 1939.*)

Q. 1. (*See* paras. 1 to 13 of the General Note) Regulation I does not give complete indication of the objects of the Permanent Settlement.

The *quid pro quos*, as stated in (*a*) and (*b*), are correct. As regards (*c*), the zamindars' duties towards the tenantry were categorically stated: (*see* paras. 18, 47 and 74 of the General Note).

The duties and obligations of zamindars, as described in the question, are not exhaustive; and the Permanent Settlement with zamindars did not take away any existing rights from the tenants (*see* paras. 16 to 18 and 47 of the General Note).

Q. 2. (*See* para. 73 of the General Note.)

Q. 3. (*See* paras. 12, 63-64, 69 to 74 and 75 of the General Note.)

Q. 4. (*See* paras. 42 to 60 of the General Note.)

Q. 5. Tenants were represented by the Government and came better off (*see* paras. 16, etc., of the General Note).

As for assessment of the Permanent Settlement, *see* paras. 76 to 82 of the General Note.

Q. 6. (*See* paras. 12 to 15, 38 and 76 of the General Note.) This was a matter of self-preservation for the zamindars.

Q. 7. The figures are not correct. The gross raiyati rental of the entire Subah at the time of the Permanent Settlement was not more than Rs. 2·45 crores (*vide* paras. 8-9 of my General Note): and for the present Bengal districts not more than Rs. 1·97 or say 2 crores.

The total cultivable area (assessable) in the Subah at the time of the Permanent Settlement was 11½ million acres. Taking proportionately, the cultivated area then in the districts of Bengal proper may be taken at 9 million acres. To-day it is 25·19 million acres (*vide* Commission's Statement VIII, excluding temporarily settled estates, khas mahals and revenue-free estates): i.e., there has been an increase of cultivation by 290 per cent. The present raiyati rental for the permanently settled estates at the average rate of Rs. 3 per acre (Commission's Statement IX) is Rs. 7·557 crores or an increase of 310 per cent. This gives an excess of only 20 per cent.

This excess may be attributed to—

(1) new tenancies in the course of the last 160 years; and

(2) enhancements.

Regarding (*1*) It is very probable (*see* Preamble to Regulation XLIV of 1793) that for some years after the Permanent Settlement the initial rents, offered to attract cultivators, was low. But when after 30 or 40 years conditions improved tenancies then created were at higher initial rents.

Regarding (*2*).—The enhancements have been with regard to the new tenancies by the operation of the laws of enhancements, and mainly in connection with the settlement proceedings since 1908. Commission's Statement XVI shows a total increase of Rs. 15·94 lakhs (say 16 lakhs) during these proceedings: but the amount includes additional rent for excess area also. The total raiyati rental of the estates in which this enhancement was obtained is not stated. Taking this at Rs. 2 crores, the enhancement has been only by about 8 per cent., including excess area.

The old khudkasht raiyats of the time of the Permanent Settlement were fully protected against any enhancement above their old rates by Regulation XI of 1822. (*See* para. 20 of the General Note.)

Bulk of the present day mokarari raiyats may be taken as those raiyats who have continued as such, and excluding the ceded districts, the incidence of their rent per acre, varies as below—

	Rs. a. p.		Rs. a. p.
Mymensingh ...	1 3 10	Dacca .	2 2 8
Jessore ...	1 5 10	Rajshahi ...	2 4 4
Pabna ...	1 14 0	Khulna ...	2 6 5
Nadia ...	1 13 5	Faridpur ...	2 6 7
Bogra ...	2 1 10	Bankura ...	2 15 10

The average is about Rs. 2 per acre, viz., the same as at the time of the Permanent Settlement.

These are of course only those who could substantiate their old claim by proving 20 years' uniform rent. It is difficult to say how many of the old khudkasht raiyats have suffered enhancement either by reason of the operation of section 5 of Regulation XLIV of 1793 or otherwise. Many of them because mokarari tenureholders in the record-of-rights, while some may have lost their own tenancies in sales for arrears of rent when the landlord purchased. In the 14 districts I have mentioned in my General Note, the raiyats recorded as mokarari, pay a total rent of about Rs. 41 lakhs. For the whole province the figure may

perhaps be taken at about Rs. 75 lakhs. Adding another 50 lakhs for those who have been treated as mokarari tenures, the total will be Rs. 125 lakhs against Rs. 2 crores at the time of the Permanent Settlement. The difference is thus about Rs. 75 lakhs attributable to the several causes I have mentioned above. But this is only a surmise, as the total provincial figures in this respect have not been supplied.

Items (*i*) and (*ii*) of the question are involved, for the exertions of both the landlord and the cultivator are all times necessary (*see* paras. 38, 39 and 74 of my General Note). For good many years, the zamindars, for their own self-preservation, if not for anything else, must have strained their utmost (else losing their estates) to get waste and jungle lands, infested by beasts, to be brought under cultivation either by direct action or by arranging with substantial men as re-claimers. With agricultural population so fearfully dwindled, this was hardly a matter within the possibility of individual cultivator, and joint efforts of all these persons and the cultivators were necessary. It was not till 40 or 50 years afterwards that the position became different, and then with the improved conditions individual exertion of a cultivator might generally be sufficient to bring stray plots of land under cultivation.

Q. 8. (See paras. 69 to 74 of my General Note.)

Q. 9. The question does not arise in view of my answers to questions 7 and 8.

On the point of "absenteeism", it may be said that the landlords to-day are almost merely rent collectors: except in the matter of settlement of new lands, where any. Absenteeism affects them more than the raiyat. In big zamindaris there have necessarily to be arrangements with Managers and Circle Officers. If there are in any place acts of high-handedness by the subordinate staff, the zamindar, if approached, may give some relief: but in the present days of democratic ideas, would any raiyat go back to the old days in which he sought redress from the zamindar as his "raja," and will the Government in its present form of administration allow or can allow this? Not only did Government definitely take it as part of its duties to protect the tenantry, not merely by expressing a general pious wish, or even by laying down categorial provisions in the laws, but also the responsibility to see that these were enforced by its officials. It is a function of the Government at all times: and where necessary Government can make the zamindar responsible as "principal" for the acts of his "agents".

Yet it must be said that where a zamindar detaches himself from the management of his estates, it is an evil: though perhaps more to his own cost than the tenant's.

Smaller zamindars and tenureholders, generally, have subsidiary occupations for which many of them have to keep away. They come to their villages once or twice a year, and generally they are in closer touch with their tenantry.

Q. 10. (*See* answer to question 3.)

Yes: it has been to the benefit of the province as a whole. So far as the raiyats are concerned, it has kept the incidence of rent low at 1/13th part of the produce.

Q. 11. (*i*) *See* answer to question 13. Whatever the appropriation, it is distributed amongst the zamindars and 4 million of tenureholders.

(*ii*) To a certain extent. (*See* paras. 36 to 41 of the General Note.)

(*iii*) Certainly not: it has kept down the raiyat's rent to 1/13th of the produce. (*See* paras. 24 to 26 of the General Note.)

(*iv*) No. If landlord is an evil, it is not due to the Permanent Settlement. (*See* paras. 42 to 44 of the General Note.)

Q. 12. No. *See* the General Note generally: particularly paras. 76 to 82.

Q. 13. 12 crores is not correct: it should be 7½ or 8 crores, vide answer to question 7.

Yes, 75 per cent. goes to the landlord, as against 50 per cent. in the "Government of India Land Revenue Policy" for temporary settlements.

(*i*) and (*ii*) I would not advocate any of these two, *vide* paras. 76 to 82 of my General Note. It will not benefit the raiyat.

(*iii*) Not for the purpose of increasing the general revenues of the State: but may be as a "local rate" for the specific purpose of providing for primary education, and subsidiary occupation (industrial) of the masses, and agricultural improvement.

Q. 14. I do not advocate these. Financially it is not feasible. *See* paras. 79 to 82 of my General Note.

Q. 15. (See para. 81 of my General Note.)

Q. 16. It will create a dangerous population of landless proletariat. (*See* paras. 41 and 75 of my General Note.)

Q. 17. State-purchase will mean nothing unless it goes down to the tenureholder above the raiyat.

It will not lead to any advantage either to the State or to the raiyat. The latter's rent is bound to go up.

Q. 18. The full machinery of direct collection will be needed.

The cost will be at least 15 per cent. of the gross rent, besides about 25 per cent. for remissions and liabilities. (*See* para. 81 of the General Note.)

Q. 19. Khas mahal rents are higher: and under khas management the raiyat's rent is bound to go up, and he will have no protection when the State wills it: there will be no buffer when the State will restrain. A policy like this may be also the first step towards expropriation of the raiyats, and then the under-raiyats, as in Russia. (*See* paras. 78 and 79, and para. 66 of the General Note.)

The cause of the raiyat's economic distress lies elsewhere (*see* paras. 26 to 30 and 85 of the General Note), and not in the zamindari system, far less in the incidence of his rent, which is extremely low. I am afraid raiyats are being misled by people in politics, who probably are thinking in all good faith, but do not certainly realise the implications. Very few of them know correct facts and figures. The spirit of the times affords a good atmosphere.

Q. 20. *See* answer to question 11(*ii*).

Q. 21. *See* answer to question 16.

Q. 22. *See* para. 81 of the General Note, last part.

Q. 23. *See* paras. 17 and 18 of the General Note.

Q. 24. *See* paras. 17 and 45 to 60 of my General Note.

Q. 25. *See* paras. 34 and 35 of my General Note.

So long as the raiyats' rent is low, under-raiyati cannot be stopped. It will also mean curtailment of a raiyat's right to sublet. The only way to protect the under-raiyat is by giving him occupancy right.

Q. 26. I do not see any difficulty in two grades of tenants having occupancy right, though violating the dictionary sense of "occupancy." Permanent tenureholders may in one sense be said to possess "occupancy" right.

Q. 27. They were not thinking of non-agriculturists at all. Homestead holdings of agriculturists are already protected by section 182 of the Bengal Tenancy Act. So far as this class of persons are concerned the question may be when they build a shop, or a mill or a factory or a house to let out. I would let the right of occupancy continue in such cases. If by such works on his land the raiyat makes a sufficient profit, he will automatically be liable to ordinary "income-tax."

Q. 28. *Vide* answer to question 27.

Q. 29. I have no information.

Q. 30. *(i)* Apparently will tend to increase "barga", but yet "barga" affords an easy alternative to selling out-right in times of difficulties, such as illness, absence of male member, etc.

(ii) and *(iii)* I am inclined to think that the right of transfer recognised in 1938, besides giving the raiyat a better value of his property, avoids the difficulties of recognition which at all times would otherwise be greater with a raiyat than with a non-agriculturist capitalist.

Q. 31. I should think, no more than the average of an under-raiyat.

Q. 32. *Vide* answer to question 30(*i*). The same applies to cases of small tenureholders. I would not change the law till fuller statistics are obtained. Other devices will not be wanting: and I do not think that it is a crying question yet.

Q. 33. *Vide* answer to questions 30(*i*) and 32.

Q. 34. Possibly. But the immediate effect will be that in many circumstances [*see* question 30(*i*) lands will be left uncultivated altogether or sold away.]

Q. 35. The share now limited, when a bargadar is a tenant, is half [section 178(*I*)(*c*)]. But I presume much will depend on whatever the landlord supplies, e.g., plough, cattle, manure, etc.

Q. 37. I have no information. I am inclined to think that it will in one sense encourage sales to agriculturists, *firstly*, because the vendor will get better price from a man who will cultivate the land himself than from one who will sublet: and, *secondly*, because it is now easier for a raiyat-purchaser to obtain recognition which is automatic.

Q. 38. *See* paras. 28 and 33 of my General Note.

Q. 39. *See* paras. 26 to 33 of my General Note.

Q. 40. *See* para. 32 of my General Note.

Q. 41. *See* answer to question 40.

Q. 42. Unless and until a good proportion of the present raiyats are provided with other occupations, accumulation of large areas in one particular hand will only create larger number of under-raiyats with higher rents or increase the number of mere landless labourers.

Till then I would not put any artificial rule of restriction: but would let the normal economic laws work.

Q. 43. I do not think that coparcenary amongst raiyats where it is found, affects good cultivation. It may lead to sub-letting.

Q. 44. *See* para. 84(*l*) of the General Note.

Q. 45. *See* para. 84 (*l*) of the General Note.

Q. 46. Both the figures are wrong. *See* paras. 8 and 9 of the General Note.

See also paras. 10 to 13 of the General Note.

No, enhancement was not contemplated [*vide* section 60(2) of Regulation VIII of 1793] except when such a tenancy of the time of the Permanent Settlement stood cancelled under section 5 of Regulation XLIV of 1793, for revenue-sale of the estate.

Q. 47. No, as regards tenancies of the time of the Permanent Settlement, *vide* last question.

Yes: as regards tenancies after the Permanent Settlement, *vide* section 52 of Regulation VIII of 1793.

See paras. 18 to 24 of the General Note.

Q. 48. (*a*), (*b*) and (*c*), *Vide* answers to questions 46 and 47.

(*d*) Section 50(1) and 6 of the Bengal Tenancy Act of 1885, as well as section 15 of Act X of 1859, only repeated the same idea as the authors of the Permanent Settlement: and in section 60(2) of Regulation VIII of 1793, saving enhancements already made by reasons of section 5 of Regulation XLIV of 1793 or otherwise.

(*e*) Correct to the extent that the Government revenue was not insecure hence section 5 of Regulation XLIV of 1793 (*see* para. 20 of the General Note): otherwise, increased assets was generally left to new tenancies after the Permanent Settlement (see paras. 11 and 12 of the General Note).

Q. 49. The bulk of the raiyats who now hold at fixed rates (mokarari) may be taken as having held on at the same rate since the Permanent Settlement. The total area of lands held by such raiyats has not been furnished. In the 14 districts with 28½ million acres which I have examined, 4·1 million acres are held by such raiyats: If only one-fourth of the total area was cultivated at the time of the Permanent Settlement, and allowing for such portions of them as were held by paikasht raiyats or cultivated khas by the zamindars and talukdars, it cannot be said that very many of the old khudkasht tenancies have lost their old rates in these districts, inspite of section 5 of Regulation XLIV of 1793 and other causes which might have terminated or lapsed some of these tenancies.

Pargana rate was a myth, particularly after the Decennial Settlement when all abwabs were consolidated in the rent (*see* para. 21 of the General Note). But the average rate of rent of these mokarari raiyats in districts other than the 4 ceded districts, is about Rs. 2 per acre (*see* answer to question 7), i.e., the same as stated by Grant in 1786 A.D.

It is to be noted also that some of these old khudkasht raiyats have been treated also as mokarari tenureholders (*see* para. 39 of the General Note). These are not affected: but excluding them, it is very probable that some of the old khudkasht holdings have lost their mokarari character. The reasons may be analysed thus:—

(1) cancellation of tenancies by section 5 of Regulation XLIV of 1793 on revenue sales, till the law was changed by Regulation XI of 1822;

(2) reversion of the lands to the landlord by purchase at rent sales or otherwise;

(3) inability of the raiyat to prove 20 years' uniformity of rent, although otherwise not covered by (1) or (2);

(4) submission of raiyat to enhancement demanded by the landlord.

It is not practicable to separate out to-day cases under (3) and (4), in which only there may be a grievance. But if the proportion of area held by mokarari raiyats to-day be about one-seventh, considering that no more than one-fifth was tenanted at the time of the Permanent Settlement, that some of these tenants were paikasht raiyats, that some cultivated lands were khas of the landlords, and that about half the zamindaris were sold for arrear of revenue between 1793 and 1822, I doubt whether there are many who can have a grievance on this score.

Q. 50. No. (*See* paras. 21 and 25 of the General Note.)

Q. 51. No. *See* section 52 of Regulation VIII of 1793, and paras. 21 and 22 of the General Note.

Q. 52. *See* paras. 63 to 67 of the General Note. When the raiyat's average rent is only one-thirteenth of the value of the produce, his rent will go up enormously whatever theory of "economic rent" be applied. It was a part of the terms of the Permanent Settlement that just as the zamindars and talukdars were to get the benefit of increased rentals (restricted in the scope of enhancement by laws then and later), so the raiyat was to have the benefit of the increased proportion from increased value of the produce (whether by rise in prices from general causes or by his own exertions for better or more profitable yield). To go back and introduce new theories of economic rent will be a breach of the Permanent Settlement against the raiyat.

I realise, however, that the question of fair or economic rent for the raiyat will arise, if the terms of the Permanent Settlement are abrogated. I would take then one-fourth of the net annual value of the produce as advocated by the Taxation Enquiry Committee (*see* paras. 64, 65 of the General Note). But as "cost of production" to be deducted from the "gross value" is a variable factor, I would fix it at half the gross produce for cultivation of ordinary crops: in other words put the rent at one-eighth of the gross produce, so as to regulate the personal equations of Settlement Officers. For lands ordinarily growing special crops as jute, sugarcane, potato, tobacco, etc., which require special costs and special enterprise, besides making a full allowance for the costs, a liberal allowance should be made for the enterprise. I would rather not make any distinction from ordinary rent as first stated, because of such special crops: *firstly*, because such distinction would discourage special crops; and *secondly*, because it will necessarily lead to vexatious variations of rent year after year or at any rate periodically, as different crops are grown.

For the methods in the raiyatwari areas of Madras and Bombay, *see* para. 66 of the General Note: for the mahalwari areas in other provinces, *see* para. 67 of the General Note.

The Madras method is to base rent on the net annual value of the produce; but in application, the incidence has been high. The Bombay method of basing rent on the sub-letting value (for actual subleases by the raiyats) has been the subject of much adverse criticism: and I think it has either been abandoned or materially revised. In the mahalwari areas (temporarily settled) of other Provinces the tendency is to let competition-rent rise with the raiyats, and then base the revenue-assessment on such raised rents.

The theory of a percentage of the "market-value", even with the full right of transfer given to the raiyat, is not feasible for agricultural lands. If we take "market-value" as so many years' purchase of the net annual value, it takes us back to the value of the annual produce: and it is obviously preferable to work directly on the latter. If by "market-value"—we mean the value which a raiyat gets actually by selling such lands, there are so many uncertain factors on which this value depends that it will be difficult to work on a uniform basis. There is first the question of demand and existence of sufficient number of sales: then the land may be already sub-let, or considerable improvements might have been made by a raiyat who eventually may have sold his land: and so forth. I would apprehend greater inequalities in assessment by this method in agricultural areas.

I do not understand what is meant by "customary rates" in subquestion (5). If it means the rent which the raiyat has beeen so long

paying, this means the same as the present law. If it means establishment of new rates which would be then the customary rates,—then the fixation of such rates takes us back again to the question of the yield from the land; that is, its capacity to pay a certain rate.

Regarding sub-section (2)—I am not aware of any version of "rent" as meaning a deduction for what is required by the man for "food for himself and his family". It is probably a socialistic idea: but then land will not be the property of any raiyat, and the State will have to take the responsibility of maintaining every raiyat and his family. And logically the State will be liable to pay the raiyat the deficit in his profits from land. Again a man may have a large family or he may have none: a moneylender may have only one bigha of land insufficient to maintain his family, in which case his rent also will have to be at least *nil*. It is the "cost of production" which is the proper factor, and this cost should include the labour of the raiyat and the members of his family who are employed in the cultivation.

Q. 53. *See* para. 24 of the General Note, with the paragraphs preceding.

Q. 54. No.

Q. 55. *See* answer to question 52.

Q. 56. *See* answer to question 52.

Q. 57. Any promise of "perpetuity" will be meaningless as similar promise of the Permanent Settlement would be taken as meaningless.

Q. 58. If a minimum limit to net annual value be put for assessment of agricultural land, it will be an innovation which I am not aware has been tried in any other country.

With any minimum limit of income, it will make bulk of the raiyats rent-free with no commensurate economic improvement of their condition (*see* para. 26, and the subsequent paras. 28 to 33 of the General Note); while the State revenues will be paralysed.

Q. 59. Rise in prices is an equitable basis for enhancement of money rent: as fall in prices for reduction (*see* paras. 22 to 23 of the General Note). But greater power should be taken by the Government by amending section 112, so as to enable Revenue Officers to reduce rents enhanced at better economic times, by applying section 39 without individual application from the raiyats.

I would abolish the rule of "prevailing rate" in section 30(*a*) altogether: *see* paras. 23 and 24 of the General Note.

In section 34(*b*), I would put "one-eighth" in the place of "one-half", when there is no question of improvement at the landlord's expense to which section 30(*b*) might be applied.

I would omit the word "permanently" in section 38(*1*)(*a*).

Q. 60. The landlord should get a share on the same principle as "rise in prices". I would however let him have only one-eighth, viz., the same as I would put as fair rent (*vide* question 52). So long as the Permanent Settlement stands, the questioon of the State getting a share does not arise.

Q. 61. *See* answer to question 59.

Q. 62. I would not introduce such complication. It will be difficult to work, and only lead to disconcerting issues in litigation without countervailing advantage. *See* also answer to question 52(2).

Q. 63. Yes, these are the grounds on which I would object to "prevailing rate" either for enhancement or for reduction.

Q. 64. I would put the maximum of raiyat's money rent to one-eighth of the gross produce and of the under-raiyat's at 50 per cent. over, i.e., three-eighths.

Q. 65. In the case of temporarily settled estates, more care ought to be taken to test the contractual rents obtained by the settlement-holder (in the course of the previous term) whether they represent more than one-eighth of the gross produce for the raiyat. If so, the rents should be reduced, and the reduced rents made the legally payable rent.

Q. 66. I have no information.

Q. 67. I am not aware of any such instructions.

Q. 68. I have no information.

Q. 69. There were what are known as the "boom prices" during 1920 to 1922: and a reduced steady price was reached about 1925 to 1930. Since 1931 there commenced a slump, now there is some improvement.

It certainly was not right if the boom prices of 1920 to 1922 were taken into account, or if the steady fall since 1931 was ignored. Section 35 gives the Court and the Revenue Officer ample power to exercise proper discretion in consideration of these circumstances.

To what extent this has been done, I am not aware.

Q. 70. Because there has been no uniform standard, e.g., that the rent should be a certain proportion of the produce.

Q. 71. I am afraid I have no sufficient data for any useful reply to this.

Remission or suspension in time of distress to the zamindar of a permanently settled estate is only a matter of leniency on the part of

the Government; and the only justification for it should be that the zamindar gives corresponding remission or suspension to the raiyats. Suspension of raiyat's rent can be worked; but remission is difficult to enforce. If a remission, say of 25 per cent., is allowed to the zamindar, there may be a wide publication to the tenantry of all grades that their rents for the year are also reduced by 25 per cent. and to legalise this against contractual agreements, proper legislation may be had.

Q. 72. *See* para. 28 of the General Note.

Q. 73. I have no information.

Q. 74. The main defect was absence of provision for the cost of preliminary work and estimate. The next defect was in the existence of so many authorities, viz., the Irrigation Department, the Agriculture Department, the District Board and the Collector, without any one to take the lead or organise with the landlords and the tenants. I had tried to work one scheme in Nadia, but so long as I was there I failed to co-ordinate all these various authorities: and in the meantime the enthusiasm of the people concerned was gone.

Q. 75. I have no information.

Q. 76. I have no information.

Q. 77. The land system is not responsible (*vide* paras. 26 to 30 of the General Note).

The position may be put in a simple form thus:—There are 11 million agricultural workers, who need 11 × Rs. 192 (*vide* para. 28 of the General Note) = Rs. 2,112 million or Rs. 211 crores of rupees a year to maintain themselves and their dependents (average 3 for each).

Against this: the total cultivated area is 28·9 say 29 million acres (Commission's Statement No. I); and at Rs. 44-5 per acre (Commission's Statement No. II): the total value they can get from lands is only Rs. 129 crores. There is thus a deficit of Rs. 82 crores a year. Allowing that about half of this comes from existing subsidiary occupations, there is still a deficit of Rs. 41 crores. Employment from organised development of indigenous industries must be devised to enable this population to earn this deficit of Rs. 41 crores, say 40.

The period of the Company's Government is responsible for the ruin of the indigenous industries of the country which supplied supplementary occupation to the people. For some years, no effect was perceptible, because the population had dwindled by over one-third, and there were ample uncultivated lands where the slowly increasing population could divert. But I believe notes of warning were sounded very early by the Marquis of Wellesley (1798) and then by Lord

William Bentick (1833): but these were unheeded, while the development of machinery in Europe accelerated the ruin of such local industries as spinning and weaving, embroidery products, etc.

On the assumption of direct Government by the Crown, after the Sepoy Mutiny, many benevolent measures were taken, but sufficient notice was not taken of this growing danger. A cess was imposed in 1871 for improvement of roads, and another in 1877 for public works. From 1872 to 1901, the population increased by about 8 million souls, and forceful voices were raised by Mr. R. C. Dutt and others. An Industries Department was organised, but it has been wearily plodding in a slow uphill task, handicapped by many difficulties, not the least of which is that the people have forgotten their old hereditary skill in arts and crafts. When machinery has been transported here, it has not helped the villager. In some cases it has affected adversely, for example, the rice mills have deprived the poor villager (women generally) who used to get a living by husking. (*See* paras. 27 to 33 of the General Note.) Land alone cannot provide the needs of the population.

Q. 78. *See* paras. 28 and 29 of the General Note for average income of a holding.

Q. 79. Not necessary for the purpose of obtaining agricultural statistics, though periodical revisions are necessary for the interest of the tenantry. For agricultural statistics, periodical operation on the lines suggested by Dr. Bowley and Prof. Robertson ought to be undertaken, synchronising with the census operations.

Q. 80. *See* paras. 27 to 33 of the General Note.

Q. 81. I should take about half the workers among the agriculturists, or say 5 millions of them, who need occupations other than on land, whether as supplementary or exclusive. Excluding those who have some subsidiary occupation now, at least 2½ millions are surplus.

Or, (*see* answer to question 77), such employment must be provided for these 2½ millions people as would secure them Rs. 16 per month each, which would give 40 crores.

Q. 82. Not so much to large industries, but to organised industries nearer their homes. (*See* paras. 26 to 30, 33 and 85 of the General Note.)

Q. 83 to 88. I have no personal experience for any useful opinion.

The danger of artificial organisations thrust upon an illiterate body lies in this, that if any of these organisations breaks down, there is likely to be more severe disaster, for the indigenous sources of credit would be gone. Spread of literacy with education on simple and proper lines is, I consider, the *sine quo non*.

For the immediate needs of relief from the load of debts which at present hangs on the cultivator, the Agricultural Debtor's Act is expected to do real good; provided its working is not marred by over-zeal, and its scope is strictly limited to the class of people for whom it is really intended. An application of the Act even to a few persons whose main earning is from trade, business and industries other than agriculture, is bound to seriously affect the credit of hundreds of others so employed and who need good credit; with the eventual result that these enterprises will be crippled while the position is that the utmost should be done for the expansion of these enterprises.

It may be idealistic, but I would wish to see that the landlords and the raiyats join together in all these credit organisations, and work under healthy control by the State officials. For, after all their interests are identical, and any landlord worth the name, should realise or be made to realise that these are so. It is only when so organised that the foundation will be well and truly laid on natural basis, and the present vicious atmosphere of suspicion will vanish.

Q. 89. Yes: the worst is that the cost falls eventually on the tenant. (*See* para. 84 of the General Note.)

Q. 90. If harassing, it is due to over-zeal of individual officers. Otherwise, it is less expensive to the tenant, while there is ample scope for easing off the payment.

Q. 91. So far as the tenantry is concerned, I do not think the old Regulations affect them much. The Bengal Tenancy Act is complete.

Q. 92. I am not aware.

Q. 93. *See* para. 72 of the General Note. I do not think that raiyati lands will pass to a greater extent to non-agriculturists than before. On the other hand, ordinary cultivator who can purchase will find less difficulty in obtaining recognition.

As for loss to the landlords, Commission's Statement XIV gives a fair idea. But I do not think the landlords could realise as much on the whole, prior to 1928.

Oral evidence of Rai M. N. Gupta Rahadur, on 21st March 1939.

I. In reply to the Chairman he said that he is opposed to the State purchase of zamindaris and tenures. He considered it likely to be an unprofitable transaction which would be of no benefit to the raiyat. He thought there is no reason why the existing land revenue system

should not survive in spite of the communistic propaganda recently referred to by the Hon'ble Sir Nazimuddin, and the no-rent campaign of which the Hon'ble Minister, Revenue, has spoken. These movements have little hold over the peasantry. In his belief the country is sound at heart, and when normal political conditions reappear the position will improve. The present period is one of political change; but it is clear that the raiyats are not being influenced to any great extent by communistic theories from the fact that the value of rent suits does not much exceed one crore of rupees, though they cover the arrear rents of three or four years. He thought that the political unrest is likely to decrease and that landlords will be better able to realise their rents.

It is true that the raiyts nowadays have almost full proprietary rights and that it is not easy for the landlords to effect improvements on their holdings. Landlords have however land in their khas possession, amounting in all to over 15 million acres, including a considerable area of waste lands on which improvements can be effected. It is true that where tenureholders are mere rent receivers, they have no direct interest in agricultural improvement; but it has been of economic value to the country that the profits from land have been distributed amongst a large population of this class. Tenures had been in existence before, but to a certain extent their later developments are a result of the Permanent Settlement, and the Tenancy laws defining "tenures".

The present difficulties of the raiyats are not due to the level of rent which is extremely low. The principal cause is that the average holding of a family has become insufficient for its needs, as a result of the increase in the agricultural population. According to the Commission's figures the cultivated area is about 30 million acres and the agricultural population is 34 millions. If land has got to support the agricultural population, a proportion of the present population must be diverted to other occupations. A proportion of the present agricultural population must have even now some subsidiary occupations: for if that is not the case one would have expected that a part of them would have disappeared. Subsidiary or other independent occupations should be provided by a programme of industrial development, and the revival of industries which have now disappeared. Apart from the surplus population, agriculture alone cannot keep the men employed for more than half the number of days in the year; and subsidiary occupations should be brought nearer their homes, as far as possible. This would require an increased revenue, to meet which he proposed that there should be an agricultural income-tax. If that is not sufficient he would recommend that the land revenue which is now about 20 per cent. of the assets should be fixed at 30 or 35 per cent. of the assets. This would result in an increased revenue of 1½ crores, and he would distribute

the remaining 70 or 65 per cent. amongst the tenureholders as well as the zamindar. He thought that this could be done by a semi-revisional operation. In a sense it might be described as a breach of the Permanent Settlement, but it could also be called a contribution to the development of agriculture. He would make such a levy subject to two conditions:—

(1) that the new revenue would be fixed either in perpetuity or for a long period such as 90 years; and

(2) that the existing rents of raiyats for the lands for which they are paying them should not be increased during this period (i.e., perpetual or 90 years as the case may be).

II. In reply to questions put by the Chairman on behalf of the Maharajadhiraja Bahadur of Burdwan, he said that the incidence of land revenue is highest in the four districts which were ceded to the East India Company before the Dewani, namely, 24-Parganas, Burdwan, Midnapore and Chittagong.

Whether or not an agricultural income-tax would amount to expropriation in the estates which pay a fixed revenue or generally, is a question of constitutional law. The normal rate of compensation is generally 20 times the net profit, although this figure is not definitely laid down in the Land Acquisition Act itself. The multiple of capitalisation is indicated in the Bengal Land Acquisition Manual, 1918, when 3½ per cent. Government papers were sold at about Rs. 92 yielding thus about 4 per cent. He had reduced what he considered to be fair compensation to 16 times the net profit, in view of the magnitude of the operation involved in buying out all estates and tenures, and had omitted also the 15 per cent. extra allowance given in compulsory acquisition. If interest is paid at 3½ per cent. on compensation at 16 times the net profit, the landlords and tenureholders would still be expropriated of about half of their income without any compensation. In some cases it might be necessary to pay 20 times the net profit; in others 12. The amount would vary according to the conditions of each estate or tenure. It is possible now to get as much as 30 times the net profit for some tenures. Considering all aspects of the matter he had recommended that 16 times the net profit would be fair average compensation on the total.

He agreed that if mineral and fishery rights are required by the State, it would be necessary to pay compensation for them. He would prefer however to leave such rights with their present owners.

III. In reply to Khan Bahadur Abdul Momin he said that before the Permanent Settlement the law was not codified. The Moghul rules of assessment were rather crystallised in practice. He emphatically

denied that in Bengal the only parties were the State and the raiyats before the Permanent Setttlement. That system prevailed in areas around Delhi. It is very doubtful whether Todar Mal ever carried out a settlement in Bengal on Akbar's model plan. The conquest of Bengal was not completed until 1636, i.e., long after Todar Mal's time. Akbar's system of measurement and assessment was not carried out in Bengal. This is indicated by the fact that figures are given in Ain-i-Akbari showing areas for the Subahs around Delhi, but not for Subah Bengal. Both Cornwallis and Shore were of opinion that the only principle existing in Moghul times, so far as Bengal was concerned, was that one-third of the produce was to go to the State. It was left to the landlords to make their own arrangements with their tenants, and in Bengal there was no system of village communities which owned the land. The lower deltaic areas between the Padma and the Bhagirathi and even up to the Damodar were reclaimed in comparatively recent times. That area consisted of forests, intersected by large rivers and the estuaries of the Bay, and as Baden-Powell has said, it required men of substance to carry out its reclamation. He agreed that the larger zamindars carried out certain State functions: these were superadded to the duties of the zamindars by the Moghuls. He would not say that the zamindars "distributed" lands to their original tenants. The historic origins of the system are obscure but he thought that where reclamation has been carried out it was originally done by certain enterprising leaders. Zamindar is a word which was used by the Muhammadans. Previously they were called Bishayis, Bhuiyans or Mandaliks, and the common term was "Raja". This was not used in the sense of a "King". There were many such petty subordinate Rajas and other similar people who were made zamindars by the Moghuls, i.e., brought directly under the State. The term "zamindar" may signify a peasant proprietor in the Punjab and the United Provinces but the same meaning does not hold good in Bengal. In this respect no analogy can be drawn between provinces because they have different systems, and even within the same province different systems exist. He agreed that the Permanent Settlement took away some of the rights of zamindars. Government took over the protection of the tenantry at the time of the Permanent Settlement. He also said that the proprietorship of zamindars, as stated in the Permanent Settlement Regulations, is not absolute ownership, and that in fact there cannot be any such thing as an absolute proprietary right in respect of land. The raiyats had no proprietary right, and in fact they had very little rights before the Permanent Settlement, *vide* paragraph 17 of the General Note. All that the proprietary rights of the zamindar mean is that all residuary rights, after eliminating the rights of the tenantry as secured by law or contracts, rests with the proprietor; for example, if a raiyat abandons his holding it goes back to some one, and that some one is the zamindar.

Similarly for the disposal of the untenanted lands, mines and minerals. Raiyats hold their lands subject to the payment of rent and they possess surface rights only; the zamindars hold their estates subject to the payment of revenue and own the rights below the surface. The raiyat's right may be said to be as good as the zamindar's right so far as the surface rights are concerned, but the residuary rights do not lie with him. He did not agree that the residuary rights rested with the State before the creation of the zamindars, nor could it have belonged to the village community, in Bengal at any rate for the last two thousand years.

He thought that sufficient enquiries were made at the time of the Permanent Settlement into the assets of zamindars. Enquiries were made regarding the cultivated area. It is true that these figures may have been supplied by the zamindars but enquiries were made in the districts, and a calculation of the cultivated area was made by Grant and Shore. The district enquiries must have begun from 1781 after the famine. In some parts of the ceded districts detailed surveys were made even earlier. Cornwallis fixed the revenue at 268 lakhs on the consideration that future profits would be derived from the jungle and waste land. Shore's Minute indicates that Cossim Ali's assessment left no margin of profit to the zamindars. Grant's estimate of the assets was exaggerated and based on a fallacious calculation, and it was not accepted by Shore or Lord Cornwallis.

Khan Bahadur A. Momin quoted the figure, given in paragraph 8 of the General Note, of 204 lakhs as the raiyati assets at the Decennial Settlement, and asked whether the Government could have fixed a revenue which was higher than the assets. Rai Bahadur M. N. Gupta referred to his other estimates there and replied that Cornwallis thought cultivation would extend rapidly throughout Bengal; and although there might be no margin of profit at the time, a margin would quickly develop. In his reply he had estimated that one-third of the then culturable area was reduced to jungle owing to famine. The area under cultivation assessable to revenue, was estimated at 18,000 square miles out of a total area given by Rennell of 90,000 square miles. The zamindars were thus in a position to get more than an increase of the one-third area which went under jungle after the famine. It is not correct to say that the revenue of Bengal proper was 2 crores of which one-tenth was given as profit to the zamindars. In Bengal districts the Decennial Settlement was made on the basis of the preceding year's standard (section 68 of Regulation VIII of 1793 and paragraph 10 of the General Note); and this latter was not based on any calculation of a proportion of the assets but was a continuation of the previous auction settlements prior to the famine. The assets in the permanently settled area to-day may amount to 10 crores. In certain small areas (separated taluks and parts of the ceded districts) assessment was made by taking

a proportion of the estimated assets (section 75 of Regulation VIII of 1793); but it is not correct to say that in these areas one-tenth was given to the zamindars on account of profit and collection cost. The allowance for the profit was made after deducting the cost of collection. Shore's calculations show that the cost of collection was always deducted first, and section 75 of Regulation VIII of 1793 refers to the "allowance for themselves and their families". This clearly refers to their profit.

In reply to the Chairman he agreed that the assets in the permanently settled area might be taken at 10 crores and the profits of landlords and tenureholders would amount to between 7 and 8 crores.

Replying to Khan Bahadur A. Momin he said that it was impossible to say whether Cornwallis could have foreseen the profits which exist to-day, but he examined the question from all points of view. Governments have to act on the circumstances as they arise. Whether their decisions are right or wrong in the future is another matter, but if they are judged in after-time, one has to consider all the results which follow from their decisions. If it is true that the zamindars' profits have increased, it is also true that the raiyats' rents have been kept down to an average of Rs. 3 an acre or 1/13th of the gross produce. This is the lowest level of rent in the world, and it gives a greater value to the land for them. Lord Cornwallis looked forward to the increase in the value of individual property rather than to an increase in revenue from the land. He foresaw larger profits both to the landlords and the raiyats. The Government of that day was a commercial concern one of whose objects was to increase trade and industry. For that reason it wanted wealth to accumulate with individuals; and it is a right objective of a good Government at any time. Lord Cornwallis said that the loss of land revenue would be recouped in other ways. He had also to consider the immediate problem of bringing the extensive areas of waste and jungle lands under cultivation. It was impossible for Government to do this.

He did not agree that Lord Cornwallis's figure of the raiyat's assets was a miscalculation.

As regards paragraph 78 of his General Note he said that before the State purchases the interests of landlords and tenureholders, the necessity for such a change in the system must be clearly demonstrable. The improvement of social services was no part of the settlement with the zamindars. The State can always impose taxes for the improvement of these services, but it is a different matter to abrogate the Permanent Settlement for that reason. He recommended the levy of an agricultural income-tax provided that the increased revenue is used for agricultural development. If "proper" compensation is to be paid to the landlords and tenureholders it would not be a practical proposition for

the State to purchase their interests. It has also to be remembered that about 4 million families would be thrown out of land and given Government Paper which they would soon squander. They would be a danger and a burden to the State. Employment would have to be provided for them.

He was quite prepared to help the cultivating classes by changing the land revenue system, provided he was convinced that a change in the existing system would improve their condition. The middle classes are not entirely dependent on land but have taken in many cases to other professions. The land, however, is their security and a kind of insurance premium to them: and sometimes the only stay for the poorer branches of a family. He would not object to the State purchase of zamindaris and tenures provided he was convinced that this would really help the raiyats as well as the landlords and tenure-holders, and provided that the scheme is financially possible.

If compensation is paid at 10 times of the net profit about two-thirds of the landlords' and tenureholders' incomes would be expropriated without any compensation. He agreed that 20 times the net profit is not laid down in the Land Acquisition Act; but it is in the Rules, and it is the rate which is generally followed. The Act was passed in 1894 and he said that at that time prices were not higher than they are now. He mentioned that statistics taken in 1928 showed that as much as 30 or 40 times the net profit was obtained for some tenures, and the average was 25 times. The figure obtained for zamindaris was lower. If compensation is given at 10 times the net profit, and in 3½ per cent. paper, the landlord would get only Rs. 35 for every Rs. 100 of his existing income. He did not agree that landlords are now realising only 35 per cent. of their rent roll. If that was the case, the value of rent suits would be much higher than it is. It may be true that rent suits are expensive, but that fact would not justify the assumption that landlords would forego 65 per cent. of their incomes, because they are unwilling to bring rent suits. He agreed it may be possible that many small tenureholders do not bring rent suits. He agreed that Government management would be more efficient, but pointed out that it would hardly improve the raiyat's condition in the matter of payment of rent. Stricter rules than available to the landlords would be enforced.

If compensation is calculated properly at ten times the net profit, it is not certain that Government will make a profit. If interest is calculated at 3½ per cent. and there was a sinking fund for 60 years, he had worked out that the increase in revenue would be 3·42 crores: but this was on the assumption of certain further propositions by Mr. Momin, viz., that no compensation would be paid for the resumption of the khas lands of the landlords, that the cost of Government

management would be more than 12 per cent., and that no deduction for short percentage of collection and remissions under Government management was necessary. The cost of Government management would, in practice, be 15 per cent. or more. The same percentage of realisation as for the permanently settled land revenue cannot be expected and there would also be considerable remissions under State management. In Madras he thought that remissions have amounted to as much as 33 per cent. If they are taken at 25 per cent. the surplus would almost disappear. In 1928 he had worked out the cost of management after State purchase at 10·8 per cent. including the cost of subordinate staff; but including the superior staff and all possible charges, it would be about 15 per cent. Remissions would also be heavy, and they might amount to 25 per cent. The remissions actually made in khas mahal estates would have to be compared. After 60 years the interest and sinking fund payment would cease, and an extra revenue of 2·3 crores would be available.

He said that some zamindars might accept 10 years' purchase, others might refuse 20 years' purchase. Personally if he were a zamindar he would prefer to pay increased revenue, as he had proposed, rather than expropriation with compensation.

As regards consolidation of holdings, he thought that the only possibility was to experiment in the same way as in the Punjab.

As regards the right of transfer, Khan Bahadur A. Momin asked whether there is anything in any of the Regulations which limited the right of transfer by khudkhasht raiyats. The Rai Bahadur replied that the question is an academic one, now that they have full rights of transfer; but their rights were fully described in Shore's Minute. Before the British period the raiyats had no right of transfer. This must have been the case, because their right could have had no value when they were paying as much as one-third of the produce and there was more land than tenants. The raiyats could not even change the kind of crop at their will. There was no law on the subject; Shore went by the existing practice as he found it. The position changed when about 50 years later cultivation had extended, and the value of land had increased. Zamindars then began to ask for salami.

IV. Khan Bahadur Muazzamuddin Hosain quoted Justice Mitter to show that raiyats had proprietary rights as tillers of the soil. The Rai Bahadur asked who were the actual tillers of the soil? If *X* reclaimed one hundred acres and let it out to *P*, *Q* and *R*, would the proprietary right go to *X* and his descendants or to his lessees? He said he could not agree to Mr. Justice Mitter's view without examining his whole thesis.

He agreed that the rights of zamindars were not the same as those of English landlords. The zamindars' position before the Permanent Settlement could not be described as precarious: it was only precarious at the times when Murshid Kuli Khan removed some of them (usually from those who failed to pay the jama) and when the East India Company was experimenting and made mistakes. These mistakes were later rectified by the Regulating Act of 1784.

The Khan Bahadur quoted from the Despatch of the Court of Directors, dated September 1792, to show that it was intended to give the same security to the raiyats regarding their rent as to the zamindars regarding their revenue. The Rai Bahadur replied that he did not agree and considered the opinion of Shore preferable to that of the Court of Directors who were sitting in England. He did not agree that the allowance of 1/11th to zamindars could be interpreted as a commission for collecting the revenue. Referred to his General Note, paragraphs 45 to 57.

As regards pargana rates he said that Shore had received reports from the Collectors of districts (reports which he himself had read), and Shore had come to the conclusion on the basis of these reports that no pargana rates could be fixed. The Court of Directors passed orders in the Patta Regulation which were incapable of being carried out. The pargana rates had become overlaid with successive subadari abwabs. These abwabs were not imposed uniformly on the zamindars and the zamindars imposed them arbitrarily on their raiyats. All vestiges of the pargana rates had vanished by Aliverdi Khan's time. It is true that the Regulations contain references to the pargana rates but they are based on a misconception of these rates. The Regulations also contain a reference to the nirik-bandi. This could only have been the average rental; for example, if the tenant's rent was Rs. 30, and abwabs of Rs. 20 were added, the area of his tenancy was 25 acres, the nirik-bandi would be Rs. 2 per acre. During the period of subadari abwabs, zamindars used to levy the same on the raiyats on higher and irregular proportions: and did not worry about the State's authority. It is true that further abwabs were forbidden by the Regulations of the Permanent Settlement.

Pargana rates began to vanish by 1722 A.D. in Murshid Kuli Khan's time. It is not true to say that pargana rates were increased by the imposition of abwabs. The pargana rates were definitely enhanced by Shuja Khan (Sultan Shuja) in 1658 A.D. Pargana rates were automatically enhancible under Akbar's system by which the average price for the preceding 10 years was applied to one-third of the gross produce (paragraph 23 of the General Note). Abwabs were imposed for temporary exigencies such as Marhatta Chauth and the abwabs for

the removal of bricks from Gaur to construct the palaces at Murshidabad. In Bengal, Akbar's assessment was a lump assessment and not a raiyatwari assessment. He believed that in Bengal the raiyats used at one time to pay so much per plough for their land. This inference is suggested by some old ballads from Mymensingh which come from Pathan times. In this way it is possible for a local rate to arise. Probably local customary rates (varying with the species of crop actually grown) existed before Akbar's time. Whether Akbar disturbed the rates it is impossible to say, but Sultan Shuja's settlement certainly increased the pargana rates by 15 per cent. This increase was not made by the imposition of abwabs: abwabs came later. He did not agree that the rents of new raiyats were made unenhancible at the Permanent Settlement. The point was cleared up in Regulation XI of 1822 which refers to the "old pargana rates" for the old khudkasht raiyats of the time of the Permanent Settlement (called khudkasht kadeemee), and "the established pargana rates" for later raiyats. "Old pargana rates" mean the rates existing at the decennial period and "established pargana rates" mean the rates as established when the enhanced rent is settled. For several years after the Permanent Settlement the East India Company tried to maintain supposed pargana rates. There was no question of revising pargana rates after the time of Murshid Kuli Khan: from that time the State demand was increased by the imposition of abwabs. When they failed to maintain the pargana rates the East India Company directed the zamindars to display pargana rates in the Collectorates. The zamindars protested and said that they were unable to find out the pargana rates, and thereafter no further mention is heard of them. He did not agree that the rent of the new khudkasht raiyats (i.e., originating after the Permanent Settlement), was permanently fixed at the Permanent Settlement. The Regulations first of all limited the period of pattas for such raiyats to 10 years: Then Regulation IV of 1794 laid down that rent can be raised up to the established rate. After that Regulation XI of 1822 made the intention clear by making a distinction between the "old pargana rate" and the "established pargana rate". Referred to his General Note, paragraph 20.

Khan Bahadur quoted from Lord Cornwallis's Minute to indicate the intention to give the same security to the raiyats' rent as to the zamindars' revenue. The Rai Bahadur replied that Lord Cornwallis could hardly have meant by this that the rent of the new raiyats after the Permanent Settlement can never be enhanced. The law courts have held otherwise and the decision in the Great Rent Case is an authority. In that case the Judges have given a full history of the land revenue system and the intention of the administration from the Permanent Settlement onwards. Had Cornwallis really intended to fix the new raiyats' rents permanently his intention would have been embodied in the Regulations. He agreed that there is a controversy as

to the meaning of section 7 of Regulation IV of 1794 but was of opinion that the section would not bear the interpretation that the rents of new tenants, i.e., of tenants coming in after the Permanent Settlement were fixed in perpetuity. The Khan Bahadur quoted from Cornwallis's Minute to indicate that the only ground of enhancement is the cultivation of more valuable crops. The Rai Bahadur replied that enhancement on the ground of increased area was also possible. If a raiyat had 10 bighas at the Permanent Settlement and extended it to 15 bighas he would be liable for extra rent. The Regulations (Regulation XLIV of 1793) also provided that after a revenue sale all engagements with the raiyats could be cancelled. The collection of papers from which the Khan Bahadur had quoted contains only part of the correspondence at the time. What has been included in the Regulations must be accepted as the final decision of the Government at the time. The last letter in the collection of papers indicates that the Court of Directors confirmed the draft of the Regulations.

The rule of enhancement on the ground of a rise in prices did not appear in any enactment until 1859. He surmised that Shuja Khan's enhancement (1658 A.D.) might have been made on this ground. So far as he recalled, Shore's Minute said that an enhancement could be made on the ground of a rise in prices. This was mentioned as the ground on which the Government then justified the consolidation of the abwabs with the asal jama, i.e., the abwabs which had been imposed between Murshid Kuli Khan's time (1722) and Cossim Ali's time (1763). It is true that there is no mention in the Regulations of this as a ground for enhancement of rents in the future. The Courts at that time had only to deal with pargana rates. The result was a series of conflicting decisions. An account of these is given in the Great Rent Case when the whole of the early history and the position after the Act of 1859 were discussed. In Act X of 1859 "rise of prices" was definitely introduced as a ground of enhancement. At the same time the "prevailing rate" (substituted for the previous "established rate.") was retained, probably for Bihar. In Bengal "prevailing rate" as elaborated later, was inapplicable. He agreed that previous to 1859 the zamindars could only raise the rent up to the pargana rate which was established at the time. It was as a result of the conflicting legal decisions that the Rent Act of 1859 laid down rules for the guidance of the Courts. (Referred to his General Note, paragraph 23.) As an illustration of the established rate he gave the example of an estate comprising 1,000 acres of which half was previously waste land and was settled at Rs. 5 per acre and the remaining half was previously settled at Rs. 3 per acre. If some of the tenants holding at Rs. 3 agreed to pay an enhanced rent up to Rs. 5 then the established rate would become Rs. 5 and the remaining tenants holding at Rs. 3 would have

had to agree to an enhanced rent up to Rs. 5. This was the position prior to 1859. Considerations of changed conditions, including rise in prices, would be involved in the new rate of Rs. 5.

Pargana rates are mentioned in the Regulations up till 1822 but not thereafter. Actually they were not in existence at the time of the Permanent Settlement.

In connection with his reply to question 52, he explained that a raiyat should receive a proportion of the increase following upon a rise of prices. He did not agree that as the zamindar was to derive his profit from the extension of cultivation, the tenant should receive the entire profit arising from other sources, and pointed out that if there is an increase in prices, the raiyat automatically gets 12/13th of it. It is true that rents were required to be fixed in "specific sums" at the time of the Permanent Settlement, but in Bengal rents used to be paid in money from long before the time of the Moghuls, and this fact does not mean that enhancements of the rents of subsequent raiyats could not be made on the ground of a rise in prices. His further authorities for saying so are the discussions in the Great Rent Case and Regulation XI of 1822 which distinguishes the two classes of pargana rates.

With reference to paragraph 46 of his General Note he agreed that section 52 of Regulation VIII of 1793 contains restrictions, viz., that no abwabs could be imposed, and that the rent could only be realised up to the "established pargana rate"; but this did not mean the "old pargana rate". He agreed that the theory of pargana rates negatives the idea of higher contractual rents, but pargana rates were not cut and dried, they varied in course of time (the Great Rent Case). If the State were to purchase the zamindaris and tenures he agreed that contractual rents where high might be reduced, but pointed out that low rates would have to be enhanced if any standard was adopted, and this would not be of any benefit to the raiyats. He agreed that the condition of the tenants could be improved by ameliorative measures, but said that unless there is a definite scheme for the improvement of agriculture, and an estimate prepared of the amount required, there is no object in raising the extra revenue.

As regards the levy of salami he said that at the time of the Permanent Settlement there was more land than there were tenants. Consequently the question of salami did not exist at that period. It was a subsequent development. He did not agree that transfer should be restricted to agriculturists only. It would be very difficult to define what is an agriculturist. If they are to be actual tillers of the soil, they would mean primarily the under-raiyats and bargadars and such of the raiyats as themselves cultivate. These classes are admittedly poor, and would not have sufficient money to give a fair price for the

land. Consequently the value of property would go down and the raiyats' credit would also be adversely affected. The Punjab system for restricting transfer operates in conditions different from those in Bengal. It is no use giving unrestricted rights of transfer to occupancy raiyats and then depriving them of the best market for selling their land.

He believed that in the Punjab the tenants directly under Government did not for the most part cultivate but sublet to under-tenants who have no rights at all. He thought that the raiyats would not agree to have the right of transfer restricted to agriculturists only. This would merely be taking away with one hand what has been given with the other. In practice any restriction on subletting would be useless: it would merely reappear in a worse form. He agreed that bargadars who supply seed, cattle and plough should be considered tenants.

V. In reply to Khan Bahadur Hashem Ali Khan, he said that it would depend on the conditions of each estate whether 16 times the net profit could be obtained or not. Some small estates and mokarari tenures are even now being sold at 30 times the net profit. He suggested that statistics should be obtained. Without such statistics he could not say whether the prices have gone down in the last ten years. When a private purchase of a zamindari is made, a business-like purchaser would calculate on the expected irrecoverables of future arrear rents when offering his purchase price.

He suggested that the present conditions might be improved by organising local industries; for example, the salt industry, from which it might be possible to obtain a revenue to the State of one crore, besides another crore for individual wealth. At one time the salt industry on the sea coast of Bengal used to yield 1·17 crores to the State. The rice mills have put thousands of paddy huskers out of employment and if he had autocratic powers he would immediately close them.

If the land revenue is increased up to 35 per cent. of the assets there would be an extra income of about 2 crores and this could be diverted entirely to agricultural improvement. No compensation need be paid to the zamindars on this account. He did not agree that there was any obligation on the zamindars to effect agricultural improvements. Pulbandi, i.e., repair of embankments, was taken over by the Government after the Permanent Settlement. State-purchase of zamindaris and tenures will not improve the condition of the raiyats: their rents are bound to go up.

The reason for the present non-payment of rent is the agitation which is being carried on by certain sections like the communists. He

said that he has great faith however in the peasantry and did not think they are likely to be led along the path of communism. He believed in reformation and not in revolution.

Employment outside agriculture has become necessary. The area of the province cannot be increased and while there are 30 million acres under cultivation the agricultural population is 34 million. He was in favour of attempting consolidation of holdings but it would be difficult to carry out.

VI. In reply to Sir Frederic Sachse, he said he was not in favour of imposing a cess in place of an agricultural income-tax or of increasing the land revenue as he has suggested, because if the cess was imposed it would have to be shared by the raiyats. It might however be possible to have a cess on the landlords only. He would prefer to call agricultural income-tax an "agricultural cess" in order to prevent it being merged in the general revenues. Taking five persons for each family an area of 5 acres per family would not be economic. The gross income would average Rs. 44 a head and after deducting all costs of cultivation the balance would probably be no more than Rs. 24 a head, i.e., Rs. 2 a month. This would not be sufficient for their maintenance. He agreed that there are many families owning 5 acres who pay their rent regularly and make a living. He doubted whether the statistical figures are accurate, and agreed that the outturn may have been underestimated. The fact that the outturn in Bakarganj is only about a third of that in China and Japan according to statistics indicates the unreliability of statistical figures. The present system of obtaining statistics of outturn is worthless. The statistical figures had led him to the assumption that most tenants must have some subsidiary incomes.

The census figures for "rent receivers" are not altogether correct. He himself is a tenureholder but was classified under the census as a service-holder. He had estimated that there are about 4 lakhs of tenureholders. From the figures which he had collected there are two lakhs of tenureholders in 14 districts. There are co-sharers and there may be two or more tenancies held by the same family. On these considerations he had estimated 4 lakhs of tenureholders. The rent-receivers enumerated in the census are persons who are mainly dependent on their rents. He agreed that they may include some raiyats who are entirely rent-receivers. If the State purchases the zamindaris and tenures the rates of compensation would vary for different kinds of tenures, viz., there would have to be different rates for mokarari tenures and for temporary tenures. Apart from that, the calculation should be made on the net profit. His estimate of cost at 15 per cent. was the total for all grades of landlords.

He thought it would be possible to arrange for the distribution of the increased land revenue, which he had proposed, among the tenure-holders as well as the landlords by some sort of revisional operation, the zamindar being responsible for the amount due to the State as in the case of land revenue and the road and public works cess. In the case of State-purchase there are bound to be many disputes between co-sharers over the payment of compensation and a crop of litigation will arise. This would be avoided by his proposal to increase the land revenue.

He agreed that consolidation of holdings would be easier to carry out if Government were the sole landlord. He suggested that experiments might be made in selected zamindaris.

VII. In reply to Dr. Mukherji, he said that the estimate of raiyati assets at 7·557 crores is on account of the area let out to raiyats. The cost of collection at 15 per cent. includes irrecoverables. If 25 per cent. is taken as the amount required to cover short collections, remissions, etc., under Government management the calculation for the area held by raiyats would be as follows:—

	Rupees in crores.
Assets	7·6
Less collection cost	1·14
	6·46
Less 25 per cent for remissions, etc.	1·90
	4·56
Minus land revenue (proportionate for the area let to raiyats)	1·42
	3·14
Minus the estimated share of landlord's cess excluding the khas lands	·30
	2·84

If compensation were paid at 10 times the net profit and interest were at 3½ per cent. on a loan of Rs. 47·4 crores (viz., 7·6 *minus* collection cost, etc., of the landlords 1·14, *minus* proportionate land revenue 1·42, *minus* cess ·30, i.e., a net of Rs. 4·74 which multiplied by 10=47·4), the interest would be 1·66 and the annual sinking fund with 30 years would be 1·19: and the operation would be a financial loss. The above calculation excludes the khas lands of the landlords: including khas lands, the calculation will be as in Statement "C".

Reckoning four persons to each family and a minimum income of annas 2 a head daily for their maintenance, the monthly income required would be Rs. 16 and the area required to produce this income

would be 8 acres. He agreed that industrial occupations must be found for the surplus portion of the population. This would require increased revenue for which he had suggested either an agricultural income-tax or an increase in the land revenue. The additional income from either of these sources should be used entirely for agricultural development. He agreed with the view which had been expressed by Mr. Nelson that it would be impossible to stop subletting and that so long as the rent is low, a tenant who wants to sublet will do so. If an attempt is made to stop subletting by law, the tenant would simply call his sub-lessee a labourer or find other means of circumventing the law. If the Permanent Settlement is abolished, instead of 1 lakh of landlords as at present, there would be 150 times that number.

If the number of tenures is 27 lakhs and there are five members in each tenureholder's family, there would be 14 million people deriving an income from tenures. According to the census figures there are 22 lakhs who are mainly dependent on rent receiving. The remaining 5 lakhs would presumably be dependent mainly on other sources of income. The census figures show the number of tenureholders who would really be hard hit by the abolition of the Permanent Settlement. It would probably be an over estimate, however, to take five members to each tenureholder's family. Four would probably be a nearer figure. There might therefore be 10 million people dependent on rent receiving of whom 2·2 millions are directly affected and are solely or mainly dependent on rent. Mr. Thompson's census figure was 1·32 millions. Generally speaking, his impression was that the total number in tenureholders' families would be about 10 million rather than the British Indian Association's figure of 14 million. As subsidiary occupations for the cultivators he recommended the salt industry, weaving, production of sugar, rice-husking and oil-crushing: vide paragraphs 30 and 85 of the General Note.

He was in favour of agricultural improvement, but doubted whether such improvement could be carried out by providing irrigation facilities in Bengal, as has been done in other provinces. The problem in Bengal is different, and at present no definite scheme exists.

He was not in favour of issuing bonds by way of compensation, and thought that it would be bad finance to have this perpetual charge on the State. The rate of interest should be 3½ per cent. According to the rate of compensation which he had proposed, a landlord with a net income of Rs. 1,000 would get 3½ per cent. on Rs. 16,000, i.e., Rs. 560. Dr. Mukherji asked for a calculation in his own case. Messrs. Andrew Yule are patnidars under him and pay Rs. 1,200 a year after clearing off the revenue and paying all collection costs. The Rai Bahadur replied that the total compensation on which interest would be calculated would, at 16 years' capitalisation, be Rs. 19,200. At 3½ per cent.

interest the annual income would be about Rs. 672. He agreed that State-purchase and compensation at the proposed rate would amount to a capital levy on the landlords and tenureholders and would exclude property owners in Calcutta and elsewhere. If money is to be raised for agricultural development, that can be done, provided that the increased revenue is used for that purpose only.

VIII. In reply to the Secretary he agreed that the Finance Department would not approve of taxation for a particular object but would insist on the increased revenue merging with the general revenues. It was for this reason that he preferred to call the increased income which he had proposed an agricultural cess. A good many landlords have purchased their estates at the full market rate relying on the assurance given at the Permanent Settlement. Many of them have carried out works of public utility on their estates. This expenditure has been in the nature of a free gift and he thought that it could hardly be considered a ground for compensation.

Agricultural income-tax should be based on the net income after deducting revenue, cess, and collection costs. If the net income exceeds Rs. 2,000 the tax should be levied. He did not agree that the tax should not be imposed in cases where zamindars are already paying a considerable portion of their income in land revenue. As he had mentioned in paragraph 83 of his General Note, the tax can, strictly speaking, be justified in the same way as road cess was justified in 1870, and the only justification for the levy of agricultural income-tax would be the same arguments as were advanced for the imposition of road cess. He would however avoid the term "income-tax" which might lead to super-tax.

In reply to Sir Frederic Sachse he said that if it is called income-tax it might not be possible for the Provincial Government to levy it. He would therefore prefer to call it an agricultural cess.

STATEMENT A.

Calculation of gross assets of zamindars and tenureholders.

I.—Permanently settled areas (revenue-paying).

	Area (million acres).	Rate per acre.	Amount (crores of rupees).	Remarks.
		Rs. a.		
(*a*) With raiyats on money rent.	24·70	3 0	7·41	
(*b*) With raiyats on produce and mixed rent.	·50	3 0*	·15	*Actual receipt is probably about Rs. 15 per acre. The stabler rate of the money rent of (*a*) has been taken for capitalisation.
(*c*) With rent free raiyats	·13	..	..	
Total from raiyats..	25·33	..	7·56	
(*d*) Khas of landlords—				
(d^1) Cultivated ..	3·00	3 0†	·90	†Actual may be Rs. 20 or 22 per acre : but the stabler rate of the money rent of (*a*) has been taken for capitalisation.
(d^2) Uncultivated ..	9·04	0 8	·45	
Total for khas lands	12·04	..	1·35	
All total ..	37·37	..	8·91	
II.—Revenue-free estates.				
For (*a*) ..	1·20	3 0	·360	
For (*b*) ..	·20	3 0‡	·060	‡Same remarks as against permanently settled areas.
For (*c*) ..	..	..	..	
Total from raiyats..	1·40	..	·402	

	Area (million acres).	Rate per acre.	Amount (crores of rupees).	Remarks.
For (d^1) ..	·30	3 0‡	·090	‡Same remarks as against permenently settled areas.
For (d^2) ..	·27	0 8	·014	
Total for khas ..	·57	..	·104	
III.—Temporarily settled estates.				
For (a) ..	1·77	4 6	·774	
For (b) ..	·10	4 6	·044	
For (c) ..	..	..	..	
Total from raiyats..	1·87	..	·818	
For (d^1) ..	·40	4 6	·175	
For (d^2) ..	1·07	0 8	·053	
Total for khas ..	1·47	..	·228	
All total ..	3·34	..	1·046	
IV.—Government estates.				
		Rs. a.		
For (a) ..	2·40	4 11	1·125	
For (b) ..	·10	4 11	·046	
For (c) ..	..	..	..	
Total from raiyats..	2·50	..	1·171	
For (d^1) ..	·30	4 11	·138	
For (d^2) ..	·85	0 8	·042	
Total for khas ..	1·15	..	·180	
All total ..	3·65	..	1·350	

(In crores of rupees.)

Grand total :—	From—	From khas lands.	Total.
I.—Permanently settled estates (revenue-paying).	7·56	1·35	8·91
II.—Revenue-free estates	·42	·10	·52
III.—Temporarily settled estates.	·82	·23	1·05
IV. Governmen estates	1·17	·18	1·35
Total ..	9·97	1·86	11·83

STATEMENT B.

Permanently settled area (revenue-paying).

	Million acres.	Gross annual value of landlords' assets (rupees in crores). Rs. a.		Capitalisation (rupees in crores).	
With raiyats on money rent.	24·70	3	0	7·41	Deducting 15 per cent. (1·134) on the raiyati rental (of 7·56) for cost of collection, etc., and the present land revenue of 2·15, net profit=5·63 (8·91—3·28). At 16 years' purchase=90 crores.
With raiyats on produce or mixed rent.	·50	3	0*	·15	
With rent-free raiyats ..	·13	..		..	According to Khan Bahadur A. Momin's suggestions—Deduct cost of collection, etc., at 12 per cent. (·91) and proportionate land revenue (1·42) for the raiyati area—net profit from raiyati area=5·23. He suggests compensating the landlords at 10 years' purchase of this: and no compensation for the khas area, though the State is to get the right of resettling it at Rs. 3 and annas 8 per acre (average Rs. 1-2, as against the present average of annas 9). The capital required would thus be 5·23×10=52·3 crores.
				7·56*	
Khas of zamindar and tenureholder—					
Cultivated. ..	3·00	3	0*	·90	
Uncultivated ..	9·04	0	8	·45	
Total ..	37·37			8·91	

*Taken at the average rate of money rent and not the actual receipt in produce (one-third or half) which may be Rs. 15 to Rs. 20 per acre.

	Financial result on the State. (In crores of rupees.) According to witness (Rai M. N. Gupta Bahadur).	According to Khan Bahadur A. Momin's assumptions.
Gross annual demand of Government—		
From rent-paying raiyats ..	7·56	7·56
From rent-free raiyats ..	·04	04
From khas lands of landlords ..	1·35	1 35
Total ..	8·95	8·95

	Financial result on the State. (In crores of rupees)	
	According to witness (Rai M. N. Gupta Bahadur).	According to Khan Bahadur A. Momin's assumptions.
Deduct cost of management ..	−1·34 (at 15 per cent.)	−1·07 (at 12 per cent).
Deduct for short percentage of collection and remissions, etc., under Government management ..	−2·24 (at 25 per cent.)	..
Net receipt ..	5·37	7 88
Profit and loss—		
Deduct present land revenue ..	−2·15	−2·15
Deduct interest at 3½ per cent. ..	−3·15 (on 90 crores)	−1·83 (on 52·3 crores).
Balance ..	·07	3·90
Deduct annual sinking fund at 2 per cent. with 30 years ..	−2·25 (multiplier ·025)	−1·31 (multiplier ·025.)
Loss ..	2·18	Gain .. 2·59
With 60 years .	·81 (multiplier ·009)	·47 (multiplier ·009.)
Loss .	·74	Gain .. 3·43

STATEMENT C.

Financial result on the State with compensation at 10 years' purchase for all lands in the permanently settled estates which are revenue-paying.

The amount of compensation would be 10 × 5·13 = 51·3 crores (i.e., 5·63 in the "capitalisation" column in Statement B *less* ·50 for the landlords' share of the road and public works cesses).

	(In crores of rupees.)	
Gross receipt of Government . ..	.. ..	8·95
Deduct—		
Cost of management	1·34	
For remission, etc., under Government management	2·24	
For present land revenue	2·15	
For landlord's share of the road and public works cesses	·50	
Total deduction	.. ..	6·23
Net receipt	.. ..	2·72
Outgoings—		
Interest at 3½ per cent. on 51·3 crores	1·80	
Annual sinking fund with 30 years	1·28	
Total outgoings	.. ..	3·08
Loss	.. ..	−·36

STATEMENT D.

Financial result on the State with compensation at 16 years' purchase for all lands in the permanently settled estates which are revenue-paying, including consideration of the road and public works cesses as in Statement C.

		(In crores of rupees.)
Net receipt of Government as in Statement C		2·72
Outgoings—		
Interest at 3½ per cent. on Rs. 82·08 crores (16 × 5·13)	2·87	
Annual sinking fund with 30 years	2·05	
Total outgoings		4·92
Loss		—2·20
Or		
Interest as above at 3½ per cent.	2·87	
Annual sinking fund with 60 years	·74	
Total outgoings		3·54
Loss		—·82
Or		
With perpetual loan—Interest as above at 3½ per cent.	2·87	
Annual sinking fund	..	
Total outgoings		2·87
Loss		—·15

Memorandum by Khan Sahib Maulvi Kazi Muhammad Mohiuddin, B.C.S. (Retd.).

The Permanent Settlement was made with the zamindars of Bengal in 1793 with the object of fixing the land revenue in perpetuity. Frequent investigations for revision of revenue were troublesome and expensive to Government. A class of permanently settled zamindars would be a strong bulwark against disruptive forces and would improve the general economic condition of the country. It was expected that the zamindars would extend to their tenants "the same equity and certainty as to the amount of their rents and the same undisturbed enjoyment of the fruits of their industry which were meant to be given to the zamindars themselves."

Whatever the landlords might have done in the past for the economic development of this country it appears that they have overgrown their utility at the present times. They have certainly failed to perform the functions expected of them at the Permanent Settlement. The principal charge against them is that the abwabs and illegal impositions of rent far exceed the regular revenue though the prices of crops as well as the fertility of the soil have gone down considerably.

It is contended that whatever may be the merits and demerits of the Permanent Settlement its annulment would be a breach of a solemn pledge given by the East India Company to the zamindars. We agree that there is some force in this contention. The zamindars can legitimately feel themselves aggrieved if their rights to the land are taken away altogether without giving them any compensation whatsoever. We believe that the pledge which was given to the zamindars was a pledge to which the tenants were not parties and that it was a measure which permanently crippled the financial resources of the country. The Permanent Settlement undoubtedly worked well for sometime and fulfilled the expectation of its framers. But as we have said before it has outgrown its utility at the present time. The zamindars have failed to be "Ma Bap", and they have lost their hold on their tenants mostly for their own faults. Most of them are "absentee" landlords rolling in luxury in the Metropolis while the poor tenants who supply him with his limousines and electric lights, rot in villages to keep his own body and soul together, unlooked, unattended and uncared for.

This calls for the immediate abolition of the Permanent Settlement after paying adequate compensation to the parties to be affected consequent upon this measure. The abolition of the zamindari system will put a stop to the appropriation of the major part of the income from land to the zamindar, it will prevent subinfeudation of tenancy and lead to

equitable assessment of raiyati rents. It will also save the actual tillers of the soil from harassment and oppression.

We advocate the payment of compensation to the zamindars and others whose rights would be affected by the abolition of the Permanent Settlement. We would suggest that they be paid 10 times on their profits. The total sum required for this purpose may be met by the issue of debentures or bonds redeemable after 70 years. The rate of interest on these bonds or debentures may be fixed at 3½ per cent.

We are of opinion that the interests of all middleman-holders between the zamindars and the tillers should also be purchased by the State and the raiyat should come directly under Government.

The rate of rent of the tenants should also be reduced so that the tenants may improve their present condition, which no doubt is miserable.

Reply by Babu Jogesh Chandra Chakrabarty, Deputy Collector and Khas Mahal Officer, Mymensingh.

Q. 18. *Vide* Appendix I attached.

Q. 19. If they are governed by the same law and procedure for collection of arrears the raiyats would prefer to come under Government and pay rent to it direct.

Till the economic depression set in, the large majority of the raiyats paid their rents voluntarily and coercive measures had to be adopted in very few cases.

But there is at present a growing unwillingness among the tenants to pay rents, a tendency that is being more or less encouraged by unwholesome propaganda of self-seekers; and the tenants, most of whom are illiterate and unable to foresee the ultimate loss or gain, consider it a great advantage not to have to pay their rents regularly.

They can withhold payment more successfully in private estates than in estates managed by Government. In order to save expenditure, private landlords do not, as a rule, file rent suits until 4 years' rent has fallen due, and the rent suits again involve a dilatory process. But in estates managed by Government the rents are more punctually realised by the certificate procedure (recently suspended).

Another objection of the tenants is that in khas mahal areas general enhancement of rent takes place periodically while the private landlords hardly seek for such general enhancement. But this consideration is outweighed by the fact that under private landlords they have to pay abwabs which are non-existent in khas mahals and by the following advantages they enjoy in khas mahals:—

(1) In khas mahals the tenants get a sort of paternal care and attention from the officers, which they lack in private estates.

(2) In times of agricultural and other calamities the khas mahal tenants get far greater attention and assistance from the khas mahal officers than the tenants under private proprietors get from their landlords.

(3) The khas mahal officers keep a watch on the progress of cultivation and help the tenants in growing their crops properly arranging for agricultural loan, etc., when necessary, but these are no part of the consideration of the private proprietors who are interested only in collection and not in the welfare of the tenants.

(4) The khas mahal tenants get better justice in the matter of settlement and have to pay a lower rate of salami.

(5) On a general failure of crops the khas mahal tenants get remission and suspension of rent but the tenants under private proprietors do not, as a rule, get these concessions.

(6) Government looks to the improvement of the khas mahal estates and spends for it every year. Private proprietors do very little for the improvement of their estates.

(7) In khas mahals there is fair field and no favour, and uniform principles are followed in assessment, settlement, remission, etc., but in private estates favouritism and personal considerations get the upper hand in everything.

Q. 25. I am in favour of extending this principle to all classes of tenants but I would like to confine this right to lands which they cultivate either with their own labour or with hired labour or through bargadars. There are tenants described in the pattas and kabuliyats and also in the settlement records as raiyats who have sublet all or most of their lands and do not even count on agricultural income as the main source of livelihood. Similarly there are tenureholders recorded as such in the pattas and kabuliyats as also in the record-of-rights who have all the lands in their cultivation. It is hardly fair that the former should get occupancy right because a false name was used in the lease and the latter should be deprived of this right on the same ground. Nor is it fair that a lessee should be allowed to prevent the acquisition of occupancy right by his under-raiyats by adopting a false name of raiyat for himself. I have seen many cases in which persons desirous of sub-letting took settlement in raiyati right from the tenureholders and then gave under-raiyati leases to cultivators.

The principle that the nature of the tenancy should be determined by the intention at the inception is elusive to a degree, because the original intention might be nothing but a fraudulent one or it might be a case of the lessor's refusal to grant anything but a tenure lease.

The result is that all raiyats are not cultivators nor all cultivators are raiyats, and all tenureholders are not rent-collectors. Again there are many raiyats and tenureholders who have sub-let some of their lands and kept the others in their own cultivation.

From time immemorial those who till the soil have been recognised as its owners, Manu says, "Sages pronounce cultivated land to be the property of him who cut away the wood and who cleared and tilled it" Chapter IX, Sloke 44.

The other classes above them were nothing but agents of the governing power for collection and management. Though the Permanent Settlement gave a sort of proprietary right to the zamindars it was given subject to and not in supersession of the customary rights of the tenants. The zamindars derived their right from the Sovereign power

and by limitation of the rights of the Sovereign power, but none of the rights of the tenants were transferred to them or otherwise withdrawn. On the other hand it was the aim of the subsequent legislators to give more and more rights to the cultivators.

It is not desirable that a large section of the tenants should be deprived of the enjoyment of these rights by the accident of this or that nomenclature being given to them.

Hence it is necessary to fix as the criterion not any particular description of tenants but the mode in which they possess their lands. The law should be that a tenant whether he be a tenureholder or raiyat or under-raiyat according to the present nomenclature will acquire occupancy right in any land which he has cultivated for 12 years either with his own labour, or with hired labour or through bargadars and that he will be divested of this right though previously acquired from any land which he has not cultivated as above but is in occupation of under-tenants for a period of 12 years.

This will put a stop to subinfeudation and profiteering in land at the cost of the cultivators.

Q. 26. The answer to question 25 will show that I am not in favour of protecting those who have partly or wholly sublet their lands.

The line of consideration should be from the land to the tenant and not from the tenant to the land. If a raiyat has sub-let part or whole of his holding, he is no longer a raiyat in the proper sense of the term so far as the land so sub-let is concerned. Even under the existing law a man who is a raiyat in one land may be a tenureholder in another land comprising another tenancy, and a proprietor in a third piece of land. Because he is a raiyat in one he is not given any protection in the other lands which he does not hold as a raiyat.

So if a raiyat has sub-let any lands, whether part or whole of his holding, he should not have any occupancy right in the land so sub-let but he will retain his occupancy right in the land not sub-let. If the law is framed thus the Courts will pass a decree of ejectment in respect of the plots sub-let but not in respect of the other plots. All classes of tenants should have occupancy right in their homesteads.

Q. 27. Article VI of Regulation I of 1793 enjoins on the proprietors that they should conduct themselves with moderation towards their dependent talukdars and raiyats and appeals to time-honoured custom. Article VII reserves to the Government in general terms the right to enact such Regulations as may be necessary for the protection and welfare of the dependent talukdars, raiyats and other cultivators. In his Minute of the 3rd February 1790 the author of the Permanent Settlement distinctly recognised the right of the raiyats to hold their land on established rent.

The Court of Directors in their reply, dated 19th September 1792, approving the Permanent Settlement expressly reserved the rights, as Sovereign power, of interposing in and making from time to time, "all such regulations as may be necessary to prevent the raiyats being improperly disturbed in their possession, or loaded with unwarrantable exactions" saying that this was "clearly consistent with the practice of the Moghul Government under which it appeared to be a general maxim that the immediate cultivator of the soil, duly paying his rent, should not be dispossessed of the land he occupied". Regulation VIII of 1793 passed on the same day as Regulation I contains provisions for the regulation of the various subordinate tenures, revision of the impositions denominated "abwabs" on raiyats (section 54), prohibition of new cesses on raiyats (section 55), specification of customary rents of raiyats in the pattas (section 56), and commutation of the same (section 57), and also provides that the leases of under-farmers and raiyats should be respected (section 60). Regulation XLIV passed on the same day provided (section 5) that when pattas of raiyats shall expire or become cancelled no proprietor shall require the raiyats to take out new pattas at higher rates than the established rates of the parganas for lands of the same quality and description.

Evidently therefore it was the intention of the Permanent Settlement to give protection to all classes of tenants connected with agriculture.

But from the total absence of any reference to non-agriculturists and from long-standing usage it can be inferred that it was not intended to give protection to non-agriculturists.

Occupancy rights should be given to certain classes of non-agricultural tenants only, viz., those whose leases are in respect of lands on which dwelling houses, manufactories or other permanent buildings have been erected or permanent gardens, plantations, tanks, canals, places of worship or burning or burying grounds have been made or wherein mines have been sunk.

The interest of such tenants is even now protected under section 160, Bengal Tenancy Act, in a sale for arrears of rent and under section 37 of Act XI of 1859 in a sale for arrears of revenue.

Ejectment of such tenants causes great hardship to them, gives a huge amount of unearned profit to the landlord in some cases and is detrimental to the interest of the public as a whole.

The other classes of non-agricultural tenants the majority of whom, in non-municipal areas, are shop-keepers, should not have occupancy right, because to give them such permanent right is detrimental to the development of commerce and industries and hence to the interest of the community as a whole.

Q. 28. The statutory right should not persist in lands converted to *use for non-agricultural* purposes except in the classes of lands enumerated above *which should receive* special treatment for reasons stated above.

The cultivators have been given certain statutory rights as cultivators and not in any other capacity. Those rights should cease in respect of lands which they no longer hold for agricultural purposes.

As regards levy of an additional tax on such holdings the position will be different in permanently settled estates from that in temporarily settled estates (supposing that Permanent Settlement will not be abolished). In permanently settled estates the State cannot, in view of the Permanent Settlement Regulation, impose any land tax direct on the tenants. Such land tax is only another name for rent which is payable to the proprietor and not to the State. The ground rent for non-agricultural lands was never resumed though other sayer collections were resumed by the order of the Governor-General in Council referred to in Article VII of Regulation I of 1793. Moreover, these were pure agricultural lands at the time of the passing of the above Regulation.

It is all the more unfair to make such direct levy in the name of giving the tenant a right at the cost of the proprietor All that can be done is to levy a tax on the income of the tenant from the business conducted by him on the land, or a duty on the commodities. But if that is done there is no reason why others carrying on similar business though not on converted lands should not be similarly taxed. The tax being a price or compensation for allowing the tenant his original rights as a raiyat in the converted holdings should in fairness go to the landlord and not to the State. As regards temporarily settled estates the Non-agricultural Lands Assessment Act XIX of 1936 has laid down the principles on which assessment of rent for such lands has to be made and that will give adequate increase of revenue for the conversion. No further levy for allowing the statutory rights to continue is called for.

Q. 29. The number of bargadars, adhiars and bhagchasis are on the increase due to the following causes:—

(1) Acquisition of lands of cultivators by middle-class bhadraloks during the economic depression in satisfaction of debts or otherwise and letting them out to the cultivators in barga.

(2) Spread of education among the cultivating classes, resulting in a change in their outlook on life and throwing open of more and more appointments in Government service to people belonging to the agriculturist families.

(3) Attenuation of agricultural income due to fall in prices which has led a section of the cultivators having small quantities of land to leave their hearth and home in search of employments elsewhere giving their lands in barga to their neighbours.

(4) Due to the uncertainty of the money market, failure of the mufassal banks to pay their creditors and the failure of the agriculturist debtors to pay their debts and also the passing of the Debt Settlement Act, investment in land has become practically the only safe mode of investment by middle-class bhadraloks. Hence there are more and more purchases of lands by bhadraloks and a consequent increase in barga leases.

(5) The economic depression hit the cultivators and the mahajans and landlords but not the service-holders.

Taking advantage of the fall in the prices of land and the inability of the cultivators to purchase, the non-agriculturist service-holders acquired lands and then gave them in barga.

Q. 30. (*i*) is not correct.

The suggestion is that because the amending Act has not given any statutory right to the bargadars the tenants are introducing more and more bargadars. But the bargadars had no statutory right before the amendment. It was only in judicial decisions that bargadars who supplied seed and plough and cattle were regarded as tenants by implication. But the door for such recognition is still open under item (*ii*) of the proviso to clause 17 of section 3 of the Bengal Tenancy Amendment Act.

(*ii*) is not correct.

Though occupancy holdings were not transferable before the passing of the Act of 1929 they used to be transferred almost without any restriction and the transferees, especially the non-agriculturists among them, had very little difficulty in getting recognition. They could obtain recognition on payment of a much lower fee than that fixed by the Act of 1929, and ejectment suits were few and far between.

The facilities for transfer given by the Act were outweighed by the prohibitive rate of transfer fee fixed by it which resulted not in an increase but in a considerable decrease in the number of transfers.

(*iii*) This is the main factor.

Q. 31. Each bargadar holds about 2 acres of land on an average. The majority of the bargadars also hold land in under-raiyati right, such land being in most cases their homestead. The number of bargadars having raiyati land is not large.

Q. 32. I do not think it advisable to extend the right of occupancy and other rights to bargadars though the most serious objection against it has been removed by repealing the law of commutation, because—

(1) They are not tenants in the proper sense of the term—

(*a*) What they pay for use and occupation of the land is a variable amount.

(*b*) A tenant is responsible for the due discharge of his rent irrespective of the yield of the land but a bargadar is not so responsible. He runs no risk practically, and what he gets is, properly speaking, a remuneration for his labour and care-taking.

(*c*) If a tenant cannot eject a bargadar who does not cultivate the land properly he (the tenant) will be ruined as he has to pay a fixed amount of rent to the superior landlord punctually.

(*d*) In many cases the bargadar has no independent possession or cultivation but cultivates under the supervision of and with monetary help from his landlord whose main source of maintenance is agricultural income.

(2) It is against the long-standing custom of the country to give the bargadars tenancy right or occupancy and other rights. I have seen many cases in which bargadars though recorded as tenants in the Settlement record have given up their lands amicably in view of the time-honoured custom.

It is a fact that the system of payment of rent in kind and of paying a share and not a fixed quantity of the produce was much in vogue in the golden age and till the time of Todar Mal. But along with it there was the superintendence by the village community and the obligation of the tenants to cultivate their lands properly. Tenancy right in the bargadar without a corresponding obligation on his part to cultivate his land properly will amount to a licence resulting in loss to the landlord and to the community as a whole.

(3) Any proposal to give tenancy right to the bargadars will give rise to widespread consternation and many bargadars will be turned out of their lands as happened at the time when the recommendation of Sir John Kerr's Committee of 1921 became known, and there will be great distress among the landless cultivators who will be reduced to the position of labourers.

I do not think the bargadars as such need any protection. A bargadar who gives proper attention to the land and is faithful is seldom turned out from his land. If he is lazy or has not the means to continue cultivation he deserves to be turned out. There are very few instances in which men having plough and cattle and other means of cultivation have lacked barga lands. The position is better now than it was before as there is a tendency among the hereditary cultivating classes to become non-agriculturists gradually.

What is needed is not protection of the bargadars but prevention of acquisition of lands by non-agriculturists so that *bona fide* cultivators, who have become bargadars under pressure of circumstances and are therefore languishing for want of adequate income, can get better

opportunity of acquiring raiyati lands and cultivate not as bargadars but as raiyats.

Q. 33. Though the bargadar gets a profit without any great risk from land which would not otherwise be available to him the system is economically unsound so far as the landlord and the community as a whole are concerned, for the following reasons:—

(*a*) The profit of the landlord is divided. This is no loss to the community as a whole, as what is lost to the landlord is gained by the bargadar.

(*b*) The produce of barga land is, as a rule, less than that of the cultivator's own land as he does not take proper care about the barga land by manuring it or in other ways. This is a loss to all parties concerned.

This can be only partially prevented by giving the bargadar occupancy right in which case he will try to improve the production with a sense of security. But he knows that the fruits of his additional labour will be divided half and half and that it will be more profitable to him to turn his attention to his own land when he has such land or to take some more barga plots and then leave all of them to nature after the minimum exertion.

So either the system will have to be made economically sound or its extension will have to be prevented. One way of making it economically sound is to enact a provision of law that where the produce of a barga land is appreciably less than the produce of similar lands in the vicinity the landlord will have the right to realise his share of the difference by suit and when the tenant spends money on manure the equivalent of such money should be deducted from the quantity of produce to which the landlord would otherwise be entitled.

But while it is necessary to make the existing barga leases more economic in the above manner it is also necessary to prevent its extension with a view to improve the economic condition of the agriculturists. One way of doing this is no doubt to give occupancy right to the bargadars and thereby hasten their extinction, as their landlords will resume the lands at once and get them cultivated by hired labour. But that will be a suicidal policy as it is the actual cultivator who deserves more help from the State.

The prevention of the extension of the system must be by way of helping acquisition of lands by *bona fide* cultivators and putting a check on acquisition of land by non-agriculturists. I think legislation to the following effect will secure this object:—

(1) Purchase of land in future by anybody who has no cultivation of his own in the village in question or in the contiguous village should be invalidated. In the case of immigrants the purchase will be

invalidated if they do not settle in the village and take to khas cultivation of the lands purchased within 2 years of the purchase. If any body emigrates from the village within 6 years of the purchase after settling there, the landlord will have the power to eject him.

(2) In the case of all new settlements and resettlements the *bona fide* cultivator should have preference by statute over all others and among them the following should be the order of preference:—

(*a*) The bargadar on the land.

(*b*) The cultivator of the nearest land having less than 5 acres of land to his credit.

(3) Both the bargadar and his landlord will have the right to have a fixed produce rent assessed by the Court provided that such assessment will automatically give the bargadar all the rights of a tenant of his grade.

Q. 34. The effect will be as follows:—

(1) Most of the bargadars will be turned out from the lands before any such law is enacted, and employed as labourers for cultivation.

(2) A system which is economically unsound will be perpetuated

(3) Once the bargadars are secure in their right they will default in payment of the barga share and litigation will increase causing loss and hardship to both the parties.

The bargadars will not be thrown out of employment as they will have to be engaged as labourers for the cultivation of the lands. But they will be definitely poorer by the change.

Q. 35. I have seen the proportion vary from two-thirds to seven-sixteenths. In the same area the proportion sometimes differ in the case of different crops. Half the produce is, however, the normal rate and seems to be fair. It has the sanctity of custom about it as is clear from the term "adhi" which means half. Considering the cost of labour, etc., I do not think the bargadar should get less than half. But there is very little competition among the bargadars for lands and hence the rate is not likely to be raised on an extensive scale in the near future. I do not think it necessary to fix a maximum by law. But a maximum, viz., half the produce has already been fixed by section 178 (*e*) of the Bengal Tenancy Act.

Q. 36. The wages of agricultural labourers fluctuate between 2 annas and 1 meal to 8 annas and 1 meal per diem. But the majority of them have to sit idle in the off-seasons when there is no cultivation or harvest. They are far worse off than bargadars but on an equal footing with under-raiyats.

It is, however, very difficult to draw a clear line of distinction, as the majority of the agricultural labourers are also under-raiyats and some of them at least are also bargadars.

Q. 37. Lands have passed to non-agriculturists not due to the Act of 1928 but due to items 1, 4 and 5 of the answer to question 29.

The abolition of transfer fee by the Act of 1938 has certainly facilitated transfer of land. But it has come too early by a few years. Had it been abolished after the economic recovery of the agriculturists by settlement of their debts and a rise in prices there would have been no cause of fear, that this measure would result in the transfer of more and more lands to the non-agriculturists. But it has come at a time when non-agriculturist service-holders are much better off than the agriculturists and hence it has indiretly facilitated transfer of more and more lands to the non-agriculturists. It is prejudicial to the interest of the cultivating raiyats to this extent.

Transfer should be restricted to agriculturists only. This is quite practicable vide answer to question 33.

Q. 38. 5·00 acres is the minimum size of an economic holding in the case of dofasli (double-cropped) lands and 7·50 acres in the case of ekfasli (one-cropped) lands.

Q. 39. Yes.

Q. 40. Consolidation of holdings is desirable for more economic cultivation but it is practicable only partially. This can be done by exchange with mutual consent effected by revenue officers appointed for the purpose and giving the right of pre-emption and preferential claim to settlement to the nearest cultivator having less than 5·00 acres of land.

But the best course is to introduce cultivation on a co-operative basis under strict official supervision with a view to safeguard the interest of the individuals concerned. This is quite feasible and will help in bringing back the peace and happiness of the ancient democratic village communities.

Q. 41. Yes, but this will not be necessary, if cultivation on a co-operative basis is introduced.

Q. 42. Accumulation of large areas in one particular hand is undesirable because it results in barga-letting, and the actual tillers of the soil suffer thereby for want of land. Twenty acres of land is enough for the biggest agriculturist family but I have seen tenants having two hundred to two thousand acres of land while their neighbours have little or nothing and are either the labourers or bargadars of those tenants.

It is not desirable to allow any one tenant to have more than 20 acres of land as he does this at the cost of his poorer neighbours who are the real *bona fide* cultivators.

The acquisition of too many raiyati holdings by any one man can be prevented by invalidating transfer to anybody having in his own name or in the benami of others or in the name of the other members of a joint family more than 20 acres. But as that will allow everybody to purchase up to a limit of 20 acres it will deprive to that extent the poorer cultivators of a chance to acquire land and also put an artificial embargo on transfer of land. So a better method is to give the right of pre-emption to the nearest cultivator having less than 5·00 acres of land and give him a preferential right of settlement.

Q. 52. Whatever be the principle adopted for assessment, the rent for agricultural land must, in order to be fair, bear a fair proportion to the profit of the tenant derived from the land, or in other words, it must in the ultimate analysis bear a fair proportion to the value of the produce. Any other principle of assessment would be arbitrary. Till commutation on a large scale was adopted by Todar Mal rent in all the provinces of India used to be realised in the shape of a share of the produce.

The question now is whether the rent should be a definite share of the produce or a definite share of the profit of the cultivators. The latter method aims at a more detailed calculation than the former.

I do not see any material difference between items 1 and 2 of this question. For example, the value of the produce of land just repaying the cost of cultivation as contemplated in item 1, is the same as the cost of cultivation; and the difference spoken of here is the same as the profit of the cultivator spoken of in item 2. Again, supposing that the value of the produce is Rs. 60 and cost of cultivation Rs. 30 giving a profit of Rs. 30 all that we have to do to secure, by the method of calculation mentioned in item 3, the same result as in items 1 and 2, is to fix the rent at one-fourth of the value of the produce.

It is, I am afraid, fallacious to say that according to item 3, the poorer land pays higher rent in proportion. Supposing that the value of the produce of the inferior land is Rs. 48 the rent at one-fourth would be Rs. 12. All that can be said against it is that the rent bears a higher proportion to the profit as the profit is smaller. The reduction of profit like the produce is shared by the landlord and the tenant in the proportion of 1 and 3.

No doubt, to assess the value of a definite share of the profit would be, theoretically, the finest method of calculation of rent, but such calculation is attended with very great practical difficulties.

First, it is very difficult to ascertain accurately the cost of cultivation and it varies from time to time and is different under different circumstances. Again it is doubtful if the cultivator can rightly claim the wages of his own labour as well as a share of the profit far in excess of the prevailing rate of interest on the amount spent by him.

If by the very condition of his tenancy he is to cultivate his land himself there is no reason why he should get a share of the profit as well as the wages of his labour.

Introduction of such controversial elements makes the calculation of rent complicated and gives the courts a very uncertain basis for their decisions. Different courts will come to different findings about the cost of cultivation and there will be no end of litigation

So from the practical point of view a definite share of the produce is the best criterion.

It is hardly unfair that the tenant should get a lesser profit from an inferior land. When he took the land he did not certainly expect to get as much profit from it as from the better land. One who invests money in a less profitable business should not complain of a lesser profit.

A definite share of the produce has the stamp of long usage on it as this was the method of calculation from the early Hindu age down to the Moghul regime.

As regards item 4, a percentage on the market value is not the best method of assessment on lands yielding crops. Rent is nothing but a tax on land and must be based on the income or profit derived from it. The best way of making such assessment is by a consideration of the produce of the land.

The market value of the land varies according to demand, according to change in the economic condition of the candidates and according to situation and various other circumstances.

Moreover, the number of transfers during a period of say 10 or 15 years is too small in comparison with the number of plots in any locality to allow of a fair average applicable to each individual land being struck. So market value can never be the fairest basis for calculation. But that is the next best method and hence this method has been adopted in the Bengal Non-Agricultural Land Assessment Act which deals with lands that do not yield any crop.

As for item 5, customary rates of ancient times were based on an appraisement of the produce of the land and were therefore fair. But the customary rates we find now are very much different from those

prevailing in ancient times. In the case of the khudkasht raiyats holding from the Hindu age the illegal impositions made by the autocratic raiyats and zamindars were all amalgamated with the rent, which amalgamation was finally authorised by section 54 of Regulation VIII of 1793.

The customary rates assessed in more recent times have no reference to the produce of the land but were assessed arbitrarily by the all powerful zamindars. But it must not be thought that because the rates were fixed arbitrarily therefore they were unfair in comparison with the value of the produce in all cases. But the basis itself being illogical any assessment made on this basis by adjustment due to rise in prices is bound to be illogical and will give unfair results in those cases where the customary rates are really unfair in comparison with the value of the produce.

As regards item 6, rents fixed by competition are sure to give unfair results especially when the majority of the cultivators are illiterate.

The barometer of demand for land rises and falls not only with the rise in the price of agricultural produce but also with the quantity of land available and the number of candidates. In Noakhali khas mahal, large quantities of land were settled at a high rate of rent during the boom in the pre-depression period when there was a great craze for land and the cultivators were anxious to take settlement at all costs. But the results were disastrous inasmuch as the tenants failed to pay the high rates of rent and salami and the lands had to be purchased back by Government.

A competitive rate might be fair for the time being only but it cannot be fair for any considerable period of time.

Q. 53. In Government estates most of the rents, nearly two-thirds, are fixed on a consideration of the productivity of the land and the rest on competition. In permanently settled estates nearly half the rentals are fixed on custom (not in the proper sense of the term but in the sense that it has been created by the arbitrary will of the zamindar or is an amalgam of the old customary rate and the subsequent) and half on competition. The majority of the rents in permanently settled estates can be described as lump rentals but not so in Government estates.

In Government estates the rates of rent of raiyats under Government in a village or estate do not differ greatly and hardly differ at all. But those of raiyats under tenureholders differ greatly.

In permanently settled estates the rates of rent of raiyats immediately under the proprietors or immediately under big patnidars or other big tenureholders do not differ greatly. But the rents of raiyats under smaller tenureholders do so differ.

Q. 54. It is not correct to say that the poorer and weaker tenants pay higher rents in many estates.

But the rate of rent varies inversely with the rate of premium paid at the time of settlement.

(*a*) So the initial premium is one of the factors that has played a part in fixing the rents in Bengal. It is also found that the jungle-bary or abadkari talukdars and other reclaimers of the soil are in many places recognised as being entitled to hold at concessional rates of rent.

(*b*) Fixity of rent under contract or by statute in some cases and enhancement of rent amicably or by statute, are two other factors responsible for the difference in the rate of rent.

(*c*) Subinfeudation is other factor. The more subinfeudation there is the higher the rates of rent tend to be.

For example, a proprietor who settles a tenure at a rate of Rs. 3 per acre is satisfied with a rate slightly above Rs. 3, say Rs. 4 from his direct raiyats. But the tenureholders will not settle any land with raiyats at less than Rs. 5, as he must reserve a fair amount of profit to himself. And when the tenure is made khas we have two sets of raiyats under the same proprietor at two different rates of rent.

This explains the divergence of rates that is found among some raiyats in Government estates.

(*d*) The consideration of profit to the lessor has played a most prominent part in the fixation of rent.

A proprietor who has to pay a rate of Rs. 2 per bigha as revenue will assess a higher rate on his rayats than one who has to pay a rate of Re. 1 per acre as revenue. And it is well-known that the rates of revenue fixed in perpetuity by the Permanent Settlement Regulation were very unequal and in some cases grossly unfair to the proprietor and in others grossly unfair to the State.

The consideration of profit to the landlord is also the reason why the raiyati rates in revenue-free estates are generally lower than those in revenue-paying estates.

Q. 55. The rents should be readjusted on a uniform basis throughout all parts of the province.

If it was a mistaken financial policy to fix the demand of the State from the proprietors in perpetuity. It will be an equally mistaken policy to allow the fixity of the rent of the mokarari raiyats and tenureholders, which is the outcome of that policy, to continue. It will also be a mistake not to reduce the rack rents levied by the proprietors and their underlings on the strength of the declaration

made in the Regulation of 1793 by which the State, at least partially, withdrew from its duty of protecting the tenants in the matter of assessment and delegated its power of control to the proprietors.

A new record-of-rights should be prepared if possible. Otherwise the old record-of-rights should be maintained and the rents revised on the basis of a definite share of the last 10 years' average price of the produce ascertained by crop-cutting experiments, the machinery employed being similar to that employed in the revisional settlement operations in temporarily settled areas. Crop-cutting experiment on each individual plot is not contemplated. A fair working basis will be found if experiments are carried out in a few representative plots and then the result applied to all similar plots.

Q. 56. The equivalent in cash of a definite share of the produce should be paid by all cultivators.

The proportion of the produce paid as rent has been different in different ages.

According to Manu the King's share is to be one-eighth, one-sixth or one-twelfth, according to the nature of the soil and the labour necessary to cultivate it (Chapter VII, Sloke 130); but in times of prosperity the King should take only one-twelfth (Chapter X, Sloke 120), while in times of urgent necessity he may take one-fourth (Chapter X, Sloke 118, 120). The mean of all these is approximately one-sixth.

During the time of Sher Shah rent was realised at one-fourth of the produce payable in kind or cash. Todar Mal fixed the rate at one-third of the produce payable in cash or kind.

Shivaji fixed two-fifths of the produce payable in cash or kind as the rent.

It is quite well-known that in the old days the tenants had to pay nazar, bhet, begar and other abwabs to the landlords in addition to the rent.

At the same time they succeeded in keeping down the assessment on the whole by corrupting the officers reponsible for the assessment of rent.

The needs of the tenants in terms of money have since increased due to a change in the outlook on life; and the needs of the State have also increased, all for the protection and benefit of the tenants.

Considering all things, and also comparing the value of the produce with the cost of cultivation, I think one-sixth of the produce to be a fair proportion that the State can demand as rent.

Q. 57. The rent should not be fixed in perpetuity. The fixity of land revenue, and at a rate unconscionably low in comparison with the assets, is the main cause of the financial poverty of the Bengal Government, and the fixity of rent of a large section of the tenants, some of whom even enjoy rent-free lands, is the main cause of the backwardness of the Bengalis in industry, trade and commerce. The people of the district of Burdwan are the most homekeeping and backward in education because most of them have rent-free lands due to the munificence of the Maharaja of Burdwan. The same argument applies though with less force in other parts of the province. And while Government is deprived of its due share of the produce of the soil on account of the Permanent Settlement it cannot carry out any extensive taxation programme in order to supplement the income on account of land revenue as a howl of protest is raised against every such scheme, and the Government becomes unpopular by carrying out any such scheme in the teeth of opposition. The result is that Government cannot spend enough money on schemes of development, agricultural or industrial.

The raiyats and the middle-class bhadraloks on their part are loth to go out on any sort of adventure as they have landed properties from which they can some how eke out an existence.

The exchange value of money rent (by which I mean its purchasing capacity) must fluctuate according to the rise and fall in prices.

So the amount of rent also should be alterable according to the alteration in the price of the staple food crops. And where the rent is equal to the price of a share of the produce at a certain time it is all the more necessary to alter it according to the alteration in the price of the produce.

Moreover, lands improve or deteriorate due to fluvial action producing more or less in consequence and the produce increases also when works of improvement are carried out by the landlord.

So the mistake made at the time of the Permanent Settlement should not be repeated.

According to the Bengal Tenancy Act 15 years is the period after which rent can be revised.

Considering the question of change by alluvion and diluvion 15 years is neither too short nor too long so far as the riparian districts are concerned.

But in the other districts another 5 years may safely be allowed. In view of the fact that a change in the rate will only be made on a change in the price of the produce, 20 years may be uniformly

adopted with a view to allow any temporary fluctuation in price to pass off and the change in price, if any, to settle down.

Q. 58. There will be no advantage but definite disadvantage if an income-tax on profits from agriculture be substituted for rent.

Appraisement of crop will have to be made from plot to plot every year in all seasons necessitating entertainment of a huge staff for it. And the system will encourage corruption to a great extent, Government being deprived of at least a part of the legal tax.

Fixation and periodical revision of rent will involve much less expenditure and the chances of corruption are almost nil.

The answer to the second part of the question is in the affirmative.

The proportion will steadily tend to increase due to subdivision of holdings *bonafide* and *malafide* and corruption among the staff.

Q. 59. The Act is defective in the following respects:—

(*a*) It proceeds on the assumption that the rent now being paid was fair at the time it was settled by contract.

(*b*) There is no provision in it for curing or preventing rack renting by private landlords. Under section 38 rent can be reduced for deterioration in the quality of the soil and fall in prices but there is no provision for cutting down high contractual rents.

(*c*) It is definitely pro-landlord and anti-tenant as will be clear from the fact that, under clauses (*a*) and (*b*) of sub-section (I) of section 38 the tenant can ask for reduction of rent only when the soil has permanently deteriorated or the prices have fallen due to a permanent cause, but in the case of enhancement of rent (*vide* section 30) no permanent rise in price nor permanent improvement of the soil is insisted on.

(*d*) The landlord can obtain enhancement when the rate is below the prevailing rate [*vide* section 30(*a*)], but the tenant cannot claim reduction on the ground that this rate is above the prevailing rate.

(*e*) According to the present law the rent need not have any reference to the value of the produce.

(*f*) It gives the Courts and the Revenue Officers power to enhance, reduce and alter existing rents on certain grounds, but it does not give them any power to fix initial rent for lands which do not bear any rent at present. Section 104 gives the Revenue Officer power to settle fair and equitable rents for tenants of every class. But this section is not independent of section 104A which lays down the principles on which fair and equitable rents are to be settled and the proviso to this section clearly indicates that it is governed by sections 6 to 9, 27 to 36, 38, 43, 50 to 52, 180 and 191 which

do not deal with assessment of initial rent. Even section 191 is not independent of these sections.

(*g*) Sections 9, 29 and 37 bar a second enhancement within 15 years. But there is no provision barring enhancement of a rent within a few years of its being initially settled by contract.

(*h*) Under section 52 rents fixed on a certain rate per unit of area can be increased or decreased for alteration of area. Lump rents cannot be so altered unless it can be shown that some of the land has gone out of the holding or some additional land has been included in it. It ignores the fact that even lump rentals are fixed in consideration of the area and that on remeasurement the area is frequently found to be different from the original area due either to mistake or to fraud at the time of settlement.

(*i*) Prevailing rate in section 30 is an unfair basis for enhancement as it assumes that because the majority of the tenants pay this rate it is fair. But the prevailing rate itself may require an enhancement or reduction under the present conditions and cannot therefore be a fair standard.

(*j*) In temporarily settled estates it is obligatory on the Revenue Officer preparing a record-of-rights to fix a fair and equitable rent whether the tenants ask for it or not. But in permanently settled estates nothing is to be done until either of the parties moves the Revenue Officer in each individual case. And in very few districts the record-of-rights of permanently settled estates has been prepared more than once while in temporarily settled estates the record-of-rights is revised periodically. The result is that only a nominal percentage of the rents in permanently settled estates undergoes revision but in temporarily settled estates the rents are revised after every 15 years. This has resulted in great disparity in the rates of rent in permanently settled and temporarily settled estates lying side by side.

(*k*) The Act does not contain any provision for cutting down high and unfair produce rent.

(*l*) Clauses (*a*) and (*c*) of section 32 give a long rope to zealous Revenue Officers to take any period according to convenience leading to unfair results in some cases.

The principle of comparing the average price of the decennial period just preceding the institution of the suit or proceeding with that of the decennial period just preceding the year in which the existing rent was settled, or if such date is not known, then the average price of the decennial period just preceding the decennial period taken first, should be strictly adhered to.

If however, the principle of fixing the rent at the equivalent of a definite share of the produce be adopted section 30 (*b*) itself will be replaced thereby.

(*m*) I consider the Act to be also defective inasmuch as it gives powers to the Civil Courts to assess and enhance rent. The decisions of the Civil Courts are based not on an enquiry into the local conditions but on formal evidence which is more often than not misleading.

Q. 60. Enhancement as a result of fluvial action is quite fair. It is in a sense an enhancement for increase in the produce. If the equivalent of a definite share of the produce is taken as a rent the additional amounts chargeable on the ground of fluvial action is included in the resulting enhancement. There is nothing unfair in the State or the landlord getting a share of the unearned profit. But in practice section 30(*d*) affords a very unsure guide to Revenue Officers as it does not lay down the manner and extent of the enhancement. So an over-zealous Revenue Officer may simply say that the productive powers of the lands have increased by a change in the course of the river and hence the tenant should give enhancement at 8 annas in the rupee.

For a just application of the law it is necessary to compare the produce of the land at the time the existing rent was settled with its yield at the time of the proceeding. But it is not always very easy to ascertain the date on which the existing rent was settled or the yield of the land at that time.

The best course therefore is to take the equivalent of a share of the produce of the land whether that results in enhancement or reduction. This will embrace all the provisions in the Act for enhancement or reduction or alteration of rent and thereby simplify the law to a great extent.

Q. 61. Enhancement on the ground of rise in prices is quite fair. It is intended to keep up the economic equilibrium.

Rent in this country was originally payable in kind where in villages far from towns there was no such thing as money. Subsequently it was commuted to money rent on a large scale for the convenience of the parties. As has been stated above the fairest way of calculating rent for agricultural lands is to take the equivalent of a definite share of the produce.

Now this money equivalent rises with the rise in the price of the produce. So enhancement of money rent on the rise in the price of the produce is justified. It is not true that all lands yield staple food crops. But they are the main crops, and with the rise in the

price of the staple food crops the price of other crops also generally rises. So the surest criterion is the rise in the price of the staple food crops.

The landlord does not gain anything by such enhancement but his loss is prevented. The tenant is none the loser for it but his additional unearned profit is devided between him and the landlord.

This will be clear if we look at the thing from a different angle of vision.

Originally the landlord used to get, for example, 4 maunds of paddy when the yield of the land was 24 maunds. This rent was commuted to Rs. 4 at a time when paddy sold at Rs. 1 per maund. With that money the landlord used to purchase 4 maunds of paddy for his maintenance.

Paddy now sells at, say, Rs. 2 per maund. And with the rent the landlord can purchase only 2 maunds of paddy which is not enough for his maintenance. So the rent should be doubled in order that he may purchase 4 maunds of paddy therewith for his maintenance. In paying the enhanced rent of Rs. 8 the tenant pays nothing more than the present money equivalent of 4 maunds of paddy which he used to give originally and the price of which he used to pay after commutation. His balance of 20 maunds of paddy or the price thereof remains unaffected by the enhancement.

This is how enhancement on the ground of rise in prices is intended to maintain the economic equilibrium.

In those cases where the original rent was not fixed on a consideration of the value of the produce, the enhancement on the ground of rise in prices is equally fair for the above reasons but the resulting rent contains the original unfair element in it. Hence it is proposed to subtitute the method of fixation of rent at the money equivalent of a definite share of the produce.

Q. 62. Enhancement on the ground of rise in prices should be given in the case of these tenants also. The argument of those who are opposed to this will, if carried to a logical conclusion, justify such holdings being held without rent as no balance of the produce remains for payment of the rent after the tenants' consumption. When the land was taken settlement of, the tenant contracted to pay a certain rent in cash or in kind for the use and occupation of the land; or in other words, he contracted to set apart a share of the produce for the due discharge of his rent. What he has paid so long as rent is nothing but the money equivalent of his share of the produce. And the new rent including enhancement for rise in prices

is nothing but the present money equivalent of this share of the produce. If he could pay the rent before, the argument that he cannot pay the enhanced rent now does not hold good. If he requires the whole crop now for his consumption he must look to other sources of income for the increase in his expenditure, and not live at the cost of the landlord or the State.

Q. 63. Enhancement or reduction on the ground of prevailing rates only secures a levelling up or levelling down of the rates. Neither of this can give a fair level of rent based on the present value of crops. They only perpetuate the competitive or arbitrary rents fixed at some distant point of time under entirely different conditions, social and economic.

The objections suggested in the question itself can also be reasonably urged against this procedure

Q. 64. Yes. The limit fixed for new settlement should be the money equivalent of a certain share of the produce of the land if it is already under cultivation, and of neighbouring lands having the same fertility if the land to be settled is an uncultivated one.

Q. 65. *Vide* items (*f*) and (*g*) of the answer to question 59. Had enhancement in permanently settled estates been negatived altogether that would have some justification as the proprietary revenue is fixed in perpetuity. But enhancement and reduction on the ground of rise and fall in prices would still be justified and necessary to keep up the economic balance. Under the present law, however, it is too costly for the landlords or the tenants to apply for enhancement or reduction in each individual case. The tenants being mostly illiterate do not apply for relief even in the most flagrant cases.

And when cases are filed they are tried like civil suits on formal evidence which do not give such fair and uniform results as are usually obtained by local enquiries under section 104.

The procedure for (*a*) is justified but that for (*b*) is not.

Q. 66. I know of some such cases but I am unable to give details now. The unfair enhancements were due to the tenants' case not being properly represented by formal evidence as against influential landlords. The fault is neither of the Settlement Courts nor of the Special Judges but of the law.

Assessment or enhancement of rent should not be left to the Civil Court where everything is decided on formal evidence by officers having no first hand local knowledge nor should it be made in the formal manner as in section 105. With a view to secure the greatest possible fairness and uniformity in the assessment the procedure of section 104 should be adopted in the permanently settled estates also

and everything should be done by Revenue Officers who have studied conditions.

Q. 67. It is not quite correct to say that revisional settlement is usually made with the primary object of enhancing revenue. But it can be said that revisional settlement is usually made only in those areas where enhancement of revenue is expected.

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When the term of settlement of an estate expires a resettlement of revenue must be made. This can be done either summarily or by a regular revisional operation.

In temporarily settled private estates the revenue can be enhanced to a limited extent only after a summary enquiry, leaving the tenants' rents as they are, and without revising the record-of-rights. In Government estates the revenue being the sum total of the tenants' rents cannot be enhanced without a revision of the record-of-rights. But the cost of a revisional operation for settlement of land revenue has to be borne entirely by Government. Hence the question of financial gain or loss arises. It is but reasonable, especially in view of the present financial condition of Government, that estates which will not yield any enhancement of revenue should be excluded from revisional operation and only summarily settled.

Exceptions are estates which have undergone great changes due to alluvion or diluvion.

The aim is always a revision of the record-of-rights but this is not done on grounds of expediency in those cases where there will be definite financial loss.

Q. 68. No.

Q. 69. It was not a mistake on the part of Government. I do not think the policy has led to any legitimate grievance on the part of the tenants.

(*a*) When a rent is fixed for a term of years it cannot be expected that it will bear the same proportion to the value of the produce and leave the tenant a uniform profit during all years of the term, as prices fluctuate and the quantity of produce varies due to natural causes. It is enough if the rent compares favourably with the average value of the produce. And in considering the rise and fall in prices one must take the average of the rise and fall ignoring temporary fluctuations. Section 32 provides two long periods for the calculation of average and an enhancement based on such average is fair for all practical purposes. The prices no doubt fell for 4 or 5 years but they are again rising. So it would have been a mistake to be led away by the temporary fall.

The law never contemplated that in future the price should remain at the highest level found in the past. (The prices of the last 2 or 3 years may be lower than those of previous years and yet the average of the last 10 years may be higher than that of the previous decennial period.)

The principle is that if there is a rise in prices comparing the last two decennial periods, the rents are to be enhanced and the enhancement paid for the next 15 years.

It comes to this that the tenant enjoyed an unearned profit during the last 10 years at the cost of the landlord who has suffered during the period due to a reduction in the purchasing capacity of the money he received as rent. And it is this amount reduced by one-third under section 32(*b*) which he is asked to pay the landlord during the next 15 years to keep up the balance, or in other words he is asked to pay the landlord in the next 15 years' time exactly what he enjoyed at the cost of the landlord during the last 10 years.

If during these 15 years the average price goes down so as to justify reduction of this rent under section 38 the tenant will get the benefit of it during the 15 years next following.

The thing is that when questioning the fairness of a rent people are apt to bring in so many extraneous circumstances such as the general indebtedness of the tenants and the other needs of their families, that their vision is blurred and they end by making an unfair criticism of the fairness of assessment.

Q. 70. Various factors have contributed to this. When a tract is initially settled the following considerations determine the rent:—

(*a*) The fertility of the soil.

(*b*) The cost of reclamation.

(*c*) Liability to diluvion or damage by salt-water inundation or wild animals.

(*d*) Distances from towns, markets and inhabited villages.

(*e*) Demand for the lands.

(*f*) Rate of salami charged.

(*g*) Prevailing rates in neighbouring estates, temporarily or permanently settled.

(*h*) Price-level of agricultural produce at the time of settlement.

(*i*) Temperament of the person settling the rents, some being by nature or training more exacting than others.

Thus the condition and situation of the lands being different, the officer being different, the principles of settlement being different

and the circumstances under which settlements were made being different the initial rents were different for lands of the same fertility in different districts.

When the rents came to the stage of enhancement, different principles were adopted in different districts by different officers and even where the principle was the same the rates of enhancement varied according to the temperament of the officers and other predisposing causes. For example, a lower rate of enhancement is allowed in estates liable to depredation by wild animals. Again enhancements made under section 30(*a*) in one district gives a different result than those made under section 30(*b*) in another district, and the rates of enhancement under section 30(b) in different districts differ due to difference in the average price. Similarly enhancements made under section 30(*b*) at different times give different results.

Moreover, the older the estate the larger the number of enhancements and larger in consequence is the sum total of the enhancements.

Q. 75. The following table complied from Land Revenue Administration Reports will show the position roughly:

Year.	Amount spent on purely agricultural improvement.	Amount spent on miscellaneous improvements such as repairs and constructions of Bungalows, roads and communications, clearance of jungles and agricultural experiments.	Percentage of the total improvement grant on the current demand.
	Rs.	Rs.	
1927-28	77,383	65,680	3·9
1928-29	65,476	1,03,562	3·9
1929-30	1,35,508	52,691	3·7
1930-31	92,143	59,848	3·05
1931-32	80,788	30,795	2·37
1932-33	76,932	22,519	1·77
1933-34	69,551	21,791	1·45
1934-35	55,050	24,062	1·43
1935-36	99,024	42,701	2·5
1936-37	65,545	40,916	2·0

So it is clear that the grant has been reduced considerably in recent years

Under rules 112 to 114 of the Government Estates Manual, 1919, 9½ per cent. on the estimated collection of the year plus a recurring grant of Rs. 50,000 was to be spent on management and improvement, it being the Board of Revenue's endeavour to restrict the

cost of management to 6 per cent. and leave ½ per cent. for miscellaneous improvements and 3 per cent. plus the recurring grant of Rs. 50,000 for agricultural and sanitary improvements.

Under rule 172 of the Crown Estates Manual of 1932 the 9½ per cent. was to be calculated not on the estimated collection but on the current raiyati demand plus the average of the past 3 years' miscellaneous collections. This has been changed by correction slip No. 32 to 8 per cent. of the current demand of rent and cess plus the average of the previous 3 years' miscellaneous collections.

The inclusion of cess in the demand for calculation of percentage does not make up for the loss of 1½ per cent.

Again the whole 8 per cent. is placed by Government in the hands of the Board without specifying the amounts to be spent on management and improvement. It is for the Board to distribute the amount between these two heads. Naturally therefore the improvement falls as the cost of management, which is more imperative, rises. In recent years the collecting staff had to be strengthened due to general unwillingness among the tenants to pay rent. Hence the cost of management has increased and the improvement grant fallen proportionately.

Q. 76. Salami is, as a rule, realised by Government at the time of settlement of new lands in khas mahals. Originally there was no system of levying salami in Government estates. But the system was introduced in 1919 (*vide* rule 156A, Chapter VIII A, inserted by correction slip No. 2 of August, 1919, in the Government Estates Manual of 1919).

There is no rule or practice that salami realised for any particular land should be partly or wholly spent for the improvement of that land. Nor is there any rule or practice that salami realised in any particular district should be partly or wholly spent for the improvement of land in that district. But salami being a miscellaneous collection, 8 per cent. of the total salami realised in the Presidency is placed at the disposal of the Board of Revenue as a part of the management and improvement grant; and as already stated, the Board makes allotment for management and improvement out of the total grant according to requirements in different districts.

Q. 77. The land system as well as the general policy of Government are responsible. And the land system itself being a creation of Government more or less, Government is responsible indirectly at least for the effect of that also.

There are various other factors such as climatic conditions which make the people more home-keeping and less adventurous, increase

of population, and want of room for agricultural expansion. The economic depression was only an exciting cause. But the real cause lies more deep rooted.

In the good old days there was no dearth of waste lands. With the increase of population the tenants augmented their agricultural resources by extension of cultivation. But there is hardly any unreclaimed land at present, and hence with the further increase of population the quantity of land *per capita* is decreasing. Again the Great War and spread of education have changed the outlook on life and increased the expenditure of the cultivators on clothings, education of children, litigation, etc.

So the limited agricultural income is no longer enough for them.

Due to the bonds of joint family in a section of them at least, and home-keeping habit of all, they are loth to go elsewhere and take to trade, business or other enterprises.

This home-keeping habit is mainly due to the Permanent Settlement which reserved to the tenants a more or less fixed income from their lands. The tenants used to supplemnt their agricultural income by the income of home industry such as spinning, weaving, preparation of oil. etc. But the home industries vanished when the markets were flooded with cheap and fine foreign goods.

The crisis was averted only for the time being by the abnormal post-war prices of agricultural produce, and it came when the prices fell all on a sudden.

(*a*) The real remedy lies not in a general reduction of rents, as rents in most cases are only an insignificant part of the tenants' expenditure, but in augmenting the income of the tenants through sources other than agriculture. The home industries are to be revived.

(*b*) Large-scale industries based on indigenous raw materials and subsidized by the State are to be started in different parts of the province, so that the cultivators may find employment in the off-seasons (they idle away about 6 months in the year) and get a good market for their agricultural produce.

(*c*) More money should be spent in works of improvement to ensure a steady income from land by preventing loss due to flood, drought, etc.

(*d*) It was a mistaken policy of Government not to encourage home industry until very recently, Government have not been able to launch upon any large scale industrial enterprises or any extensive development work due to paucity of funds.

In a province where the taxable income from commerce and industries and similar sources is very meagre, where the duties internal and external do not bring much into the coffers of Government due to the low purchasing power of the people, and the land revenue is only 2·2 per cent. on the value of the produce and only 27·6 per cent. of the raiyati rental, it is no wonder that Government should not find money enough to carry out any comprehensive scheme of development. To tax the agricultural income of the raiyats for the amelioration of their condition is to give them stone when they want bread. To levy a tax on the profit of the zamindars and the tenureholders allowing them to stay on will be equally unfair because there is so much subinfeudation that the profit of each individual tenureholder is not very great and collection has become so difficult nowadays that the tenureholders and the zamindars are hardly in a position even to discharge their rent and revenue after maintaining themselves and their dependants. So the only solution is to end this system of land tenure.

If Government purchases the rights of the proprietors and the tenureholders at 10 times their profit after raising a loan at 3½ per cent. interest the loan will be repaid with interest in about 13 years' time out of the additional revenue secured thereby and then there will be an immense surplus in the hands of Government for development work.

If a 20 years' loan is taken, development work can go on *pari passu* with the repayment of loan after defraying the initial cost of organisation. If it be not possible to raise such a big loan all at once (but I do not see why it should not be possible) the acquisition may be made gradually starting with those districts where there are big khas mahals.

All the proprietors and tenureholders may not like it. But some of them will. And then thy will, of necessity, turn their attention to business and industry. Government will also have funds to subsidize indigenous industries and the raw materials will fetch a higher price due to increased demand. An alternative suggestion is that the estates and tenures will be made khas and the proprietors and tenureholders given a malikana annually. But a huge staff will have to be maintaind for this and such an arrangement is unsound from the economic point of view.

Q. 78. (*a*) Rs. 90 and (*b*) Rs. 30. Total Rs. 120. 60 per cent. of the cultivating raiyats can maintain themselves and their family from the income.

Q. 79. The existing system and organization are not satisfactory. In spite of sections 65 and 78 of the Registration Act of 1876

successors to proprietary rights omit in many cases to apply for registration under section 42 of the Act and there is no machinery at present for duly reporting the successions to the Collector. The result is that the D. Registers do not, in many sases, represent the actual state of things. The position is worse in those districts where the number of small estates is larger.

As regards the record-of-rights it has, except in temporarily settled areas, become out of the date in most districts as there has been no revision. The usefulness of a record-of-rights diminishes with its age and in riparian districts the practical utility of an old record-of-rights is almost nil.

Hitherto the record-of-rights has been periodically revised only in the temporarily settled areas and maintained only in the khas mahal areas. In permanently settled areas there has practically been no maintenance except in the few cases in which the privilege under section 158A (now repealed) was granted. And in those cases also it was maintained only for the time being. Even in khas mahal areas there is no thoroughgoing maintenance as the staff is not adequate for that and the officers responsible for the maintenace are not, except in some isolated cases, vested with the powers of Revenue Officers.

It is feasible to maintain continuous and accurate land records in small units of villages. But I do not think it feasible to include in such records a full statement of the crop on each plot from year to year. This will necessitate entertainment of a big permanent staff and the object will be defeated by lethargy and corruption among the staff, as a detailed check of their work by responsible officers is out of the question being too costly an affair.

In my opinion, there should be a permanent staff for maintenance work who will do the maintenance work of khas mahal as well as non-khas mahal areas.

A kanungo with revenue powers with a staff of one amin, one chainman, and a peon should be placed in charge of the maintenance work within the jurisdiction of each Registration Office or any similar unit if necessary. He should work in co-operation with the Sub-Registrars and the khas mahal staff if there be any.

There should be a Gazetted Officer with revenue powers in charge of the maintenance work of each subdivision who will supervise all work of the kanungoes.

It will be the kanungoes' duty to enquire into and ascertain all changes and then call upon the parties concerned to apply for alteration in the record-of-rights within a certain period failing which

they will be fined as in section 65 of the Registration Act. The cost of the department will be met from the court fees and other fees levied. It will be enough if the maintenance officer takes up a particular village only once in a year but all changes taking place during a year should be brought on the record in the course of the next year. If the private estates and tenures are made khas the organisation for maintenance will form a part of the khas mahal organisation.

Q. 80. (*i*) This is desirable and will place a larger quantity of food grains at the disposal of the cultivator but it cannot be said that it will increase income, as overproduction is likely to bring about a fall in prices.

So, along with improved methods of cultivation industries should be opened for increasing the demand for raw materials. It is very doubtful if India will find a better market in future in other countries for her raw materials.

(*ii*) and (*iii*) This is very important. Supplementary occupation can be given by establishing cottage industries. But this itself is not enough. Other large-scale industries should be started with a view to increase the demand for the agricultural produce and give occupation to the cultivators in the slack season.

(*iv*) Establishment of collective or co-operative farms will reduce the cost of cultivation to a certain extent and increase the income to that extent, no doubt. But that is not much.

I do not think co-operative marketing organisations will be successful.

(*v*) I do not think that cattle insurance will be successful.

This will result in a deterioration in the already unsatisfactory condition of the cattle, as very little care of them will be taken, and in the death of many of them brought about fraudulently. Whatever scheme is decided upon, it will have to be adopted with an eye to the future.

In the past whenever there was overpopulation there was emigration and that kept up the economic balance. But the other provinces of India hold no room now for the Bengalis, nor do the other countries in the world hold any room for Indians. But population is increasing and the room for agricultural expansion within the province is almost nil.

So the attention of a section of the people who live on agricultural income must be turned to other sources of income. And this can be effectively done only by establishing industries. To allow the industries to thrive, heavy duties should be imposed for decade or two at least on rival foreign goods.

Q. 89. The machinery available to the landlords for realisation of their dues amicably is their collecting staff. That is not too costly or cumbrous. Some harassment or unnecessary expense is, however, caused to the tenants due to corruption among the staff.

But nowadays voluntary payment of rent year by year has almost ceased and hence Government as landlord cannot realise the dues promptly without certificate, and where Regulation VIII of 1819 does not apply the private lanlords have to go to the Civil Court. But they cannot expect any prompt realisation through the Civil Court as the cases drag on for months.

The only provisions of law which were available to the private landlords for prompt realisation of their dues, except in cases where Regulation VIII of 1819 could be applied, were those contained in Chapter XIII A of the Bengal Tenancy Act. But this chapter has been repealed by the amending Act of 1938. So rent suit is the only alternative. But this is too costly and cumbrous to the landlord and too expensive and sometimes harrassing to the tenant. The proprietors have to pay Government revenue kist by kist, but they have no legal machinery to realise the dues from the tenants promptly. Very few of them have reserve funds enough to pay the revenue as well as the cost of rent suits.

The landlords did not feel much difficulty till some years back as the tenants considered it their duty to pay their rents regularly and did pay regularly. But many of the landlords have been ruined since voluntary payment of rent by tenants ceased.

The position is entirely illogical. If the proprietors are bound to pay their revenue kist by kist they mast have an effective machinery for realisation of the dues from the tenants.

I would suggest reinstatement of Chapter XIII-A of the Bengal Tenancy Act with this modification that the maintenance of record-of-rights should be made by Government as a part of the general scheme of maintenance suggested above.

Q. 90. It is not harrassing or objectionable provided issue of distress warrants is restricted.

There must be a summary procedure for realisation of rent whether in Government or in private estates, as neither Government nor private landlords can do without a fixed income. The choice is between a machinery like Act XI of 1859 and that like the Public Demands Recovery Act. The latter is preferable to the drastic provisions of the former to which the illiterate cultivators living in villages far away from the town are not equal. But the procedure should be reversed by putting sale of the holding before issue of

distress warrant. I have found that distress warrants fail in many cases due to corruption of the process-servers who sometimes cause unnecessary harrassment or expenditure to the tenants. But the dues are paid as soon as the holdings are put up to sale. Distress warrant should be issued not before but after sale, and only in those cases where the dues could not be realised by sale and for the unrealised amount only.

This will very much reduce the cost of the certificates and the expenditure of the tenants, and also ensure more speedy disposal of the cases. At the same time all other processes leading to and following the sale which are quite liberal in comparison with the provisions of the Sale Law will remain.

Q. 91. I think it advisable to revise and codify the Revenue Laws in a more up-to-date and simple form. I would also suggest that the important rules which are of a general nature should be included in the laws.

There are as many as 5 Acts and 1 Regulation on Alluvion and Diluvion, more than a dozen (Regulations and Acts) on Land Revenue Assessment, and half a dozen (Regulations and Acts) on Land Revenue Sales, some of the provisions of which are not applicable to present conditions.

A diara officer has to look to Regulation IX of 1847 for the inception of the work, to the Survey Act V of 1875 for his survey, to the Bengal Tenancy Act for preparation of record-of-rights, to Regulation 2 of 1819, Regulation II of 1825 and Act XXXI of 1858 for his authority for assessment of revenue, and to Regulation VII of 1822 for the settlement of the revenue.

In this bewildering mess even the most careful student of law is apt to miss some of the important provisions and forget many. No wonder that they should be unintelligible to the ordinary people.

I am therefore in favour of replacing the old Regulations and earlier Acts by a simple Act embodying their main provisions and also the important rules framed thereunder.

APPENDIX I.

Q. 18. The same organization as is in existence in the Khas Mahal Department will be required with incrase of staff and officers.

In each district there should be a Deputy Collector with settlement experience in charge of the estates of that district and a Sub-Deputy Collector with settlement experience as his assistant.

In the Headquarters Office there should be one Head clerk and 10 other clerks on an average and 2 office peons besides the orderlies

of the two officers. For each 25,000 rupees of current demand there should be a tahsildar with his office centrally situated and 3 peons. Above each group of 8 tahsildars there should be a Sub-Deputy Collector or Settlement Kanungo as Circle Officer. Each Circle Officer should have a staff of 2 clerks and 2 peons and 2 chainmen on an average besides his orderly peon.

The existing organisation of khas mahals being similar to the proposed scheme it is possible to have an idea of the additional cost from the average cost of administration of khas mahals.

The average cost of administration of the khas mahals during the 5 years from 1932-33 to 1936-37 is 8 per cent. on the current demand.

	Rs.
The current demand under the proposed scheme would be	12 64,00,000
8·5 per cent. of this is	1,07,44,000
Deduct average annual cost of administration of the existing khas mahals which is ..	7,25,995
Also deduct expenditure on account of the Tauzi, arrear collection and "D" Register staff which will be unnecessary	90,000 (approximately).
Hence estimated additional annual expenditure is ..	99 28,005
As against an additional income of	9,52,00,000

Besides the recurring annual expenditure of Rs. 99,28,005 there will be some capital expenditure for construction of cutcheries and circle officers.

The current demand of khas mahal is Rs. 71,00,000. Hence the additional demand is Re. 11,93,00,000. Taking one tahsil office for Rs. 25,000 and one circle office above 8 tahsil offices, 4772 tahsil cutcheries and 596 circle offices will be required.

	Rs.
4,772 tahsil katcheries with quarters at Rs. 2,000 per katchery	95,44,000
596 circle offices with quarters at Rs. 4,000 per office	23,84 000
Total	1,19,28,000

Oral evidence of Babu J. C. Chakravarty, Deputy Collector, Mymensingh on 8th February 1939.

In reply to the Chairman, Mr. Chakravarty said that he was Khas Mahal Officer at Noakhali for 2½ years, and Assistant Settlement Officer at Chittagong for 4 years, at Burdwan for 1 year and at Noakhali for 5 years. He is at present Khas Mahal Officer and Deputy Collector at Mymensingh.

He said that provided the rent is fair, there must be some machinery for prompt and punctual collection and that it is undesirable to allow tenants to fall into arrears. The Government as a landlord does more in the way of improvement in khas mahal areas than the zamindars. He was in favour of Government taking over the responsibility of ownership of the whole province. He does not recommend that occupancy rights should be given to bargadars. They should be left entirely to contract. A good bargadar is scarcely ever turned out from his land, but if a bargadar is bad he should not be allowed to continue because that will result in economic loss both to the bargadar and to the landlord, and to the community as a whole. A bargadar who has got his own lands does not generally take as much care of his barga land as he takes of his own land. In his view occupancy rights should attach to the land and not to the owner, and that two persons should not have occupancy rights in one plot of land. If a raiyat sub-lets his land to an under-tenant, he should automatically lose his occupancy right in respect of those lands after 12 years from the commencement of the lease (*vide* penultimate paragraph of the reply to question 25).

One-sixth of the gross produce, he said, was a fair proportion to be fixed as rent. He was opposed to fixing rent in perpetuity. It should vary according to the level of prices.

He was not in favour of imposing income-tax on agricultural incomes because that would be another form of additional rent, and it would be very difficult to assess the income-tax accurately. If the State needs increased income he would prefer to level up the rents. He agreed that there should be a speedier method of realising rent in permanently settled areas.

He was in favour of buying out the interests of zamindars and intermediate tenureholders, and mentioned that he had consulted some landlords and landlords' agents to find out their views and they had told him that compensation at 10 times the net profit would not be unfair. If the land could be acquired on that basis, it would be a profitable transaction for Government.

In reply to the Maharajadhiraja Bahadur of Burdwan, he said that he was prepared to exclude Court of Wards Managers from the statement that the zamindari staff is corrupt. There might be other exceptions, but they were not many. This opinion was based on reports received from tenants whom he met during his settlement experience. He did not think that the zamindars have sufficient taxable income other than agricultural income. He agreed that markets might be taxed. He was in favour of giving the zamindars certificate powers, but he said that distress warrants should not be issued before holdings are put up to sale. As soon as a holding is

advertised for sale, the amount due is generally paid. Those who do not pay then, apply to pay their dues within one month after the sale under section 22. His object in proposing to take away occupancy rights from raiyats who sublet is to stop the spread of subinfeudation.

Government pays 1½ per cent. of the khas mahal income to the District Boards in its capacity as landlord.

In reply to Mr. B. K. Roy Chowdhury, he said that the recent amendment Act of 1938 has done something to stop realisation of abwabs. Regulation I of 1793 was intended to stop it but it had not been successful. He had no information of any cases under section 75, Bengal Tenancy Act. Such cases must be very few. Ignorance and fear of the landlords is the reason that tenants do not seek protection under section 75. He mentioned that in Mymensingh it transpired in the course of a criminal case against an ex-tahsildar that he had not received any pay from the estate for years.

In reply to Sir F. A. Sachse, he said that abwabs are included among corrupt practices. As a general rule, the khas mahal management treats the tenants better than the average landlord. He would not agree with the statement in Mr. M. M. Stuart's report that the object of Government has been to obtain the maximum possible revenue. He said that the khas mahal staff while out on tour to collect rents inquire into matters such as agricultural improvements, etc., but the collecting staff under private landlords do not generally consider it part of their duty to do so. Government spend money from khas mahal revenue on hospitals, dispensaries, etc. He agreed that some landlords had also established hospitals, schools, etc.

In reply to Dr. R. K. Mukherji, he said that during the last 1½ years he had tried as many as 4 cases against naibs and estate tahsildars under section 408, I. P. C. One naib's defence was that he was compelled to take money from the tenants in order to pay inspecting officers. His statement that landlords' agents are generally corrupt is based on 12 years' experience in the Settlement and other Revenue Departments. He would not agree with the statement on page 8 of Mr. Stuart's Khas Mahal Report that the zamindari management is more humane than that of the khas mahal. Khas mahal tenants are given regular remission when calamities occur. Landlords as a rule do not grant such remissions. The rules and provisions of the Tauzi Manual with regard to remission are satisfactory.

If a raiyat or an under-raiyat sublets, he would take away his occupancy right in the area sublet as that was not the purpose of the tenancy. His object was to stop subinfeudation and purchase by non-agriculturists. He was not in favour of giving occupancy rights

to shop-keepers because if this was done, there would be no incentive to improvement. He considered that a fraction of the net produce would theoretically be the soundest system of rent assessment but there were too many practical difficulties in the way. There would be very great difficulties in collecting produce rents.

If the State bought out the landlords and fixed a fair rent at one-sixth of the gross produce, the result would be an enhancement in most cases. Probably it would be necessary and desirable to order progressive enhancement.

In reply to Khan Bahadur M. Hosain he said that pargana rates were rates which were assessed at intervals, i.e., when settlements were concluded. They were not fixed for ever but were changeable. In support, he referred to Field's Digest, pages 197-9, 201-2 and 207 and Tagore Law Lectures by Philip. He stated definitely on the strength of these authorities that pargana rates were actually enhanced. Section 60 of Regulation VIII of 1793 refers to "remaining land", i.e., the lands other than those held by mokarariders which the proprietors were entitled to let out as they thought proper. No settlement of pargana rates has been made after the Permanent Settlement, but section 60 specifically lays down that when a general revision of pargana rates is made, enhanced rates will be payable even by khudkasht raiyats. From Todar Mal's time, settlements were made on the basis of a share of the produce. These were commuted into cash and consequently the assessment was automatically made on the level of prices and enhancements were made if there was rise in prices.

Shop-keepers should not be given occupancy rights. There is no competition for shops in villages as in large towns. He was not aware that the definition of "raiyat" in 1793 included more than actual cultivators.

Conversion of agricultural lands into holdings for non-agricultural purposes should not be permitted.

Generally speaking, bargadars cannot be said to finance agriculture. In some cases they do so but in most cases the landlord does it. The bargadar has some right in the land but no obligation to cultivate. There is no legal means of penalising a bargadar who allows land to remain fallow. He held that there is no practical difference between the right of occupancy and that of a permanent enhanceable tenure. His proposal to take away occupancy rights from raiyats who sublet was not intended to apply to existing raiyats who have already sublet, but was intended for the future. He thought it better to give no rights to bargadars but to leave them to contract.

In reply to Khan Bahadur A. Momin, he agreed that a raiyat who has sublet part of his holding and is cultivating another part would be a *bona fide* cultivator. He explained that his object was to confine the land to actual cultivators. If *A* was a non-cultivator and *B* a cultivator, *B* ought to be given preference by the landlord when making a settlement. He said that his estimate of one-sixth of the gross produce as a fair proportion of rent would cover both bad and good years; but if the rules for remission of rent in bad years are retained, then one-sixth of the produce should be a proportion of the full normal crop. It was his considered opinion that it is in the best interests of the province to buy out the landlords.

In reply to Khan Bahadur Hashem Ali, he said that he was not in favour of giving occupancy rights to small shop-keepers because it is against the interests of commerce. Markets flourish through competition, and if small shop-keepers are all given occupancy rights nobody would come in to develop the markets. There would be no space for introducing bigger shop-keepers, as the accommodation in most markets is limited. Improvement of a market depends to a large extent on the landlords' power of re-arrangement and control. If shop-keepers are given occupancy rights the landlord will have no power to re-arrange the shops or control business, petty shop-keepers will continue and stand in the way of bigger shop-keepers coming in. Those who have given up trade will sublet to others who may carry on an undesirable trade or business.

Certificate procedure means speedy realisation of rent and for that reason the tenants do not like it. His reason for proposing that distress warrants should be issued after the sale, is that tenants sometimes combine to stop the purchase of land when it is put up in certificate sale and there is no means of realising arrears except by distress warrant. He agreed that special consideration might be given in cases where the land is unproductive. Tenants in khas mahals do not, as a general rule, pay up their rents voluntarily in good years but certificates have to be issued. In 1936-37 as many as 4,000 certificates had to be issued in one circle in Hatia (Noakhali district). He had personally made collections, and had been from house to house, but although the tenants were in a position to pay they waited for the issue of legal processes. In 70 per cent. of the cases, they paid up as soon as notices were issued under section 7. Before the economic depression, fewer certificates were issued as they were not necessary.

In reply to Sir F. A. Sachse, he said that a *bona fide* cultivator is a man who ploughs either himself, or by hired labour or in barga system. He thought it would not be difficult to distinguish between such cultivators and those who sublet on cash rent. He agreed that

it will be difficult to enforce his proposal that no raiyat should have more than 20 acres but that there should be legislation to that end and it would have a deterrent effect. He thought that the record-of-rights would have to be revised and said that he has suggested the necessary organization in his reply. He did not propose any minimum area which a tenant should hold. He agreed that Mr. Thompson had calculated a higher outturn of jute and paddy than any other Settlement Officer. These figures are obtained from settlement kanungoes who carry out crop-cutting experiments in the case of paddy and make enquiries from the villagers in the case of jute. He himself had made such experiments and considered them reliable. The settlement staff do not pick out the best plots, but endeavour to carry out experiments on average plots. It was quite easy to pick out an average crop by comparison with crops of other fields in the locality.

He said that there seems to be no difference between the outturn of paddy in Burdwan and that in eastern Bengal. Assuming that an average family requires 10 maunds of rice a year, the total rice produced in Tippera and Noakhali as reported in the statistics would not be sufficient to feed the population in those districts: yet there was no import of paddy into those districts: on the other hand there was export. That fact suggested that the figures for outturn are underestimated. It is not correct that the majority of the villagers take only one meal a day throughout the year. As Khas Mahal Officer, he was continually on tour and came into direct contact with villagers. Landlords' agents, on the other hand, generally go to tahsil offices only and are not in touch with their tenants to the same extent. He considered that rent amounting to half the produce is the maximum that can be paid. He agreed that if a bargadar can live on half the produce of 5 acres, a raiyat with a similar area ought to be better off and if he gets into debt, he was only himself to blame.

In reply to the Secertary, he agreed that if his proposal was put into force that occupancy rights should be taken away from the area sublet by a raiyat—a raiyat would have a dual status in one holding, viz., of occupancy and non-occupancy raiyat. But it would not be very difficult to prepare a record-of-rights and an entry in the column of status to the effect that the tenant has occupancy right in his khas lands or in such plots could be made. He also agreed that if raiyats were prevented by legislation from sub-letting on cash rent, it might lead to a considerable increase in the barga system. But this tendency will be counteracted by giving the right of pre-emption and preferential right of settlement to the bargadar coupled with a right to apply for assessment of a fixed produce rent as suggested in his reply.

Memorandum by Babu Satya Charan Haldar, Deputy Collector and Khas Mahal Officer, Bakarganj.

If it so happens that all the permanently settled estates, temporarily settled estates, tenures, under-tenures, and rent-receiving raiyati interests are acquired by Government, the additional machinery that will be required to carry on the administration will consist of additional collecting staff, a supervising staff, and also superior posts together with the necessary clerical establishments. The estimated cost should not exceed 20 per cent. of annual demand, even if the cost of the superior posts is estimated on a liberal scale. The staff required would be considerable and is expected to solve the present unemployment question of the educated middle and upper classes to a great extent.

What the present situation most urgently demands is reduction of high rents which came into existence during the boom period after the Great War mostly due to competition and contract and also due to the revisional settlement operations which ignored classification of cultivated lands and enhanced rates of rent on the average of prices ruling during the boom period.

It is not that all raiyati holdings need a reduction of rent and it is also desirable that holdings at unduly low rates of rent should be assessed to fair rents an the basis of prices during the last 8 years, i.e., since the economic depression set in. If the work of revision of rent is conducted on proper lines it is possible that the assets that would otherwise come to Government would be considerably reduced.

A new record-of-rights will be indispensable to avoid hopeless confusion. This would be an expensive affair too, though it is possible that most of the costs incurred on account of this revision would be gladly borne by the raiyats, especially whose rents are reduced.

If acquisition of all the interests from the zamindari to rent receiving raiyatis has to be made on awarding fair compensation to the holders of all those interests, the amount required would be a huge one. Even if bonds are issued this will involve the country in a heavy recurring liability for years to come if not permanently.

The reduction of the assets due to revision of raiyati rents together with the recurring charge to the State on the score of interest (even at 3 per cent.) on the bonds plus the cost of new establishment due to the changed conditions might leave to the Government assets which may only slightly exceed the existing figures of receipts on accounts of land revenue.

The capital cost that would be required for the construction of new office buildings and quarters for the immensely increased staff of all classes would not be inconsiderable.

If compensation on a fair scale is not awarded to the holders of the several interests it would create an unrest among the brainy and influential classes and that will give rise to a situation which has to be guarded against and this might also require additional costs.

The alternative is to leave the matters as they are subject only to such revision of rent including enhancement in particular cases as may give substantial relief to the cultivating raiyats and remove the grievances due to inequality of rent for similar lands. This would be steering a wise middle course as opposed to steps which might safely be called revolutionary, the results of which it is difficult to forsee at present.

There are of course many zamindars and tenure-holders who would be quite willing to sell off their interests if they get a fair price. But this cannot be said of all. At any rate they would like to keep their khas mahal lands for themselves and sell off the tenanted lands, because with the abolition of landlords fees and the gradual extension of the Bengal Agricultural Debtors Act, they are finding it increasingly difficult to pay the land revenue and cess at the appointed time. If the Revenue Sale Law is applied vigorously to private estates and khas mahal tenures in all probability they or the majority of them will cease to exist in the course of 2 to 5 years. The question of compensation would not then arise. This will save the country a lot of unnecessary burden. It cannot be fairly said that the zamindari system is an unmixed evil. If the zamindars can hold on in spite of reasonable reduction of rents of raiyats there is no reason why an attempt should be made to supplant them altogether.

Reply by Babu S. C. Haldar, B. C. S., Deputy Collector and Khas Mahal Officer, Bakarganj.

Q. 19. The raiyat would prefer to come under Government and pay rent to it direct, if the rents of those who are holding lands at low rates are not enhanced and if the rents of those holding at high rates are reduced. In any case the raiyats under rather weak private landlords would not like that stricter measures for collection are adopted when they come under the Government. The non-defaulting raiyats under the private landlords would rather prefer coming under Government if their existing rents are not enhanced. Intentional and habitual defaulters who successfully evade payment of rent would not welcome the idea of coming under Government from fear of reduced scope for such intentional evasion. The khas mahal raiyats enjoy the following advantages over tenants under small proprietors or tenure-holders (whose accounts are indifferently kept) :—

(1) Their accounts are above question and grievances if any on these accounts have an early remedy.

(2) They get some improvements, agricultural and sanitary, at the expense of Government.

(3) The primary schools receive a grant from Government as landlord.

(4) The certificate procedure having been applicable to them, they were saved the crushing cost of litigation in Civil Court. If rent suits have to be substituted for the certificate procedure the raiyats will have nothing to choose between Government and private landlords. The raiyats who mean to pay the arrears seriously resent the heavy cost of rent suits beginning with the *ad valorem* fees and pleaders' fees which are not at all charged in Government certificates.

Q. 25. I am in favour of confining the occupancy rights only to the tenant who actually cultivates the soil or gets it cultivated by hired labour or bargadars. Occupancy right should not be enjoyed by more than one grade of tenant described above. The mere rent-receiver should not enjoy occupancy right.

Q. 26. Occupancy right should be confined only to the part cultivated by himself or hired labour or bargadar and should not extend to the part sublet.

The raiyats who have sub-let their entire holdings should cease to be called raiyats.

Q. 27. The intention of Permanent Settlement seems to me to have been to give protection to all classes of tenants including non-agriculturists so far as their limited interests in land were concerned for their

non-agricultural occupation. I am in favour of giving occupancy rights to non-agricultural tenants for their homestead lands and such lands as would be required for their respective occupations such as weaving, pottery and such other occupations and even large industrial concern.

Q. 28. The reason why statutory rights intended to protect the interest of cultivators should persist in land which has been converted to use for non-agricultural purposes is that such lands are in some way or other meant for the benefit of agriculturists. Unless the converted holdings act prejudicially to the interests of the cultivators, no additional tax for such holding should be levied by the State.

Q. 29 and 30. The growth of population and transfer of land due to indebtedness seem to be the main reasons for increase in the number of bargadars, bhagchasis and others.

Q. 31. The cultivating bargadar normally holds 15 to 25 bighas of land, i.e., as much as he himself can cultivate with the help of a labourer. The cultivator with a pair of bullocks cannot cultivate more than 15 bighas, the one with buffaloes can cultivate up to 25 bighas. The majority of bargadars also hold land in raiyati or under-raiyati right, but such lands are small in area due to the laws of inheritance of the country. Large capitalist bargadars possess up to 100 bighas or more.

Q. 32. The right of occupancy and other rights should not extend to bargadars. They do not seem to need much protection except (in rare cases) from the hands of the influential landowners. As a matter of fact the owner of the land is more dependant on the bargadar than the latter on the former. The barga system is not economically unsound. It supports 2 families on the same land. If the bargadar ceases to exist the land of the cultivator who dies leaving widow and minor children will cease to be cultivated at all and the family will have no option but to sell off the land for want of a suitable member in the family to cultivate the land and cannot wait till the minors are fit to cultivate the land themselves. The khas lands of zamindars and others cannot be allowed to remain uncultivated and if mere barga system entitles the bargadar to occupancy right some sort of understanding between the bargadar and owner of the land is bound to take place by which the bargadar will agree in writing waiving his rights of occupancy.

Q. 35 and 36. Five annas to 8 annas is a fair proportion of produce payable by bargadars according to the quantity of outturn and quality of land. A minimum limit may be fixed by the law but not the maximum which should be arranged by the parties themselves. The wages of agricultural labourers vary according to the market price of the crops concerned. The labourers employed for cultivation

as helping hands generally get Rs. 4 or Rs. 5 a month for 3 months in addition to food and the wages of labourers employed for reaping vary from $\frac{1}{6}$ to $\frac{1}{8}$ share according to the outturn of crops in the present state of things for paddy lands. When prices were better the wages of cultivating labourers were higher specially for jute lands. The position of agricultural labourers specially of the cultivating ones does not compare favourably with the bargadars. They can bear no comparison to the under-raiyats unless the rates of rent are high.

Q. 37. It is not the Act of 1929 that is so much responsible for the passing of raiyati land to non-agriculturists as the economic depression which commenced in 1930 following in the wake of heavy indebtedness incurred for marrying underage children immediately before the Sarda Act came into force, when hopes of repayment due to the then prevailing high prices encouraged them to contract debts but were hopelessly baffled by the sudden drop of the market so soon afterwards. Neither is the Act of 1938 so much responsible for the transfers as the Bengal Agricultural Debtors Act. The provision of the Act of 1938 for nullifying mortgages beyond the period of 15 years is to a large extent responsible for transfers of raiyati lands to non-agriculturists coupled with the operation of the Bengal Agricultural Debtors Act. The interests of the cultivating raiyats as a whole are suffering due to these two Acts combined, becaused no loans are available and parts of agricultural lands have therefore to be sold off. Restriction of transfer to agriculturists only is not a practical proposition if agriculturists mean only actual cultivators of average holdings who have not much capital at all. Besides, the doors of agricultural occupation should not be closed against those of other closses willing to take to agriculture as a profession by means of hired labour and on improved lines. If sales of agriculturist's land in Court are restricted to cultivating agriculturists only either there will be no sales or there will be sales only to such persons as succeed in getting themselves admitted as agriculturists under the provisions of the Bengal Agricultural Debtors Act under which people of the learned professions and others also have been held to be agriculturists. Besides the practice of the capitalist behind the agriculturists which already exists in the case of new settlements will find greater scope.

Q. 38. The minimum size of an economic holding depends largely on the size of the family and the quality of land. Since one cultivator can barely cultivate more than 15 or 20 bighas of land with the help of a labourer a large area is of no purpose to him. Besides the rate of rent and the price of the crops growing on the land are also among the main determining factors of an economic holding. All these factors can never be uniform and steady. For working purposes, however, 15 to 20 bighas may be held to be the minimum size of an economic

holding for a small family but it will cease to be so as the family grows in the course of a few years.

Q. 39. It is a fact that the size of many raiyati holdings is uneconomic. The reason apparently is that there are a large number of co-sharers due to the growth of population and the laws of inheritance. The fall of prices due to the economic depression and natural calamities have contributed largely to such a state of things. It is true that the laws of inheritance, the statutory rights of transfer (non-transferable rights are also transferred) and the increase of population are all tending to further subdivision and fragmentation of holdings.

Q. 40. Consolidation of holdings and economic cultivation though desirable is not practicable in the present condition of the country. Proper schemes should be worked out and selected villages in each district may be taken up for experimental purposes before this can be launched on a large scale. If the experiments are not successful, the idea should be abandoned for the time being.

Q. 41. Special facilities ought to be given to the cultivator to consolidate his holding by exchange. As regards increasing its size by purchase or otherwise in order to make it an economic holding there cannot be any objection if this can be done without disturbing the order of the society by drastic legislation. But these are matters which depend more or less on the circumstances of individual cultivators.

Q. 42. I would not restrict the accumulation of large areas in one particular hand as that would be interfering with the rights of individuals to acquire as much property as he can by fair means. To prevent acquisition of raiyati holdings would mean that the raiyat who happens to hold land at present should continue to possess his land even though he has contracted debts which he cannot repay or has fallen into arrears of rent by his own reckless conduct. This is an idea which is hard to support.

Q. 52. The basis of determining fair and equitable rents in Bengal should be a definite share of the produce. But customary rates adjusted according to the prices of products are likely to prevent hardships to cultivators.

Q. 53. The present rents paid by cultivators are generally based on a delnite share of the produce and customary rates not adjusted according to the fall in prices. Rent fixed by competition came into use at the time of the boom when prices of jute and paddy went up abnormally.

The majority of rents may be described as lump rent. They are generally fixed on a share of the produce, custom and competition and according to the laws and rules guiding the officers of the Settlement

Department (the zeal of the officers proving no less a factor) in fixing rents during settlement operations. Unduly low rates of rents also exist due to various reasons.

Q. 54. The poorer and weaker tenants do not usually pay higher rents in many estates but generally pay more than the rents either as abwabs or as penalty for his ignorance and illiteracy where a dishonest employee of the estate intends to rob him.

The demand for lands as an investment has also been responsible for fixation of rents and salami.

Q. 55. I would not recommend re-adjustment of rents on a uniform basis throughout all parts of the province. I would recommend the fixation for each local area of fair rent based on the prices of crops grown on the land during the last 8 years, i.e., since the economic depression set in, prices not having varied much. To prevent inequality I would recommend enhancement in the case of lands enjoying unduly low rates of rent due to their rates having been fixed in perpetuity or existing from the time of Permanent Settlement. I would propose assessment of rents even on niskar land unless such niskar was obtained on payment of the capitalised value at a time. A new record-of-rights is indispensable for the purpose to give the matter the seal and sanction of law. The preparation of such a record-of-rights should, however, be taken up after the existing rules are revised. The price of rice should not be the standard. I would prefer the price of paddy at harvest time in each local area. The productivity of land must also be taken into consideration. Cultivated lands should be divided into 3 or 4 classes for assessment of rent. This is not done during settlement operation now.

Q. 56. I would recommend $\frac{1}{6}$ share of the produce for lands yielding normal crops, 1/5 for lands of superior fertility and advantageously situated, i.e., in proximity to district, or subdivisional headquarters or to big markets. I would not recommend more than $\frac{1}{8}$ for lands of poor fertility and open to natural calamities frequently, i.e., in 2 or 3 years out of 4 or 5 successive years during the last 8 years.

Q. 57. Rent should not be fixed in perpetuity. It should be altered according to the money value of the produce and the needs of the State from time to time. Ten years should be the period for re-examination of rents. Income-tax on profit of agriculture seems to be an unsound principle. It is bound to lead to exemption from tax in a large number of cases. This would be absolutely unfair to the landless or others who might volunteer to take the lands and pay the tax. The proportion of exemption will undoubtedly increase and would ultimately result in a chaos.

Q. 59. Too much respect for contractual rents and blindness to the need of reduction in deserving cases have been the main defects in the principle and procedure for fixing fair and equitable rents and for enhancing the rent under the Bengal Tenancy Act. The absence of rules or instructions to classify cultivated lands according to the degree of fertility and the fitness of the soil to produce more than one crop has been mainly responsible for inequitable rents. The benefit from fluvial action should be shared both by the landlord or State and the tenant in the proportion of 1 to 3, respectively.

Q. 61. I do not object on principle to enhancement on account of rise in prices, if it is steady for 10 years and is expected to be steady for another 10 years in normal circumstances. But it should be open to revision at the end of 5 years if a steady fall in the prices is noticed.

Q. 62. There should be no discrimination in enhancement on the ground of rise in prices. Elimination of those who require their whole crops for their own consumption would tend to make the tenant more improvident as consumption will not be limited to eating but other needs as well, for instance clothing and extravagance in marriage and other expenses. There should be no inequality in matters like this. It will lead to great complications and unrest among others. Every one else will strive to increase his rate of consumption in order to earn such concession.

Q. 63. Yes, I would object on principle to this ground of enhancement. It is possible that improvements effected long ago at the raiyat's own expense or advanced rent having been paid long ago as salami will be ignored if strict proof, which it is difficult to give, is not adduced.

Q. 64. Yes.

Q. 65. While settlement of rent in temporarily settled Government estates is subject to revision periodically rather at regular intervals that in permanently settled estates is more or less optional. The same regularity should be applicable to both though not only with the object of enhancement. From that point of view the procedure for (*a*) does not seem to be quite justifiable.

Q. 66. No.

Q. 67. I think so.

Q. 68. Yes. For instance in Abad Tushkhali in Bakarganj district enhancements have been stayed with the approval of the Board as they were based on prices of the boom period though similar steps were not taken in some other estates settled a year or two earlier than the above-mentioned estate.

Q. 69. Yes. Grievances on the part of tenants due to this policy are legitimate.

Q. 70. Not only the rates of rent of similar lands in different districts (in khas mahal) vary considerably, but within the same district there are cases of whole estates of similar or worse lands with higher rates of rent than the better ones. In cases of new settlements the fact of isolation of island chars exposed to the ravages of the Bay and large rivers like the Meghna and lack of facilities compelling the tenants to sell their paddy considerably cheaper (at least 4 annas a maund) have been ignored. The fact that such areas do not produce more than one crop for years to come and that single crop is only moderate in outturn has been ignored in the assessment of rents. The rule of rates in neighbouring estates has not always been respected.

Q. 71. Remission in khas mahal areas are given to a sufficient extent as far as practicable. The greatest obstacle is the paucity of officers. There is no point in granting remissions for lands on which crops have not failed to the extent requiring remissions. It is not possible for one officer to go round the whole area in his charge and to satisfy himself in the case of partial failure of crops that particular areas need the corresponding percentage of remission.

The examination of the affected area for conscientious work requires that the crop should be standing. It is common knowledge that in the winter paddy season the earlier and late varieties existing in the same field. If the earlier varieties are damaged the cultivator cannot wait for the officer to go round the whole area. Each plot is harvested and taken home by the cultivator before the officer is in a position to say what extent of remission should be granted for that plot. Field to field enquiry requires time and too much scrutiny except in the case of total failure of crops is not practicable. It is also to be remembered that the visit of an officer for the purpose of examination of the field makes all the tenants hope for equal remission whether the crops are good, bad or indifferent. It is regrettable that those who have got good crops in a field where other crops are damaged also claim the remission and complain of injustice if remission is granted only in deserving cases. The existing rules on the subject are good enough, but for want of suitable officers the rank of the examining officers may be reduced to tahsildars.

Q. 75. Larger sums were formerly spent in the colonisation areas for original works. The improvements are now restricted mainly to repair works and hence less money is required. Larger expenditure in the khas mahal area of Bakarganj district which is growing fast has become necessary and more funds should be allotted.

Q. 77. The growth of population due to unrestricted marriages, the abnormal rise of prices consequent on the Great War, the passing of the Sarda Act compelling child marriages at enormous expenditure

mainly on borrowings before the introduction of the Act, the subsequent world-wide depression, the Bengal Agricultural Debtors Act resulting in contraction of local capital, all these together have contributed to the hardships and present uneconomic condition of the raiyat.

Q. 78. The whole thing depends on the size of the holding and the size of the family, the illness in the family, the number of marriageable children and improved standard of living. 90 per cent. of the cultivating raiyats can maintain themselves and their family and others can do it for the greater part of the year on income from their holdings and other sources, such as barga cultivation, agricultural labour, fishing, etc.

Q. 79. The present system and organisation of the maintenance of land records is satisfactory enough, but improvements may be made by an attempt at complete recording (faithfully of course) of all the crops on each plot once in 5 years. The expenditure involved might be prohibitive.

Q. 80. The income of the cultivating raiyats can be increased by supply of improved seeds free, if possible, and distribution of manure suitable for the land. Supplementary work during slack seasons they almost do and in river districts they are robbing the leased-out rivers of fishes. Introduction of suitable cottage industry will certainly be helpful but they should be paying enough. Co-operative farms and co-operative marketing organisations are excellent things but plenty of uphill work is needed for success in a country like this. A system of cattle insurance might prove to be wild goose chase.

Q. 89. Yes. The only improvement that I can suggest is to allow the use of Public Demands Recovery Act to all the landlords including the tenure-holders but the exercise of powers given under the law should be used with a bit of sense and moderation. Processes should not be pressed except at harvest time and careful record should be kept of the crops of each local area and the landlords should ask for the processes on an affidavit that crops will be harvested by a particular time so that the processes may be effective and not needlessly expensive.

Q. 90. Recovery of rents through the Public Demands Recovery Act becomes harassing and objectionable only when the certificate-holder wants processes to be executed while the certificate-debtors have no money in their hands. This is the least objectionable method for speedy recovery of rents and far less expensive than the Civil Court procedure if the powers are properly used. More discretionary powers should be given to certificate officers. They should hold camps in the mofussal during the crop seasons and dispose of cases locallly.

Q. 91. It is desirable to remove complications in Revenue Laws by revising and codifying them in a simpler form. The repeal of the old Regulations and earlier Acts do not seem to be called for unless they are found to be inapplicable in modern conditions.

Reply by Maulvi K. Ahmed, Deputy Collector and Khas Mahal Officer, Noakhali.

Q. 18. If the zamindari estates and tenures are abolished the additional machineries to carry on the administration would be an enlarged Khas Mahal Department and a permanent settlement staff. The estimated cost will be about 20 per cent. or 25·3 in million rupees.

Q. 19. I think the raiyats would prefer to come under Government and pay rent to it direct. The khas mahal tenants enjoy certain advantages over tenants under the proprietors of permanently settled and temporarily settled estates. The khas mahal tenants get remission of rents for failure of or damage to crops. They pay only a fraction of the market value of the land as salami for new settlement. They are not to pay any kind of abwab. They get back a certain percentage of their rent for their education, medical aid, sanitation, drinking water, roads, etc. They can ventilate their grievances from authorities to authorities without being subjected to the arbitrary whim of a landlord.

Q. 25. I am in favour of extending occupancy rights to all under-raiyats.

Q. 26. At present both the statutory raiyats and some under-raiyats enjoy occupancy rights without any protection to the former. So I do not consider that any protection will be necessary. I am not in favour of extending this right to all actual cultivators who may be bhagchasis also. If this is done there will be several classes of tenants between the landlord and the actual cultivators.

Q. 27. I do not think that there was any intention of the Permanent Settlement to give protection to all classes of tenants including the non-agriculturists. I am in favour of giving occupancy rights to non-agriculturists in respect of their homesteads.

Q. 28. The character of a tenancy is determined from the purpose for which it was created. Therefore the right persists in the land even when it is converted to use for non-agricultural purpose. I do not, however, approve of this. I am in favour of levying an additional tax for such converted holdings just in the same way as cess is assessed for markets separately.

Q. 29. The number of bargadars is on the increase. The causes have been enumerated in question 30. I shall add one or two more causes. The middle-class men after getting educated leave their home for service elsewhere. They let out their lands in barga just to get some provision for their food. Malaria has driven away many persons to seek employment in mills, factories and merchant offices. They

also do the same. The class of people who are bargadars are too poor to pay for the lands.

Q. 30. The causes enumerated are correct.

Q. 31. The area normally held by the bargadars will be about 40 per cent. of the cultivated area. A great majority of them hold lands as raiyats and under-raiyats.

Q. 32. I do not consider that the right of occupancy and other rights should be extended to bargadars. I would protect them by providing a year's notice for giving up the lands.

Q. 33. The barga system is not economically sound. I would prevent its extension by removing some of the cause enumerated in questions 29 and 30.

Q. 34. The lands will be kept khas and a large number of people who add to their income by taking barga settlement will be thrown out of employment if bargadars are given the right of occupancy.

Q. 35. Half the produce is the fair proportion. This has stood the test of time. It will not be prudent to fix a maximum by law.

Q. 36. The wages of agricultural labourers vary from 3 annas to 4 annas with food at the time of cultivation and harvest. The economic position of an under-raiyat bargadar is far better than that of the agricultural labourers. The latter do not find employment at certain periods of the year and find it difficult to maintain themselves whereas the under-raiyats have kept some provision for food to keep them on.

Q. 37. I cannot say that the unrestricted right of transfer given by the Act of 1929 has led to the passing of considerable areas of raiyati lands to non-agriculturists. But I am prepared to say that large areas have passed to richer people who may not be all non-agriculturists. In villages it is difficult to find pure non-agriculturists. Even the mahajan can be called an agriculturist having lands to maintain his family. So long as the lands will be saleable in auction in execution of decrees of Court the transfers cannot be restricted to agriculturists only. If an agriculturist is defined to be a *bona fide* cultivator I would restrict the transfer to them. This will reduce the value of the land no doubt but investments will be made in industries. The investment in land should be discouraged as much as possible for the greater good of the country and the hunger for land is to be curbed.

Q. 38. The minimum size of an economic holding should be 10 acres.

Q. 39. It is a fact that the size of many raiyati holdings is uneconomic. The laws of inheritance, the statutory rights of transfer and the increase of population all tend to fragmentation of holdings.

Q. 40. Consolidation of holdings is desirable but it is not practicable in the settled area of Bengal. It is practicable in unsettled area.

Q. 41. I would give special facilities to a cultivator to consolidate his holding by exchange, purchase and pre-emption.

Q. 42. I consider it undesirable that lands should accumulate in one hand. I would fix 100 standard bighas as the limit. The man having 100 bighas of land will be disqualified to have more either by purchase or acquisition in any other way.

Q. 52. The fixing of rent, having regard to the produce of the land, is complicated. Still I would prefer the economic rent, i.e., the difference or half the difference between the produce of land just repaying the cost of cultivation, and land which owing to its situation or superior fertility yields produce of a much higher value.

Q. 53. The present rates have been adjusted according to the changes in prices of staple food crops. The extent in Government estates will be about 80 per cent. and 40 per cent. in permanently settled estates. In the permanently settled estates the majority of them are lump rents; 50 per cent. has been fixed by competition, 20 per cent. according to custom and 30 per cent. according to consideration of productivity of the land. It is true, however, that the rates differ greatly for lands of similar value in almost every village and estate.

Q. 54. It is my experience that poorer and weaker tenants pay higher rents in many estates.

Besides the factors suggested in the previous question the cupidity of landlords has also played a part in fixing the existing rents in Bengal. By taking large amounts of premium low rents have been fixed in perpetuity by the landlords.

Q. 55. If all the zamindaris and interests of middlemen are removed I would recommend the readjustment of rents on a uniform basis throughout the province. I would ask for economic rent as said in my answer to question 52. It cannot be done without revising the existing record-of-rights.

Q. 56. I do not consider that a definite share of the produce or its equivalent in cash should be paid as rent.

Q. 57. I am not in favour of fixing the rents in perpetuity or altering them according to the needs of the State. But I am in favour of examining them from time to time. There cannot be the same fixed period for every place. The period must differ from place to place according to its development and improvement. In

permanently settled estates where there is no likelihood of any improvement the period will be 30 years. In the permanently settled estates where improvement is expected the period should be 20 years. In Government estates which have chars and islands the period should be 15 years.

Q. 58. There is no advantage in the substitution of an income-tax for rent. Not only incomes below a certain figure would have to be exempted and, consequently, a large proportion of the land will escape Government revenue but also the income-tax which will be an annual assessment will lead to poor agriculturists being harassed every year with returns, objections and appeals.

Q. 59. The sections in the Bengal Tenancy Act for fixing fair and equitable rents do not apply to produce rents or rents partly in produce and partly in cash. They do not apply to any other crop except food crops. Though there are fixed rules for the determination of fair rents much has been left to the discretion of the Court. Even the ⅓rd reduction in section 32 of the Bengal Tenancy Act is arbitrary.

Q. 60. I object to enhancements as a result of fluvial action. The tenants suffer by many acts of God and no consideration is shown to them. To wit, when they get 12 annas of the crop in place of 16 annas owing to excessive rainfall or drought they get no consideration. It is unfair if they are asked to pay more when they get some benefit by an act of God—the fluvial action of the river.

Q. 61. I do not object to enhancements on the ground of rise in prices.

Q. 62. No distinction is possible when enhancements are given on the ground of rise of prices.

Q. 63. If there be provisions for reduction of rents on the ground of prevailing rates I do not see any objection to enhancement being made on the same ground. I am not afraid that sufficient consideration might not be given to improvements effected long ago at the raiyats' own expense or to advance rent paid by them as salami as the same may have happened to the other tenants whose rates are being compared for the purpose of reduction or enhancement of rents of this class of tenants.

Q. 64. In my opinion there should be a provision of law for reducing high contractual rents and for limiting rents for new settlements.

Q. 65. The amount of rent to be paid in temporarily settled Government estates is left to the Revenue Authorities. In permanently settled estates though the Revenue Officers are the primary authorities for

rent the Civil Courts and the High Court can interfere with their decisions. I consider the procedure justified. The proprietors of the permanently settled estates being in the enjoyment of fixed revenue cannot get the same powers of Government as are exercised by Government in the temporarily settled Government estates.

Q. 66. I do not know of any case where there has been unfair assessment.

Q. 67. It is not true that revisional settlements are made with the primary object of enhancing revenue. But revenue is increased by adjustments.

Q. 68. I do not know of any estate where the enhancements were obviously unfair.

Q. 69. It was a mistake on the part of the Government to go on with revisional settlement and to enhance the rent during the years when prices were steadily going down. This policy has led to legitimate grievance on the part of tenants.

Q. 70. The rates of rent for similar lands in different districts within khas mahals vary considerably. This is due to the discretionary powers of the authorities who are of different mentalities.

Q. 75. The Government still spend considerable sums of money for improvement of agriculture. It is not a fact that the expenditure has been considerably restricted.

Q. 76. Salami is realised at the time of settlement of new lands in khas mahals since 1919. No portion of the salami is used for improving the agricultural condition of these lands.

Q. 77. In my opinion the general policy of Government or the land system of Bengal is not responsible for the uneconomic condition of the raiyats. The increase in population and other world conditions are responsible for this.

Q. 78. A raiyat holds 1·50 acres of land on an average. His income from this will be about Rs. 60. His income from other sources will be about Rs. 48. I think 60 per cent. of the tenants can maintain themselves from the income.

Q. 79. The present system of maintaining the record-of-rights is not satisfactory. There should be a permanent staff for maintaining this up to date. I do not approve of the United Provinces procedure.

Q. 80. I approve of all the suggestion in this question for increasing the income of the cultivating raiyats.

Q. 89. The machinery available to the landlords for prompt realisation of their dues are costly and cumbrous. They are also

harassing and expensive to the tenants. The decree stage of the rent suits should be abolished and execution proceedings should be at once started.

Q. 90. I do not consider the Public Demands Recovery Act harassing and objectionable. This is the best procedure for speedy recovery of rents.

Q. 91. The complication in the Revenue Laws should be removed by revising and codifying them in a more up-to-date and simpler form. I am in favour of repealing the old Regulation and Acts and replacing them by a simple Act embodying their main provisions.

Oral evidence of Babu Satya Charan Haldar, Khas Mahal Officer, Bakarganj, and Maulvi K. Ahmed, Khas Mahal Officer, Noakhali, on 22nd February 1939.

In reply to the Chairman, Mr. S. C. Haldar said that the proposal to buy out the landlords and tenure-holders would be a financial speculation which would result in a social upheaval. He would prefer his suggestion that the Sale Law should be rigidly enforced. The operations of Debt Settlement Boards and the present no-rent mentality would result in estates coming to Government in revenue sales. If this happened, some of the tenures could be annulled under the Sale Law: others would probably find it difficult to collect rents and would eventually disappear. He saw no harm in this procedure because in the past landlords had been sold up in the same way, and it would amount simply to an extension of the existing practice. He agreed that a large number of the intelligentsia would thereby be thrown out of employment and in their place Government would have to create a huge establishment.

He thought that rent is not as low as 1/15th of the gross produce except in the case of mokarari lands at very low rates. He took 5 maunds per bigha as the average outturn of paddy in Bakarganj and Re. 1-8 per maund as the price. He also mentioned that most holdings do not consist entirely of cultivated land, e.g., in a holding of 15 bighas only 13 bighas might be cultivated. On the other hand, there might be land growing two crops. In some cases there are high rents which are more than 1/6th of the gross produce. Generally speaking, the level of rent has become higher because prices have dropped. Some high rents were fixed during the boom period when the price of agricultural produce was abnormally high. In speaking of high rents, he

said, he was thinking of the tenant at the bottom of the scale, i.e., the raiyat or the under-raiyat. He would exclude bargadars. In khas mahals estate when a raiyat's holding is purchased, the under-raiyat is recognised on his existing rent; but in some cases under-raiyati holdings have subsequently had to be sold because the rent was too high, and the holdings had to be resettled on lower rents according to the village rates. Generally speaking, there has not been much difficulty in collecting rents in Bakarganj khas mahal. This year Rs. 3½ lakhs has been collected in excess of the same period last year. Although there is now no certificate procedure, there has been a bumper crop this year. Tenants are generally prepared to pay up their rents but propaganda against the payment of rent is being carried on by interested persons. There may be a secret organisation behind this propaganda, but most of the agitators are resident in the khas mahal areas and backed up by agitators from the Noakhali district.

In reply to the Chairman, Maulvi K. Ahmed said that in Noakhali rent does not exceed 1/13th of the gross produce. He took 18 maunds an acre as the average outturn of paddy and the rate of rent is Rs. 3-2 an acre.

Landlords have nothing to fear from Debt Settlement Boards, because the tenants can only go once to the Boards and not thereafter.

He was in favour of the State purchase of zamindaris and tenures, and of paying compensation by instalments after taking over the estates and paying all costs of management. After State-purchase, rents which are unduly high should be decreased and those which are unduly low should be enhanced. In his opinion it would be possible to enhance rents. The tenants would prefer to come under Government and Government would be a better landlord. He considered the barga system unsound because by giving land in barga the raiyats lose half of the crops. He thought that the system leads to indifferent agriculture.

Mr. S. C. Haldar did not agree that the barga system is unsound. There are persons like widows and minors, the infirm and invalid who must be allowed to give land in barga. One reason for the extension of the system is that some tenants are idle and prefer to give land in barga rather than on cash rent: another reason is that some people acquire larger areas than they can themselves cultivate; they must therefore give land in barga and prefer to do so because they get more from a share of the crop than from the cash rent. A man cannot cultivate more than 15 bighas himself with bullocks and 20 bighas with buffaloes. There are two classes of bargadars: those who supply seed, cattle and plough, and those who do not. The share of produce given by the bargadar is not the same in both cases. It is partly true that raiyats who have been sold up and have lost their holdings stay on the

land as bargadars. The number of co-sharers in some holdings also tends to extend the barga system. He would not however describe the system as bad. Most bargadars have some land of their own, but it is insufficient to maintain them, and so they have to take land in barga.

Maulvi K. Ahmed said that the barga system is extending and lands are passing into the hands of non-agriculturists, i.e., the statutory raiyats are tending to become rent-receivers.

In reply to Khan Bahadur Hashem Ali Khan, Mr. Haldar said that the demand from the Bakarganj khas mahal is over 18 lakhs including the colonization area. Last year it was about Rs. 50,000 less. The increase is due to settlement of new lands, and purchase of estates and tenures. The average collection is 90 per cent. but he expects it to be more than 100 per cent. this year. Last year there was no famine but there was a shortage of food in July and August owing to the failure of the aus crop. Loans amounting to about Rs. 72,000 were granted and they have almost all been repaid. It might have been possible to give more money by way of loans. 50 per cent. of the tenants pay their rents regularly, 10 per cent. people are habitual defaulters and of the remaining 40 per cent. half are obstructionists, consisting chiefly of the semi-educated middle class. Against the latter tenants certificate procedure or revenue sale is necessary.

There is a great demand for char lands. Some years ago lands used to be settled though not fit for cultivation immediately but subsequently the rents had to be remitted. This was done at the insistent demand of candidates. The demand for land comes partly from people who have lost their lands owing to diluvion and partly from those who want to acquire more land. This year he was unwilling to settle new lands without providing necessary embankments. In reply to the Secretary, he said that the Irrigation Department is consulted in such cases, but they have kept some files pending for several years.

Formerly large areas were settled with bhadraloks occasionally under Government orders in recognition of their services. Ordinary cultivators may not have been given more than 2 or 3 acres because they could not pay salami for more lands. He did not agree that settlements of new lands are made in a haphazard manner: There is a regular system by which plots are divided into areas of 2½ acres each. In khas mahal estates land has been reserved for pasture. Formerly no pasturage was reserved except occasionally of small areas.

In reply to Sir F. A. Sachse, he said that by reserving pasture lands the area available for settlement is reduced and some claims for settlement have had to be ignored. The tenants frequently encroach on the pasture lands.

Continuing to Khan Bahadur Hashem Ali Khan, he mentioned that last year Rs. 3,000 had been sanctioned by the Board of Revenue to encourage the cultivation of rabi crops but the crops had been largely destroyed by the cattle of the tenants whose lands were not fit for rabi crops.

Khas lands of howladars and nim-howladars of Barguna estates were assessed at the revisional settlement at Rs. 5 an acre. As a result of a continuous chain of subletting there are now cases where under-raiyats pay as much as Rs. 20 an acre. But in this sort of land the average produce is never less than 8 to 10 maunds a bigha. Even now it is the regular practice to take rent in advance; as much as Rs. 35 a kani (4 bighas 16 cottahs) is taken and it is still profitable for the lessee to cultivate. If tenure-holders were abolished and rents were reduced to the level of village rates, there would not be much profit to Government, because the margin of profit of tenureholders is not much and raiyats under Government are already paying at village rate. The estate in which there is an unusual number of tenures is the Barguna estates measuring 21 square miles. In other khas mahal estates the number of tenures is not so large but there are big tenures which under Civil Court decrees have received the status of temporarily settled private estates. Enhancements of rents have been made in various estates when resettlement fell due. Enhancements were made up to 1933-34 but at the Board's orders effect has not always been given to them. He did not agree that the general fertility of the land is deteriorating but said there must be some natural causes for the smaller crop during the last few years. Government have provided embankments in khas mahal areas but he did not agree that this is the principal cause of outbreaks of Malaria. There has been Malaria even in the northern parts where there are no embankments; in Patuakhali, and Bhola, and in permanently settled areas, as well as in khas mahal areas. Golachipa has been affected by Malaria, but it is not mainly a khas mahal estate. He did not agree that landlords have done nothing for the improvement of their estates. There are cases where they have founded dispensaries and schools. In Bakarganj there are few big landlords and he could not say if they have done anything to improve their estates. He could not also say that landlords generally have applied to come under the Court of Wards. He thought that some might agree to part with their estates for equitable compensation. There is less litigation in khas mahal areas in Bakarganj than elsewhere because the khas mahal area is less populous. He did not agree that the cost of management will be much reduced if the whole province becomes a khas mahal. The present staff is most inadequate. The cost of management has been as low as 5·5 per cent. in Bakarganj. This is not because the area is scattered, but because there has been no increase in staff during the last 15 years although Government revenue has gone up from Rs. 6 lakhs to Rs. 18

or 19 lakhs. He thought that the cost of establishment, if the whole province becomes a khas mahal, would be at least 10 per cent. or 12 per cent. To this the cost of improvements would have to be added. There would also be officers on higher-grade pay for supervision, and this might bring up the cost to 15 per cent. If Government bought out the landlords and tenure-holders, he did not think there was likely to be a large margin of profit after reduction of rent, increased establishment cost and provision of interest on bonds and other incidental costs, and thought it would certainly be less than Rs. 3 crores. The figures should be worked out before a decisive step is taken.

In reply to Khan Bahadur A. Momin, he said that his opinion regarding the effect of buying out the landlords and tenureholders was based on a rough calculation. The cost of management had been 5·5 per cent. in the past in Bakarganj but this year the staff had been nearly trebled for part of the year and the actual cost was 6 6 per cent.: Even this is inadequate. If the province becomes a khas mahal it might be possible to manage at 9 per cent., but that would not really be adequate. Government as an ideal landlord would have to spend on improvements. He agreed from that point of view that it would be advantageous for Government to be the sole landlord in Bengal.

There are at present 7 Khas Mahal Circle Officers in Bakarganj under himself. If the entire district was khas mahal there would have to be additional Khas Mahal Officers. Proportionately the cost might be the same as in the existing Khas Mahal but the pay of higher supervising officers would have to be taken into consideration.

Maulvi K. Ahmed said that the cost of management in Noakhali is now 8 per cent. If the province became a khas mahal, his estimate of 20 per cent. would cover 10 per cent. as management cost and 10 per cent. for improvements and maintenance of records. In permanently settled areas, the record-of-rights has not been kept up to date. He agreed however that in Noakhali, the cost of management might be less because the present khas mahal is situated mainly in char areas where management is more difficult on account of erosion and consequent litigation.

Mr. S. C. Haldar said he did not consider it undesirable that Government should acquire estates by rigidly enforcing the Sale Law. If the effect was to remove a number of landlords without compensation, that could not be helped. The reasons why the zamindars find difficulty in realising their rent are the no-rent mentality among the tenants fomented by interested persons and the operation of the Debt Settlement Boards. Zamindari is not a profitable business nowadays. He considered that if the landlords are to be bought out, they should be given compensation amounting to at least 10 times the net profit.

He was not prepared to give any opinion on the proposal to levy a tax on agricultural incomes. He thought that some landlords might agree to sell at 10 times the net profit but others will not.

Maulvi K. Ahmed said that if the landlords and tenure-holders were bought out, compensation should be between 10 and 15 times the net profit.

In reply to Khan Bahadur M. Hosain, Mr. Haldar said that the khas mahal in Bakarganj is one-sixth of the whole district. If the district became a khas mahal, it would be necessary to have 5 more Khas Mahal Officers. Their number would not be affected by the fact that the area will be more compact. The principal criterion is the amount of work that a Khas Mahal Officer has to do. He agreed that bargadars might be regarded as falling into two classes: those who finance agriculture and those who do not. He would not however draw any distinction between them from the point of view of granting them any rights. He regarded them as a kind of agricultural labourer and said that in their case there is no question of rent as they have no responsibility in that respect.

Maulvi K. Ahmed thought that bargadars who finance agriculture should be given some rights: he had suggested in his reply that they should not be turned out without being given one years' notice.

Mr. Haldar mentioned that there are bargadars who have more than 100 bighas and employ labourers because it is impossible for one bargadar to cultivate such a large area. He thought that it would be impossible to prevent people from acquiring more than a certain area of land, nor would it be possible to try and base the area of holdings on the agricultural population. That would result in the creation of more uneconomic holdings. He was not in favour of restricting sale and pointed out that such a measure would prevent people from getting money at a time when they most needed it. Tenants who sell their holdings do not necessarily starve: they may use the sale-money to pay off their debts or make a living from industry, or other occupations. Legislation may stop sales of agricultural land but cannot stop the growing wants of people and should not therefore stop sales of land. It should not stifle the choice of occupation for the future generations. The theory of "once a cultivator always a cultivator" is out of date. To imagine that there should be no agricultural labourers available for kind or money is to think of the impossible.

Maulvi K. Ahmed said that he was in favour of restricting sales with the object of preventing the growth of uneconomic holdings.

Mr. Haldar said that the barga share paid by the bargadas in not always half: sometimes it is 6 annas of the crop. The tendency is

towards an increase in the share which the bargadar receives. With reference to his proposal that an occupancy raiyat who sublets his entire holding should lose the occupancy right, he agreed that under section 182, Bengal Tenancy Act, a raiyat cannot contract himself out of his occupancy right. He maintained that the Bengal Agricultural Debtors Act and the provision of 1938 Bengal Tenancy Amending Act for nullifying mortgages beyond 15 years are mainly responsible for the increase in the number of sales. He had made enquiries in Sub-Registry Offices and had found that there had been a great increase in the number of sales during the past year. The tenants were forced to sell their holdings or part of their holdings because they had to raise money owing to the restriction of credit as a result of the Bengal Agricultural Debtors Act.

Maulvi K. Ahmed did not agree with the above view and said that the Bengal Agricultural Debtors Act has been beneficial to the tenants.

Mr. Haldar agreed that rent free holdings could only be assessed as proposed by him if the Permanent Settlement is abolished or new legislation introduced. He was not aware of any system of co-operative holdings in Bakarganj for the benefit of the poorer tenants who had lost their land.

Maulvi K. Ahmed said that according to his estimate, the area held by bargadars in the Khas Mahal of Noakhali is 40 per cent. The tenants are foreigners who do not live on the land. Surveys are at present carried out every 15 years on account of new formations. He did not agree that a detailed survey is made when new land has to be settled. He thought that the interval between the surveys should depend on local conditions.

In reply to Dr. Mukherji, Mr. Haldar said that Government is not to be blamed for high rents in the khas mahals. There are no unduly high rents. They have been fixed on the basis of the previous 10 years' prices under section 30 (*b*). If possible, he would prefer to follow the Madras system of classifying lands and would certainly increase the number of classes in Bengal, e.g., in Bakarganj, he would divide nal land into several classes.

In reply to Sir F. A. Sachse, he said that such a system of classification would not be impossible but would certainly be very difficult. It would not be possible for amins to do the work: it would have to be carried out by Gazetted Officers or possibly by kanungos. The amins may do the work but this work requires careful checking by responsible officers.

Maulvi K. Ahmed agreed that such a system of classification would be very difficult in Noakhali.

Continuing to Dr. Mukherjee, Mr. Haldar said that in theory it was desirable that each plot should be classified with reference to its productivity. If the whole province became a khas mahal, the homesteads, gardens and tanks of landlords and tenure-holders would have to be excluded from the acquisition proceedings.

Maulvi K. Ahmed said that the barga system is extending and land is passing to non-agriculturists. He was in favour of insisting on subleases to under-raiyats and on checking the barga system. He thought it could not be abolished altogether. There might be a few cases of well-to-do bargadars who employ labourers, but generally speaking, bargadars themselves cultivate. He thought that an average family could cultivate as much as 10 acres.

Mr. Haldar did not agree and thought that 15 bighas is the maximum if bullocks are used and 20 bighas if buffaloes are used for an individual cultivator assisted by one labourer or relation.

Maulvi K. Ahmed said that in Noakhali, 5 acres is the standard unit in the khas mahal. He agreed that if a man had 10 acres and several sons inherited the property, the only solution for them to have a full economic holding would be to acquire additional land.

Mr. Haldar said that he was opposed to acquiring the homesteads of tenure-holders and turning them out.

In reply to Mr. B. K. Roy Chowdhury, Mr. Haldar said that he had enquired from some friends of his who are landlords and they had told him they would be satisfied with 10 times the net profit but it depends in each case what is the proportion of the revenue to the assets of an estate. In Bakarganj most permanently settled estates are small. Some might be sold for 10 times the net profit but not all.

Maulvi K. Ahmed said that when zamindaris are sold the net profit is taken in calculating the sale price. He could give no definite instances. His general idea was that 10 to 15 times the net profit represents the fair price. In khas mahals "enhancements" have not been made, but the rent is rather adjusted according to the level of prices. He agreed that the average rate of rent is higher in khas mahals than in permanently settled areas. In permanently settled estates, there are a number of mokarari holdings whereas in the khas mahal there are none. In some cases, mokarari leases were given by zamindars after taking heavy salami.

In reply to Sir F. A. Sachse, Mr. Haldar said that he was in charge of the collections in Rangpur district when the Cossimbazar estate collected more than 10 lakhs within a few months under section 99, Cess Act. Collections were made from the under-tenants of jotedars, and they had no difficulty in paying. Although this happened at the worst period of the depression, the under-tenants were able to pay two years' rents, which averaged over Rs. 4 an acre. This they did to earn remission of interest and to avoid certificates. In consideration of this fact, he agreed that Rs. 3 an acre is a moderate rent in proportion to the gross produce. When he advocated reduction of high rents he referred to the cases where rent is unduly high. He thought that the average outturn of paddy in Bakarganj is rather higher than in Rangpur. In districts like Hooghly and Howrah, he thought that the average outturn would be 4 to 5 maunds a bigha. He agreed that the rent in those districts is very high and as much as Rs. 15 an acre. He was not aware whether the Congress Committee had enquired into the outturn of paddy in the Damodar area and came to the conclusion that it is 24 maunds per acre. Asked whether tenants in western Bengal were able to pay a rent of Rs. 15 if they only got 5 maunds of paddy per bigha, he said that they might make a supplementary income from second crop or other sources. In Bakarganj they get an income from the sale of cocoanuts and betelnuts.

Maulvi K. Ahmed agreed that the maintenance of records in Court of Wards estates is not satisfactory. In khas mahals it is much better but there is room for improvement. The staff for maintaining the records is inadequate and if the province became a khas mahal, there would certainly have to be increased staff on this account.

Mr. Haldar agreed that the system in Sir Daniel Hamilton's estate of letting out the first rain water and washing away the accumulated salt, is desirable. A similar experiment has been made this year in Bakarganj in an area of 200 acres where a sluice gate has been constructed. The result has been a somewhat improved crop. He agreed that more might be done to provide sluice gates and said that the Agricultural Engineer had been asked to provide a less expensive type of sluice gate.

Maulvi K. Ahmed said that the tenants in the estates managed by the Court of Wards would be willing to come under the khas mahal.

Mr. Haldar agreed and said that the only reason why the tenants might dislike Government management is the regularity of collection.

He agreed that if Government took an ijara of some permanently settled estates, it would be much the same thing as having the estates under the management of the Court of Wards and granting malikana to the proprietors. The tenures, however, would remain. He thought that in general the tenures are a bigger stumbling block than the zamindars. He agreed however that the tenures might disappear in course of time if the Sale Law was rigidly enforced.

The Chairman then put some question on behalf of the Maharajadhiraja Bahadur of Burdwan, who was unavoidably absent, and the following replies were given:

Maulvi K. Ahmed said that under-raiyats got occupancy right by custom only, but he was in favour of extending the right to all under-raiyats by statute. He agreed that this might lead to further subinfeudation but he wanted to protect the under-raiyats because they are the actual cultivators. Non-agricultural holdings are now assessable under the Non-agricultural Lands Assessment Act. He did not consider that an additional levy on such holdings would be a breach of the Permanent Settlement. He agreed that landlords can restrict alienations at the time when they make new settlements, but they have no powers in the case of transfers by sale. Although he had said that 60 per cent. of the raiyats can maintain themselves from an area of 1½ acres, he had recommended 10 acres as an economic holding because he regarded that as the ideal area for agricultural purposes only: tenants with 1½ acres would have to earn a subsidiary income as labourers. He was in favour of restricting the acquisition of further lands by anyone who has as much as 100 bighas. He thought that this would be possible, but agreed that the laws of inheritance could not be altered. He agreed that under section 38, Bengal Tenancy Act, a raiyat can get a reduction of rent on account of deposit of sand, but said that he could not get any reduction for damage by cyclone or floods. He said that in recommending the reduction of high contractual rents, he had assumed that the Permanent Settlement would be abolished and the province would become a khas mahal.

Mr. Haldar said that he agreed that if the province became a khas mahal and a new record-of-rights were prepared, the tenants or the State would have to pay a larger share, because there will be no landlords or tenure-holders to bear their share of the cost. The tenants who sought to get a reduction of rent would be willing to pay but not those whose rent might be enhanced. He had suggested the rigorous application of the Sale Law because he thought it undesirable for Government to shoulder a heavy financial burden by buying out the landlords and paying them compensation.

He was in favour of taking away the occupany right from raiyats who are non-cultivators and have sub-let their holdings. He was not

in favour of two men having the same right in the same land. He agreed however that if a raiyat's holding were sold and the raiyat had no occupancy right, he would not be a protected interest under section 160, Bengal Tenancy Act. He explained that by "unrestricted marriages," he refered to cases of persons who have several wives. He is in favour of giving certificate powers to all landlords and tenure-holders subject to adequate safeguards.

In reply to the Secretary, Maulvi K. Ahmed said that he would provide for consolidation of holdings by allowing raiyats the right of pre-emption in lands contiguous to their holdings. He would also provide facilities for exchanging plots and would give compensation to the tenant who is forced to exchange his land. Mr. Haldar explained that the principle he advocated for fixing fair rent was that subject to a maximum share of the produce, the assessment should be made on the system of a table of rates.

Reply by Babu Prafulla Chandra Mitra, Khas Mahal Officer, Faridpur.

Q. 19. I am clearly of opinion that by far the vast majority of raiyats would prefer coming directly under the Government and pay rent to it. During my tenure of office as a Khas Mahal Officer I found the raiyats anxious to be brought directly under the Crown by the annulment of tenures when the estates were purchased by the Government in revenue sales.

The khas mahal tenants used to enjoy the following special advantages:—

(1) Generally they have to pay rents at reasonable rates.

(2) They get remission and abatement freely on diluvion. Three mighty rivers are constantly cutting away and so diluvion is an important feature in Faridpur district.

Even after 1938 amendment khas mahal tenants will continue to enjoy some special advantages in this direction.

(3) After reformation the old tenants used to get the first preference.

(4) Government used to spend considerable sums of money in effecting improvements and there were few exactions by subordinate staff.

(5) The tenants knew where they stood as khas mahal work proceeded on a defined system unlike some private proprietors who follow a policy of drift. In case of difficulty they could easily bring their grievances to the notice of the superior officers.

Q. 25-26. On principle I am in favour of confining the right of occupancy to the tiller of the soil. A raiyat is primarily a person who has acquired a right to hold land for the purpose of his own cultivation and as such he must have the right of occupancy. It stands to reason that he should forfeit his right to the extent he sublets. But there are practical difficulties in the way.

In the first place it should not be easy to divest him of the right vested in him. This could possibly be done in a declaratory suit by a Civil Court but the point arises as to who will agitate in the matter. The Government could not do it for obvious reasons and the under-raiyat would not do anything for fear of offending his raiyat landlord.

Secondly, the raiyat may not require all his land all the time for his personal cultivation. He should therefore have the option of sub-letting and it is undesirable that he should be divested of his right of occupancy by sub-letting.

I am against indiscriminate extension of the right of occupancy to under-raiyats: ordinarily it should be left to the under-raiyat and the raiyat to settle the period of occupancy by contract. But if an under-raiyat is allowed to carry on for 12 years or to build a house it should be presumed that the raiyat does not require the land in the near future. In such cases the under-raiyat should have the right of occupancy.

Similarly where the under-raiyat enjoys the right of occupancy it should be allowed to stand. The raiyat-landlord has the previous knowledge that he once sub-lets he parts with the land for good and so he could not complain if the under-raiyat claimed the right of occupancy. Besides, no legislation going directly against customs is ordinarily desirable.

Q. 27. I do not think that the framers of the Permanent Settlement gave much thought to the protection of the non-agriculturists. In Article VII (First clause) the Government ruled that it was its business to protect all classes of people but declared its intention to enact necessary legislation for the protection and welfare of the dependant talukdars, raiyats, and other cultivators of the soil. So it is evident that the attention was mainly directed to the improvement of and protection of the lot of the tillers of the soil. In paragraph 3 of Article VI it was hoped that the proprietors would exert themselves in the cultivation of their lands.

The importance of agriculture in the country's prosperity was emphasised in the Bengal Regulation 2 of 1793. It was clearly enunciated that the wealth of the country would increase in proportion to the extension of agriculture.

It is therefore clear that about that time the Government laid great stress on improvement of agriculture and by the enactment of Regulation I of 1793 expected to improve the condition of agriculture and agriculturists who formed the bulk of the population.

Q. 28. The question does not make clear what statutory rights are meant. Presumably those of the raiyats and under-raiyats are hinted at.

Theoretically it may not seem desirable that the statutory rights intended for the protection of cultivators should persist even when the lands concerned are used for non-agricultural purposes. But in practice it would be quite otherwise.

If a raiyat uses his lands for any purpose other than agriculture he should not in my opinion be disturbed unless he makes it unfit for the purpose of cultivation. If a raiyat chooses to use the land to better advantage without causing any permanent deterioration he should be allowed the option and not subjected to any extra taxation. He would

thereby be benefiting both himself and the community. The industrial side of the country remains yet to be developed and an additional taxation would act as a handicap. The same remark should apply to an under-raiyat.

Q. 29. The number of bargadars is slightly on the increase. Some of the prominent causes are stated below:—

(1) The economic depression of 1929-1932 and its after-effects.

(2) The shrinkage in rural credit facilities due to a variety of reasons.

(3) Constant diluvion in the riparian areas which sometimes leaves a man with lands in different places widely apart.

Q. 30. (*i*) I do not think that the omission in the amending Act of 1929 to give any statutory rights to bargadars in any way encouraged barga system. Any such right, if conferred by that Act, would have had the effect of throwing out many of the present bargadars but at the same time it would have brought in many others who were better off. The bargadars would then be nearly as good as tenants (raiyats or under-raiyats) and people with money would have gone in for it.

(*ii*) I do not think that the Act of 1929 gave any particular facilities for transferring occupancy rights to non-agriculturists. As a rule they could easily secure the recognition of the landlord on payment of mutation fee even before the 1929 amendment.

(*iii*) True it is that non-agriculturists purchased a large number of holdings during economic depression and many of these had to be cultivated in barga system. But this was greatly counteracted by another feature. The mahajans, due to the depression, had very little cash in their hands. They had invested their nearly all to the agriculturists on the very high rates of interest then prevailing. This they could not get back and so they could not do much in the way of purchasing agricultural lands.

Q. 31. I think the bargadars in this district hold no more than 7 per cent. of the total area under cultivation. Most of the bargadars hold lands also in raiyati or under-raiyati rights.

Q. 32. I may state at the very outset that the very name of bargadar has been associated with somebody having no permanent connection with the land he cultivates. Any legislation conferring statutory rights of occupancy, etc., on the bargadars would be of a revolutionary character and there would be difficulty in practical application. The system has, so to say, bred in the bone of Bengal and attempts at evasion would be widespread and stubborn. I would therefore leave the bargadars alone.

Q. 33. I do not think that the barga system itself is radically unsound but it is capable of very considerable abuse.

Q. 34. The effect of giving occupancy rights to bargadars would be disastrous indeed. Most of the present bargadars (i.e., those who are altogether helpless and need help) would be thrown out. Others would creep in in their places who are better off and would be able to pay for the rights.

Q. 35. A maximum of one-half may be fixed by law.

Q. 36. The average daily earning of an agricultural labourer is 5 annas per day in the Faridpur district. The difficulty is that he does not get work all the year round and is in particular distress when crops fail and the demand of his labour falls.

He is decidedly worse off than a bargadar or an under-raiyat.

Q. 37. As already hinted I do not think that the unrestricted right of transfer conferred by Act of 1929 had led to the passing of considerable areas to non-agriculturists. It put the transfer fees at an unusually high rate which rather retarded sales. This Act also made the transfer fees payable at the same time as the price of lands which was also an additional difficulty. The Registration figures show a remarkable fall after 1929 not all of which can be explained away by the economic depression.

The Act of 1938 will probably tend to increase transfers by sales to non-agriculturists but the operation of the Bengal Agricultural Debtors Act and the work of Debt Settlement Boards will greatly counteract any tendency in this direction. It would be beneficial if transfers could be restricted to non-agriculturists. But it is not practicable and besides any such attempt might set class against class which would be harmful to the country as a whole.

Q. 38. I should consider 7 acres as the minimum size of an economic holding.

Q. 39. The size of raiyati holdings is more often than not uneconomic. Laws of inheritance and the pressure of population are gradually tending to further and further fragmentation. I do not think that the amendment of 1929 did in any way make matters worse and it is as yet too early to judge the effects of 1938 amendment.

Q. 40. Consolidation of holdings is certainly desirable but it is hardly possible to effectively secure it so long as the present laws of inheritance and the pressure of population continue.

Q. 41. The only facility I can think of is to give a cultivator financial assistance so that he can make his holding more economic by purchase or exchange. But there is another party to the bargain who may not be as keen on it. Besides, there are usually lots of co-sharers, possessing or non-possessing, all of whom will have to be satisfied, otherwise he might be purchasing litigation. It should not be

easy to finance so many people who will all need assistance and it would be less easy to collect any amount advanced.

Besides, any improvement effected in this direction would be of a temporary nature and would be neutralised in about 15 years' time.

Q. 42. Accumulation of very large areas in a single hand is undesirable. The danger in this direction is not however considerable and so no special action is called for.

Q. 43. As regards the determination of fair and equitable rents I have carefully considered the different systems which appear to have been tried or advocated elsewhere. The only workable system seems to be the assessment of a definite share of the produce as rent. For this, lands will need classification into 3/4 groups according to their productivity. Average produce of each class should be ascertained and its money equivalent calculated on the basis of price statistics spread over (say) 10 years and a definite share of the same may be assessed as rent. True it is that a fixed proportion for all classes may operate harshly on holders of poorer lands. This may be neutralised so far as possible by slightly varying the rate according to classification.

The other methods are open to serious objections and some of the grounds are briefly stated below—

(1) *Economic rent* (i.e., difference or half the difference between produce of land just paying its way and better lands).—It would be very difficult to find out which is the land which just pays its way. This would differ from village to village and is also likely to be grossly coloured by the personal views of different officers making enquiries in different villages. In the present-day Bengal when the tenants are just becoming vocal there would be so persistent effort on their part to show that their lands are unprofitable that it would be well-nigh impossible to hold an independent enquiry.

There is also another danger that tenants would, at least temporarily, neglect their lands in the hope of rent being reduced and thus there would be immense loss to Bengal as a whole.

(2) *Economic rent* (i.e., half the profit of the cultivation).—This is unworkable. It is well-nigh impossible to work out the profit of every individual cultivator which does not depend on the kind of his land alone.

(3) *Economic rent* (i.e., on the basis of market value).—Apart from the difficulty of ascertaining market value it would lead to assessment of inequitable rents. The market value would not depend upon productivity but also on situation.

The improved situation does not necessarily increase his income in the near future and to make a tenant pay additional rent for this is not equitable.

The analogy of urban lands does not apply. There the situation is the all-important factor and productivity has very little place.

(4) *Customary rates.*—As anybody having practical experience knows, it is usually so difficult to ascertain customary rates unless the average rates in a village are taken as customary rates. But average rates (i.e., dividing the total rent by total area) in a village would hardly be at all equitable.

(5) *Rents fixed by competition.*—This would be obviously inequitable.

Q. 53. The majority of rents in the permanently settled estates may I think be described as lump rentals. In the Government estates, however, there is a certain amount of uniformity in rents for the lands of same class which is due to the periodical revision of rents.

It is true that in practice rates differ greatly for lands of similar value.

Q. 54. I have not noticed any particular estate or estates where poorer and weaker tenants have to pay higher rents. But I have seen that enhancements legal or illegal were more readily made where tenants are poor and weak.

Q. 55. I would certainly recommend a readjustment of rents on a definite basis throughout the province assuming that all middlemen between the State and the raiyat are removed. Otherwise the Government would be in an anomalous position of having to charge rents at widely different rates for the same class of lands. In fact there would be so great a clamour for revision that it would be impossible for a popular Government to resist it.

I would recommend a definite share of the produce, slightly varying according to classification, as the most suitable basis for the assessment of rents afresh. This would not be possible without the preparation of a fresh record-of-rights. The classification could not be done without a field-to-field enquiry and the correction of previous record but no fresh survey would be required.

Q. 56. I think that between 1/6th to 1/7th of the gross produce should be assessed as fair and equitable rent.

Q. 57. Rent once fixed should not be disturbed for at least 20 years and then also not unless the dates on which the previous assessments were based, had substantially altered.

I should think, it would be an undesirable thing that rents should be liable to revision according to the needs of the State. For one thing, it will be easy to lower the rents but extremely difficult to raise it.

Q. 58. Substitution of income-tax in place of rent would be open to very serious objection. In the first place assessment would be extremely difficult to make. Income-tax is to be imposed on a person or a family and it would be no easy job to ascertain how much land a particular individual or family possesses. To ascertain the income from the same would be all the more difficult. The assessments of income-tax are likely to be still more inequitable than rent.

Besides, a minimum will in any case have to be fixed with the result that a large number of tenants will escape any payment at all. Their proportion, I think, would continue to increase as time goes on.

Instead of this I would prefer to encourage the redemption of the holdings by the tenants.

Q. 59. I should think that enhancement of rents on the ground of increase in prices has operated harshly on the tenants. In such cases no note was taken of the fact that cost of cultivation also increased.

I also consider it inequitable that rents should be raised if it is below prevailing rates.

Q. 60. Fluvial action should I think be considered as a suitable ground for enhancement. On this ground the tenant also is entitled to be granted a reduction of rent. In the absence of such a provision the tenant would have suffered heavily as in the riprarian areas lands are frequently spoilt by the deposit of sand.

Q. 61. No. But the increase in the cost of cultivation and also of the cultivator should be taken into consideration and allowance should be made for it.

Q. 62. Yes, if enhancement on the ground of rise in price is at all to be given it should be done though the tenant consumes his whole crop.

Q. 63. I do not approve of enhancement on the ground that any rent is below the prevailing rates. It is so very difficult to find out what prevailing rates are. Besides the procedure enunciated in the Bengal Tenancy Act tends to lead to iniquitous results.

Q. 64. Yes.

Q. 65. I have no particular comment to make on the sections as they stand (viz., 104 to 105, Bengal Tenancy Act).

Q. 66. I have not come across any such case.

Q. 67. While undertaking the expenses of a revisional settlement the State naturally considered the outturn it would get in return.

Q. 68. No.

Q. 69. I was not connected with the khas mahal until after the depression. In a few cases it might have been better to postpone the collection of revised rents till better times. But I have known cases where the rent assessed by the Settlement Department was reduced on the ground of hardship.

Q. 70. This is mainly due to the difference in the quality of lands. Besides, the rents were generally revised in the light of those of the neighbouring estates.

Q. 75. The Government is giving its usual quota to the Faridpur khas mahal which can have no complaint on that ground

Q. 76. Salami is being realised since 1919 Yes, in a manner it is done. In the allotment of grants to the khas mahals of the province the salami is also taken into account

Q. 77. I think that the land system of Bengal has had something to do with the uneconomic condition of the raiyats. I have seen the cases when the landlords deliberately allowed rents to fall in arrears and then filed rent suits with the ultimate result of purchasing the holdings and evicting the raiyats. The illiterate raiyats could not take advantage of the provisions of law intended to protect them.

No tenancy legislation would improve matters unless it is backed by a drive for mass education and for raising the moral tone of the raiyats.

Q. 78. The average gross income of a raiyat with 10-bighas area is estimated at Rs. 115 and Rs. 30 from other sources.

Q. 79. I do not think that the present system of maintenance of land records is satisfactory. It is possible to make continuous and accurate land records in small units of villages but I think cost would be prohibitive.

Q. 80. The income of the cultivator may without much difficulty be increased by supplying improved seeds and manures.

By giving them supplementary occupation during slack season their income may be appreciably increased and in this direction establishment of cottage industries would be useful. But the great difficulty is about the marketing of the produce and in this matter State assistance is essential.

Cattle insurance system would be useful but is likely to be unpopular.

Q. 89. Rent suits are costly for the landlords but more so for the tenants. In my opinion certificate procedure cautiously administered is good for the tenants as well as the landlords.

Q. 90. Generally it is not but it might have been so in individual cases. The remedy lies not in the abolition of the system but in improving it.

Q. 91. Theoretically I approve of the suggestion. But revision and codification require a calm atmosphere which is not available in the present condition of the country. It has just entered a new phase of self-government and the present is not suitable for undertaking so complicated a legislation.

Reply by Mr. A. E. Porter, I.C.S., Collector of Tippera.

Q. 10 to 19 and 21. It is doubtful whether those who framed the Permanent Settlement thought (and indeed whether the current political and economic theory of the time took adequate account) of what has since come to be recognised as the principal object of policy, viz., the welfare of the common people. "Improvement of estates" probably meant no more than increasing the net profit of the landowner, and it would never have occurred to those dealing with the problem to consider whether the whole of those who were supported by the estate were maintained in conditions of reasonable comfort. The principles on which the Permanent Settlement was based have therefore now fallen out of date.

The question whether the Permanent Settlement and the zamindari system which it has fostered should be set aside therefore involves not only a question whether the State should have access to any part of the increased yield from the land which it is now unable to tap but also whether cultivators (independently of any possible increase in revenue) would be better off as tenants of Government or under some other system. The two are not necessarily antagonistic, e.g., it is theoretically possible that the cultivators might be better off as tenants of Government whilst Government at the same time drew from the land a greater revenue than at present; but they are distinct.

In any case there can be no doubt that there is no bar in constitutional theory or practice to the revocation of the Permanent Settlement and the repudiation of the engagements made when it was enacted. The only question which arises is whether such action is morally and materially expedient.

On the moral side it seems to be clear that some sort of compensation would have to be paid to those who might be expropriated. It is profitless to consider whether or not before the Permanent Settlement zamindars had anything like their present status: the fact is that for a century and a half they have enjoyed a status under the most solemn engagements which in any case could now be diminished only by giving them not merely compensation but reasonable and adequate compensation. Expropriation could be morally justified only on terms which left those expropriated no legitimate cause for grievance.

Whether in such circumstances Government could modify the Permanent Settlement so as to secure substantial increase in the public revenues depends on two factors. First, there is the question whether the costs of management under present system are so excessive that if Government took over management it could make considerable savings. This approach to the problem assumes that Government

would have to make to the landlords a compensation equivalent to their present net income from their estates. The other approach assumes that they are getting a disproportionate return from them and that the compensation which they should get can be equitably reduced to bring them in less than their present income. Looking at the problem in the first way it is doubtful whether Government could administer the land in direct relations with the raiyats very much less expensively than the zamindars. From the other point of view it has to be considered that the zamindars have made large contributions to charity: they have provided a great part of the money spent on education (particularly by way of waqfs) and on medical facilities in towns and in the country, they contribute liberally to appeals for charitable purposes. If Government deducted from the sums on which the calculation of compensation was based all amounts expended on furthering the common good it would be morally bound to expend (as it presumably would) any additional revenue obtained on schemes of public utility and would be justified in expropriation only if it were able to establish that its use of the surplus revenue which it would obtain would be more effective for the common good than the use hitherto made of it by the landlords.

It might be considered expedient to abolish the zamindari system even if no substantial increase of revenue resulted. It is probably a fact that cultivators prefer to be under the khas mahal administration because they know that Government has not the same inducement to rack up the rents. The much-maligned certificate procedure is also very much less burdensome and "oppressive" than resort to the Civil Courts which is not only expensive but on the whole harsh on the cultivator tenant.

The economics of any proposal to "buy out" the zamindars would have to be examined in great detail in accordance with such principles as might be laid down. It would be necessary to compensate tenure-holders also but their compensation would presumably come out of the total assessed on the difference between the raiyati assets and the revenue demand. If this difference amounts to Rs. 1 crore, if money is available at 5 per cent., if the sum to be paid is reckoned at twenty years' purchase of the difference, and if loans contracted to make the payment are repayable in equated instalments over a period of fifty years, the amount annually payable by the State on a loan to buy out the zamindars in cash would not be less than about Rs. 90 lakhs. Costs of management could scarcely be less than Rs. 12·5 lakhs and there would be a loss to Government over the first fifty years after which the whole amount would be available. If the rate of interest were 4 per cent. the total charges for equated annual payments would perhaps be Rs. 80 lakhs which might just leave a small margin over the cost of management. A period of 100 years for repayment would

involve annual payments of perhaps Rs. 70 lakhs at 5 per cent. and Rs. 60 lakhs at 4 per cent. In any case, however, provision would have to be made for the possibility that a complete remission of rent might have to be made once every five or six years and the calculation of surplus might be reduced accordingly. Such a transaction would involve considerable expense. It would not be possible to conduct it without carrying out what would be tantamount to a major settlement operation in each district since a very accurate assessment of titles and net income would be necessary and it would be necessary to combine with this a comprehensive re-settlement of rents to make them uniform after the intermediate interests had been bought out and the raiyats brought into direct relations with Government. The transaction would however give no legitimate cause for complaint to those expropriated. But on the one hand it would for a long time yield no effective increase in revenue to the State and on the other hand would allow very little scope for the reduction of raiyati rents where these are inequitably high.

The disappearance of zamindars and intermediate tenure-holders might be hoped to result in making their energies available for the economic development of the province. Some of them would take their place in the enlarged Government service necessary for the management of State lands and collection of the land revenue. The loan would probably be raised wholly or for the most part by way of giving the dispossessed landlords Government paper for the amount of their compensation and during the period of repayment or redemption of the scrip there would be considerable sums annually available for investment in the industrial development of the province. But it is doubtful if "landlordism" would disappear and almost certain that there would spring up a large number of non-cultivating "raiyats" with a series of intermediate tenancies between them and the actual tillers of the soil unless specific measures were taken to prevent the transfer of raiyati and under-raiyati rights to others than cultivators.

The other two proposals suggested in question 13 assume that the zamindar will remain but that his profit from the land is inequitably large. Both would involve considerably increased expenditure on the collection of revenue. On general grounds it would seem to be difficult to claim that the rates of rent are now on the average inequitably high. If the estimate of raiyati assets given in questions 7 and 13 (Rs. 16 crores) is correct, then the average rent per acre for the 35 million acres or more of cultivable land in the province is well under Rs. 5. This can scarcely represent as much as 10 per cent. on the gross yield of the land under present methods of cultivation. A general charge of rack-renting cannot therefore be levied against the landlords as far as raiyati assets are concerned. It would be difficult accordingly to

sustain a general acquisition that the zamindars' profit from the land is excessively high and the scope for a just increase of revenue by these methods is very much restricted if indeed any such increase can be expected without laying unfairly heavy burdens on the landlords. The difficulty suggested in question 58 would almost certainly arise if agricultural incomes were taxed and exemption was allowed to incomes below a certain amount.

Nor could there be much hope that the buying out of the landlords on the abolition of the zamindari system would make it possible to effect any extensive reduction of raiyati rents. It is unlikely that the average could be expected to fall below the figure shown in the last paragraph if the calculations there made are correct.

Q. 29 and 32 to 35. I think that there is tendency to an increase in the number of barga cultivators in some parts of the district. I have noticed it particularly in the northern part of the Brahmanbaria subdivision where crops frequently suffer from flood or the excessive duration of the period when water is standing on the land. Instances are not uncommon where cultivators with very little land in their own right cultivate four to five acres of land on this system.

There is no doubt that the increase in barga cultivation is partly due to the restrictions put on usufructuary mortgages. At the same time it must be remembered that there was a custom prevalent by which a (non-agricultural) mortgage (under a mortgage by conditional sale or a usufructuary mortgage) or purchaser of an agricultural holding would leave the actual cultivator in possession on barga terms. The bargadar therefore is of more than one kind: he may have subsisting an equity of redemption in the land he is tilling or he may have no right whatever in it. There is probably little doubt that the economic depression and the tenancy legislation of 1929 have led to an increase in the sale of tenancies and in the amount of barga cultivation of the second kind (*see* figures shown in answer to question 37).

I do not think that the system is sound. There is a good deal to be said for making it illegal. Generally in this district the bargadar provides his own ploughs and seeds and such manure as he may use, and in some parts a premium is paid in addition to the undertaking to pay half the produce; the premium in some cases reaches a figure which makes it difficult to see how the cultivator can contrive to maintain himself by his labour. The bargadar would be better off as a tenant of some sort or even as a labourer on a fixed wage. I think that it would be preferable to prohibit the system altogether rather than to fix a maximum share of the produce which the lessor can claim. Such a provision would be defeated by the spread of the system of requiring a premium to be paid for barga settlement.

Q. 36. Agricultural labour is almost entirely casual and is very often on the piece-work system in this district. Wages vary enormously and are a matter of supply and demand. During 1938 when the jute crop was standing in unusually deep water as much as eight to ten annas or even a rupee daily was demanded and in some cases half the crop reaped was asked for in the alternative. For light labour (reaping the mustard crop) recent enquiries in parts of the district showed various rates being paid between three and four annas. This was in an area hard hit by unfavourable conditions and poor crops. Wages are ordinarily about four to five annas daily and one or even two meals may be given to the worker in addition. Workers on a monthly wage may get Rs. 2 to Rs. 4 monthly as well as their keep. When wages fall to as low as eight to ten pice daily it is taken as an indication that there is distress of hardship sufficient to justify the initiation of test relief works.

The labourer is frequently one who has a small amount of land of his own in addition to his homestead but not sufficient to maintain his family. Compared with an under-raiyat who has a more or less economic holding his position is unsatisfactory and he lacks the equipment and appliances which the bargadar must have in order to cultivate his lands. Demands for labour are seasonal and he has to make what he can during a comparatively short part of the year. He may have to travel comparatively long distances to find work (in Barisal, Mymensingh, Sylhet or Hill Tippera) and is liable to find difficulty in getting the ready cash (*a*) to pay for his fare, and (*b*) to leave with his family for their maintenance during his absence.

If legislation were passed making the barga system illegal it might be necessary to legislate also for minimum agricultural wages.

Q. 37. Figures of sales of occupancy holdings in Tippera from 1929-37 are given below:—

1929	...	...	...	3,292
1930	...	...	...	2,500
1931	...	...	...	6,088
1932	...	...	...	7,687
1933	...	...	...	10,612
1934	...	...	...	13,008
1935	...	...	...	15,846
1936	...	...	...	21,038
1937	...	...	...	18,917

There is no evidence that the average size of holdings has changed and the following explanation offered for the figures above is put forward by the District Registrar. The restrictions on the execution of usufructuary mortgages under the amending Act of 1928 practically

put a stop to the execution of complete usufructuary mortgages. Money could not be got except on mortgages by conditional sale and by out-and-out sale. The increase in 1936 is due to the introduction of the Bengal Agricultural Debtors' Act the provisions of which were known in 1935 and which did not come into operation in many parts of the district till 1937 though it was enacted in 1936. The Act itself is no bar to amicable sale of lands even during the pendency of an application before a Board.

The tendency was for agricultural lands to pass to non-agriculturists under the Act of 1929. The co-sharers' right of pre-emption under the present amended Act should help to put a stop to this tendency.

Q. 39 to 41 and 43. In 1938 at the instance of the Special Officer (Mr. Stuart, I.C.S.) an enquiry was made in the khas mahal in areas selected at random according to the following directions—

Taking all the defaulters in a village or some suitable area, how many are defaulting because—

(*i*) their holding does not supply enough produce for their maintenance and payment of rent;

(*ii*) they do not want to pay rent which they consider should be paid by (*a*) another co-sharer or (*b*) a mortgagee;

(*iii*) they have other more pressing creditors;

(*iv*) they are merely refractory.

Three entire villages and two hamlets in different parts of the district were chosen with the following results:—

Total holdings.	Total defaulters.	Cause of default as shown above.				
		(i)	(ii)		(iii)	(iv)
			(a)	(b)		
49	44	19*	24**	1	.	..
56	55	35†	8	..	12	..
50	32	10	14	2	6	..
32	25	5	12	3	6	..
346	173	46	120	2	5	..
Total 533	330	115	178	8	29	

Notes:—*Holding itself insufficient—15 : crops failed owing to deterioration of land—4.

**Including six for which under-tenants thought liable.

†Due to failure of crops owing to saline water.

The conclusions to be drawn from this enquiry are subject to the following consideration. As regards item (*i*) both holdings too small to maintain the cultivator and also those where there had been failure of crops for temporary reasons or deterioration of the soil would be included. It was assumed that what was wanted was the number of holdings which could not supply sufficient even when yielding bumper crops. The numbers of these in areas chosen were between 20 and 30 per cent. Conclusions from the figures however must be guarded because what was taken as a "holding" was not the total area in a tenant's possession but a separate jama and without further investigation it is not possible to say that some of the defaulters from this cause have not other jamas not in arrears and forming with those in arrears an economic holding.

Many raiyati holdings are undoubtedly uneconomic in the sense either that the cultivator could with his own family and his own stock cultivate more or that he requires more to maintain his family; but probably the majority of cultivators with such holdings have more than one holding or are in possession of other lands as well. The average raiyati holding must be adequate for maintenance since there are about 35 million acres of cultivable land and almost certainly not more than 45 million people directly supported by cultivation and an area of two acres can very adequately maintain three persons.

The inheritance laws tend both to bad cultivation and to the diminution of the area of holdings. It is doubtful whether the consolidation of holdings is in Bengal a problem of immediate urgency. So long as the laws of inheritence remain no amount of consolidation can give any permanent relief.

Q. 80 to 82. One of the main reasons for the poverty of the agriculturist is probably his refusal to work harder in order to surmount it.

There is a considerable area of culturable waste which is of course potential cultivated land. Land under cultivation could be made to yield more if husbandry were not thriftless, wasteful and slovenly. The cultivator puts forth only a fraction of the potential labour which might go to his support. So long as these things can be said no question of "pressure on the land" arises.

I suggest that it is an unfortunate formulation of the question to ask (question 81) what proportion of the population is surplus in respect of the agricultural needs of the country. Presumably the use of mechanical appliances would in theory make it possible for the present outturn from the land to be secured by the employment of a mere fraction of those actually now engaged in cultivation; but it would not be reasonable to say therefore that the majority of the cultivators of the province are "surplus." The problem, I suggest, is

better stated thus-"What part of the population could be maintained by agriculture at a reasonable standard of living if the agricultural resources of the province were most productively utilised with a view to supporting the maximum agricultural population?" To such a question of course no final answer can be given, but I think in Bengal it can be said that the existing population could be maintained at a very greatly improved standard of living if the improvements suggested in question 80 were effected. Two recent instances in this district of the improvement which can be achieved by the use of better seeds alone may be quoted. Cultivators have proved for themselves that not only the yield per acre of departmental seeds is higher but the weight of rice per maund of paddy is also greater. During January 1939 the Deputy Director of Agriculture was told by one cultivating family that they had cleared a debt of Rs. 500 in four years merely by the cultivation of departmental varieties. The area available for cultivation in this district is 1·2 million acres and the population about 3·2 million. Each acre is therefore called upon to support only 2½ persons and there is no reason why this should not be possible at a very reasonable standard of living if the best methods of cultivation and marketing are used. (The proportion of holdings in Denmark which are between 1 and 2 acres in extent is surprisingly large.)

I doubt whether at present any considerable expansion of large scale industry would effect any great relief. Large scale industry can succeed only if it produces the maximum output with the minimum employment and (unless there is adequate food produced within the whole country itself or an adequate demand backed by resources to consume its products) only by securing markets abroad. This involves unrestricted competition and may lead as in Japan to imposing on industrial workers a standard of living which is unsatisfactory. If the development of industry relieves pressure on the land by the creation of an industrial proleteriat on a standard of living no better than that of the agriculturlist at present the remedy would be at least as bad as the disease.

Q. 83 to 87. The first measure for the improvement of agricultural credit is to teach the agriculturist what legitimate credit is and how it can be properly used. The mahajani system of credit is "efficient" but by no means beneficent because the creditor has no inducement to recover his principal as it falls due: so long as there is adequate ultimate security for his loans it pays him (and is least trouble) to leave his money where it is, provided that it yields him a reasonable income. I have no figures on which to base a considered opinion of the alleged drain of money in interest according to the estimate mentioned in question 84. I should regard the estimate with suspicion unless it were very well-established on facts. If so great a drain actually occurs the cure presumably lies in legislation for the control

of usury. The provisions for advancing loans under the Agriculturists' Loans Act furnish an efficient and educative system of rural finance. The recent economic depression proved that the cultivator can get along without loans unless there is a bad harvest or series of harvests and that it is not an inevitable incident of cultivation that he should get short term crop loans. For advancing money for cultivation in conditions where such loans are needed the Act is excellent; it can be used to ensure the use of the money for legitimate purposes; prompt recovery is insisted on and the nature of productive borrowing is thus illustrated; but adequate consideration is shown both by suspending or remitting instalments where circumstances so require and also by choosing the time of year when repayment can be made without inconvenience; whilst the certificate procedure ensures a considerate treatment which the Civil Court Procedure does not make possible. I consider that the more extended use of this Act is preferable to the institution by Government of agricultural banks in each union. These would involve at least the same if not considerably greater expense from the public revenues and would be unlikely to result in any improvement in the efficiency with which the money is distributed and recovered. On the whole Government's advances of agricultural loans have probably been a sound investment.

The one achievement of the co-operative credit societies is that to some extent they have probably reduced the current rates of interest on loans, but they have in fact led in all probability to an increase of indebtedness and they have not the flexibility of the mahajani system. It is doubtful whether they have on the whole benefited the cultivator, if for no other reason than because they have not taught him the proper use of credit or the application of co-operative principles. I doubt if any considerable proportion of the societies have in fact succeeded in wiping out the debts of their members. The defects of the movement have principally sprung from an initial concentration on the credit side of co-operation, from misplaced enthusiasm on the part of organisers who either aimed at paper result or themselves were ignorant of the necessity of introducing credit on the co-operative system only where the theory of productive borrowing and the principles of co-operation were understood, from the facility which the system offers to dishonest panchayats to misapropriate advances intended for the society and from the absence of any means by which the Registrar can enforce his control short of dissolving the society. A promising beginning has already been made in bringing the co-operative agricultural credit movement back to sound principles in the issue of genuine short term crop loans.

Debt Settlement Boards have only begun to touch the fringe of the problem of agricultural indebtedness. In Tippera probably between

one-fifth and one-third of the debts existing have been converted by applications filed and of these a very small proportion have been brought to a final settlement. Apart from the results of malicious propaganda the reasons for which so little advantage has been taken of the Act are suggested below—

First: The creditors as a class are resentful and suspicious. In some parts they have filed a majority of the cases before Boards but the reason for this is that it is the least expensive way of saving limitation, since the cost of filing suits is greater, and those suits if filed will at once be stayed under section 34 of the Act. Creditors do not like the idea of contenting themselves with a *pro rata* distribution of the debtor's surplus income over a period of 20 years at the most and of surrendering substantial portions of claims which could be successfully litigated in the Civil Courts. In many cases, of course, they have no sympathy with the basic object of the Act which is to retain the cultivator in the possession of his lands or restore him to them with a chance of making a fresh start.

Secondly: The debtors are holding back. In many cases they are waiting to see what sort of awards will be given and whether they will really get any advantage from the Boards. They are easily induced to hope that they will get better terms by negotiation with an individual creditor himself and they fear that otherwise they will find that they have no source of credit at all. They will not face the necessity to undergo the undoubted hardships over a considerable period of years which are involved in clearing off the whole burden of their accumulated dues, and often combine a readiness to admit their debts with an obstinate determination not be rid themselves of the burden. Moreover to an extent which is already giving anxiety they are using the Boards as a means of avoiding pressure from their creditors and evading any settlement at all for an indefinite period by taking no further steps when a case has been instituted and all civil action stayed. They have been encouraged to act thus by the leniency which it was necessary to direct Boards to exercise in dismissing cases in order to ensure that they do not lose the benefit of the Act as a result of ignorance either of the proceedings in which they are concerned or of the consequences of dismissal.

Thirdly: The provisions of the Act itself are such that a great part of the burden of debt cannot be effectively touched. It is doubtful whether mortgages by conditional sale and usufructuary mortgages are "debts" within the meaning of the Act, and although they are being treated as such and apparently there is no authoritative ruling on the subject it is possible that the point may be taken up at some time and a decision recorded against the present practice. In any case an award in which land is restored to the possession of the debtor can be

given only (*a*) if the mortgagee agrees or (*b*) if the terms offered to him are no less favourable than those accepted by creditors to whom are owing not less than 40 per cent. of the debtor's total debt. A mortgagee of this kind, therefore, who is the sole creditor or claims more than 40 per cent. of the total debt can in effect render the procedure before the Boards entirely infructuous. Moreover, if possession is not surrendered according to the creditor's agreement or under the terms of a compulsory award there is at present no means by which the debtor can enforce the terms save by the expensive and protracted processes of the Civil Court. In many parts of this district the greater part of the cultivator's debt is on account of mortgages of these kinds.

Fourthly: The appointment of Munsifs as special appellate officers has proved unfortunate and has discredited the Boards. By temperament and training they find it difficult to administer the Act in the "extra-judicial" manner which was intended, and they have consequently been responsible for a number of decisions which are not only against the spirit of the Act but also in contravention of its provisions. Thus orders have been reversed or modified where an appeal is barred by limitation and the Munsif has not considered it part of his duty to go beyond the pleadings but has virtually given an "*ex parte*" judgment in the absence of adequate representation by the opposite party; and Munsifs have actually given "awards" which they have no power to do under the Act. There is no second appeal and no provision by which the Munsif can review his order save on an application by one of the parties; and the time for this is too short (30 days) to be of any use. Although the special appellate officers are under the control and inspection of the District Judge no directions appear to have been issued for the guidance of District Judges in this respect and they are probably averse from exercising any effective control owing to a feeling that this will involve interfering with the Court's exercise of its judicial impartiality and discretion.

Fifthly: The Act, during its passage through the Legislature became (perhaps necessarily) very complicated and technical: but the brunt of applying it falls on honorary Boards whose members' essential qualification is that they should be able to bring contending parties to a conciliatory frame of mind and who neither have the qualities nor can spare the time to ensure that proceedings, at least as intricate as the majority of suits before the stipendiary civil judiciary, conform to the complexities of the law. Not only would this involve virtually their whole-time employment but it would require for their assistance a clerical staff of a very much better type than their present allotment of a single clerk attracted by a monthly wage of Rs. 10 with no prescribed qualifications and no provision for intensive training on appointment. Supervision by Circle Officers and Special Officers, jointly responsible

for an average of 30 to 40 Boards, can in these circumstances be effective only where the members and clerks are particularly shrewd, alert, competent and hardworking.

Improvement depends *first*: upon removal of the defects in the Act and rules; *secondly*: upon more specific guidance for Special Appellate Officers and their adequate control; *thirdly*: upon increasing and improving the clerical staff so that faults of procedure may be reduced and the prompt dispatch of routine work expedited; *fourthly*: upon an increase in the number of officers engaged in inspection and guidance of the Boards; and *fifthly*: in the patient and persistent education of all classes in the benefits which the Act will confer.

Q. 88. Land Mortgage Banks have suffered from a number of disabilities. The cultivators whom they were intended to benefit had not an unrestricted right of transferring their holdings; the landlords' right of pre-emption has now been abolished. The complexity of the co-parcenary system makes it a tiresome, expensive and lengthy process to ascertain whether a prospective borrower has a full and undisputed interest in the whole of the land which is to be mortgaged. A substantial proportion of the borrowers do not play fair with the banks; they conceal debts or the interests of co-sharers; and they have an inadequate appreciation of the importance of prompt repayment. There is some dispute whether the summary procedure of the Certificate Act makes it possible for the banks to realise only an arrear instalment or requires that the whole loan shall be called in and recovered upon one default on pain of losing by waiver the right to recover later sums falling due. The restriction on the total capital which may be invested by any one bank makes it clearly impossible for the bank to be self-supporting until the whole or nearly the whole authorised capital is invested and then possibly only on a margin of interest rates which necessitates charging the cultivator for too much for his loans. Banks have been handicapped by the limitation put by Government upon the financial assistance which it is prepared to render during the early stages of the banks' existence. Such difficulties as can be removed by legislation will be alleviated if the amending Act now before the legislature becomes law, but it is suggested that Government should decide as a matter of principle the rate at which loans must be made available to borrowers and should accept the conclusion which follow as regards the limit of authorised capital and the financial help to be given before a certain proportion of that capital has been productively invested with a view to ensuring that the banks have in fact a change to establish themselves in a self-supporting position. It should be part of Government's debt conciliation policy to encourage the taking over of the conciliated debt by some form of approved credit orginisation on mortgage of the debtor's property and co-operative Land Mortgage Banks are perhaps

the best form of such organisation if conditions are assured by law and by the policy of Government in which they can hope to operate with success.

Oral evidence of Mr. A. E. Porter, I.C.S., Collector of Tippera, 16th February 1939.

In reply to the Chairman the witness said he had no specialised revenue experience—he had been Collector for three or four years—was in charge of the 1931 census and had had somewhat specialised experience in the Co-operative Department. His opinion was that although profit to the State would ultimately result from buying out the landlords, for a very long time (perhaps a century) the greater part of such increase of revenue would necessarily be taken up in making reasonable compensation to them. He agreed that a scheme involving a century or 150 years for its working out would not be likely to commend itself to the politicians of the day. He thought it probable that the landlords and tenure-holders who would be bought out would attempt to secure raiyati rights in land and that legislation would be necessary to prevent a new form of landlordism growing up.

He considered the barga system unsound because it is inequitable that any person should receive as much as half the produce merely because he has a legal title to the land. In Tippera, he knew of no case where the landlord supplies the seed and the cattle. He had even found in one part of the district a custom under which salami is paid for barga settlement: this condition is ultimately due to the competition for land. The purchase of land by non-agriculturists has tended to increase the extent of barga cultivation which is extending. It is a normal practice for a raiyat who loses his land to remain in possession as a bargadar on much harder terms. In many cases no doubt the bargadars conceal a part of the crop and only give about 6 annas of it to their landlords. He agreed that increase of population was bound to reduce the area available *per capita* for the support of the cultivator and thought that as a practical question the first remedy was to increase the produce. At present on the average a raiyati holding (working out to rather more than 2 acres for 3 persons) must be adequate for the support of a tenant and his family. He considered that 2½ acres would be a decent-sized holding which could support an average family. In Tippera, which is a very fertile district, 2½ acres could produce 50 maunds of paddy, and there would certainly be a second crop in the greater part of the holding and sometimes a third crop also. Allowing annually an average of 10 maunds of paddy a head for consumption, this would be sufficient.

He considered that economically speaking it is a mistake to imagine that cultivators normally require loans in order to raise their crops. They live from hand to mouth, however, and if a crop fails they should be given facilities to borrow. He did not think that the restriction of agricultural credit which must continue whilst Debt Settlement Boards are operating was necessarily a bad thing. Even now small loans are being granted in the villages. At the same time it has to be remembered that the tenants have been paying back nothing, and if the agricultural debt of the whole province is Rs. 2 crores the reason why it is not bearing heavily on the people is that for several years they have been paying very little or nothing in liquidation of their debts. In normally good years they can finance cultivation from their own resources and by mutual assistance.

He thought that the cultivators have hardly yet reached the stage at which they can be trusted to work a co-operative system properly. They are ignorant of co-operative principles, and do not distinguish between productive and unproductive borrowing. They have little idea of the proper use of credit generally and have in the past failed to work co-operative societies properly. He agreed that the ideal system would be short term loans to be repaid after each harvest but he doubted if that system would work extensively at the present time. The Co-operative Department labours under the disadvantage of not being able to start from scratch: it has 35 years' mistake behind it. One mistake has been to make no distinction between short and long term loans: another has been that the Department has not been able to insist on regular recovery.

In reply to Sir F. A. Sachse, he said that before the 1931 census the main distinction made amongst those supported by the land was between those who live by rent from land and those who live by cultivating lands for which they pay rent. At the last census a fresh distinction was introduced within this second class between "cultivating owners" and "cultivating tenants". This additional distinction was introduced on orders from the Central Government to whom the Local Government explained the difficulties of applying it to the land system of this province. The principles on which the adaptation was made were adopted after discussion with and on the approval of the Central Government. The instructions to enumerators were framed to ensure that amongst persons who live by actual cultivation of their lands a distinction was made between those (whether tenure-holders or holding on some other title) who had a permanent right (who appear as "cultivating owners" in the returns) and those without such a right (who appear as "tenant cultivators"). No matter what their title those whose main source of income from land is rent appear as "non-cultivating proprietors". Under the

instructions issued all bargadars would be included as tenant cultivators unless their raiyat landlords supplied the seed, cattle, etc. The census figures do not give and cannot be used to give any indication of the number of raiyats and under-raiyats. He could not recall having received any report (except from Burdwan) that the enumerators had recorded bargadars as agricultural labourers in spite of instructions to the contrary. The 1931 census showed increases in the number and percentage of agricultural labourers (1931—29 per cent.; 1921—16 per cent.; and 1911—15 per cent). During the last census, a certain amount of inspection of the work of enumerators was carried out by supervisors and Gazetted Officers who were required to carry out a local check of the enumerators' lists in some proportion of cases. The original records prepared by the enumerators cannot now be checked as they have been destroyed.

The area in which he had found bargadars paying salami is in thana Nabinagar. He had made some enquiries there with Professor R. K. Mukherji: the exact figure paid so far as he remembered was something betwen Rs. 17 to Rs. 20 for one kani (·30 acre), but he was not sure of the figure.

It would be possible to arrange at the 1941 census for the collection of detailed information regarding the number of bargadars who are also raiyats or under-raiyats, and other similar details.

Explaining how restrictions on usufructuary mortgages may lead to an extension of the barga system, he said that a cultivator may not be able to get all the money he wants on a complete usufructuary mortgage for the maximum term allowed by law and may consequently either mortgage his land by conditional sale or else sell it outright. The mortgagee comes into possesion and the raiyat often remains on the land as a bargadar. The provision regarding usufructuary mortgages in the 1929 and 1938 amendments of the Tenancy Acts is thus tending to encourage sale and mortgage by conditional sale. If mortgages by conditional sale are prevented there would be no advantage, as the number of outright sales would increase.

He drew attention to the figures given in his reply to question 37 which show that there has been a great increase in the number of sales during the last few years. He agreed that the economic depression was probably the chief reason for the increase and that the amendments of the Tenancy Act had had relatively a lesser effect.

In reply to Dr. Mukherji, he said that he had assumed in his estimate showing the result of purchase by the State that khas management would not be less expensive than zamindari management. He thought that if the landlords and tenure-holders are bought out, it is likely that the number of non-cultivators will increase because land is always an attraction to investors, and middlemen would tend to

use their compensation to buy raiyati interests. Legislation would be necessary to prevent this happening. If the landlords are bought out, it is not likely that there will at first be a large surplus without an increase of rents. There are two ways of looking at the question: one is that the entire surplus resulting from the purchase of the zamindaris and tenures would go to the State; the other is that the surplus would be used partly in order to reduce rents. He thought that it would prove impossible to do both. If rents are reduced, there would most probably be no increase of revenue. He agreed that rents in Bengal are low and considered that in Tippera any rent below Rs. 5 was certainly a moderate rent.

He suggested that bargadars should either be given some sort of status as tenants or should be paid monthly wages either in cash or in kind and should be on the level of farm labourers in England. He did not think it fair that they should pay half the crop when they bear all the risks and expenses of cultivation. If legislation could be introduced to provide minimum wages, the bargadars would be employed on a fixed and equitable basis. At present they have no incentive to make improvements or even to cultivate the land in such a way as to prevent progressive deterioration. If they were given a tenancy right, he was not in favour of giving them occupancy rights. He was not prepared to give an opinion whether several persons should have occupancy rights in the same land.

He thought that the economics of fixing minimum prices for agricultural produce are complex and that they would require very careful examination before any action could be taken on these lines. He thought that the question of improving the outturn is of far more immediate importance in Bengal which does not even produce enough rice for its own consumption but imports rice. The price of a crop grown for consumption at home is less important than its yield and he considered that the tenants would be much better off with say an 18-anna crop selling at Rs. 1-8 a maund than with an 8-anna crop selling at Rs. 3 a maund. Security of price might even discourage thrifty husbandry.

Government is doing a good deal to improve the yield of agricultural produce, though there is scope for further improvement.

He thought that a holding 2½ acres in size is sufficient to maintain a family of 5 persons in Tippera, and that 2 acres would easily maintain three people.

He was doubtful whether any real benefit would result from providing industrial occupation for a part of the agricultural population, unless the conditions under which industrial labour would live were an improvement on those now prevailing in agricultural areas. He

was in favour of encouraging cottage industries but would not call that industrialisation. Cultivators, he said, remain unemployed for between 6 to 9 months in the year. It is desirable to provide them with employment in their leisure time: the cultivation of additional crops and an extension of weaving might help. In some places in Tippera saris, lungis and dhotis are manufactured at home for the household. A speciality of the district is the mtnufacture of hookas.

In reply to Khan Bahadur Momin, he agreed that the main reason for enacting the Permanent Settlement was to obtain security of the revenue. He doubted however whether "estate improvement" was understood at that time in the sense of the word now-a-days. In theory he thought that there can be no constitutional or moral bar to the abolition of the Permanent Settlement, but compensation would have to be paid. He thought that the cost of khas mahal management is probably more than 8 per cent. in Tippera. In Court of Wards estates, on the average, it is 10 per cent. The khas mahal estates however are mostly at a distance from headquarters in his district and are scattered: if they formed a compact area, the cost of management would be lower. He had got figures worked out in detail which suggested that the cost of khas management of the province would be about 1½ crores annually, i.e., about 10 per cent. In Court of Wards estates, the law costs are heavy when estates are taken over but gradually become less. If the whole province became a khas mahal law costs should be practically nil. He had assumed for making calculations that compensation would have to be paid at 20 times the net profit, i.e., the profit after deducting revenue, cost of management and charitable expenditure. He would deduct charitable expenditure because the landlords could not be expected to include those charges if the State becomes responsible for all social improvements. He was not in a position to say whether 20 times the net profit was likely to be got now-a-days on sale of zamindaris. Revenue and court sales are not an indication of a fair market value because they are forced sales. He had not calculated what profit the State would get if landlords and tenure-holders were compensated at 15 times the net profit. The only justification for expropriating the landlords would be the improved management and improved social services resulting from Government administration. There would almost certainly be a tendency for persons who received compensation to invest in raiyati holdings. Even people who have no interest in land or agriculture, like to buy up lands or garden houses. He thought there is a grave danger that a new system of landlordism would result, unless it were prevented by legislation. He agreed that this might lead to a great demand for land, which would result in an increase in land values and enhanced prices for the cultivator who sold but the concentration of raiyati holdings in the hands of non-cultivators would inevitably increase the rents of

the cultivators in possession. He could not say whether rent could be properly described as "unearned increment" but agreed that enhancements might perhaps be so described unless the landlord has effected improvements which justify them.

He said that the risk of cultivation lies entirely with the bargadar but agreed that if the bargadar were on a cash rent, the risk would be no less and he would also have to pay rent if the crops failed. He maintained however that half of the crop is too high a proportion but thought that if the share payable were restricted to a lower level such a provision would be rendered ineffective by the growth of a system under which salami was realised for barga settlement.

Bargadars he thought should be given the status and rights of tenants if they bear all the risks of cultivation, or if they are labourers they should be given minimum wages.

It would be possible to enforce a legal provision fixing a lower share than half the crop by making it illegal for the landlord to sue for more than the prescribed share of the produce.

In reply to the Maharajadhiraja Bahadur of Burdwan he said that he had only found a custom under which a bargadar paid salami in one part of his district.

Personally he was in favour of buying out the landlords but with certain reservations: he would except landlords who are hereditary title-holders like the Nawab of Murshidabad and the Maharajadhiraja of Burdwan. He thought that on historical and sentimental grounds such zamindars should not be expropriated under any circumstances, but their tenure-holders might be bought out. If that were done it might be possible for Government to take an ijara of the zamindaris: he had not considered the question but thought it worth examining. Under present conditions if Government were to bid at revenue sales and a landlord were to outbid Government, he would come into possession, and legislation of a revolutionary nature would be necessary to keep out middlemen.

So long as the laws of inheritance remain unchanged, fragmentation of holdings cannot be prevented: he thought it improbable that legislation with this object would be successful.

He did not consider that there were objections to giving the benefit of the certificate procedure to selected landlords on the conditions laid down in the rules, e.g., where a record-of-rights is maintained and the relationship between landlord and tenants is cordial. He considered that the certificate procedure is less harsh on the tenants than the Civil Court procedure. A Certificate Officer tempers the wind to the shorn lamb and only executes certificates at a time when the tenant is able to pay.

If the State becomes the sole landlord, waqfs and charitable institutions would have to continue, where there are legal and binding documents. Unless the State took over the liabilities imposed by these documents the expense of meeting them would have to be taken into account in calculating the compensation paid to the landlord.

In reply to Khan Bahadur Muazzamuddin Hosain, he said that the proposition that 80 per cent. of the rent is intercepted by a body of idle middlemen was one which would have to be established on the facts by proof first that this proportion is actually intercepted, and secondly that middlemen are actually an idle class.

He agreed that Government has a primary responsibility to look after the welfare of the people.

He agreed that it is desirable to have legislation in order to prevent land passing into the hands of non-agriculturists, but thought it would be difficult to put restrictions on the area of land in which an individual might get an occupancy right. Any legislation to this end would certainly bring down the value of the land: he thought the implications of such legislation were too wide to give an answer without further consideration.

He explained that the figures in reply to question 39 show the number of holdings in arrears and not the number of tenants who are in debt. The figures do not necessarily show that all the tenants affected are in arrears, because one tenant might have numerous holdings of which one might be in arrears and others not.

If the landlords are abolished it might be desirable to reduce high rents, but if there is simply a reduction of high rents, there will be a reduction of the enhanced revenue expected. A claim that the reduction of high rents would have little effect on the expected increase of revenue must mean that there are very few cases of high rent.

He was not aware that in some districts there is a decreased demand for foreign (outside) labour. He had nothing to add to his reply to Sir Frederic Sachse's questions as regards the increase in the number of agricultural labourers recorded at the census of 1931. He did not agree that there has been a general decrease in the number of people employed in agriculture and doubted whether it is correct to say that land is accumulating in the possession of fewer tenants. He would certainly say that there are not fewer people directly supported by the land.

He was in favour of giving the bargadars some rights and thought that they would be better off as tenants on eksona (one-year) leases.

In Tippera which is a very fertile district, 20 to 25 maunds of paddy per acre is a good normal yield and there is a large proportion

of dofasli land. He estimated that the gross value of the produce might be taken at between Rs. 75 and Rs. 100, say Rs. 80. Rent per acre averages about Rs. 4-2 to Rs. 4-6; it might be taken at Rs. 5. The cost of seeds would be about Re. 1 per crop per acre. Taking Rs. 50 as the cost of a pair of plough cattle, their working life as 7 years and the area they can plough as 2 to 2½ acres (an underestimate) depreciation on this account cannot come per acre to more than Rs. 3 annually. Omitting the cost of replacing agricultural implements (which is annually very small) and providing fertilisers (which should cost practically nothing in the form of green manures and the proper utilisation of waste to form organic manures) the costs of cultivation may be taken at Rs. 10 (rent, Rs. 5; seed, Rs. 2 and stock, Rs. 3). This leaves about Rs. 70 per acre. Each acre of cultivable land is called on to support 2½ persons (including women and children) and these can be maintained on 24 maunds of paddy valued at about Rs. 48.

He thought there would be a great danger in diverting part of the agricultural population to industry and would prefer at first to develop cottage industries.

Loans might be necessary when a single crop fails, or when cattle die and have to be replaced. It would not be necessary to have a permanent fund for this purpose: Collectors could get agricultural loan allotments in the ordinary way. He thought that Government's loans policy might be made more liberal and that loans might be more freely distributed when crops are bad though there should be no relaxation of the conditions for ensuring that loans are given only where recovery can be confidently expected.

He doubted whether it was accurate to say that interest charges on agricultural debts amount to 25 per cent. of the gross produce of the land. The calculation assumes that the average income of a family is Rs. 200 from 4 acres, the average debt Rs. 166 and the average interest paid is 37½ per cent. Apart from the size and yield of holdings and the amount of debt he thought the estimated rate of interest excessive. The Bengal Money Lenders Act fixes the maximum interest on unsecured loans at 25 per cent. but this is the upper limit and not an average and whatever may be the stipulated rate or the legal maximum the sums with which money lenders content themselves are in practice considerably less.

He agreed that the achievement of Debt Settlement Boards is disappointing. There are defects in the Act but he also thought that Government had made a mistake in not recognising at once that the form taken by the Act in passing through the legislature involved very much greater expenditure by Government to make the Act effective. He thought it unreasonable to expect members of Boards

to spend time over petty-fogging details. There are only really three stages at which a full quorum of members should attend: (1) when deciding whether a case is one which they can and should deal with; (2) when the amount of the debt is to be fixed; and (3) when terms of settlement are decided or the case is to be referred for disposal by a special Board if the parties do not agree to the terms proposed. He did not agree however that it would be better to have Government officers, similar to revenue officers, in charge of the proceedings before Debt Settlement Boards. The Act sets aside one of the fundamental principles of law, viz., the sanctity of contract, and it is therefore only right that no effort should be spared to induce parties to come to an amicable agreement among themselves.

In reply to Khan Bahadur Abdul Momin, he said that Debt Settlement Boards could not be said to have thrown credit out of gear. Credit was already disorganized before the Boards were started and they are intended to get it gradually working again.

In reply to the Secretary he said that he would prefer to have a more liberal agricultural loans policy rather than the institution of numbers of agricultural banks. After co-operative principles have been instilled into the people through agricultural loans, it might be possible to build up an organization of agricultural banks on a co-operative basis.

In order to provide short term loans for agricultural purposes, i.e., seed and replacement of cattle, he calculated that for an average thana of 150 square miles it would be necessary for an agricultural bank to have a capital of 2½ lakhs of rupees. This assumed that every cultivator would require to borrow his total requirements on these heads: actually borrowing should not be necessary either every year or on the part of every cultivator in any year.

Corrigendum.

As regards the instance referred to of taking salami from a bargadar, Mr. Porter has subsequently explained that this was not a case of a barga settlement. The practice is known locally as "agrim pattan" and is apparently identical with the eksona leases taken in other parts of Bengal.

Reply by Mr. M. M. Stuart, I.C.S., Collector of Nadia.

I do not think it would be useful on my part to answer the historical questions up to No. 12. It is for the Commission to decide if the Permanent Settlement can be or should be upset. The origin of zamindars is a much debated point and there are bound to be supporters of both points of view. How far the zamindars have developed Bengal as the result of the Permanent Settlement is a more practical question, and no doubt evidence will be forthcoming on this point from the side of the zamindars. From the point of view of this district it may be said that the Permanent Settlement landlords hardly exist to-day, and very little development can be traced to these zamindars. The history of the district is in fact one of retrogression, and the present attitude of the zamindars towards the land is definitely one of rent collection, not of development. This was a large indigo district, and it seems from inquiries in indigo places that in those days some efforts were made to protect the lands from sudden inundation by the indigo planters. Now such measures are occasionally taken by the tenants themselves, but practically nothing is actually organised by the zamindars, and I have never heard of a zamindar taking a leading part in a work of protection or improvement. Practically there is no other manner in which land may be developed on a general scale except by the protection from flood, or its converse the control of flood through decadent areas. Sometimes the Midnapore Zamindary Company has introduced new types of seeds, but I have never heard any other zamindar even doing this.

It does not seem that even by expropriation the country is likely to be benefited. It is rather a mistake to suppose that all the extra rent would then find its way into Government coffers. Practically the whole difference between the rent paid and the land revenue of this district is eaten up by innumerable tenureholders, etc. This may be an extremely wasteful and uneconomic system, but it should be considered that most of the bhadralok of Bengal get some income from their village lands. While the amount individually may be negligible. it seems to be quite inequitable that this source of income should suddenly cease. Even though the zamindars of this district were bought out, the villagers would still be at the mercy of a dozen of patnidars and darpatnidars, etc. (It may incidentally be said that the cultivator of this district is not in over half the cases the raiyat. The raiyat is usually the man who sits on an "ail" and directs people to plant and transplant and cut his crops.) Expropriation therefore appears to be impracticable, but there is no reason why Government should not go in for acquiring estates which are badly run. With the increase of consciousness amongst the tenantry and the steps taken by Government to relieve them of the pressure from landlords, it will be comparatively easy to buy up the estates privately or at land revenue sale. The

latter process is obviously desirable as under-tenures will then automatically be extinguished.

If this principle of laissez faire was considered insufficient, no doubt legislation can be introduced to expedite such conversion. It would not seem that very much compensation would need be paid and there would be every justification for paying it in bonds which would bear diminishing interest, and eventually become extinguished. This would give the persons at present dependent on income from land time to adjust themselves to new conditions. It might in fact be worked out on a village basis, and all those who have interest in a village should get an award in terms of annual income for a number of years, and these charges should be realised and paid from the collections. This would serve the period of transition so that the money which has so long been considered rent would still be paid to those with hereditary interest in the village until the present generation has died off. Children unborn would be free from the stigma of receiving rents for services they no longer give.

Q. 19. Having been placed on special duty for five months in connection with the administration of khas mahal, I feel that this question should be answered. The cause of my appointment was the complaints made by the tenants, chiefly in East Bengal, as regards the severity of our administration. Although many tenants openly said that they would prefer to be under private landlords, I believe this not to be true. Whenever I casually passed private landlords' tenants I would inquire if they would like the zamindari to be made into a Government estate, and they invariably said that they would. I quote also the case of a zamindar's agent who after extolling the administration of his zamindari as compared with Government's administration. took me aside and asked if I could find him a post under Government. There is no doubt that prompt payment of employees makes a big difference to the administration of zamindaris, and that strict supervision of collections does in the end benefit the tenants. I am not saying that the khas mahals were perfectly administered and would refer to my report if details are wanted.

Q. 25. There is no doubt that as soon as any one gets any right in land he seems to want to live on that right and get some one else to cultivate the land. Each extension of right under the Tenancy Act has meant further subinfeudation. It would be difficult to protect the real cultivator except by declaring the actual cultivator only to be the raiyat.

Q. 26. I think if real raiyatwari policy was pursued, those subletting their lands should be expropriated. They might also be given some form of diminishing compensation.

Q. 29. I found it extremely difficult to get an accurate idea of the amount of khas mahal land which was under barga or similar system of cultivation. There is no doubt that during the economic depression in private zamindaris much land was purchased khas, and is cultivated very often by the previous tenants on this system. Very often the half share is converted into cash at a low value.

The reasons suggested for the increase of barga cultivation seem to be correct.

Q. 31. A bargadar is normally a landless person.

Q. 32. This will mean expropriation of the raiyat This would appear to be the most essential step in any suggested reform of the land system of Bengal. I have, however, heard it argued that the barga system is a good one. It means a division of responsibility and risk as regards agriculture. The raiyat provides the seed and such intelligence as is required, whereas the bargadar supplies the manual labour only. I think it is true to say that the bargadar in most districts is of quite a different social standing from the raiyat. As I have said above as soon as any one gets an interest in land he thinks of a manner to live on the income without working.

Q. 33. The only way to stop this is to declare the actual cultivator, and define it by the person actually ploughing and reaping the crops, as the raiyat and to give him all the protection which is deemed necessary in the interest of the cultivator. This will not, however, be politically popular, as these people are on the whole not politically conscious. The influential villager is not usually a cultivator although he may be a raiyat.

Q. 34. It is raiyats themselves rather than landlords who use the system of barga. The amount of land cultivated in khas by zamindars is very little. Some middlemen are, however, employing servants rather than bargadars, and this seems to me a thing not to be checked. People who apply intelligence to agriculture should on the whole be encouraged. The position of a servant is possibly no worse than that of a bargadar, the crop is always better.

Q. 35. The portion paid by bargadars is usually half but in some parts of East Bengal it is 2/3rd. I believe also in very bad lands he only pays 1/3rd in some places. As long as this system is in force it shows that rent is not excessive. If rent can be taken to be usually about one-fifth to one-tenth of the value of the produce, any system by which people cultivate on getting only one-half must show that rent is moderate. Such a system is therefore a useful guide to the real economic state of cultivation. To lay down any limit would interfere with this guide, and would make the question of fixing rent more difficult. However, it would seem an injustice that more than half

the crop should ever be paid in rent. I may also say that the system as regards the division of straw and the supply of seed seems to vary in different districts. It is generally held that the barga cultivation is bad cultivation.

Q. 36. Agricultural labourers in this district are now-a-days paid about Rs. 5 per month. Their position is socially worse than that of bargadars.

It has been held that the 1929 amendment caused considerable areas of raiyati land to pass in the hands of non-agriculturists. The amendment of 1938 has considerably increased this tendency. Restrictions as regards selling raiyati lands are in force in Jalpaiguri and in parts of Barisal. These are strongly objected to but I am sure that they are in the interest of the real cultivators. The more difficult it is for the cultivators to borrow money the better for them. This of course must be supplemented by giving each cultivator sufficient land.

Q. 38. Raiyati holdings are mostly uneconomic, but one cultivator has usually interest in several holdings. The fact that cultivators mostly exist without supplementary sources of income shows that in fact their total holdings are economic. The law of inheritance is of course a stumbling block in this respect, and as I pointed out in my Khas Mahal Report a good landlord like Government should make it its chief object to see that each tenant has sufficient land. In this district particularly many people have several hundred bighas of land but are still quite unable to make both ends meet. The object of landlords is unfortunately not to give each cultivator a decent holding, but to realise rent anyhow, and salami, if possible.

Q. 40. Government might easily consolidate holdings if this was made one of the objects of the khas mahal administration. It would, however, be almost impossible to do this in private zamindaris without interference with private rights.

Q. 42. If it was declared that no one can have raiyati rights in more than, say 30 acres of land, this problem could almost be solved.

Fragmentation in estates and holdings is no doubt also a curse. It is difficult to say how it can be stopped without interference with the hereditary system. Separate collections in villages are without doubt a real oppression on the tenant.

Q. 45-51. I do not feel that it would be useful for me to give views on these questions.

Q. 52. I discussed the question of rent to a certain extent in my Khas Mahal Report. If rent is to be made the shuttlecock of political badminton, it will naturally decrease at every election. It can be argued quite easily that 2 annas an acre is an unfair rent just as that

Rs. 2 is an unfair rent. The excise on alcoholic drinks, for example, is just as unpopular in England when it is a small sum as when it is a large one. Rent has all along been customary, and it should remain such unless there is to be some entirely new method of tax collection. In my Khas Mahal Report I simply recommended that a system should be introduced to see that rents in no place become excessive due to the deterioration of the soil or other similar causes. Some fraction of the produce value should be fixed as a criterion against excessive rent. At the present time it would be reasonable to say that the rent should not exceed one-sixth of the value of the crop. Any system which attempts to work out the net profit after deducting cost is bound to be abused. It is very easy to inflate an estimate of cost.

Q. 53. I discussed this also in my report. In khas mahals rents were fixed according to Settlement instructions, and it rather depended on the year in which settlement was made as to whether rents were high or low. In this district the rents are rather peculiar, the system of utbandi being widely in force. At the time of Settlement utbandi was about 15 per cent. of the total area. It has probably considerably increased during the economic depression. The system may be described very briefly as one of assessment only when the land is cultivated. The rates are very high and each kind of crop is separately assessed. The system is to some extent due to the poorness of the soil but it is difficult to say how far the indigo days are not responsible for this system. Attempts to get the tenants to convert utbandi lands into raiyati have not on the whole been successful. Utbandi rents are as high as Rs. 12 an acre, but normally they are about Rs. 6. This is double of the usual raiyati rents. A description of the evils of the system may be seen on page 77 of the Settlement Report of this district.

Q. 54. The poorer and weaker tenants do pay higher rents as the bigger tenants have inherited the tenancies taken on good terms.

Q. 55. It would be dangerous as I pointed out above to make the rent a matter of legislation.

Q. 56-59. I have no particular views on these questions. If rents are to become at all a matter of legislation the Permanent Settlement cannot stand, and an entirely fresh land system will have to be introduced. To deal with this becomes a matter of political economy and outside the scope of my knowledge.

As pointed out khas mahal rents appear to vary rather due to the date on which settlement or resettlement was made than for any actual difference in the soil. For example, parts of Barisal and Noakhali were assessed during the boom, and rates may now be considered rather high. Rents in Jalpaiguri have always been very low and even although greatly increased at the last Settlement, they have not yet become comparable to those in other districts.

Q. 71. I have made concrete proposals as regards remissions in my Khas Mahal Report. As regards remissions by the zamindars the present rules are futile as no zamindar is going to forego his rent merely because he gets remission of his revenue, usually a very small proportion of the former.

Q. 72. The average yield and cost of cultivation for jute, paddy and sugarcane worked out in this district are as follows:—

	Yield per acre.	Cost of cultivation per acre.
	Mds.	Rs.
Rice—		
Aus ..	9·5	10
Aman	10·5	
Jute .	13	16
Sugarcane "gur"	43	30

Q. 73. I have no historical works of reference with me, but I think it can be discovered that on the whole the fertility of the soil in Bengal has not decreased in the last 100 years. There are places, however, particularly in this district where such deterioration has taken place, and one of the main reasons is that these areas have ceased to be subject to alluvion.

Q. 75. The question of Government expenditure on improvement in khas mahals was discussed by me in my report. There was a tendency to cut down expenditure when income fell. I suggested that there should be a sinking fund so that this tendency could be checked. It is obvious that in bad times more works should be done.

Q. 76. Salami is realised in khas mahals, and the amount varies from 4 times to 10 times the rent according to Government rules. In some cases salami is not realised under the Collector's order. I had heard, but I have not received any confirmation of the fact, that salami used not to be charged in khas mahals. I have dealt with this problem under the heading of Settlement in my report.

Q. 77-80. These are broad questions on which I hesitate to give my views.

Q. 81. I should like to point out that this district tends to show that the lower the population the worse the state of the tenantry. I may say in this connection that I approached several District Officers in East Bengal to send cultivators to take up lands which have gone out of cultivation. The landlords agreed to go without rent for two years. There has been no response. It does not therefore seem that the problem of overpopulation is very acute.

Q. 83. I have made some suggestions as regards rural credit in khas mahals in my report. This is a very difficult subject; and as far

as I know loans taken have never been used for improvements. In this district it took me two years to persuade some one to take a Government loan for an irrigation pump. All the co-operative banks of this district except one are hopelessly involved. Government is the best moneylender as there is still a certain fear of defaulting. If this fear is removed by interference with the present strictness in collection, it is the cultivator who will eventually suffer. It is only in bad years that loans should be given, and they should be realised at the very first opportunity. The co-operative movement has practically ruined the tenantry, at any rate, of this district. They were given money when they were not in actual need and have been sold up as a result. The banks should be closed and more officers should be available for giving loans under the Agriculturists' Loans Act. On the other hand this interferes with the normal credit relationship in the villages but there is no doubt that mahajans have on the whole become a burden in the villages and State interference seems to be justifiable. The object however of Government in this respect should be primarily to keep people out of debt and not to supply them with credit.

Q. 84. It is probable that this is not an under-estimate. Until people can be persuaded to live on this year's crop and not on next year's crop, there is no remedy.

Q. 85. The co-operative societies, as stated above, have done nothing to improve the situation. Certain privileged persons have got money from them, but the number is only a small portion of the total agriculturists in the district. Far from wiping out debts, the societies have become another incubus on the tenantry.

Q. 86. Debt Settlement Boards are only recently begun in this district. The idea is obviously a good one, but as everybody's object is to misuse the Act, it hardly seems to be likely to be successful. This is a backward district, and the type of independent unprejudiced person necessary for rendering a Debt Settlement Board successful is almost non-existent. It would have been better in this district to work debt settlement procedure through the Civil Courts.

Q. 89 and 90. I have gone into the question of Civil Court Procedure versus Certificate Procedure at considerable length in my report. Landlords without doubt felt Certificate Procedure a considerable advantage. On the other hand professional zamindars, like the Midnapore Zamindary Company here, never took Certificate Procedure and managed very well without it. Civil Courts can be used, but strict watch has to be kept on law agents, etc. My main point was that rent realisation should aim at realisation of rent and not of turning the tenants out of their lands. Civil Court has practically given up attempting to realise money and some Certificate Officers were adopting the same policy. I most strongly recommend that a better class of bailiff

must be employed whether through Civil Court or Certificate procedure, if any improvement is to be made. Sale should, as has been laid down in the Certificate instructions, be the last resort. On the other hand attempt should be made to realise money before 4 years' rent becomes in arrear.

Q. 91. The revenue laws might well be codified, but the Sale Law Manual is a sufficient guide for everyday work.

Q. 93. So far the amendment of 1938 has had no apparent effect. The loss of income from transfer fees in Chetlangia estate in a rent roll of Rs. 1,87,142 is, for example, Rs. 1,320 only.

Oral evidence of Mr. M. M. Stuart, I.C.S., Collector of Nadia, on the 24th January 1939.

The proceedings commenced with the Chairman asking Dr. R. K. Mukherji to begin the day's questions.

In reply to Dr. Mukherji, Mr. Stuart said that after the enactment of the Permanent Settlement practically all the landlords in India had been sold up. The Nadia Raj owned most of the district at the Permanent Settlement but now has very little property left.

He did not agree that any distinction should be drawn between the descendants of zamindars with whom the Permanent Settlement had been concluded, and those who had acquired estates by purchase after the Permanent Settlement.

There was little evidence to show that the zamindars in Nadia had effected any improvements. He thought the whole zamindari system discouraged improvements inasmuch as the landlords found it very difficult to enhance rents.

He mentioned the case of the indigo planters, who had built embankments to keep out floods. These embankments have never been reconstructed since as long ago as 1880.

But he thought that the landlords as a class could not be called "ungenerous." The Nadia Raj was famous for its niskar gifts to Brahmins—(although that might not be considered an agricultural improvement) and had financed a great number of schools and dispensaries. The Midnapore Zamindary Company had also introduced new types of seeds. There was however ample room for further improvements by zamindars.

He considered that subinfeudation adds to the burden of the tenants. In Nadia five grades of intermediate tenures are commonly found above the raiyats, and in many cases the raiyats do not themselves cultivate.

In reply to the Maharajadhiraja Bahadur of Burdwan, Mr. Stuart agreed that if the zamindars in the past had been in control of the rivers running through their zamindaris they would have had more incentive to effect improvements. If the State became the sole landlord, he was in favour of buying out all intermediate interests. There would be little practical difference if the zamindars were bought out, and the patnidars and other tenureholders were allowed to remain.

He thought that the expansion of cultivation since the Permanent Settlement was due to various causes, the principal of which is the increase of population.

In reply to Dr. R. K. Mukherji, he said that if it was desired to protect the actual cultivator of the soil the definition of raiyat in the Bengal Tenancy Act, would have to be amended. At present it includes persons who cultivate through hired labour.

The majority of bargadars own their own ploughs. Their status varies: often they are only the equivalent of day labourers. He thought that if bargadars were granted occupancy rights they would only capitalise those rights. Every extension of rights has led to further subinfeudation. We should now begin at the other and, i.e., the bottom.

He thought that in the big khas mahal areas of eastern Bengal there was practically no difference between the middle classes and the cultivators, and that they do not stand in need of any advice regarding agricultural improvements.

In reply to the Chairman, he said the question in khas mahal estates was how far Government would advance money for agricultural improvements. He explained that in his answer to question 35 he referred to money rent. The share of produce received from a bargadar was sufficient to cover the raiyat's rent and leave a margin of profit. He considered that the barga system is bad and that bargadars do not take proper care over cultivation.

In reply to Khan Bahadur Muazzamuddin Hosain, he said that if the State imposed income-tax on agricultural incomes the zamindars might not be able to bear it because their profits nowadays are small, and within ten years they might all be sold up for non-payment of revenue.

He did not agree with Khan Bahadur Muazzamuddin Hosain that whoever spent the major portion of the cost of cultivation should be recognised as a tenant.

Asked how he would distinguish between a "servant labourer" and a "cultivator", he explained his object was to suggest that if they wanted to protect the actual cultivator of the soil, they would have to amend the definition of a tenant.

He agreed that a raiyat who lost his holding generally became a bargadar, but added that some of them might have small holding in addition to their barga land. In the khas mahal the bhadralok tenants usually let out their land to bargadars. The barga system is very common in Nadia.

In reply to Khan Bahadur Hashem Ali Khan, he agreed that the great demand for land in some khas mahal areas was responsible for settlements of land not quite fit for cultivation. Extensive cultivation in Bengal was due largely to pressure on the land, but he did not agree that no improvement had been effected by landlords and cited the cases of the Nadia Raj and the Midnapore Zamindary Company.

He thought that Government spends money on improvements partly in order to improve the economic condition of the tenants; and partly in order to secure a return for itself.

Asked if there had been an abnormal enhancement of rent in khas mahals, he referred to his Khas Mahal Report, which contained mention of a number of estates where rent is high, but which is not comprehensive.

He did not think the number of bargadars exceeds that of occupancy raiyats, but he agreed that the bargadars are rapidly increasing in number. In Nadia the number has increased since the district Settlement. Bargadars are definitely the poorer among the villagers, and the vast majority of them have no other source of income and no subsidiary occupation.

He thought that in some cases the zamindars had succeeded in making good by enhancements what they had spent on excavations or other improvements. In other cases he agreed that zamindars had reserved the right of fishery in khals. He thought the khals belonged to the zamindars.

In reply to Khan Bahadur Abdul Momin, he agreed that big patnidars are similar in status to zamindars. Their rights were intermixed and sometimes zamindars took settlement again under their patnidars.

As instances of estates which had effected considerable improvements, he mentioned the cases of Murshidabad and Birnagar.

He agreed that improvements made by the indigo planters were effected primarily in order to protect their indigo crops which was only a natural procedure.

He considered that irrigation is necessary in Nadia, but that it is very difficult to get the people to take the initiative. In one case it took him two years to persuade a man to accept a Government loan to buy a pump.

In reply to Dr. R. K. Mukherji, he said that Government as direct landlord had special obligations in the khas mahals and were justified in spending more money there than in other areas.

Khan Bahadur Abdul Momin asked whether it would not be uneconomical for a bargadar who is given occupancy rights to sublet further, when he is paying half of the produce to his raiyat landlord. Mr. Stuart replied that he was not in favour of half the produce going to the actual cultivator, leaving half for a non-cultivator who did practically nothing; but he thought it difficult to give occupancy rights to the actual cultivators without taking them away from people who already possessed them. It is a bad system to introduce too many intermediaries and he pointed out that in khas mahals Government never recognise bargadars.

He did not think a produce rent fairer than a cash rent There was no reason why a tenant who did no cultivation at all should receive a share. But the system has this advantage that if the crop is poor, the loss is shared by both partners.

Asked whether it would not be fairer to make the barga share one-third instead of one-half, Mr. Stuart said that the share which the bargadar gets should be half and not one-third, and that the system was a necessary evil. It was not popular and resulted in rack-renting. It might be the normal system in Madras: he had no knowledge on that point.

He did not think there was any criterion for determining what share of the produce would be a fair rent. It would depend on the size of the holding, e.g., if he were given only 1 acre of land, he did not think he could be reasonably expected to pay any rent. His impression was that the actual cultivators are dealt with more hardly by other tenants than by Government or the landlords.

In reply to Dr. R. K. Mukherji, he said it would be a retrogressive step to arrange for the payment of rent in produce instead of in cash.

Explaining his answer to question 37, he said that there was no intention to comment on the Legislature: his reply was based on actual figures obtained from Sub-Registry Offices of Nadia district. According to these, about half the lands sold were passing into the hands of mahajans. Sales in 1938 had increased to the high figure of 1,319, as compared with only 208 in 1937.

Except in certain cases, such as char lands, the khas mahal tenants invariably get occupancy rights and, although their holdings are sold up if they fail to pay rent, they are never ejected.

He had used the term "economic" in his reply to question 38 in the sense that people did not die of starvation.

As a suggestion for checking fragmentation in holdings, he mentioned that in khas mahals khas-purchased holdings are usually settled with neighbouring tenants. This, he thought, partly solved the problem.

As regards the working of co-operative banks, he said that while he did not wish to be understood as condemning the co-operative movement, the banks in Nadia were not working at all satisfactorily,—in fact almost all of them were hopelessly involved. Government is the best, because it is the strictest, moneylender. For that reason Government is unpopular, but its strictness is really in the interests of the debtors themselves.

In reply to the Maharajadhiraja Bahadur of Burdwan, he said that he did not wish to criticise the intentions of the Bengal Agricultural Debtors Act, but it was his experience that Debt Settlement Boards were rather dilatory in their methods of working and the people were not altogether satisfied with the results. He thought that salaried officers like Munsifs might be able to do the work much better, by which he meant, with greater expedition.

He agreed that owing to the vagaries of Debt Settlement Boards and to the suspension of certificate procedure, it had become increasingly difficult for the zamindars to collect their arrear rents. The immediate effect of Debt Settlement Boards had been to stop payment of rent, but he thought it would be possible in course of time to realise the dues fairly regularly. He criticised Certificate and Civil Court procedure on the ground that it tends to sell up the holding instead of helping to realise the rent. The object should not be eviction, but realisation of the arrears.

Asked by Khan Bahadur Abdul Momin to suggest means of restricting transfer of holdings, Mr. Stuart referred to the system in Jalpaiguri and part of Bakarganj. He thought that unless some such procedure was adopted elsewhere, there was a possibility of land passing from the improvident to the provident. But, although 30 acres might be fixed as the maximum allowable to any tenant, it would be difficult in practice to adhere to that limit, as it might lead to benami purchases. Consolidation of holdings would be possible, though not easy, if the whole province became a khas mahal, but it would be impossible in permanently settled areas.

In his opinion fair rent should not exceed one-sixth of the gross value of the produce, but if rents were fixed as a fraction of food crop, their incidence would be high in areas growing only paddy, and comparatively low in areas growing jute and sugarcane. A compromise would have to be made between the two cases.

Asked if he thought that Rs. 3 per acre is a fair rent for India, he said that taking things as they are to-day, he would consider Rs. 3 sufficient, although in utbandi land rents are as high as Rs. 12 per acre.

In his opinion the primary need in the permanently settled areas is to improve the methods of collection. In khas mahals he had recommended that assistant nazirs would be better than peons.

He mentioned that section 148 (K), Bengal Tenancy Act, was rarely used and did not seem to have been noticed by most landlords.

In reply to Khan Bahadur Hashem Ali Khan, he said that the proposal to exempt from rent small and uneconomic holdings was a very broad question. He thought that the size of the holding was more important than the level of rent, but he did not agree altogether that rent should be remitted in the case of such holdings.

He considered it reasonable that enhancements of rent should be stopped on the ground that the economic condition of the raiyats is deteriorating owing to over-population, but he would except cases where enhancements were made as a result of improvements.

The reason why zamindars did not allow remission in years of calamity was that they themselves got very little remission of revenue from Government.

He did not agree that there has been a general deterioration of land in Bengal since the Permanent Settlement. In Nadia, Malaria is responsible for lands being left out of cultivation. He had induced certain landlords to offer land rent free for two years in uncultivated areas, but there had been no response from the people.

He thought that the payment of salami was a handicap to the poorer agriculturists. Collectors have powers to remit salami but it is not always easy to exercise them.

The time was coming when Government might have to come forward and provide agricultural credit, because the mahajans had been scared off. He agreed that the question of scaling down the debts of cultivators had become a pressing problem, but he doubted whether the cultivators would ultimately pay them.

Questioned about the proposal to abolish the Permanent Settlement, he gave his opinion that if the State became the sole landlord, there was a danger that rent would become a question of politics, and if rents were decreased, the surplus income from Land Revenue might disappear in the course of a few years.

He agreed that the value of land would tend to decrease if transfer is restricted.

Memorandum by Mr. S. K. Dey, I.C.S., Additional Collector, Dacca.

The Permanent Settlement.

Commentators on the Permanent Settlement are numerous and a study of the literature on the historical context of that Settlement makes it clear that negative conclusions have been more confidently established than any positive finding regarding the party to whom proprietary rights in the soil belonged at the time. The High Courts have held that neither the State nor the zamindar had absolute ownership in land, while the Minutes of Grant, Shore and Cornwallis as well as the Despatches of the Board of Directors of the East India Company prove that the rights of tenants were obscure and indefinite. It would be historically safe to conclude that none of the contending claimants possessed absolute proprietary rights; only claims of qualified ownership were valid. If paramountcy could be claimed by any one at all, it could be claimed only by the State by reason of the sovereignty it exercises in constitutional law.

Criticisms of the Settlement of 1793 are too well-known to require recapitulation in detail.

The Government of India's own judgment is unfavourable and has been expressed in Curzon's Resolution of 1902. While the zamindars can claim little credit for reclamation of land consequent upon the growth of population, they and the subordinate interests they created have appropriated all the profits arising from the process. A steadily expanding margin of profits has facilitated the successive shifting of management responsibility through a long chain of subordinate interests who intercept the biggest share in the return from land but take no active interest in its use. The tenancy enactments are the best evidence of the betrayal of the tenants' trust by the zamindars.

Although there have been and still are individual exceptions, these criticisms of the zamindars are true of them as a class. These objections do not, however, assail the principle of the Permanent Settlement. Even if the zamindars had fulfilled the best expectations of Cornwallis, that Settlement would still be open to objection on grounds of public policy, because—

(*i*) It denies to the public exchequer any share in the unearned increments in land value, although these constitute the fittest object of taxation.

(*ii*) It results in an inequitable distribution of the tax burden, pressing more heavily on the poorer classes than on the wealthy landowners. The tax system as a whole is regressive as a consequence instead of being progressive.

(*iii*) It discriminates heavily in favour of land in the matter of taxation, thereby attracting a disproportionate volume of capital to land investment to the detriment of industrial development.

Resumption of Zamindari and Tenure Rights by the State.

The repeal of the Permanent Settlement and the introduction of periodic assessments of revenue would be a small measure of reform, purely fiscal in its scope. It would leave the agrarian structure unaltered. The validity of repeal would also be legally questionable. On the other hand, substantial advantages, both social and economic, may be claimed for any measure which eliminates all intermediate interests between the State and the actual cultivator. Such a reform would—

(*i*) make available to the State future increments in land value in their entirety, and not only the fraction of those increments which filters to the zamindar, through periodic assessment of cultivator's holdings;

(*ii*) release a considerable volume of both capital and enterprise, at present unprofitably employed in acquiring landed interests and collecting rentals, for industrial development;

(*iii*) enable the State to directly assume those responsibilities of land improvement which Cornwallis had entrusted to the zamindars and which the latter had been unable or unwilling to discharge;

(*iv*) simplify land tenure;

(*v*) relieve the actual cultivator from the complexities and harassment resulting from the existence of a large number of petty overlords and secure to them the benefits of State management.

There is little doubt that Crown management of estates is more efficient, methodical, intelligible, humane and amenable to public criticism than private management. A minimum percentage of the income is regularly spent on educational, sanitary, communicational and agricultural improvements of the estates. The Collector has a more direct and personal touch with the tenants than most private landlords. There are no abwabs. If there is corruption among the petty officials, it is an exception rather than the rule, and the system of frequent inspections, strict accounting and accessibility of the higher officials makes its practice difficult and dangerous. The only fault found with the khas mahal administration is its relative strictness in rent collections. I am aware of no case in which this strictness degenerated into harshness by refusal of rent remission when it was deserved. Unpunctuality in collections, unbusiness-like methods, out-of-date records

and slovenly outfit may give an appearance of leisurely leniency. But it too often results in sudden spells of great severity when accumulated arrears have to be gathered. The only class of tenants which prefers private management is that which hopes to take advantage of its laxity to avoid payment of dues.

Methods of Resumption.

If resumption of all non-cultivating rights by the State is to be effected without flagrant repudiation of past commitments, the two principal alternative methods would appear to be—

(*i*) Purchase or compulsory acquisition of all non-cultivating interests, including both the zamindar at one end and the sub-letting raiyat or under-raiyat at the other, by issue of annuity bonds. The annuities would represent a determined percentage of the net profits due to each resumed interest. It would not be too wild to suggest that an annuity of half the difference between the *sthit* or assets and the rent or revenue liability, as the case may be, would be acceptable, considering that all collection and management hazards would be saved. Working on the figures given in Statement X of the statistical abstracts compiled by the Commission, this would mean an annual charge of 6·3 crores on the provincial exchequer, against an accession of income of 9·48 crores, calculated at the conservative collection estimate of 75 per cent. of the gross demand. The cost of extra administrative machinery required is unlikely to exceed half a crore annually. I believe the collection costs in the khas mahals range between 3 to 4 per cent. of the demand. A gradual extinction of the annuities by commutation out of the sinking fund to be created will no doubt be undertaken after due consideration of the budgetary position and the market rate of interest from time to time. The annuities must, of course, be assessable to income-tax.

(*ii*) State purchase at Revenue and Certificate sales. This would merely accelerate a process already in operation. It would be a less dramatic method of resumption, more economical to the state, more gradual and hence less unsettling in its repercussions on both the administration and the public. That this would also mean expropriation on harsher terms than the foregoing alternative ought not to be a serious consideration, because proprietors are eliminated on account of their manifest economic incompetence and the privileges enjoyed by them so long and their conduct in the past merit no special tenderness.

This procedure assumes that—

(*a*) the law is modified to allow State bids;

(*b*) there is a stricter application of the Sale laws than is usual now;

(*c*) the Collector exercises his judgment on the limit of a profitable bid in each case and necessary funds are allotted to him. It should not be difficult for him to make this estimate; and on the hypothesis that he does this with reasonable accuracy and that Crown management is more efficient, the khas purchase of an over-bidder's estate can only be a matter of one or two more kists.

The Collector's purchases would be financed out of a fund raised by State borrowing. I refrain from attempting arithmetic estimates for the figures will be too conjectural to be of use; but it will be obvious from purely *a priori* considerations that the transaction will be profitable.

Limitations to the Efficacy of State Landlordism.

The elimination of zamindars, tenureholders and sub-letting raiyats will not, of course, in itself usher in the agrarian millennium. It merely brings the State face to face with the tiller of the soil, who still remains in his fragmentary holding,—groaning under debts, raising poor crops on an under-manured field and securing an inadequate price for them. The establishment of State landlordism is merely the preliminary clearing of the ground. The next step is the assurance of sound tenancy conditions for the actual cultivators. The two principal requirements for this purpose are stability of tenure and security against rack-renting. Tenancy legislation has aimed at both and has failed in both, so far as the actual tillers of the land are concerned.

Stability of Tenure.

The occupancy privileges granted by the Tenancy Act are being increasingly enjoyed by non-cultivating classes. The tendency of raiyati and even under-raiyati interests passing into the hands of middlemen, moneylenders and professional classes is too marked and powerful not to have been noticed by any observer of country life. These classes do not participate in agricultural operations. They either sublet or employ labourers for cultivation; and the same men they had dispossessed are thus introduced to the holdings again, but on an inferior and less secure status and inevitably harsher terms. As a result of this process the actual cultivators, who should be the principal object of State concern, are steadily pushed out of the ambit of State protection and are becoming either landless day labourers or bargadars and adhiars, who are in effect tenants-at-will. Produce-sharing tenancies, e.g., bhag, barga or adhi, are on the increase due to—

(*i*) insolvency of the cultivating raiyat, which leads to the distraint of his land by his creditor;

(*ii*) facility for transfer of protected tenancies, which encourages borrowing on their security and then offers legal recognition to the creditor when he obtains possession of them;

(*iii*) absenteeism of middle class raiyats who merely want some food supply without undertaking any of the risks of cultivation;

(*iv*) rise in the prices of agricultural commodities in the first three decades of the present country, which made produce rent more profitable;

(*v*) reluctance to create encumbrances on the land by a regular sub-lease.

Reform of this state of things must obviously proceed along two lines; firstly, grant of tenancy recognition only to the actual cultivator; secondly, restriction of alienation of the tenancy right by the cultivator once he has been granted it. Alienation must, of course, include subletting.

Khas mahal settlements in Jalpaiguri permit transfer only with the previous permission of the Deputy Commissioner, but the latter has not been able to arrest the tendency of a few Marwari settlers to expropriate the original tenants, because mutation in certain forms of jotes is allowed to anybody already owning property in the district. The scope of transfer must be limited only to the cultivating class.

Restriction to transfer is objected to on the ground that it depresses the value of land for sale or security, but this is no curse among a thriftless class, particularly if the State assumes the responsibility of financing productive loans. The further argument that restriction would prevent the maximum exploitation of land assumes that there is free movement of labour, capital and enterprise from one form of investment to another, which is not true of the conditions in this country. The curious phenomenon of "land-grabbing" one meets here is not indicative of high profits yielded by land, but is often due to the social prestige attaching to possession of landed interests. It is in fact not land-grabbing at all, but title-grabbing; what is sought is not land for its use and enjoyment, but the possession of a legal status.

The Level of Rent.

In theory rent of land in Bengal is controlled by statute and governed by custom; but the exigencies of the economic situation have, as always, found a means of free play and the actual yield from land in the last resort represents the equilibrium of the demand and supply of this factor. In the superior grades of tenure and raiyati contract the rent is fixed by record over long periods according to preconceived notions of equity. The recognition of economic necessities is feeble

and very indirect, such as when some allowance is made for price changes. But although the law ignores the more fundamental factors, which are the progressive shrinkage of supply through extension of cultivation and the rise in demand through increase of population and insistent land-hunger, practice admits them and gives them more or less full play through such phenomena as abwabs, nazarana salami and even cess. These charges are essentially rent or commutation of rent. Abwab is illegal but natural, and if it is discouraged by propaganda, as it is now, it will reappear through an increase of salami. Salami is realised in the case of new settlements in all the three khas mahals of Bakarganj, Chittagong and Jalpaiguri where I have worked except only in the case of waste lands. The rate varies from four to ten times of the rent according to the pressure of demand for land. Salami or its equivalent is the only contrivance through which a natural adjustment of supply to demand is made possible for us.

In the case of the lowest grade of under-raiyat or produce-paying tenant the least rate, uncontrolled by law, is more frankly the competitive rent. This is found exorbitant and unprofitable, as evidenced by chronic default and progressive impoverishment of the tenant, because the existing organisation of agriculture is defective. With an improved organisation, which would imply lower capital charges, larger holdings and more intensive cultivation, the present average under-raiyati rate of Rs. 6 per acre would be well within the capacity of land to bear. We would expect a fall in demand and relinquishment of holdings in the existing circumstances, but this does not happen because inertia, sentiment and lack of alternative employment bind the cultivator to the land in spite of it yielding him little or no profit. *Laissez faire* economics would therefore be ruinous in its application to the market for agricultural land in this country. The State, recognising the need for protection of the cultivator in land competition, stepped in with tenancy laws which have failed in their purpose. The reason is that the problem was tackled at the wrong end. The fundamental need is that of draining off the surplus population from land and rendering the demand for land more elastic and more sensitive to the profit incentive. The next line of attack would be the increase of agricultural yield per unit of cost—the lowering of the supply curve, as we say in economics,—by improvements in cultivation technique and organisation. If action be taken along these two lines the existence of a statutory standard rent level combined with a variable salami would no longer operate as a hardship. It would, in fact, be a sound arrangement provided, of course, that the standard is periodically revised. The object of the periodic revision would be to bring the recorded rent to a level with the true or economic rent by expressing the unrecorded capital payment of salami as an annual charge to be added to the previously recorded rent. Changes in the value of money must also be

allowed for. The rates of rent which vary from district to district at present on account of local differences in the conditions of demand and supply will tend to uniformity as agricultural labour becomes more mobile.

Rent Collection.

It has been always recognised in khas mahals that the normal method of collection is amicable. This, however, presumes that the collecting machinery is well organised and also that there is no wide-spread refractoriness on the part of the tenants. Of late there were occasions when punitive certificate collection had to be made on a larger scale than usual because both these conditions threatened to fail. But even with the restoration of a normal state, provision for coercive collection must remain to deal with chronic and deliberate default and I cannot conceive of any summary provisions which can be more satisfactory than the existing Public Demands Recovery Act. The Act allows considerable discretion in its application and there are careful instructions to guide the exercise of this discretion. There is no unnecessary hardship when the Act is operated judiciously in the spirit of these instructions. The alternative of a Civil Court action is of advantage neither to tenant nor landlord.

Agricultural Under-employment.

One of the reasons of the low remuneration of agricultural labour is the universal underemployment prevailing in agriculture due to congestion of labour on land. The usual suggestion for its relief is the development of cottage industries. Cottage industries, unfortunately, have a very limited scope, none is thriving in Bengal in spite of private and public subsidies and patriotic and sentimental propaganda. Very few can possibly stand on their own in open competition with factory products except those which are directly subsidiary to agriculture, e.g., fruit growing, dairy farming, etc. The principal outlet for surplus agricultural population must be looked for in the large scale manufacturing industries. The transformation of a considerable section of our cultivators (the debators call them our yeomanry) into an industrial proletariat is regarded with abhorrence by many public men on grounds which are mostly idyllic or romantic. The more substantial objections are and can be met by legislative prescription of minimum welfare standards, while long-run reactions in the nature of political and industrial unrest are only symptomatic of progress and ought not to be matters for regret.

One of the obstacles to the ready absorption of our surplus agricultural population by mills is its alleged unfitness for the type of work required of mill labour. In the Duars of Jalpaiguri district the labour

employed on the tea plantations and in the tea factories is exclusively non-Bengali, while the local rajbansi cultivators, settled outside the plantations, are economically far worse off than the garden coolies. The planters told me that the Bengali was unsuitable and unreliable compared to the force imported from Bihar, Chota Nagpur or Madras. Identical conditions are known to prevail in other large scale industries working in this province. If there are defects in habit and training of our cultivators which give rise to these complaint these cannot be incurable and the State might turn its attention to the problem. At the same time the immigration of mill labour from other provinces might be checked even at the risk of some initial rise in mill costs.

Reform of Agricultural Organisation.

The principal items of a reform programme are well-known. Consolidation of subdivided and fragmented holdings; liquidation of old debts and provision of cheap credit; intensive cultivation on larger farms. A fair rent assessment and sound tenure conditions are part of the same problem and have been already discussed.

Size of the Holding.

The average area of 1·9 acres per raiyati holding and ·64 acres for under-raiyati holdings represent only one aspect of the evil, because even these small total areas are not to be found in one block but express the sum of many individual plots scattered over many fields.

I feel that the evil cannot be tackled except through legislation; on the one hand, modifying the effects of inheritance on agricultural property to arrest future fractionalisation; on the other, compelling, or at least encouraging, consolidation of existing fragments. Legislation of the first variety is said to have been attempted in Germany and Denmark. The Baroda Act of 1920 allows consolidation of holdings when demanded by two-thirds of the cultivators in a village owning not less than half the total land. It is not possible to say if these efforts offer any guide for us, but it is clear that to wait for voluntary or co-operative consolidation would be to wait for ever. I tried amalgamation in Chittagong where we have an unwieldy number of minute 4-anna holdings in the khas mahals, but without any success. One of the practical difficulties in amicable exchange is that plots vary greatly in quality, while amalgamation was disliked in Chittagong because the cultivator's apprehension of losing all his land in case of default was greater when he held only one large holding.

Definition of the minimum size of the economic holding is impossible because this depends on several variable and imponderable factors, e.g., the agricultural practices of a locality, the fertility of the soil and the size of the tenant's family. There is no doubt, however,

that a very large number of holdings is too small to be remunerative and the owners supplement their income by fishing, cart-driving or field labour, either for a cash wage or a share of produce.

For purposes of improved organisation the concept of an optimum holding would perhaps be more useful. The object of reform should be the settling up of farms of such size as would not only just enable the owners to live but would maximise the return per unit of outlay. Determination of the optimum holding is not easier than that of the economic holding; it will vary according to locality and changes in cultivation methods. But consideration of the problem in this light will make it obvious that to extract the most out of land it must be treated on a larger scale than that contemplated by the minimum, marginal farm

Provision of Credit.

The experience of the Bengal Agricultural Debtors Act has demonstrated that the supply of new credit must be arranged simultaneously with the liquidation of old. The outlay of over 30 lakhs of rupees in agricultural loans and gratuitous relief by Government during the last season staved off what might have developed into a credit famine, but the State will have to permanently step into the branch caused by the disappearance of a large volume of private accommodation as a result of the operation of the Debt Settlement Boards. It may be recognised that co-operative credit will not fill the gap. Co-operative principles, whether applied to credit or non-credit operations, e.g., farming, purchase or sale, have never taken root in this soil, and it is unlikely that these attempts to run economic life on Sunday School precepts will succeed among a peasantry whose improvidence has become temperamental and the standards of mutual trust and integrity among whom are not of a high order. Some form of State-run Crop or Land Mortgage Banks appears to be the only solution.

Intensive Cultivation.

Exhaustion of the soil due to over-cropping and under-manuring has been the cause of frequent complaint. The Department of Agriculture does some propaganda to popularise manures and improved implements but the lack of capital resources and cultivation on a minute scale make the introduction of improved methods unprofitable. There is little doubt that the yield from the land could be considerably increased with greater capital investment in it. We may have reached the extensive margin of cultivation but are nowhere near the intensive margin yet. We have not started exploring it.

It would serve a good purpose to emphasise in conclusion that even the measures of reform indicated above will not fulfil certain expectations which have been raised in the countryside by recent controversies. The achievement of such reforms will no doubt be considerable. They will put the cultivator on his feet and give him a better chance. But they will not make possible for Bengal to dictate the price of jute or control the output of any other crop. They will not even secure the maximum utilisation of land. Land will still be parcelled out among countless small farmers, each putting it to the use that he thinks is likely to secure him the best return for himself. He will be slow to take up scientific cultivation or introduce capital improvements in his holding. He will be reluctant to combine with his competitors to secure better terms for his product.

It would be well to recognise that ambitious projects of rationalisation and scientific exploitation of our land resources cannot be undertaken unless the State take over the ownership and management of the entire agricultural industry and conducts it according to a comprehensive, long term plan with a detailed regimentation of all the productive forces. With State monopoly of cultivation, the price control of jute, or any other crop of which Bengal's share of output is considerable, would come within the range of practical policy. Whether such a monopoly is politically and administratively feasible is a question with which the present analysis has no concern. But the point calls for emphasis as it indicates the necessary conditions for that agricultural millennium to which many are looking forward.

Oral evidence of Mr. S. K. Dey, I.C.S., Additional Collector, Dacca, on 13th February 1939.

In reply to the Chairman, Mr. S. K. Dey explained the meaning of the phrase "an annuity of half the difference between the assets and the rent or revenue liability" in his note. His meaning was that landlords of tenureholders would be willing to sell if they were guaranteed an annual income equal to half the difference between what each of them receives from his under-tenants and pays to his overlord. For example, if a tenureholder is receiving Rs. 100 as rent and paying Rs. 50 to his superior landlord, he will be given an annuity of Rs. 25. His reason for suggesting this was that if the annual value of a resumed interest, i.e., Rs. 50 in the above instance, be capitalised by paying 15 years' purchase, the proposed rate of annuity would be equivalent to an interest return of about 3⅓ per cent. which would be a reasonable remuneration on investment in securities of a comparable class. His figures for the cost of collection

in khas mahals were based on experience in Bakarganj. He could not recollect whether the figures included the salary of Government officers, but the cost of collection might be 8 per cent. as suggested by the Chairman.

Explaining the phrase "the khas purchase of an over bidder's estate can only be a matter of one or two kists", he said that if a bid is made which is higher than the Collector's estimate, it is probable that the bidder would not be able to make a profit from management of the estate and would default in payment of revenue within one or two kists.

Sir F. A. Sachse enquired whether it would not be very difficult for Collectors to prepare such estimates. Mr. Dey suggested that when the arrear lists are put up to the Collector, there might be a column showing the reasonable amount which the Collector might bid. He thought there would not be much difficulty in making such estimates after summary enquiries. Sir F. A. Sachse pointed out that the only details which could be prepared by the office would be derived from the record-of-rights which in some districts is out of date. Mr. Dey contended that the Collectors would be helped in their determination by their knowledge of the general economic conditions prevailing in their districts; but agreed that estimates would in some cases be approximate only.

In reply to the Chairman, he said that the Tenancy Act legislation was designed primarily to give security against eviction and protection against enhancement. Legislation has failed to secure the cultivators against eviction because occupancy rights are passing by sale or mortgage to non-agriculturists. Security against enhancement has not in practice been effected either. The existing steep demand for land results in the emergence of a premium over and above the recorded rent which will be always exacted from an incoming or new tenant in the form of salami. The recorded rent together with this premium amounts to the competitive rent. Even the abolition of landlords' transfer fees by the Amended Act of 1938 has not succeeded in removing this premium. Salami and nazarana cannot be spirited away by statute.

In reply to Mr. B. K. Roy Chowdhury, he said that in 1793 the assessment of revenue was 90 per cent. of the assets, which was very high at the time. The immediate result was that a large number of zamindars were sold up. He maintained that extension of cultivation has been the result of increase of population and economic necessities and is not due to the initiative of the landlords. He could give no opinion on Mr. Mill's statement to the Select Committee in 1831 that there had been extension of cultivation in most provinces where the zamindari system prevailed. It may be that capital was supplied by the landlords but it was not done as an act of philanthropy.

In reply to a quotation from a report of the Commissioner of the Burdwan Division in 1883 stating that there had been a great increase in wealth and prosperity under the Permanent Settlement, he said that it was a matter of opinion. The reason for the increment in land value has been the general advance in material prosperity. The credit cannot be given to any particular class. He would differ from the opinion expressed by the Commissioner of the Burdwan Division. He said that by his statement that the landlords had betrayed the trust imposed on them, he meant that in Regulation I of 1793 it was expressly laid down that the zamindars should behave with good faith and moderation towards their tenants. The very fact that a series of Acts had to be passed to protect the tenants is indirect evidence that the zamindars had betrayed the trust and the State had to step in to protect them.

In reply to a question interposed by the Maharajadhiraja of Burdwan, he agreed that the tenancy legislation codified the law relating to enhancements and put a limit to rack-renting. But if it is assumed that there was rack-renting at that time that would itself be an admission that the zamindars had failed in their trust.

Continuing his replies to Mr. B. K. Roy Chowdhury, he did not agree that the unearned increment goes almost entirely to the tenants, unless by "tenant" is meant the statutory raiyat who is a non-agriculturist. Subinfeudation has resulted in the major part of the profit going upwards through a chain of middlemen. In Bombay where industry is more developed, the revenue from income-tax is half of that from land revenue owing to the system of temporary settlements. In Bengal, the reverse is the case and the receipts from land revenue are half that from income-tax. In Bombay, industry is bearing a smaller share of taxation whereas in Bengal land is bearing the least share. Historically it would be correct to say that the present land system is the result of evolution since the Permanent Settlement, but it was dubious if it could be argued to have grown logically out of the systems of Manu or Todar Mal. In constitutional law, he considered it within the competence of the State as the sovereign power to terminate any contract it may have entered into with the zamindars in the past. It was a question of judicial interpretation, however, and a contrary opinion might be held. Hence the abolition of the Permanent Settlement might be attended with legal difficulties. A proposal for purchase was free from these difficulties because it raised no question of abrogation of existing statutory rights. If compensation were paid by paying the capital value outright in cash, the raising of the huge sum necessary might disturb the money market and jeopardise industrial development. He could not say whether the zamindars would prefer cash payment to annuity bonds for the reason that they would have no faith in a Government which altered the present revenue system. He did not believe so.

In reply to a question from Mr. B. K. Roy Chowdhury as to whether his scheme did not amount to introducing communism, the witness denied that, and contended that the attachment of a label to his argument was no criticism of its logic.

In reply to the Maharajadhiraja Bahadur of Burdwan, he said that he was in the ninth year of service—he had had revenue experience for 6 years and had been Additional Collector, Dacca, since the last Pujahs. He agreed that the Permanent Settlement granted a statutory recognition of the zamindar's proprietorship. Legally, the zamindars have been given the position of proprietors by Regulation I of 1793. He would consider raiyats or under-raiyats who sublet their lands to be non-cultivating interests who should be bought out. He had given the main outlines of his scheme, but further details would certainly have to be worked out. He agreed that in Jalpaiguri it had proved impossible to prevent subletting or transfer to mahajans. The reason was that the rules permit transfer to people who hold other lands in Jalpaiguri district. He would restrict the scope of alienation to cultivators only. He did not agree that there would never be a landless class in Bengal. There would always be people working on the land but not necessarily owning it or possessing any rights in it. If the present tendencies continue, there will be a class of persons who would own no lands: even now there are landless labourers. The result of buying out the landlords and tenureholders will be that there would be a class of tenant owners or krishaks directly under the State. The 1938 Bengal Tenancy Act has abolished transfer fees but that has not removed the premium above the recorded rent: it has merely transferred it from the landlord to the outgoing tenant. The incoming tenant does not get any benefit although he is the actual cultivator who requires the land. He regarded this as an evil and not the object of the reformed law.

Asked whether his proposal did not aim at the extinction of the landed aristocracy of Bengal which was responsible for its material and cultural progress, the witness replied that the dissociation of these interests from the land after due compensation could not be described as extinction and as to whether this particular class was responsible for the material advancement of the province was a matter of opinion. In his personal view the witness considered that material progress had been due to many factors, e.g., improvement of transport and communications, introduction of western education, etc., among which the part played by landlords was only one. The exact weightage to be attached to each one of these many factors was, again, a matter of opinion.

In reply to Khan Bahadur A. Momin, he said that the State as a paramount power could constitutionally take away the rights of any class. The State is legally competent to do so, but whether it would be equitable or not would depend on many factors, one of which was whether the actual cultivating raiyats had any proprietary rights before

the Permanent Settlement. He could not say whether the assumption that tenants had such rights would be in itself a ground for abolishing the Permanent Settlement. He could not say whether the Commission could go beyond the four corners of the statute of 1793 and enquire into the history of the existence of these rights. That was for the Commission to decide.

Those landlords who had spent capital on improvement had done so to earn a return on their capital and so increase their own income. He knew of several cases where improvements had been made by landlords and instanced the Lalgola Raj where the estate had arranged for the supply of drinking water and, he believed, had also provided some irrigation facilities. He could not mention any case where a landlord had been responsible for extending cultivation: probably cultivation had been fully extended before his time.

He believed that the tenancy legislation of 1859 and 1885 was necessary in order to protect the raiyats against encroachments on their rights. The khudkasht raiyats had the rights of building permanent homesteads, digging tanks, etc.

He agreed that the State gets no increment from enhancement of rent in the permanently settled areas.

He considered it fair that rents should be altered in accordance with the level of prices. If prices rise and rent is proportionately increased, the rent is being kept in terms of produce at the same level. But he agreed that increments from enhancement of rent should go to the community at large represented by the State.

He thought that if landlords are given annuity bonds instead of capital compensation they might still capitalise the annuities. Most of the bonds would go to the banks which would expand credit on their basis and finance industries with this capital.

He could not say whether 15 times the net profit would be fair compensation to zamindars but agreed that in many cases the market price of zamindaris is less. If the province became a khas mahal he thought that the proportionate cost of administration and collection would be less to some extent on account of reduced "overhead" charges, and certainly less than that in the Court of Wards.

In reply to Khan Bahadur Muazzamuddin Hossain, he could not say if there was an Indian system of constitutional law as distinguished from the constitutional law introduced on British models. The present constitutional law of the country was that embodied in the Government of India Act. He was not sure what was the ancient constitutional law of India, and whether this had recognised raiyats' rights in the land. His studies persuaded him that the position was obscure.

Constitutionally speaking, the landlords could be removed but whether it would be an equitable measure or not is another matter.

The reason why restriction of transfer had been unsuccessful in Jalpaiguri is that the rules permitted transfer to persons who held other land in the district, although they might not be actual tillers.

He thought that no reforms would, of themselves, succeed in benefiting the tenants unless the pressure of surplus population on the land is relieved. This must be carried out along with other measures. The man who offers the highest salami usually gets settlement. Sometimes he is a non-cultivator and to that extent the practice is undesirable. No improvement can be effected by abolishing the salami or even by restricting transfer. The real difficulty is the demand for land. A Collector settles with the man who offers the best salami. If Collectors have to settle with the poorer tenants who have uneconomic holdings, there would be no economic standard, and the economic condition for settlement would have to be examined. This would not be possible in practice.

As regards the phrase in his written reply, "the object of the periodic revision would be to bring recorded rent to a level with the true or economic rent", he explained that he proposed a periodic revision, say, after every 15 years. If there is an increased demand for land in this period, a premium will again appear and consequently rent would increase. He agreed that this might be hard on the tenants, but it could not be avoided so long as the laws of supply and demand operated as now. If rent was to be limited below its economic level and there were more applicants for land than could be provided, the result would be that some applications would have to be rejected. And the rejection would be on arbitrary standards. The surplus population on land must be employed in industries: these will be financed from outside sources or from the proposed annuities which, as he has explained, will probably go largely to the banks.

Co-operative capital would never solve the problem of agricultural credit; he would propose to have an agricultural bank with two branches. One branch would be concerned with land mortgages and would liquidate old debts: the other would be concerned with crop mortgages and would supply current agricultural requirements. He was of opinion that the present system of agricultural loans would not be a satisfactory substitute for agricultural finance on these lines. If agricultural loans are given throughout the province as a matter of regular annual practice, a permanent organisation will be necessary. Even so, it would be a most unsatisfactory way of tackling the problem of agricultural finance.

He said that without large scale collective farming by the State no programme of planned agriculture would be possible.

He agreed with Dr. R. K. Mukherji that the sources of income-tax are the professions, trade and industry, and that income-tax is not derived from agriculture.

He agreed that if Bengal is paying more income-tax absolutely than Bombay, his figures might have been incorrect. But his contention regarding the proportion borne by land revenue to income-tax in the two provinces still remained valid and showed that lower taxation of land in Bengal had encouraged land investment in this province as against industrial investment. It might be true that there was a large middle class which is paying income-tax and is responsible for the prosperity of the country, but they are not paying income-tax on receipts from land though they may be getting an income from land. He contended that by buying out middle class non-cultivators and giving them annuity bonds, Government would be placing them in a better position than they are in now. At present they do nothing to improve agriculture. As an example he said that a lawyer who derives an income from land could not possibly be worse off if he were bought out and received a guaranteed annual income from the district treasury.

He was in favour of restricting alienation and sub-letting and thought that such a measure would tend to confine occupancy rights to actual cultivators. He did not agree that the result would be a decrease in the value of land. There would be an increase in the purchasing power and capital would be released which could be used for industrial development.

He agreed that rent in Bengal is very low possibly the lowest in the world: under his scheme, rent would, however, be enhanceable to its economical level. He was in favour of economic holdings but thought that consolidation cannot be carried out unless the surplus population is removed from the land.

If there is a world depression in agricultural produce prices, the economic position of the cultivators will not be governed only by conditions in this province: low world prices would affect them adversely under any conditions. There can be no relief from lower prices unless the output is restricted by the cultivators themselves; he did not think that compulsory restriction was possible, unless State monopoly of cultivation through collective farming was introduced.

The purchase of zamindaris would stand on the same level with any other investment.

Mr. Dey admitted at the suggestion of Dr. Mukherji that unearned increments in an estate were amortised when the estate was sold; but the new proprietor certainly enjoyed such increment as accrued to the land during his period of proprietorship. He capitalised this increment and walked out with it, if and when he sold out. But the witness

wished to point out that there was no proposal in his scheme for the State appropriating any of the past increments, so that the difficulty of making a distinction between those increments which had been amortised by sale and those which had not did not affect his particular scheme. It might be that during the last 10 years there had been very little increment in land value.

The tiller of the soil is the primary concern of the State but unless the problem was tackled on all its fronts simultaneously without seeking palliatives for suppression of individual symptoms singly, no real improvement in his condition would be possible. The incubus of non-cultivating interests should be removed from the land, better tenure conditions for the actual cultivators should be ensured, and rent should be helped to find its normal economic level by relieving the pressure of labour on land on the one hand and increasing the yield from land on the other. Along with these fundamental reforms, consolidation of farms into large units and better credit facilities should be arranged. If competitive rent showed an upward trend under such charged conditions, it would be welcome sign; because the enhanced rent would be the expression of improved economic conditions under the reformed system. (At this point the Hon'ble the Chief Minister arrived and attended the remaining examination of Mr. S. K. Dey.)

In reply to Sir F. A. Sachse, he further explained his statement that the premium which the landlord used to receive as transfer fees now goes to the transferor or seller. He admitted that a large number of purchasers are mahajans and other non-cultivators and from that point of view it could not be objectionable that the raiyat vendor gets the full value of the sale; but the abolition of transfer fees would not, intrinsically, be of any advantage to the cultivators. He admitted that it might be advantageous from the point of view that a raiyat who sells one or two acres of land to clear off his debts can get the full value. His first objection was that the premium should be available to the State exchequer and not to any particular class, e.g., the landlord or the tenant. His second criticism was that the premium itself was an unhealthy emergence, and unless we tackled the deep-seated disease of which the salami was only one outward symptom, we could not effect any improvement in the tenants' lot. By merely changing the destination of the premium from landlords to tenants we were subsidising an enterprise which was at present uneconomic. He agreed that there is a marked tendency for lands to pass into the hands of the mahajans and non-cultivators. It would not matter whether landlords were paid compensation in cash or in annuity bonds. They might squander the cash, and equally they might capitalise the value of their annuities and spend the money. This might not, however, be possible if bonds were not made saleable. He would prefer annuities because, as he had previously stated, the money might go to the banks and help to finance

industrial development. It might be true that in provinces which are wholly or mostly raiyatwari there has been less industrial development than in Bengal. He could not give any definite opinion, but reiterated his view that prosperity in Bengal is mainly due to the general social and economic development. He agreed that the worst thing the landlords could have done was to allow their tenants to get into 3 or 4 years' arrear of rent during the boom period. It is not desirable for their own sake that tenants should be allowed to fall into arrears.

He thought it would be hard if an entire estate is sold in revenue sale for a single co-sharer's default. He could not say whether Government had gone too far in allowing separate accounts, but was certain that there had been an increase in the number.

As regards Khan Bahadur M. Hosain's suggestion that Khas Mahal Officers should keep lists of tenants with uneconomic holdings, he said his objection was that it would not take us very far, and would not be of much practical advantage. The list would be very long and would be very difficult to carry out such a scheme in practice. At present settlements are made with the people who can best exploit the land.

In reply to Khan Bahadur Hashem Ali Khan, he could not say whether the major portion of the income-tax in Bengal is paid by the European and Marwari communities. Service holders pay income-tax from the income they derive from their profession and not from the income derived from land. He reiterated his view that middle class people, if bought out and given annuity bonds, would be gainers rather than losers. He agreed that Government's financial condition would improve if the paying capacity of the raiyats can be increased, e.g., by a programme of agricultural development. He was of opinion that the tenants cannot afford to pay more taxes at the present time. Extension of cultivation has been mainly due to the pressure on the land.

In reply to the Secretary, he said that he was in favour of giving rights to bargadars. He would not describe such rights as occupancy rights, but bargadars would be recognised as tenants provided they cultivate. If the present land revenue system remains, there would not be difficulty in giving occupancy rights to bargadars, but he was in favour of having no intermediary between the actual cultivator and the State. He was in favour of buying out all non-cultivating interests, but would allow cultivating tenureholders and raiyats to remain as tenants under the State.

Asked whether it would be possible to get information regarding all non-cultivating tenancies without revising the record-of-rights, he said that enquiries would certainly be necessary, which might have to be more or less elaborate in some cases.

Reply by Khan Bahadur Md. Mahmud, Collector of Pabna.

Q. 11. (*i*) Taking "income" to mean "assets," it is perhaps true that about 75 per cent. of it goes to the zamindar. In estate No. 149 of the Pabna collectorate, under partition now, the assets ascertained are Rs. 23,449, and the land revenue payable is Rs. 3,373 or only 14 per cent. of the assets. Adding 10 per cent. as collection expenses, a total of 24 per cent. goes out, and the remaining 76 per cent. are appropriated by the zamindars.

(*ii*) Yes. There is very little subinfeudation in the khas mahals, while in zamindaris Sir Nicholas Beatson Bell's famous tenure-tree has given an instance of sub-infeudation to the fifty-second grade.

(*iii*) Yes; the process was aided by the provisions of the Bengal Tenancy Act.

(*iv*) Yes.

Q. 12 & 13. Cancellation of the Permanent Settlement would certainly increase the income of the State and would enable the latter to spend more money on public utility services.

It may not be possible at once to abolish the zamindari system altogether. The holders of land under a system of temporary settlement would pay much more to the State coffer than before; and, in time, only those exercising direct supervision over their estates will survive; the others will be sold out and their tenants would come directly under the State.

Q. 14 & 15. I would pay compensation to the zamindars at 10 years' purchase of their net rent roll. According to the Land Revenue Administration Report of 1937-38 (page 22) the current demand of land revenue of the permanently settled estates is Rs. 2,14,88,849 or, roughly, Rs. 2,15,00,000. Taking the rent roll to be equal to ten times the land revenue, the total rent roll amounts to Rs. 21,50,00,000. Compensation at 10 years' purchase would thus amount to Rs. 215,00,00,000.

For paying this compensation the State might float a loan at 3 per cent. and formulate a repayment scheme of 20 years. The annual interest charge would be Rs. 6,45,00,000 and annual instalment of 1/20th of the principal would be Rs. 10,75,00,000, making a total annual payment, from the sinking fund, of Rs. 17,20,00,000. (It should be noted, however, that the interest charge will go on diminishing every year.)

The rent roll of the zamindars, i.e., Rs. 21,50,00,000 will become the land revenue income of the State. Deducting the repayment charges mentioned above, the net land revenue income, during the above period of 20 years would be Rs. 4,30,00,000, and the net gain in land revenue would be Rs. 2,15,00,000 (Rs. 4,30,00,000 minus the existing land revenue, viz., Rs. 2,15,00,000). After the loan is repaid the land revenue income would amount to Rs. 21,50,00,000, and the net gain would be Rs. 19,35,00,000.

Q. 16. It will lead to a reduction of the status of the leisured class known as zamindars and will raise the status of the lower middle class and the tenants.

Q. 17. The tenureholders also deserve some compensation, but at a much lower rate. I would not, however, advocate the buying up, in the beginning, of any other grades than the patnidars and the talukdars of the first rank who have existed from the time of the Permanent Settlement. The others may be left alone. The temporary settlement system and the working of the Sunset Law will gradually bring about their extinction.

Q. 18. The best thing would be to have a chain of Circle Officers (on the lines advocated by the District Administration Committee, but on a larger scale), with a Sub-Deputy Collector in charge, who would be both Circle Officer and Khas Mahal Officer. Under this combined system the cost of management would be about 12 per cent.

Q. 19. Yes.

Q. 20. The process of subinfeudation has the inevitable result of rack renting the tenants.

Q. 21 & 22. State purchase of the tenures would reduce the states of the tenureholders; but it would have the indirect good effect of making them turn their attention to industrial and other enterprises.

The homesteads and khas lands of the tenureholders might be assessed to rent at slightly lower rates than the raiyati rate and fresh leases be granted to them. I would not, however, treat the barga lands as khas lands.

Q. 23 & 24. The prevalence of the terms "khudkasht," "mourashi" and "mokarari" in the Moghul revenue system indicates that occupancy right existed before the Permanent Settlement.

According to the code of Manu, the King used to take one-sixth share of the produce from the tenants "প্রজা পালন কারণং" (for protecting the tenants and for carrying on the administration). When a Hindu King granted "debottar" or "brahmottar," or a Muhammadan

Monarch granted "jaigir," of a tract to a certain person, it was never contemplated that he could oust the existing tenants.

I take the word "proprietor" to mean owner of (holder of "property" over) the soil under the sovereign rights of the King.

Q. 25 & 26. The occupancy right should ordinarily vest in the tenant who actually occupies and cultivates the soil. The legislature has already given this right to korfa tenants. I would go one step further and give this right to all bargadars who have been cultivating the same land for twelve years or more.

I would revise the definition of "tenure" and say that when a raiyat sublets his entire holding he should be treated as a tenure-holder. And where the raiyat of a holding of 50 bighas or more sublets half or more of his lands he also should be treated as a tenure-holder.

Q. 27. Permanent residents of a village who carry on trades like the potter's and weaver's should, in my opinion, be given permanent right in their holdings.

Q. 28. When agricultural lands are used for non-agricultural purposes, they should be treated as non-agricultural holdings and should be assessed as such.

Q. 29, 30 & 31. Yes. Due to rent sales and money sales. The holdings are mostly purchased by non-cultivators, and the tenants are converted into bargadars without rights.

The ills of the Bengal raiyat are expressible in three L's,—Landlordism, Loans and, the sequel of the two, Litigation. The operation of these processes ultimately reduces the raiyat to a bargadar without rights, or, in other words, a serf.

The majority of bargadars hold some raiyati or under-raiyati lands. But the time is not far off when the majority will be mere bargadars.

Q. 32, 33 & 34. I advocate the extension of the occupancy right to the bargadar (vide answer to questions 25 and 26 *ante*). In any case, no non-cultivator should be allowed to acquire or possess the occupancy right. The cultivating tenants of the village should be given the right of pre-emption against such purchaser. Even when no pre-emption is claimed, the purchaser should be treated as a "tenure-holder" and not as a "raiyat."

Except where the owner's family depends mainly on the barga produce for its sustenance, the barga rent should be commuted to money rent.

Q. 35. The barga rent should ordinarily be half the produce when the seeds required for the whole plot are supplied by the owner.

Q. 37. I am in favour of restricting transfers to agriculturists only. Please see suggestions made against questions 32, 33 and 34.

Q. 39, 40 & 41. My suggestions are—

(*a*) conferment of right of pre-emption on cultivating raiyats of the village;

(*b*) changing the law so as to afford better facilities for exchange of plots.

Q. 42. Please see my answer to questions 25 and 26. A change in the definition of "tenure" would serve the purpose.

Q. 52. Rent rate should be such as the land can bear. It should have reference to the fertility of the soil, the price of the produce and the tenant's ability to pay.

I think the best method of settling fair rent would be to find out the valve of the produce of a bigha of land, to deduct from it the cost of cultivation and then to assess the rent at 25 per cent. of the net valve. The following is given as an illustration:—

Area—1 bigha.

Produce—

	Rs.
(*i*) Paddy—5 maunds at Rs. 2	10
(*ii*) Pulse—3 maunds at 1-10	4-14 or 5
Total ...	15
Deduct 60 per cent. as cost of cultivation	9
Net produce ...	6

25 per cent. of Rs. 6 is Rs. 1-8.

It is my experience that a rental of more than Rs. 1-8 per bigha for average (or medium) land causes hardship to the tenants. The Settlement Officer would perhaps classify lands ordinarily into three classes, viz., Superior (Class I), Medium (Class II) and Inferior (Class III).

Settlement on the above basis would perhaps conduce to the good of both rent payers and rent receivers.

Q. 53. Zamindars and tenureholders in many places have inflated rents to the extent of rack-renting.

Settlement Officers of Government lands have not always stuck to correct principles, and hardships have often been caused. Char Jailkhana in Mymensingh district, Abad Tushkhali in Bakarganj district, Char Kodalia in Faridpur district and Bahir Char and Char Silimpur in Pabna district are cases in point.

Q. 55 & 56. Please see my suggestions against question 52.

Revision of the record-of-rights would be necessary before re-settlement is made.

Q. 57. I would have the position reviewed at intervals of 30 years.

Q. 59 & 60. My suggestions under questions 52 and 57 would cover the question of productivity and, therefore, the result of fluvial action.

Q. 61. This element will automatically come into operation in the calculations suggested under question 52 *ante*.

Q. 62. No.

Q. 67, 68 & 69. Please see my answers to question 53.

Q. 73. Many areas have become decadent owing to the dying out of rivers and streams. Carrying out of small schemes of irrigation or drainage would do immense good to such tracts.

Q. 76. Yes, since 1919. Salami realised is not ear-marked for improvements, but the income from salami is taken into account in calculating the percentage of demand to be devoted to improvements.

Q. 90. It is my considered opinion that the certificate procedure causes less hardship to the tenant than rent suits. The procedure could be improved by instructing the certificate officers to split up large sums of dues into 2 or 3 instalments and to issue distress warrants separately for the instalments after different harvests.

Q. 91. I support the suggestions contained in this question.

Reply by Rai Rebati Mohan Chakraverty Bahadur, Retired Magistrate-Collector.

Q. 1. Yes; practically exhaustive. Left the tenants as they were.

Q. 2. It is, to all intents and purposes, silent about the right and status of the tenants.

Q. 3. Very little. Yes.

Q. 4. Yes, in most cases. In some cases they were actual proprietors.

Q. 5. Both views are correct. It was a pledge, but the tenants were not parties to it; and it has crippled the resources of the country.

Q. 6. (*i*) Mostly to this.

(*ii*) To some extent.

(*iii*) Very little.

Q. 7. (*i*) Very little.

(*ii*) To some extent.

(*iii*) Mostly.

Q. 8 to 10. Whatever might have been the advantages of the Permanent Settlement at the time when it was made, the system has outlived its utility. Circumstances have vastly changed since then. At that time there was no dearth of arable land in the province, but there was rather dearth of tenants. So the zamindars were generous in their treatment towards the tenants; their self-interest prompted it.

But in course of time population increased and cultivation extended. At the same time the price of agricultural produce steadily increased. The tenants could easily pay their dues, and even did not grudge to pay increased rent when demanded by the zamindars. The latter had an easy time of it, as all the above factors contributed to swell up the rent roll of the estates. It was very easy for them to pay the stipulated revenue. It was quite unnecessary to look to the interest of the tenants; they were neglected and harshly treated by zamindars' officers, except in solitary instances when the zamindars happened to live in the midst of the tenants and were their benevolent patrons. But in large zamindaris, situated in distant parts of the province, the tenants were systematically oppressed by ill-paid amlas and there was no redress from the landlords.

As matters, stand, the condition of the country requires a change, and it cannot be delayed. The number of agriculturists has so far increased that they cannot all subsist on land unless improved methods

of cultivation are introduced; and this is not possible to do with the scattered nature of plots of their holdings. It is essentially necessary to make the holdings as compact as practicable by interchange of plots. In some places it is also necessary to shift the tenants where there is too much congestion. In some places it is also necessary to reduce the rent when it happens to be too high. All these improvements presuppose that all lands should be held directly under the State.

It is to be remembered that the country is mainly agricultural and will remain so. Hence on the condition of the tenants depends the condition of others who follow different profession and manufacture in the rural area.

Q. 11. Yes, it is a just criticism.

Q. 12. On all the above grounds. Also on the ground of improvement of (*i*) agriculture, (*ii*) condition of tenants, and (*iii*) country as a whole.

With the crippled resources of the province it is hardly possible to effect any improvement.

Q. 13. I advocate No. (*i*).

No. (*ii*) will be to the interest of neither the landlord nor the tenant.

No. (*iii*) is not at all a good idea.

Q. 14. Yes. Compensation should be given to the landlords; because Permanent Settlement was a pledge. (*See* question 5.) As to the form of compensation please see answer to question 15.

Q. 15. As I have said before, the Permanent Settlement was a kind of pledge, and it has given rise to many vested interests. Hence compensation should be paid to the landlords.

No elaborate enquiries will be necessary. Compensation should be calculated on the basis of existing record-of-rights and settlement papers. All the necessary data are there. They at once show the total rent roll of the estates and the revenue payable. After deducting the collection charge, say at 5 per cent., the net income of the landlord can be easily arrived at. Compensation should then be paid at a number of years' profit, not more than 10 and not less than 6. The larger the estate, the less would be the number of years; for it is a well-known fact that the large estates get proportionately less value in the market.

It may be argued that the compensation I suggest is less than the statutory compensation payable when land is acquired. It is so because this is not ordinary acquisition, but a measure which is an imperative necessity of the province as a whole.

Compensation may be paid by redeemable bonds. When the compensation payable to a landlord is less than one thousand rupees, he may be paid in cash.

Bonds may be redeemable after 10 to 20 years: but a clause may be added to the bonds that, if money is available, they may be redeemed earlier. They may carry interest at 3 per cent.

Q. 16. Not much.

Q. 17. Yes. Yes, surely. Please see answer to question 8.

Q. 18. Some additional machinery would be required in the shape of tahsil circles and officers; but there would be some reduction of the Collectorate staff. In any case the cost will not exceed 5 per cent. of the increased revenue.

Q. 19. I think so. Surely they do; Government spends a large sum every year for improvement of khas mahals which is a thing unknown in private zamindaris.

Q. 20. Yes. Has led to increase of rent and harassment.

Q. 21. I do not anticipate any bad result.

Q. 22. They would retain their homesteads and khas lands as tenants under the State, with occupancy right in them.

Lands under their khas possession as khamar lands cultivated with hired labour. Settlement Records would show that.

Q. 23. Yes; but practically and indirectly the tenants enjoyed such a right earlier. For at that time there was no dearth of land in the country but there was dearth of good hardy tenants. Local traditions ever speak of rivalry among zamindars for tenants. So the tenants were left undisturbed if they paid rent regularly.

Q. 25. I am in favour of maintaining the existing occupancy rights and extending it to under-raiyats.

Q. 26. Please see above.

Q. 27. I think so. Yes.

Q. 28. There is no reason why the statutory right should be taken away. Additional tax may be levied when the land is converted to large profitable industries. But the danger is that such a tax is generally very unfairly imposed by over-zealous officers.

Q. 29. Not to any appreciable extent.

Q. 30. I do not agree with this view.

Q. 31. No certainty. Yes.

Q. 32. Yes; it should be extended to bargadars.

Q. 33. No harm if the bargadar gets a fair share of the produce, often it is to the advantage of both sides; so there is no reason to prevent its extension.

Q. 34. No such fear, if there is a fair division of the produce.

Q. 35. Say $\frac{1}{3}$. Ought to be.

Q. 36. Varies in different localities and in different years. In some years they are very hard hit.

Q. 37. No; I do not think so.

No.

No. This will put the tenants to endless difficulty.

Not practicable.

Q. 38. Would vary in different localities, from say 10 to 20 bighas, according to the nature of the soil and crop.

Q. 39. Yes.

Q. 40. Yes, I am of this opinion. In fact this is one of the reasons why the abolition of the Permanent Settlement is advocated. It is only when all lands are held directly under the State that the consolidation and amalgamation of holdings would be possible.

Q. 41. Yes: both ways. Scattered plots should be consolidated by exchange.

Q. 42. It is hardly possible to avoid it; nor is it desirable. For it is in large holdings that it is practicable to introduce improved methods of cultivation.

Q. 43. Not always.

Q. 44. Hardly possible.

Q. 45. It would be unfair to landlords.

Q. 46. As a mater of fact it has turned out to be so. With the increase of population, cultivation was extended. At the same time there was rise in the price of agricultural produce. The tenants were thus solvent and did not grudge the payment of enhanced rates of rent, when the zamindars pressed for it. Owing to the uncertainty of their status, also, they agreed to pay increased rent for fear of being expelled.

Q. 48. I do not believe it.

Q. 49. I do not think so. As I said above the Regulations are practically silent about the tenants.

Q. 50. Does not arise.

Q. 51. I do not think so.

Q. 52. Customary rates adjusted from time to time according to change in the price of staple products of the locality. In course of time customary rate of rent or the prevailing rate comes to the level of fair rate.

The principle of percentage on market value of land is very hard and unjust on the tenants. The valuation of land is a very uncertain and difficult matter and depends on many factors. So inexperienced and over-zealous Revenue Officers are always apt to value it too high and ruin the tenants.

Q. 53. All three factors have contributed to the fixing of the rent. Some difference there is, but not much.

Q. 54. It is probable that there are some such cases as they have not been able to resist the pressure from landlords.

Q. 55. Rents ought to be readjusted when they happen to be too high or too low.

Existing records may be examined from time to time by Revenue Officers to find out cases which require revision.

Q. 56. One-fifth to one-third, according to the locality, nature of the land and the staple crops.

Q. 57. Alterable.

Say 50 years.

Q. 58. No; surely not.

Yes, certainly.

Q. 59. Not very defective.

Q. 60. Not very material. Cases are few.

Q. 61. No.

Q. 62. The principle is difficult to apply in practice.

Q. 64. May be.

Q. 65. Not very defective.

Q. 66. There have been such cases. Mostly due to a belief on the part of Revenue Officers that they would get credit for enhancement.

Q. 67. Popular belief is that, as almost always they result in enhancement.

Q. 69. Obviously it was.

Yes.

Q. 70. Lands are hardly similar in different districts or even in different parts of the same district.

Q. 71. Several conditions have to be fulfilled and Revenue authorities have to be satisfied on many points.

Q. 72. 15 to 20 maunds of jute and rice per acre of average fertility. Sugarcane varies greatly according to the variety of the crop.

Cost of cultivation generally comes up to the value of half the produce.

Q. 73. Yes; for want of proper manuring.

Q. 74. Not much.

Ignorance of the people; want of training.

Q. 79. Its chief defect is that changes are not recorded. When Revenue Officers will be increased, it would be possible to record changes and other details.

Q. 80. All these means ought to be adopted, more or less, as applicable to different localities.

Q. 81. Yes. At least 25 per cent.

Q. 82. (1) Industrial development; (2) shifting to areas where lands are available; and (3) improved methods of cultivation.

Q. 83. Rural Agricultural Banks. No.

Q. 84. I do not agree.

Q. 85. Not much. No. To some extent. A small percentage.

Q. 86. Not much. Machinery is defective. General education is the only means of improvement.

Q. 87. A good suggestion.

Q. 88. Very little.

Q. 89. The defect lies in the working of the Civil Courts.

Q. 90. It is a controversial point.

Q. 91. If the zamindari system is abolished, Revenue Laws will be simplified automatically.

Q. 92. See above.

Q. 93. Tenants and landlords are not likely to gain or lose much for the time being. For due to the low price of agricultural produce, the value of land has gone down very considerably. So there is for the time being a slump in the land market in the villages.

Reply by Mr. S. C. Mitter, B.Sc. (Eng.), London, A.M.I.E. (Ind.), Director of Industries, Bengal.

The Department of Industries is concerned with questions 80 and 82 only and accordingly the replies are detailed below:—

Q. 80. Of the means suggested as being effective in increasing the income of the cultivating raiyats, only (*ii*) and (*iii*) relate to industries.

As to (*ii*), it is an admitted fact that as the raiyats are underemployed for about 3 to 4 months every year while their dependents are underemployed almost throughout the year, a huge wastage of labour which could be utilized in useful occupations takes place. This wastage of human labour can be avoided, if only suitable subsidiary occupations can be organized and are taken up by the people to their benefit. Orcharding, poultry farming, dairy farming, basket making and other cottage industries which can be carried on in the off-seasons of the year, ought to be taken up by the cultivators. There is no denying the fact that the raiyats suffer from poverty and distress largely on account of their ignorance of the natural advantages which are within their easy reach and also of their indolence in the matter of undertaking new endeavours in different directions. The first thing necessary, is, therefore, a good deal of propaganda with a view to educate them about the many ways in which they can augment their income, if only they can evince some enterprise.

As to (*ii*), it is not only the establishment of cottage industries, but also the resuscitation of many of the dead and dying cottage industries in the province that can materially add to the income of the raiyats. From the surveys of the cottage industries, which the staffs of this department have already undertaken, it is revealed that the conditions of the workers in most of the cottage industries such as pottery, brass and bell-metal, conch-shell, cutlery, carpentry, oil pressing, paper making, etc., are very unsatisfactory for various reasons. Either foreign competition, or lack of organization or lack of necessary up-to-date equipments has rendered the condition of these industries deplorable. The situation, therefore, suggests that while new industries will have to be created for the cultivating raiyats to take up, determined efforts should be made to improve the position of these industries which are now in a decadent condition, for the workers in many of these industries carry on agriculture also. This department has already begun to survey the existing position of most of the prominent cottage industries, so that the findings may indicate the lines in which measures may be undertaken for restoring them to new life and vigour.

As to the types of new cottage industries that may suitably be undertaken by the peasants, three considerations should guide the order of their preference:—

(*a*) In the first place, the raiyats should be encouraged to take up those industries, the products of which are required for their normal daily necessities. In this category fall—

(*i*) Handloom industry

(*ii*) Tobacco.

(*iii*) Salt (for those near sea shores and salty lakes).

(*iv*) Rice husking.

(*v*) Oil pressing, etc.

(*b*) In the second place, those industries should be taken up which may supply products consumable in local markets and *melas* such as—

(*i*) Basket making.

(*ii*) Toys.

(*iii*) Textile art products, such as carpets.

(*iv*) Bees keeping.

(*v*) Cutlery.

(*vi*) Carpentry, etc.

(*c*) Lastly, those industries should be attempted which may turn out half-finished products to be utilized in bigger plants for being fashioned into finished goods. The manufacture of small standardised parts in the homes of cottage workers, for being assembled in a central plant and turned out into finished materials, is quite possible and is in fact carried on extensively in Japan. Toys, locks, ready-made clothes, umbrellas, etc., can be manufactured by this process.

It should be understood that by these suggestions it is not meant that one and the same person should be asked to take up a number of industries. The adoption of any of these industries is ultimately contingent on the capacity, family avocations and other surrounding circumstances of the individual raiyats. Such factors as foreign competition, availability of raw materials and conditions of local markets will also largely determine the choice of the industries to be taken up.

The encouragement and establishment of these industries among the masses would obviously call for the setting up of suitable organization for—

(*a*) marketing.

(*b*) finance, and

(*c*) expert supervision.

Past experience has shown that private initiative in our country is very slow and shy. Unless the Government leads the way by establishing marketing organizations in the shape of Marketing Board and other Sales Organizations partly or wholly subsidised, the marketing of cottage industry products cannot be effected satisfactorily. With regard to finance also the Government may assist the cottage industries. By establishing the Industrial Credit Syndicate the Government have made a beginning, but the scope and utility of this institution requires to be expanded so as to meet the financial requirements for our cottage industries. If by these means and by arranging expert supervision the Government assist the cottage industry workers, a stage will come when private enterprise and capital will be plentifully available for the promotion of cottage industries in the province.

Lastly, I may suggest that apart from the introduction of suitable cottage industries in the countryside, the income of the raiyats may be augmented by the reorganization of agriculture on a planned basis. For, if the raiyats are instructed (*a*) to produce, as far as possible, his foodstuffs and daily requirements, viz., rice from paddy, oil from seeds, tobacco from tobacco leaves, etc., and (*b*) to produce suitable commercial crops such as cotton, oilseeds, jute, wheat, etc., many of which may bring a good price either as articles of trade or as raw materials of industries, they will not only be in a self-sufficient position as regards foodstuffs, but also will earn cash returns.

Q. 82. The pressure of population on agriculture is a recognised fact and it can be alleviated to a large extent by the adoption of measures as detailed in replies to question 80.

But it is not a wholly correct proposition that the only means of relieving the pressure of population is to divert them to large industries. While recognizing the fact that a number of people may find employment in large industries if started in large numbers, I should make it clear that the percentage of people who would be employed in industries if it were possible to start numerous large industries, will be quite inconsiderable in proportion to the vast number of surplus population. From statistics of persons employed in the large industrial establishments, it appears that every year the total number of people so employed on seasonal and perennial basis, hardly exceeds 70,000. If the size and absorbing capacity of these establishments were doubled or even quadrupled—which it is hardly possible to accomplish even in a quarter of a century—the total number of population employable in them would come up to hardly 3 lakhs. So with a population of more than 5 crores, Bengal's chances of solving the problem of the pressure of the population on land do not lie in the way of large scale industrialization alone.

As to the question whether by starting Government-aided factories, it would be possible to relieve the pressure of population on land, my considered opinion is that in the prevailing situation such a proposition has a good deal to commend itself. The general masses of Bengal have yet to shake off their apathy towards industrial ventures. Unless the Government takes the initiative in many directions and demonstrates by actual undertakings that such and such industries can be established and run on a commercial basis, the people are not likely to take up industries however good their prospects may be. It is from this standpoint that I would advocate a policy of assisting the development of a number of well-chosen industries with assured possibilities in the following ways:—

(1) actual undertaking of industrial ventures in certain cases where private initiative is lacking,

(2) purchase of a certain percentage of share,

(3) guaranteeing of dividends to a certain limit,

(4) grant of land at concession rates, and

(5) assuring the purchase of a certain volumes of articles from the preferred industries.

Of the industries in Bengal which may claim the consideration of the Government as being suitable for being undertaken or aided by them the following are the more important ones:—

(*a*) Sugar factories. They will give a large support to the agriculturists growing sugarcane.

(*b*) Small jute spinning mills to supply yarns to those cultivators who will be taught jute weaving for the production of (*i*) gunny bags for internal consumption, e.g., for the transport of agricultural produce; (*ii*) carpets, sataranchis, etc., (*iii*) jute rope to replace coir ropes imported in large quantities every year; and (*iv*) other artistic goods.

(*c*) Small cotton spinning mills to supply yarns at competitive wholesale rates for the development of handloom industry in the rural areas, which may produce such fabrics as are required for consumption by the rural folks. Lungis, coarse towels, etc., may in the case be more economically produced by the rural handloom workers.

(*d*) Pottery, tile-making glazed workers.

(*e*) Rice mills.

The object behind such a policy is to enable the agriculturists to augment their incomes. The Government should come forward to assist those industries particularly which have a direct bearing on agriculture. Thus sugar factories, cotton mills, rice mills and jute spinning factories are expected to materially assist the agriculturists.

Conclusion.—These and other allied problems have been discussed at length in my books "A Recovery Plan of Bengal" and "Five Year Plan for Industrial Development of Bengal".

The fundamental problem is that without the introduction of industries, agricultural prosperity cannot be ensured. The problem of Bengal is essentially a problem of its rural areas and this problem of rural Bengal is a problem of—

(*a*) reorganisation of agriculture as indicated in the reply to question 80;

(*b*) improvement in the holding capacity of the raiyats;

(*c*) employment of the huge man-power that runs into lamentable waste;

(*d*) utilization of the abundant raw materials and mineral resources in the country;

(*e*) creation of suitable marketing organization for agricultural and industrial products; and

(*f*) provision of finance through appropriate machineries and organization.

Oral Evidence of Mr. S. C. Mitter, Director of Industries, Bengal, on 20th January and 21st February 1939.

In reply to the Chairman, Mr. S. C. Mitter agreed that the cultivators in Bengal are unemployed during some part of the year and that it is desirable to find means for their full employment. The present Government considered it important and had appointed an Industrial Survey Committee. In the past some progress had been made through demonstration parties but progress had been hampered by lack of money and marketing facilities. Some cottage industries are holding their own; others are declining. They can only be revived through proper organization and the provision of marketing facilities and financial help. There is still as much technical skill in villages as there used to be. Some cottage industries have been killed by the introduction of machine-made goods. In reviving cottage industries or establishing new ones, it is necessary to move with the changing needs and fashions.

There are possibilities in the development of poultry farming. The absence of poultry farming at present is due largely to ignorance. The villagers will have to be educated in this and other subsidiary occupations.

2. Asked about the possibility of improving orchards, he said that Kalimpong is capable of producing orchards which would be the equal

of any in India. At present there is a lack of organization and the high freights to Calcutta are an obstacle.

As regards the cultivation of vegetables, he mentioned that the Department (Industries) has a number of agricultural farms 30 to 35 miles from Calcutta. The produce could be sold at Habra market (20 miles on the Khulna line) but the farms are handicapped by high transportation costs owing to lack of communications.

The Department has 28 peripatetic weaving schools, and 9 district weaving schools situated at the headquarters of some districts. The Weaving Department suffers from shortage of funds. If there were more money, a better type of loom could be supplied. Many looms are now made by village carpenters. He considered that the weaving instruction carried out on Sir Daniel Hamilton's estate is on the right lines. As an instance of possible cottage industries, he mentioned that better class lungis are almost entirely imported from Burma. With proper organization, they could be manufactured locally. The Weaving Department has 39 schools and 10 weaving demonstration parties. There ar 49 instructors and 49 assistant instructors. The number, he said, was quite inadequate to the needs of the province. Something like one thousand demonstration parties would be necessary to introduce weaving all over the province within a few years.

3. Questioned about the possibilities of providing employment from tobacco rolling, Mr. Mitter mentioned that 99 per cent. of the best tobacco produced in Rangpur district is exported to Burma and comes back to India after being manufactured into cheroots. There are no factories in the same scale in Bengal. A large quantity of cigars is imported from Madras, Trichinopoly, etc., to Calcutta. There is no reason why cheroots should not be manufactured in Bengal.

4. In 1931, the Indian Tariff Board recommended that the indigenous salt industry should be encouraged. One expert was deputed from the Excise Department to examine the possibility of developing the salt industry in Bengal. After receiving his report, Government decided to start a salt demonstration factory. Between July and December 1938, the price of salt fell from Rs. 56 to Rs. 28 per 100 maunds. This was due to large imports from Italy and Egypt. The Government of India had imposed an additional duty on salt but in December 1938 it mistakenly withdrew this duty, while the Burma Government increased its salt duty.

5. There is a large number of oil mills in Bengal with a capital of nearly one crore of rupees. Mustard seed used to be imported from Etawah and Agra. The railway rate was ·16 pie per maund of mustard seed and ·25 pie for mustard oil. As three maunds of mustard seed

produce one maund of oil, it was obviously cheaper to export mustard oil instead of seed. The Agricultural Department has been experimenting with seed for mustard oil and it is expected that from the next cold weather sufficient seed will be available for the mills. If seeds can be made available, the question of establishing small oil mills in villages can be taken up.

For basket making, there is no organized centre now but the Department is trying to divert part of the money available to technical schools. The industry will have to be built up anew.

There are great possibilities for manufacture of carpets and satranchis from coir in all districts where cocoanut trees grow abundantly. This is especially so in Barisal where it might be possible to arrange for the export of coir.

As regards the possibilities of bee-keeping, Mr. Mitter said that nothing had been done. A man who had been thoroughly trained in Madras had applied to the Department for financial support, but it could not be given owing to rules under the State Aid to Industries Act that the capital advanced must be secured by a property worth double that amount.

As regards carpentry and manufacture of cutlery he thought that there were considerable possibilities. The manufacture of agricultural implements was specially important. In connection with the organization of cottage industries, he mentioned that in Japan there is a Central Depôt which gets in touch with village industries, gives advice to them and markets the finished articles. The same system was introduced in the detenu training camps for detenus. It gets in touch with the business world and finds out what the market requires. Articles produced in the camps are sent to the Central Depôt for sale and are returned to the camps if they are not up to the required standard.

There is only one Marketing Officer for the whole of Bengal. In addition to this work, he has to do publicity work and arrange for about one hundred exhibitions a year. The system is unsatisfactory. The marketing work is separate from the Agricultural Department's marketing staff.

Questioned about industrial credit, he said that several schemes had been considered. There was a scheme for an Investment Trust by the Hon'ble Mr. Nalini Ranjan Sarker; also a scheme for establishing industrial banks. Both of these were rejected by the previous Government. Then a scheme was undertaken with a paid-up capital of 10 lakhs whereby Government undertook to pay up half of the loss, if any.

On being asked whether the pressure on land could be eased by diverting a part of the agricultural population to big industry, he said that such a proposal would not go far to solve the difficulty. The only solution was to develop the small industries. Regarding the financing of industrial operations, he thought that the objection to the establishment of industrial undertakings in Bengal is mainly due to ignorance and overcautiousness. It is difficult to say whether money invested in land could be diverted to industrial development. His original proposal to Government was that it should allow long term deposits for a period of not less than 2 years. He thought that this system would be attractive and shares would have a ready sale.

Asked whether any capital is still lying idle for investment in Bengal, as in England, he said that there was no analogy between the two countries, because conditions were different. In Bengal resources had not been tapped to the fullest extent as in England. He thought however that there was no difficulty in getting capital for commercial enterprises and mentioned as an instance the Iron and Steel Works of Martin and Company.

The greater part of Bengal's sugar is imported. When the jute restriction propaganda was carried out, the cultivation of sugarcane was increased but there were not sufficient mills in rural areas to crush the cane. There is no reason why sugar mills should not be successful. Asked why commercial interests are not developing the sugar industry, Mr. Mitter said that he divided commercial interests into three groups: (*i*) European, (*ii*) Non-Bengalee and (*iii*) Bengalee. Of these, only the second is trying to develop the sugar industry. The Bengali commercial interests are overcautious and have very little desire to invest except in safe concerns. Government, he said, must take the initiative. He instanced that in Belghuria, Government has established a pottery works which is working successfully and employs 700 men including ex-detenus.

Jute spinning mills would be dependent entirely on the supply of jute yarn unlike cotton spinning for which yarn can be imported. Arrangements would therefore be necessary for the manufacture of jute yarn in villages and this would be supplied to the weavers.

As regards the general agricultural situation, he thought that the purchasing power of the agriculturists has fallen to a considerable extent.

In reply to the Maharajadhiraja Bahadur of Burdwan, he agreed that in western Bengal where the population is predominantly Hindu, poultry farming would not be successful unless villagers are taught scientific method and unless adequate marketing facilities are provided.

Asked whether cultivators would give up arable lands for some industry or other purposes, he said that there are no reliable statistics to show the extent of cottage industries in rural areas. The Department of Industries through its Intelligence Section is carrying out industrial surveys of different districts and the Industrial Survey Committee is now going into the question. He would ask that Committee, of which he is a member, to supply this information.

He agreed that tobacco would not grow everywhere. His department was not concerned with the question of soil but he referred to the maps contained in his book "Recovery Plan of Bengal" which indicate roughly the areas in various districts where different crops are grown.

He considered the incidence of the salt duty negligible.

Questioned about the cost of husking rice, he said that originally husking was done by dhenki. This required skilled labour and as it became scarcer, machinery was gradually introduced. A simple type of husking machine is the best solution for paddy husking in villages. A sample machine, produced by the Department, is now being tried out.

The number of rice mills is increasing. There are 373 mills in Bengal, of which all but 13 are in the Presidency and Burdwan Divisions. The cost of husking rice by machinery and hand machine is about the same. The competition between the rice mills results in an unfair price being paid to agriculturists.

Asked whether village oil mills would produce pure oil, he said it would depend on Government action to prevent adulteration. He mentioned that a synthetic mustard oil is being sold in the market which has exactly the same appearance as the natural product.

Apart from the fruit-growing area in Kalimpong, no practical steps have been taken to improve fruit production elsewhere.

Asked what has been done to improve the milk supply, he said that there is a milk union run by the Co-operative Society at Bowbazar Street which would be able to supply figures.

Replying to Dr. Mukherji, he said that he would give a detailed programme of his suggestions for providing work through cottage industries in the case of a typical family in Mymensingh consisting of two adults, one child capable of doing half-time work and two younger children.

He thought that it was possible to manufacture matches but pointed out that it was not a practical proposition because it would be impossible for villagers to procure banderoles.

As regards the silk industry, he said that Japan had purchased 14 hundred thousand bales of silk some years ago and had flooded the market in India. This competition had adversely affected Bengal silk. Government must help and give the minimum protection necessary.

He thought that cutlery might be a successful cottage industry.

Asked whether hides could provide employment, he said that he had not mentioned all possibilities in his note but he would submit a statement of all possible industries for a typical family.

For the proper development of industry in Bengal, he would require an annual expenditure of 2 crores of rupees for five years.

He thought that there was a great deal to be said for the development of spinning by charka but he thought that it could not solve the problem. The yarn produced by that method would not be sufficient even for one loom for two days. The only solution would be to have cotton spinning mills in suitable areas. The output of yarn from charkas in one village would not be enough to supply one village loom.

Experiments had been made for the production of oil seeds which were formerly imported from the United Provinces. It would be possible to introduce hand pressing machine.

Tobacco and cotton are crops which can provide employment. There must be close co-operation between industry and agriculture; the latter supplying the needs of the former.

The cost of husking of rice by dhenki and by machinery is approximately the same. The profit resulting from some processes of the machine method is set off by higher overhead charges. Our object should not be to interfere with the rice mills but to increase the outturn of paddy through improved seeds and supplement rice mills with simple machines which can be worked in villages.

In reply to the Secretary, Mr. Mitter said that the Department had now several silk demonstration parties for imparting instruction in silk reeling. The machinery introduced in Malda district was as good as any in India.

The lac industry was also being revived.

Replying to Sir Frederic Sachse, he said that his estimates of two crores annually for five years was only an approximation: what he meant was that the present expenditure was quite inadequate. If the income of the Government could be increased by this amount, it would develop both industry and primary education but he would give preference to industry because the earning capacity should first be increased and that would allow more expenditure on education.

The agitation over the salt tax had now disappeared. The present price of salt is low compared with the Rs. 66 per 100 maunds which was regarded by the Tariff Board as a fair price.

The Board of Economic Enquiry did not prove successful because it had an insufficient staff, inadequate funds and no definite object. The Industrial Survey Committee on the other hand has definite terms of reference and is a small compact body.

He could not say what progress had been made in the scheme for cultivation of bamboos to supply the needs of paper mills. He will enquire about this.

Cigarette paper is not manufactured in India.

He did not agree that the milk supply could be increased without providing marketing facilities. Increased home consumption would involve a change in the villagers' habits.

Japan is now making oil from rice husks. In Bengal it is only used for fuel and fodder.

No officer of the Department has ever been sent to Madras to see what progress has been made for industrial development there.

The manufacture of glass is a question which is now being enquired into by the Government of India.

Government has taken no action on Mr. Swan's report of 1915.

Toy making is a possible cottage industry but it requires the right type of wood, painting and certain processes by machine. He did not agree that the toy industry could be developed by distributing toys and having them imitated. It would be necessary to have demonstration parties.

In reply to the Chairman, he said that the Industrial Survey Committee expects to issue an *ad interim* report regarding the small and cottage industries by the end of July. The report regarding key and heavy industries would not be ready till the end of the year. He had collected certain figures as asked for on the first day of his evidence regarding cotton spinning and after making slight modifications he said he would let the Commission have copies by the end of the week.

In reply to Khan Bahadur M. Hosain, he said that before undertaking a programme to develop orchards in Bengal, a soil survey would be essential. He agreed that there is scope for improving the fruit industry and as regards the development of the poultry industry, he said that cultivators are at present rearing poultry but not on the scale at which the Department aims. In order to develop the industry,

more organisation and more funds would be necessary. There is a huge export market for poultry. The development of the industry would not therefore result in the fall in prices owing to overproduction. There will certainly be an increased income to the agriculturists and though epidemics might occur, that was a normal risk which has to be undertaken. He considered that the development of the poultry industry was quite a feasible proposition.

Another possibility is the development of subsidiary industries based on milk, e.g., ghee, chana, etc. He agreed that the cultivators have not sufficient funds to make this development themselves but will have to be financed.

The question of basket-making is being enquired into by the Industrial Survey Committee. In parts of Bengal, it can be made a lucrative business. At present baskets are largely imported from outside Bengal. Figures have been collected at Howrah and Sealdah Stations to prove this. The Intelligence Staff for this kind of work was only given to the Department last September. Production and distribution have got to be organised simultaneously and finance is essential: propaganda by itself would be ineffective.

Bell-metal cannot compete with aluminium. The survey of the bell-metal industry has been completed and Mr. Mitter said he would forward a monograph on the subject. Bell-metal is still being manufactured to the value of 50 lakhs a year and there is always likely to be a market for the product. The production figures have gone down but the Department is trying to assist the industry and cheapen the price.

Conch-shells are not imported and form a small part of the business.

Umbrellas which are made in Bengal have for the most part bamboo handles. Bamboo frames have not yet been tried. Paper has a special market. Attempts are being made by the Department to produce paper which will compete with the imported hand-made paper. He agreed that it would stimulate local production if Government were to buy locally manufactured articles.

The Department has helped the pottery industry. There are now 2 factories working at Belghuria in which 700 hands are employed. The Department's demonstration parties are so limited in number that they cannot touch the agricultural population. They have only touched a small percentage of non-agriculturists. For the rapid development of cottage industries, it would require at least one crore of rupees a year. The survey of the bell-metal industry has shown that the profit to the manufacturers is very low. The total annual value of their production is Rs. 50 lakhs, out of which they are not getting even

Rs. 75,000. The profits are mainly going to the middlemen owing to defective organization. A weaver should be able to earn 8 to 12 annas a day but actually he only earns 3 annas and the balance goes to the middlemen. The output would depend on the type of loom and the kind of yarn used. Automatic weaving machines give a higher outturn than hand machines. It may be possible to distribute them on a hire-purchase system. The Industrial Survey Committee is now enquiring whether Government should distribute them or subsidise the Companies to do so. The additional cost of an automatic machine is higher than that of a hand machine but it repays the extra expenditure.

Out of 16 crores worth of piecegoods consumed in Bengal, 42 per cent. is manufactured in the province and the balance is imported from other provinces and from abroad. In order to manufacture the balance which is imported, 50 to 60 average-sized mills will be required. Attempts are now being made to grow cotton in Bengal to supply the mills. It is not a question of competition between mills and cotton weavers but rather a question of organization. There are only a few mills like the Bengal Luxmi Cotton Mill which has been in existence for sometime: the remainder are all new mills. Government protection for the weavers is not necessary. If spinning mills are established in rural areas and ready-made yarn is available from central factories, the weavers would be able to compete with the latest type mills. Lakhs of rupees worth of lungis are being imported from Burma, whereas very few lungis are manufactured in Bengal. There is no competition with Burma. Weaving would undoubtedly be a profitable occupation provided proper organization exists and there is a centralised agency for providing yarn and warps. The production of yarn is a much longer and more difficult process than the actual weaving.

The skilled labour for husking paddy by dhenkis is rapidly becoming extinct. Hand-operated machines for paddy husking will be much more profitable although their initial costs may be much higher.

Madras has a large market for half-tanned hides. The possibility of developing this industry is now being examined.

Without getting the necessary satistics it would be difficult to say what proportion of the agricultural population could be employed in different cottage industries.

If it were possible to localise big industries in rural areas, more Bengalis might be employed in them. In the cotton and jute industries which are centralised, more than 90 per cent. of the employees are upcountry-men. There are two reasons for this: their standard of living is lower than that of the Bengalis and the Bengalis are home-loving people who do not generally like to leave their homes for the

industrial area. If industries were started in rural areas, there would be difficulties over transport, e.g., if a jute mill were started in Tangail subdivision, elaborate development would have to be made in transport facilities in order to carry the raw and unfinished materials. Before the depression, Rs. 226 crores worth of agricultural produce was imported into Bengal and 306 crores worth were exported.

Pottery is imported on a large scale although the raw materials exist in the province for local manufacture. He was in favour of raising revenue by imposing a tax on jute gambling in the phatka market. He said that a tax of ·05 per cent. should be imposed on buyers and an equal amount on sellers in this market and he estimated a revenue of 1·25 crores would accrue from this source. He was also in favour of a tax on articles of luxury. He recommended bringing in foreign experts to train young men for industrial enterprise.

He agreed that much could be done to extend sugar manufacture. Bengal needs at least 25 more sugar factories but the policy of production would have to be rationalised. Certainly Bengal could compete with foreign sugar if experts were appointed to supervise the production. He said that his department could use 2 crores of rupees annually now if the money were allotted to him.

In reply to Khan Bahadur A. Momin, he said that rural industries may be divided into two classes—those which occupy whole time and those which occupy part time. Government has started weaving schools at the headquarters of various districts; there are also peripatetic weaving and demonstration parties. The actual results of the work carried out by these parties have been clearly described in the report of the Bengal Board of Economic Enquiry. Of the persons who have taken to weaving as a result of demonstration parties work, 75 per cent. were previously engaged in weaving and took to that occupation again—the other 25 per cent. were new-comers and of them 75 per cent. have actually taken up weaving. The Department is now preparing a list of agriculturists who are not professional weavers but have taken up weaving in spare time.

If the hand-loom industry is organised and used to meet the requirements of the agricultural population, no question arises of competition with mills. Yarn up to a certain quality should be ear-marked for the hand-loom industry. There was a discussion over this in Bombay, but no decision was reached. It would be possible to start a mill for the production of lungis in the Chittagong area but the people lack initiative. Lungis require a special type of yarn. The primary need is to have a number of spinning mills to provide mill-made yarn in order to supply the hand-loom weavers.

Poultry has a great economic value and there is a very great scope for the export of eggs. At present there is practically no export except from Chittagong to Rangoon. The poultry trade is capable of expansion and the only difficulty would be the outbreak of epidemic.

The outturn of sugar in Bengal is very limited and a greater portion of the sugar supply is imported. The Industrial Survey Committee will possibly recommend in its report the areas in which mills should be located, the area of sugarcane-growing lands and such other details. All nation-building departments should co-operate with one another and his own recommendation would be that a Board of three experts should be appointed to co-ordinate the work of these departments.

The present capital of the Industrial Credit Syndicate is 10 lakhs in shares issued, and 5 lakhs paid-up capital. Government have guaranteed half the loss on the paid-up capital. In all cases interest has been paid up to date by persons who have taken loans.

The old system of husking rice has certainly been affected by the rice mills. It is said that rice from the mills is not good for health and deficient in vitamins. It would hardly be possible to abolish rice mills. It is better to follow a policy of decentralization. Rice production is not restricted to internal consumption; it is also exported—particularly the finer quality. Most of the rice mills and the oil mills have affected agriculture.

Owing to lack of proper organization, hand-loom weavers do not get a fair price for their articles. Much of the product is intercepted by middlemen.

He agreed that fishes are of great economic value to the province. Government had recently brought an expert from Madras to investigate the possibilities of fish industry and his report has been submitted to the Industrial Survey Committee.

The industrial side of fruit growing has not yet developed. The question has not previously been seriously considered. A bold policy should be followed but it is also a question of finance.

In reply to Khan Bahadur Hashem Ali, he said that if Government start sugar mills in selected areas of Bengal, it will be profitable to cultivators and solve the problem of unemployment to some extent, but before doing so a soil survey would have to be made. It would certainly be possible to improve the price of guava and lemons in Barisal by providing marketing facilities. The development of the coir industry might also be very profitable in Bakarganj district. Some young men who have been trained in the Industrial schools are sitting idle because they have no capital to start business. This year Rs. 16 lakhs has been allotted to the Department of Industries.

The skilled labour for husking paddy is rapidly disappearing. Although hand-operated machines are more expensive—costing from Rs. 25 to 40—they are a paying proposition as their earning capacity is much more than dhenkis.

In reply to Dr. Mukherji, he disagreed emphatically that the factories at Belghuria are losing concerns. He mentioned that he had made enquiries regarding Joint Stock Companies that have gone into liquidation between 1918 and 1936 and had learnt that the total amount lost to Bengal was 20 crores. Average family requires Rs. 15 per annum to clothe itself. The yarn costs Rs. 9 so that there is a saving of Rs. 6 if the cultivator weaves from yarn supplied to him. His monthly earning is 5 annas. If a woman spins, it would require 35 days to produce enough yarn to feed one loom. Spinning is not a profitable occupation: weaving is far more profitable.

Paddy husking by hand machines can be developed and made profitable. There is no similar machines for pressing. Other possible sources are the manufacture of salt in saline areas, and molasses.

Bell-metal and pottery can be manufactured by families for their own needs. Cutlery is also possible so far as agricultural implements, such as sickles and plough shares, are concerned.

In reply to Sir F. A. Sachse, he said his remark that the Board of Economic Enquiry had ceased to function was based on the fact that for two years it had held no meetings. He agreed that it has recently been constituted but could not say why. The report on the Survey of Hand-loom Industries has been produced but he had been unable to obtain extra copies as it has been restricted to "official use" only.

In United Provinces and Bihar, sugar mills are now giving a fair price to the cultivators owing to Government action. Similar action in Bengal might lead to the development of the industry.

Bamboos for the manufacture of paper are of a special variety but he agreed that Bengal is capable of producing them.

In reply to the Chairman, he said that the Department of Industries would not experience the same difficulty as the Agricultural Department to getting any increased trained staff provided that money were available. A great portion of the increased grant would be diverted to capital account, e.g., for construction of sugar and paper mills which he considered would be commercially self-supporting.

Reply by Mr. M. Carbery, M.A., B.Sc., D.S.O., M.C., Director of Agriculture, Bengal.

Q. 72. The average yield and cost of cultivation per acre of jute, paddy and sugarcane are noted below:—

Name of crop.	Average yield per acre.	Cost of cultivation per acre.
	Mds.	Rs.
Paddy ..	15 to 18	.. Aus —24 to 33.
		Aman—21 to 27.
Jute ..	15 to 18	.. Rs. 5 to Rs. 6 cost of production of jute per maund.
Sugarcane ..	50 to 56 (gur) or 500 to 600 (cane).	Rs 100 to Rs. 125.

Q. 73. People commonly believe that the productivity of the soil in Bengal is on the decrease. The quinquennial reports on the crop-cutting experiments for the years 1907-08—1911-12 to 1932-33—1936-37 are also in support of the above belief. It appears that excepting a sudden increase in the quinquennial period of 1927-28 to 1931-32 there has always been a general decrease in the average yield per acre of the principle crops during all (6) quinquenniums referred to above. As regards silt soils which are renovated by inundation every year, it can safely be said, however, that they have not in any way become less productive, although the same cannot be said of the soils which are above floodlevel.

Reasons.—The density of population in Bengal has of late increased appreciably and in consequence thereof pressure on the land has increased. It is now being more intensively cultivated and it does not get as much rest as it used to have. Continual cropping without sufficient rest and manures and absence of judicious rotation in crops have also an adverse effect; also land is being put under paddy which is really not suitable for this crop.

Cowdung is still being generally used as fuel. Formerly wood was more plentiful and was mainly used as fuel. But wood is now replaced by coal and cowdung is used as a starter for firing. Thus a valuable manure within the easy reach of the cultivators is wasted and the land is derived of its manurial value.

There are mighty rivers in Bengal. The spill water from these rivers used to inundate and enrich the low lands by the deposit of silt

every year in the rains. But the spill areas have now been considerably reduced by the erection of embankments and construction of high roads. The benefit if silt has thus been lost to some areas.

Raw bones are now being systematically exported from the rural areas. They form the raw materials for the preparation of bonemeal—a very useful manure for crops in general. There is also a considerable export of oil-bearing seeds. The oilcakes left after the extraction of oil make a very good manure. Thus the potential fertilising values of raw bones and oil seeds are lost to the countryside.

Steps taken by Government for improving the fertility of the soil.—

Free distribution of manures and improved seeds is being made every year by the department, but such distribution is localised and restricted and has barely touched the fringe of the problem. The cultivators appreciate the value of such manures and seeds wherever the distribution has been made and they now come and buy such seeds and manures. Considered from the standpoint of requirements of the whole of Bengal the distribution made by the department is, however, very little indeed.

The Imperial Chemical Industries, Ltd., and the Potash Syndicate carried out a certain number of experiments both on Government farms and, it is understood, also with the cultivators. The former report that, while the demand from Bengal is still far short of her requirements, it is steadily increasing.

Q. 81. The pressure of population on the land is one of the main reasons of the poverty of the agriculturists in general; but this cannot be said so far as the districts in the West Bengal are concerned. The chronic poverty amongst them is mainly due to illiteracy, system of land tenure and want of organisation to enable them to secure heavier yields from their lands and the full value of their produce. Surplus population depending on agriculture is estimated at 25 per cent.

Q. 85. The co-operative credit societies do not appear to have succeeded in tackling the credit problem of the agriculturists to any appreciable extent. Except that some of the agricultural labourers

who are permanent residents of the village and have joined such societies, co-operation has not touched the life of agricultural labourers at all. There are several defects of the system, viz., (1) very often a member does not get a loan at the particular time when it is exactly required as certain formalities are to be observed in getting the loan sanctioned by the competent authorities; (2) there is no distinction between loans for crop requirements which should be repaid at harvest time and for liquidation of debts or for improvement of land which may be repaid over a longer period.

The rate of interest realised by the co-operative societies from the agriculturists is certainly high though lower than that usually charged by the village mahajans but the co-operative movement has helped to reduce the rate of interest charged by moneylenders.

The agriculturists do not seem to have been appreciably benefited by the co-operative societies. Besides the defects noted above, it may also be said that the energy of the organisers of the societies appears to have been spent more on providing credit by creating large number of societies than on any serious attempt to encourage thrift amongst the agriculturists or to promote agriculture or industry on a co-operative basis.

We have no definite information about the percentage of the agriculturists who are members of the co-operative societies. It is estimated that 2 to 5 per cent. or at places less than 1 per cent. of agriculturists are members of such societies. But it can be said that very few co-operative societies have actually been able to wipe out the debts of their members.

Supplementary Questions and Answers.

Q. 1. What comments have you to make on the printed statements attached giving estimates of the yield of each important crop in each district of Bengal and in Bihar?

Answer.—A statement showing the average yield per acre of the principal crops, viz., paddy, jute, sugarcane and wheat, in each district of Bengal, as based on the crop-cutting experiments conducted during the quinquennial period 1932-33 to 1936-37 is enclosed herewith.

It appears that the average outturn of paddy, jute, sugarcane as shown in the printed statement No. VI which appears to have been collected from the Government of India Agricultural Statistics 1935-36 is a little high. The figures representing the yield of paddy and jute shown in the printed Statements Nos. I and VI as collected from the Settlement Records, however, appear to be more correct.

Statement showing the average yield per acre in each district, for the quinquennium 1932-33—1936-37.

Districts.	Yield of paddy in maunds.	Yield of jute in maunds.	Yield of sugarcane in maunds (gur).	Yield of wheat in maunds.
1. 24-Parganas ..	16·56	17·65	59·53	..
2. Nadia	14·76	13·88	47·30	7·34
3. Murshidabad ..	17·39	14·57	57·36	8·91
4. Jessore	19·12	16·74	50·18	7·82
5. Khulna	18·77	15·04	58·77	..
6. Burdwan . ..	19·0	15·72	67·71	9·63
7. Birbhum . ..	16·10	..	44·11	8·93
8. Bankura	20·35	..	61·23	10·23
9. Midnapore	16·91	15·85	61·20	8·98
10. Hooghly	19·30	16 51	57 28	6·89
11. Howrah	19·74	15·53	53·46	..
12. Rajshahi	16·99	13·17	54·38	8·11
13. Dinajpur	18·99	16·68	55·27	9·30
14. Jalpaiguri	16·87	15 27	45·50	8·35
15. Darjeeling	17·12	15·67	42·28	..
16. Rangpur	19·82	18·49	48·46	..
17. Bogra	16·88	16 10	52·37	11·59
18. Pabna	16·71	15·52	57·07	10·37
19. Malda .. .	16·24	14·54	49 01	10·10
20. Dacca	17·45	15·40	55·80	8·17
21. Mymensingh ..	19·38	16·88	58 61	9·82
22. Faridpur	18·74	14 85	47·62	8·21
23. Bakarganj ..	18 0	14·94	39 26	..
24. Chittagong	18·59	..	44·75	..
25. Tippera	17·99	15·17	57·74	..
26. Noakhali	15·0	14·40	45 22	..
27. Chittagong Hill Tracts ..	17 0	..	56·49	..
Total ..	479·80	358·57	1,427·96	152·75
Percentage of outturn in maunds	17·77	15·59	52·89	8·99

Q. 2. Is it true that the yield of rice in Japan is 3 times the yield in Bengal and in China 2 to 2½ times? What do you think are the reasons?

Answer.—The latest figure available shows the yields per acre and the area under rice in Japan and Bengal as follows:—

	Area in thousands per acre.	Yield in maunds per acre of unhusked rice.
Japan	7,729	33
Bengal	22,910	21

The figure for China is not available.

The area under rice in India is 10 times more than that in Japan, the country with the next highest area. In Japan rice cultivation is probably confined to land suitable for rice whereas in India, millions

of unfertile acres are broadcast and transplanted with rice which in other countries would be planted out with forest trees. The average yield for India is naturally much reduced. In Bengal, again, there are several million acres of bhil land where paddy is the only crop which will grow in the kharif season, a precarious crop which has to exist in anything up to 15 feet deep of water and stand the buffeting of monsoon winds and storms.

One point which must be remembered is that in Bengal much of the area under aman paddy is double cropped paddy following aus. In other rice producing countries the rice crop is the only crop taken off in the year. There are figures to prove that on land suitable for rice, the outturn can be as high as that obtained anywhere in the world.

Q. 3. To what extent are the statistics of the Department dependent on (*i*) reports of Settlement Officers; (*ii*) estimates of Collectors; and (*iii*) information collected by the Department itself?

How are the crop-cutting experiments conducted by officers of different departments brought together and compared? Is there any reason to believe that results are usually on the low side? If so, what are the reasons?

Answer.—The statistics of the Department depend almost entirely on the estimates of the Collectors and the information obtained from the Departmental Officers. It is presumed that the District Officers largely make use of the Settlement Records for the purpose of estimating areas under different crops in their respective districts.

The result of the crop-cutting experiments conducted by the staff of the District Officers are collected in this office simultaneously with those conducted by Departmental Officers. These are not compared with each other, but the results obtained from both the sources are collected and averages deduced from them for the purpose of quinquennial crop-cutting returns.

Q. 4. Is there any reason to believe that the yield of rice or any other crop in Bengal could be improved by deeper ploughing or the use of mechanical ploughs or any of the more up-to-date measures adopted in other countries? Could the yield be improved substantially by the extended use of artificial fertilizers or natural manure? Is the use of manure increasing or decreasing at the present time?

Answer.—No general conclusion is possible with regard to deep ploughing and the use of mechanised ploughs in Bengal. Deep

ploughing is not always associated with high return of crops irrespective of the nature of the soil. Where the soil is light deep ploughing is not adviseable; where the soil is on the heavy side and where kharif crops only are concerned increased depth is of doubtful advantage, but with rabi crops deeper ploughing in such lands helps to conserve the moisture better and thus ensures better crop return. Such mould board ploughs have however more possibilities in parts of Bengal where the rainfall is moderately heavy and the growth of weeds and vegetation in the cultivated fields profuse.

There is not much scope for deep ploughing in Bengal where the soil is as a rule shallow. The silt lands and the transplanted paddy lands do not require deep ploughing. In some parts of the province there is scope for tractor ploughing for large areas.

Cropping power of the land can be substantially improved by the judicious application of artificial fertilisers and by the use of natural manures like cowdung, composts, fish manures, Bonemeal, oilcakes, etc. Green manures can also play a great part to improve the crop yield. This however does not refer to silt lands which receive fresh deposit of silt every year. Bumper crops can be raised in such lands without the addition of any manure. Cultivators in general are fully alive to the value of natural manures for some crop only. The house-sweepings and the cattle shed refuses are systematically applied by them to to their cultivated lands. The use of manure is no doubt increasing.

Q. 5. How many district agricultural farms are there, and how many demonstrators under each per district? Why is the supervision of demonstrators confined to a radius of 5 miles? On what grounds are demonstrators posted to a particular area? How far are district farms or demonstration farms a business proposition, i.e., excluding overhead charges do any of them pay their way?

Answer.—There are 20 district agricultural farms in the province. The total number of Demonstrators working in Bengal is 144 including temporary men as detailed in the list enclosed. With a view to obtain efficient work and exercise proper supervision, their centre of activity has been concentrated within the radius of five miles. The demonstration centres are not always confined to any particular place. The Centres are changed according to demand and necessity.

The experimental plots cannot be expected to pay their own way, but minus overhead charges the economic area of district farms always show a profit in normal years.

	Districts.	Number of Demonstrators.	
1.	24-Parganas	4	No farm.
2.	Nadia	5	Location of District Farm.
3.	Murshidabad ..	4	Ditto.
4.	Jessore	4	No farm.
5.	Khulna	3	Ditto.
6.	Burdwan	5	Location of District Farm.
7.	Birbhum .. .	4	Ditto
8.	Bankura . ..	3	Ditto.
9.	Midnapore	5	No farm.
10.	Hooghly	3	Location of District Farm.
11.	Howrah	3	No farm
12.	Rajshahi . .	5	Location of District Farm
13.	Dinajpur .. .	5	Ditto.
14.	Jalpaiguri	5	Ditto.
15.	Darjeeling .. .	2	Ditto (Kalimpong).
16.	Rangpur .. .	7	Ditto.
17.	Bogra .. .	5	Ditto.
18.	Pabna	9	Ditto.
19.	Malda	6	Ditto.
20	Dacca .	13	Ditto.
21.	Mymensingh ..	12	Ditto.
22.	Faridpur .	7	Ditto.
23.	Bakarganj .	5	Ditto
24.	Chittagong ..	4	No farm.
25.	Tippera	6	Location of District Farm.
26.	Noakhali ..	3	....
27.	Chittagong Hill Tracts .	7	Location of District Farm.
		144	

Q. 6. How long has the Department been in existence? In what respects have its activities been most successful? Why has not more rapid progress been made as regards—

(*a*) distribution of improved seeds:

(*i*) Are such seeds as a rule distributed free or sold? What have been the agencies for selling and what have been the rates?

(*b*) introduction of new crops:

Does the soya bean grow in Bengal? Is it true that this is one of the main articles of diet in China and Japan? Are any substitutes for it in Bengal possible?

(*c*) damage done to crops by insects and blights:

(*d*) improvement of the breed of plough cattle:
To what extent have scrub bulls been eliminated?

(*e*) encouraging the growth of special fodder crops and increasing the extent and quality of pasture grounds.

Answer.—This Department as constituted now dates from 1906 when Agriculture was separated from the Department of Land Records.

The activities of the Department have been most successful in following directions:—

(*i*) Evolution of improved seeds of Jute, paddy and sugarcane, groundnut and mustard, etc.

(*ii*) Introduction of new crops, e.g., potato, English vegetables, joar, guinea grass, napier grass and cotton.

(*iii*) Good progress has also been made in the direction of improvement of cattle and poultry.

Rapid progress has not been made in the past for following reasons:—

(1) The drastic cut of the Retrenchment Committee hampered all progressive measure.

(2) Absence of Agricultural College for advanced students in agriculture. This has resulted in a dearth of trained man.

(3) Illiteracy of the masses in not easily comprehending and taking to new ideas.

(*a*) Seeds are distributed free to a limited extent for demonstration and experimental purposes. Good quantities of seeds other than jute are sold to cultivators at cost price from Government Seed Stores. Jute seeds are sold through the agency of Messrs. A. L. Godden, Narayanganj.

(*b*) It is correct that soya bean is an important article of diet in China and Japan. Attempts have been made to grow the crop but it does not suit the taste of the average Bengali and so there is no market for it.

Pulses and groundnuts may serve as substitutes.

(*c*) The staff available to tackle the problem of insect attacks and blights in the province is too meagre and should be reinforced considerably. More damage is generally done to crops by insects than by blight.

(*d*) Since 1927, one thousand seven hundred and five stud bulls have been issued in villages for improvement of local stock. From 1936-37 up to the 30th November 1938, 57,566 scrub bulls have been castrated by the Livestock Officers excluding the bulls castrated by Officers of Civil Veterinary Department. To encourage better breeding, officers inspect stud bulls and number their progeny.

(*e*) Since 1936-37 up to 30th November, 1938, 11,175,000 napier grass cuttings and 195 maunds of fodder seeds have been issued to bull retainers.

Napier grass and joar cultivation is spreading in the province. No fodder crops can be grown on water logged and flooded lands.

Pasture.—In a meeting of the Animal Husbandry Board, Bengal, on 18th and 19th May 1938, the Board considered that there was very little land in this province which could be converted into improved pasture. It would be ploughed for paddy as soon as cleared.

Q. 7. What area can be cultivated by one pair of bullocks or one plough? Has cultivation in departmental farms by scientific methods increased the cost of cultivation—If so, by what amount?

Answer.—Five acres per pair of bullocks is taken for agricultural farms. With our departmental improved ploughs, a larger area can be cultivated than with the wooden deshi plough in the same time. From actual experiments made in different places with improved ploughs and without the use of any manures it has been found that a higher yield of grain from 3 to 4 maunds per acre can be obtained.

By scientific methods and use of manures, the cost is increased to the extent of the value of the manures or fertilizers used.

As regards the cost of cultivation by scientific methods it may be pointed out that this is difficult question to answer. Because with different crops, different quantities of different fertilizers are necessary and as such the cost varies. Again with some crops such as vegetables more intensive cultivation is necessary and this crop repays the use of fertilizers better than most other crops. It can, however, be taken generally that the extra yield of the crop easily repays the extra cost of better cultivation and fertilizers used.

Q. 8. When were marketing officers first appointed by Government? What are their most important activities at present? What improvements have they been able to bring about?

Answer.—The present scheme for the improvement of marketing of agricultural crops in Bengal is a part of the scheme for the whole of India, financed, for the most part, by the Government of India.

There are four Assistant Marketing Officers, besides the Senior Marketing Officer and they joined their duties on the following dates:—

Senior Marketing Officer on 7th February 1935.
On Assistant Marketing Officer on 20th July 1935.
One Assistant Marketing Officer on 25th July 1935.
One Assistant Marketing Officer on 5th August 1935.
One Assistant Marketing Officer on 9th August 1935.

Besides the above the Local Government created a post of an Assistant Marketing Officer for development work who joined on 10th August 1938.

According to the programme charted by the Agricultural Marketing Adviser to the Government of India, the activities of the Marketing Officers are investigating the conditions under which the agricultural crops and commodities are produced and marketed. They include enquiries into production, imports, exports, wholesale and retail prices and their trends, marketing practices and charges, transport and charges, grades and standards, etc. Such detailed surveys have been completed in respect of 26 commodities and are in progress in respect of 5 crops or commodities.

Under "development", grading stations as enumerated below have been started:—

Two Hide grading stations.

Three Egg grading stations.

One Orange grading station.

Future programme includes, besides the above, the control of all markets in Bengal in respect of agricultural produce, after the passage of the Agricultural Crops Markets Bill now before the Government.

Improvements are aimed at improving the quality of agricultural produce through the grading work and this has been achieved to some extent. It is also aimed that by the working of the above Bill, when it has passed into law, illegal deductions from the cultivators would be stopped, all weights but the standard would be abolished, regulated markets would be established where cultivators would get better prices and other facilities which they do not get now.

Q. 9. Is it true that the ordinary cultivator does not take any special care to choose his seed from the best portion of his last crop? Is it advisable to take any special measures as regards preserving that part of the crop intended for seed? Has any propaganda been done in this respect?

Answer.—Yes As a rule the ordinary cultivator does not take any special care to select his seed from the best portion of his last crop. There may be some exceptions which are very rare and restricted to particular localities for particular purpose. It is advisable to take special measure to preserve that part of the crop intended for seeds, especially with the improved varieties, so that pedigree quantities of the variety are maintained year after year. There have been some attempts by the Department of Agriculture in this respect through district staff.

Q. 10. Has the cultivation of any vegetables, apart from cauliflowers, cabbages and tomatoes, made any strides in the last few years? If not, what are the reasons?

Answer.—Some vegetables like brinjals, patal and chillies are being cultivated on a large scale in certain districts for supply to towns and hats, markets, etc.

Q. 11. Is it true that since the Fishery Department was abolished in 1922, the care of fisheries has been in charge of the Director of Agriculture? Was it a mistake to abolish the Department? What can be done to increase the supply of fish for the use of the population in Bengal?

Answer.—Since the abolition of the Bengal Department of Fisheries in 1922, the charge of the fisheries of the province has been placed directly under the Collectors. This department is only the custodian of records and publications of the late Fishery Department. That the abolition of the Department of Fisheries does not appear to be very sound is evident from the large amount of fish produced in the province and the amount of wastage. Mr. Finlow, late Director of Agriculture, Bengal, submitted a note on the reorganization of the department in 1933. The problem regarding the increase of fish supply in Bengal is at present being investigated by the Fishery Expert to the Government of Bengal.

Q. 12. According to Government statistics more than 20 per cent. of the culturable area of Bengal is still lying fallow. What is the reason that the area is not brought under cultivation in spite of the pressure of population on the land? What can be done to encourage reclamation of such areas?

Answer.—The reasons why the culturable area of Bengal is still lying fallow are different in different districts. Taking however, all into consideration the question may be dealt with in the following way:—

The culturable waste comprises—

(*a*) common so-called pasture land in the villages,

(*b*) bamboo clumps and other jungles behind the cultivators' houses, and

(*c*) extremely high or extremely low lands which cannot be easily brought under cultivation for want of water or excess of water.

Pasture lands being the common property of the villagers and tethering of cattle being absolutely necessary they cannot be brought under cultivation. Such maintenance of pasture land is of course uneconomic but it may not be possible to bring them under cultivation unless and until the villagers themselves cultivate such land on co-operative basis.

The portions under bamboo clumps, jungles and trees cannot be brought under cultivation as these are necessary for the cultivators. The cultivator requires bamboos for building his house, timber for implements and a few fruit trees for fruits. The jungles are also required for maintaining the privacy of his house, no systematic conservancy system being available in rural Bengal. The wood gathered from the jungles is utilised as fuel. High initial cost of cultivating these lands also stands in the way.

Climatic changes, silting up of river beds, soil erosion and changes in the courses of the rivers have also contributed their quota to this direction, while Malaria which has been playing havoc in several districts of the Presidency is to a great extent responsible for extensive areas lying fallow in those districts.

If more water can be supplied to high lands by irrigation and excess water drained off from low lands extremely high or low lands may be brought under cultivation.

Q. 13. What is your estimate of the annual loss on account of floods? How long does it take a cultivator to recover from the effect of a flood? Would it be more advantageous to convert the areas liable to damage from floods, into spring crop areas for cultivation of boro and other spring crops? If so what can be done to encourage such conversion?

Answer.—It is very difficult to estimate the actual annual loss due to floods, as in some years due to early breakage of monsoon the loss to the main crops is severe while in other years the damage to the main crop on account of late floods is partial. The estimated annual loss on jute, bhadoi paddy and winter paddy below normal calculated on the average of 10 years (1928-1937) is, however, shown in the statement attached.

It is difficult to say how long it takes a cultivator to recover from the effect of a flood, such as passed over some areas in Pabna and Rajshahi Sadar last year. Some estimates give it as long as three years, and that is possible because the cultivator does not know the meaning of the word thrift. Actually this flood would gradually deposit silt and so enrich the land as to give a heavier yield for the next year or two.

Cultivators always put areas damaged by floods under rabi crops whenever possible. Except small areas where there are facilities for irrigation, "boro" cannot be grown as spring crop, because there would be no water to grow the same. When the flood water recedes no water is available for ordinary land except in bheels where "boro" is generally cultivated. Irrigation facility is the main thing required to encourage the conversion of areas liable to damage by floods into spring crop areas.

Estimated annual loss on different crops below normal calculated on the average of 10 years.

		Bales.
Jute	..	164,453
		Maunds.
Bhadoi paddy	..	175,368
Winter paddy	..	265,978

Q. 14. A very large area of Bengal (80 per cent.) grows only one crop. Is it not possible to encourage second crops in all lands and if so how?

Answer.—Only the barind and rarh tracts are single-cropped. A second crop is possible in some parts of these areas also if water can be supplied, but there is no source of water. Second crop is not possible in all cases, e.g., fruit trees. A fair percentage of the area growing one crop is after all possible to be brought under a second crop if proper irrigation facilities be available.

Q. 15. Is any demonstration made in Government farms to show that the margin of net profit can be made twice or thrice the existing margin of an agriculturist, by intensive cultivation, use of manure, choice of seeds and proper planting of crops? Are accounts kept of expenses incurred in growing each crop and do they prove that the margin of profit is much more in a farm?

Answer.—The crops grown in Government Farms by scientific methods undoubtedly give a far better yield than those generally grown on the cultivators' fields. There cannot, however, be any comparisons so far as profit is concerned in the two cases in as much as very little expenditure has to be incurred by the cultivators on account of labour, supervision and other overhead charges. The cultivators do not also take into account any depreciation of implements and live-stock, etc., as is done in working out a profit and loss account of a Government Farm. The economic areas in Government Farms shows a substantial margin of profit in normal years even after allowing for all these items. The private farms which follow the Departmental method also make similar profit. It is true that no such demonstration has been made but farming on scientific lines shows an increase in the margin of profit in a definite proportion.

Q. 16. Since when have crop-cutting experiments been introduced? Do not the average quinquennial figures of yield of the oldest period show higher outturns? If so, what is the reason of the lower outturn now?

Answer.—The crop-cutting experiments appear to have been first introduced in 1892—about 48 years back. But they have only been taken up systematically and published quinquennially since 1907-08.

It will be seen from the four quinquenniums, viz., 1907-08—1911-12, 1912-13—1916-17, 1917-18—1921-22 and 1922-23—1926-27 that the average yield per acre of the principal crops is generally on the decrease, although in the quinquennial period of 1927-28—1931-32 there was a sudden appreciable increase, probably due to the fact that the majority of the experiments of this period was conducted by the Departmental Officers. The decrease in the yield was also marked in the subsequent quinquennial period of 1932-33—1936-37. It was due to deficient and uneven rainfall during the major parts of the first four years.

Impoverishment of land due to cropping without manuring and proper relation have contributed substantially to the present day low outturn.

(Also *vide* reply to question 73.)

Q. 17. Is the Department in a position to give advice regarding the economic use of fertilisers?

Answer.—The use of fertilisers for crop improvement is of very recent date in Bengal. Work has been done by the Agricultural Department since its inception on the manurial value of fertilisers. The results given by fertilisers depend almost entirely on the watersupply. With precarious rainfall or inadequate irrigation artificial fertilisers usually fail. They are more effective with adequate moisture supply. Best time of application of fertilisers is a point which requires careful attention and this differs with the nature of the crops. From the work so far done the Department is in a position to recommend certain fertilisers in certain classes of soil for certain crops. It is essential however to have a thorough knowledge of the different classes of soil as exist in Bengal and their location in order to be able to recommend the use of fertilisers for general application. A soil survey is a preliminary necessity and the Department has much leeway to make up in order to improve its knowledge of the various classes of soils in Bengal and their response to the application of fertilisers.

Q. 18. What has been done by the Department to develop the poultry industry?

Answer.—A Poultry Section was started in the year 1927. Several times epidemics which are very common in this province have badly hit this section but work has steadily gone on to try and get a fixed cross between the Chittagong birds and the Rhode Island Red. The 6th cross reached at present seems to promise to be of a fixed breed. In the meantime, it has been found that cross-bred birds have given a much heavier egg and a greater number than the deshi; and, in the year 1934-35, it was decided to begin putting out such birds and eggs

as could be spared in the districts. Some of these were pure bred. Since then 805 birds for breeding purposes and 9,908 eggs for hatching have been issued. In addition, 221 cocks and 550 eggs have been purchased from Etah for distribution purposes. There are poultry centres in 13 districts at present. These centres consist of 2 villages where the villagers consent to kill or sell off their deshi cockerels.

Practically everywhere throughout the province this scheme has been successful. In Hooghly district, the centres spread to 35 villages, and now in this Poultry Union which has been formed, there are 79 villages. In Rajshahi, an equally successful union has also been established. The reason for the success is that the cross-bred bird is producing a bigger egg which is finding a better price in the market, while the bird itself is also bigger and fetches anything from 4 to 8 annas more than the deshi when sold for table purposes.

Oral evidence of Mr. M. Carbery, D.S.O., M.C., Director of Agriculture, Bengal, 7th February 1939.

Replying to the Chairman, Mr. Carbery said that he had been Director of Agriculture for two years and had had 18 years' experience in the Bengal Department.

As regards the cost of cultivation, he considered that the figures given in the report of the Provincial Banking Enquiry Committee are too high. He thought that Rs. 22 to Rs. 26 is too high a figure for the cost of labour and Rs. 11 for bullock power is also on the high side. His own figures are inclusive of all costs. They were carefully prepared over three years and were based on the examination of cultivators in a number of villages.

The present price of jute is about Rs. 7-2 in the mufassal and about a rupee more in Calcutta. The cultivators are actually making a profit equivalent to about the value of their own labour. The figure of Rs. 92 per bigha for sugarcane cultivation in the Report of the Banking Enquiry Committee was for the Government farm and is not generally applicable. The cost of cultivation on the Dacca Farm is higher than that of ordinary cultivators because the over-head charges are greater and the department carries out certain processes which the cultivators do not.

Much of the land which is now being cultivated for paddy is not suitable for that crop. This fact combined with the increasing pressure on land is responsible for a deterioration in agriculture and decreased yield. The best paddy-producing areas in Bengal can produce as much as in Japan. In Brahmanbaria (Comilla) an outturn

of 2 tons per acre has been obtained annually over five years. Cultivation of paddy over centuries would not normally lead to deterioration provided the lands receive silt or manure.

The Department has done little until this year to supply manure, as the grant has been very small. It has succeeded in producing manure from organic refuse with cow-dung washings, similar to adco. In Bengal there is a great manurial loss and the cultivators are very slow at adopting better methods. They are fairly efficient at paddy cultivation but there is room for much improvement. If the departmental staff can be increased, much more can be done. The budget until this year has been Rs. 9 lakhs for the whole department compared with approximately Rs. 27 lakhs in the other major provinces.

The number of bulls castrated by the Departmental Officers is a small percentage of the whole. There was trouble only in one district over castration and that has now been overcome. The average yield of cows in milk is 600 lbs of milk a year, whereas the yield ought to be at least 3,000 lbs. The veterinary staff employed in the districts has little knowledge of animal husbandry. A training college has recently been begun and there is great opening for training young men. The department is now experimenting with the production and sale of by-products such as ghee and chana, as transport of milk is difficult in the mufassal, specially during the rains.

In reply to Dr. R K. Mukherji, Mr. Carbery said that the present agricultural problem is difficult but certainly not hopeless. He suggested that the prime necessities are extension of the district staff and distribution of improved seeds.

In his reply to supplementary question 2, the outturn of paddy had been wrongly shown as 21 maunds. It should be 20 maunds (here Sir F. A. Sachse pointed out that in Japan "unhusked" rice means rice without a husk, i.e., the opposite of our meaning. The outturn in Japan would, therefore, be about 48 maunds instead of 33). Much of the area which is unsuitable for paddy is not fit for any crop unless irrigation facilities are provided.

In reply to the Chairman, he said that the cost of irrigation might be prohibitive in these areas if carried out by tube-wells. A Committee is now enquiring into this question.

The cultivation of groundnuts is now being tried instead of paddy in such areas. The introduction of fodder crops is very important but it is difficult to accomplish because cultivators are generally unwilling to substitute fodder crops for paddy.

In reply to the Chairman, he said that there is now practically no pasture area in Bengal.

Continuing to Dr. Mukherji, he said that the province including Calcutta is now importing over four million maunds of mustard every year. Next year it is expected that the department will be able to supply 1,200 maunds of mustard seed.

He considered that in eastern Bengal the cultivators are employed throughout most of the year. They grow paddy, jute and rabi crops. In western Bengal no crop is grown in the hot weather and the cultivators remain unemployed during part of the year. The East Bengal cultivators spend most of their spare time in fishing. There is scope for development of orchards and cottage industries.

In reply to the Chairman, he said that there is also scope for cultivation of vegetables and that the department is working on these lines.

Continuing to Dr. Mukherji, he said that land in western Bengal is more barren than elsewhere. The reason for the smaller population in that area is that the land could not support a larger population. This is particularly the case in Bankura and the west of Burdwan. He thought that there would be an improvement in cultivation when the Bill for the improvement of tanks is introduced. Rotation of crops is encouraged by the Department.

Dealing with afforestation, he said that the problem is one of stopping erosion in western Bengal and of bringing silt lands into cultivation in eastern Bengal. Both of these objects could be brought about by controlling afforestation. A Committee is now enquiring into this problem.

There is scope for increasing the area under oil-seeds and their yield.

Replying to Khan Bahadur Momin he said that the Department has not carried out propaganda to induce bhadraloks to take up farming but it has helped those who have started farms. The departmental farms in districts have as their object experimental and testing work as well as seed production rather than demonstration. He agreed that agriculture should play a greater part in education and suggested that it should form part of the Matriculation Examination. He said that in western Bengal he would prefer irrigation by a system of gravitation but the difficulty is that there are few rivers. Tube-wells would be very expensive and it is not certain how long they will last. There remains the question of irrigation by tanks. The general system is to raise water by duni. It would be quite possible to carry water through pipes driven through the sides of the tanks. The department has also experimented with lifting water through bullock power. He agreed that the department should consider the development of irrigation specially in western Bengal.

The department has no agricultural credit societies. He agreed that co-operative farming is desirable but his experience is that the cultivators are reluctant to start societies. He had tried to arrange a paddy co-operative sale society but it was not a success. He mentioned however that there is a co-operative society for sale of sugarcane and manufacture of gur at Panchananpur in Malda, which is working successfully. The department is experimenting with molasses as cattle-food. The scheme for cultivation of ground-nuts will be developed on a much larger scale in western Bengal next year. Bankura is being tried this year. He agreed that the most expensive part of groundnut cultivation is the labour for digging up the nuts but he thought that the cost could be reduced if suitable soil is selected.

The Department has proposed to establish a centre in each division for the distribution of improved poultry. He did not agree that the department has done nothing to develop poultry farming. The results of its work show that poultry farming is possible as a business. He mentioned the case of a bhadralok in Bankura whose poultry farm he had recently visited.

There have been co-operative milk unions for sale of milk. The Dacca Union failed and those in Calcutta and Darjeeling are in an unsatisfactory condition. He was not in favour of encouraging the cultivators to produce butter as they would be unable to sell it readily. Chana and ghee are more profitable bye-products. The department has not been able to do anything for the improvement of the milk supply, as the necessary staff has not yet been trained.

After various experiments the department has decided to adopt the Hariana bull for breeding purposes as it has been found the most suitable.

The department has started a horticultural station in Nadia district. It has experimented with mangoes, lichis, guavas, pine-apples and citrus fruits. He agreed that if canning could be introduced, it might be possible to develop a trade in canned mangoes and lichis.

He also agreed that there was a serious economic loss to the province owing to the indiscriminate breeding of cattle and said that there are far too many cattle in Bengal.

Replying to Khan Bahadur M. Hosain, he said that the present price of paddy in Western Bengal is from Re. 1-12 to Re. 1-14 a maund and in eastern Bengal from Rs. 2 to Rs. 2-2. These figures were recently obtained by examining more than 200 witnesses.

The price of gur fell as low as Re. 1-8 in some areas last year but it has now risen to over Rs. 4. His figures for the cultivation of sugarcane include the cost of manufacture which is the principal item.

This year Government has allotted more money for distribution of seeds and manure. Up to 1938, the provincial allotment was only Rs. 7,000 a year. This year it is about Rs. 34,000.

The demand for fertilizers is restricted to certain crops. The department had experimented in northern Bengal and it found that the use of fertilizers is not always an economic proposition, e.g., when the price of gur fell to Re. 1-8, it did not pay the cultivators to use fertilizers for sugarcane cultivation. The use of fertilizers is slowly on the increase and the department recommends their use for special crops and purposes.

The difficulty in arranging co-operative marketing is that most cultivators have to sell part of their paddy immediately after the harvest and cannot afford to store it. He mentioned one society at Parbatipur which has every chance of being successful This is because it has the natural advantages of a situation on the railway and on a main road. It also lies in an area where exceptionally good paddy is grown. The price of paddy is at its lowest at the time of the harvest.

No tube-well experiments have been made by the department in unfertile areas, such as Nadia, as they would not be justified without full enquiries into the probable financial results. Such experiments had been made on Government farms. The large tube-well on the Dacca Farm cost Rs. 20,000 and irrigates 10 acres. A small tube-well would only irrigate about an acre. The cost of the engine and the wages of the mistry make it an expensive form of irrigation. It is cheaper to irrigate from rivers.

Crop-cutting experiments are not carried out on any planned method. The figures supplied by the department and by Collectors are likely to be equally inaccurate. No real accuracy will be obtained until a system of random sampling, on a mathematical basis, is introduced. This is now being tried by the Jute Committee and it will take two years to conclude the experiments. They have been tried and found successful in European countries. Cultivators have no knowledge of the correct methods of preserving manure. The department is helping this year by the construction of scientific pits.

His estimate of the area covered by improved seed of paddies is 1·48 million acres. An extension is only possible if the agricultural staff is greatly increased and a larger supply of improved seeds is provided.

In reply to Sir F. A. Sachse, Mr. Carbery said that the total general requirements of paddy seed for the whole province would be 15 million maunds.

Continuing to Khan Bahadur M. Hosain, he said that the department has not got sufficient staff. It is trying to link up the district farms with the cultivators through the agency of union farms.

As regards improved breeding of cattle, he said it is not a question of introducing immediately a large number of breeding bulls but of getting the necessary money and having a trained staff. In areas where stud bulls are concentrated, it is expected that each such area will be completely covered by an improved standard of cattle after seven years. These areas are 5 to 10 square miles in size.

As regards the cultivation of fodder crops, he said that it would not be possible to sow napier grass after amon paddy is harvested. December is too late for sowing. The crop takes two to three months to grow. The Department had experimented with improved ploughs of which Bengal and Subkam No. 2 are most suitable to Bengal.

As regards the recommendation of the Royal Commission of Agriculture that the market should be regulated, he said that Government has recently drafted a Bill.

The fall in the price of gur last year was due partly to overproduction. He considered that marketing is most important for sugarcane, and mentioned that in spite of the low price last year, Bengal and Calcutta each imported gur, rab, molasses, etc., to the tune of 1,722,191 and 2,324,980 maunds respectively.

A programme for planned agriculture might be possible if the markets are controlled; but no control is possible unless reliable statistics exist. He would certainly recommend that such statistics should be collected.

The Department is concerned with only small irrigation schemes. Embankments and drainage are not the concern of the Agricultural Engineers but of the Irrigation Department. He would recommend regular flushing schemes for areas which have been depopulated by Malaria.

The cost of carrying out a general soil survey in Bengal would be not less than Rs. 20 lakhs. Without such a survey of any particular area no irrigation scheme ought to be undertaken.

There is a heavy export of eggs from Bengal but he could not say whether there is an export of poultry. Improved poultry certainly fetches better prices than ordinary poultry. He agreed that all poultry is liable to epidemics.

The agricultural budget is quite insufficient for the needs of the province. The minimum requirement would be that which is now allotted to other major provinces. This sum could not however be

used immediately as trained staff is not available. It would take five years to train up the necessary staff. The Department might be able to use Rs. 15 lakhs this year. If all the schemes formulated by the department could be properly financed, production and income of the cultivators would undoubtedly be improved.

In reply to Khan Bahadur Hashem Ali, he said that the Department has agricultural farms in most districts. The average area is about 30 acres and cost of maintenance about Rs. 6,000 including the pay of the District Agricultural Officer and the demonstrators. In Barisal, there are five demonstrators, each within a radius of five miles. The cost of improved ploughs is not much greater than that of country-made ploughs and the extra cost is more than repaid by the increased yield. Tractors are not used by the Department. The Department had made enquiries into diseases which affect betel-vines.

Breeding bulls had been supplied from the Government of India grant. He was not aware that 25 per cent. of the bulls supplied to Faridpur district have died. If that is correct, it could not be considered unsatisfactory because the bulls had been there for two years and the normal mortality among cattle is 16 per cent. annually.

There is plenty of land available for the cultivation of napier grass and it is always possible for cultivators to find a small patch of land round their homesteads.

In reply to Maharajadhiraja Bahadur of Burdwan, he said that the statistics given in answer to question 73 are not reliable. The figures given in answer to question 72 are largely based on the statements of cultivators and he thought that they might be regarded as fairly accurate. The main defect of the departmental figures is that they do not show the area under each crop and the outturn for any given year. It is possible that the decrease of spill areas in West Bengal is partly responsible for the culturable waste in western Bengal, but he could not state its area. The Department's figures include pasture lands in culturable waste. Such lands must be used for collecting and storing manure, but often they are used for football and other games.

He agreed that the railway freight for oilcakes and other manures might be reduced. Pure fertilizers are obtainable from Calcutta whereas those supplied in the mufassal are often adulterated.

In reply to Mr. B. K. Roy Chowdhury, he agreed that rotted water-hyacinth has considerable value as a manure. In rich soil, it is better to use the ash and in less fertile soils the rotted hyacinth.

The department had carried out experiments with water-hyacinth and it is a part of its programme to extend its use.

Reply by Mr. S. C. Majumdar, B.Sc., M.I.E., Chief Engineer, Communications and Works Department, Irrigation Branch.

Q. 74. Presumably the following Acts are referred to:—

(1) The Land Improvement Loans Act, 1883—Act No. XIX of 1883.

(2) The Bengal Agricultural and Sanitary Improvement Act, 1920—Bengal Act No. VI of 1920.

(3) The Bengal Development Act, 1935—Bengal Act XVI of 1935.

To my knowledge item (1) has never been in operation in this Department This Act is usually taken recourse to for the purpose of granting loan as a sort of a relief during distress and I have no information that the raiyats have ever applied the loan for permanent improvement of the land.

The following schemes have been taken up under the Act referred to in item (2):—

(1) Kashianalla Irrigation Scheme (Birbhum District)—Cost Rs. 26,024 (work Rs. 9,624 capitalised cost of maintenence Rs. 16,400 Total Rs. 26,024). Irrigable area—1,690 acres—completed.

(2) —Ditto—supplementary cost Rs. 27,716. Irrigable area—3,690 acres. Sanctioned and will be taken up in 1938-39.

(3) Scheme for the improvement of the Ramnagar Sapua Khals (Drainage Scheme) in the Midnapore District. Cost Rs. 24,274. Drainage area 20,728 acres. Sanctioned and will be taken up in 1938-39.

2. It will appear that provisions of this Act are not taken advantage of extensively due probably to (*a*) rather cumbrous procedure of the Act, and (*b*) the necessity to include the capitalized cost of maintenance in the project estimate which raises the total amount to be recovered from the raiyats to a rather high figure. As the whole of this amount plus interest has to be recovered within a comparatively short period the annual instalment payable by the raiyats probably exceeds considerably the value of the increased yield that can be expected as a result of the improvement effected by the scheme. As the raiyats are usually poor without any supplementary source of income they have, therefore, to borrow at an exorbitant rate of interest to be able to pay the annual instalment which further raises the total cost that the raiyat has to pay ultimately for the improvement. There is also the objection that the present generation has to pay at a much higher rate,

though for a limited period, for benefit which will be derived not only by them but also by the future generations.

3. These defects have been sought to be removed by the Bengal Development Act. Raiyats may not be required to pay up the capital but only the interest and the maintenance charge out of the increased yield and thus get the full advantage of the low rate of interest at which the Government can borrow money as compared with the exorbitant rate which they would have to pay if they were required to pay up the capital. Both the present and future generations are taxed equitably for the benefit and even if the scheme proves a failure the burden does not fall on them but on the Government. In my opinion it is the Bengal Development Act on which we must rely for financing big development schemes.

4. In this connection I would like to make a few general observations with a view to focussing attention on the seriousness of the river problems in Bengal which is causing so much concern to this Department and the solution of which has an important bearing on the land revenue policy now under consideration of the Commission. I shall not take up the valuable time of the Commission by trying to explain the various problems and their solution which I have done in my recent note on "River Problems in Bengal" but small merely summarize the conclusions that I have drawn with the remarks that these have been endorsed by an influential conference that was convened by the Hon'ble Minister to consider my note as also the replies received to the questionnaire based on the same that was issued to the members of the Legislature, Collectors, Commissioners and other public bodies.

5. Owing partly to natural causes, viz., major changes in the courses of some of the principal rivers, and partly to human interference with the process of building up the delta viz: premature reclamation of spill areas by marginal embankments and other obstructions most of the spill and drainage channels in western, central and northern Bengal have become moribund and there is growing deterioration in health and productivity of the soil. To arrest this deterioration and to restore old prosperity to these areas, as far as it is possible to do so, it is necessary to resuscitate the channels and effect other improvements so as to restore the spill supply during floods which they have been deprived of due to causes referred to above.

6. Such development schemes are bound to be very costly and as they cannot be financed out of public revenue the Bengal Development Act was passed with the object of financing them by charging a water-rate up to the maximum limit of 50 per cent. of the increased yield that may be obtained from the land as a result of the improvement. Though the raiyat was allowed to retain the balance of the increased

yield, which virtually amounts to an unearned addition to his income, it appears from the recent agitation against the Bengal Development Act resulting in its withdrawal from the Damodar Canal area, that this beneficent measure wthout which no improvement of the decadent area is really possible, has received a setback. There are, of course, other causes, political and administrative, behind the agitation with which the Commission is not concerned but there may be some truth in the raiyat's contention that the land rent in the locality is unusually high and they are unble to pay the water-rate of Rs. 5-8 per acre in addition in their economic condition even though it has been shown by large scale experiments conducted in the field on scientific basis that this figure is well within 50 per cent. of the increased yield which can be levied under the Act. If the raiyats contention regarding exorbitant rent is true—I understand it goes up to even Rs. 5 per bigha—it only confirms the view recorded by the ancient writers, that this area which, without irrigation facilities, now yields only about five maunds of paddy per bigha, used to be very productive at the time of Permanent Settlement or later when these high rents were fixed and that though the productivity of the soil has deteriorated considerably due to causes mentioned above, the necessary adjustment of the land rent has not yet been made. Not being a revenue expert I am unable to offer any definite solution but if after enquiry the position is found to be more or less the same as explained above there appears to be room for improvement (*a*) either by adjustment of the land rent to suit the present reduced yield so that the cost of improvement may be equitably demanded from the raiyats or (*b*) by throwing the burden of the cost of improvement of the land up to the former standard on the party who are still realizing the high rent or (*c*) by both the methods.

7. I feel we are really working in a vicious circle as it is only by executing the Development Schemes that we can improve the economic well-being of the raiyats and enable them to pay the high rental without difficulty; while by carrying on the agitation against the Act such improvements will be impossible and raiyats will find it more and more difficult to pay the rental as the deterioration in health and land continues. I would particularly invite the attention of the Commission to this latter aspect as unless the wherewithal is found to execute the development schemes so that the rivers may be made to perform the functions as intended by nature, viz., draining and fertilizing the land which they created, the revenue receipts are bound to deteriorate as the deterioration of the land continues.

Supplementary questions and answers.

Q. 1. What area is irrigated by the different schemes prepared by the Department?

Answer.—The information required is furnished in the Statement below—

Statement showing the area irrigated by the different schemes prepared by this Department.

Year.	Midnapore Canal.		Bakreswar Canal.		Eden Canal.		Amjore Canal.		Salbund Canal.		Kashianalla.		Damodar Canal.	
	Irrigable area Acres	Area irrigated. Acres.	Irrigable area Acres	Area irrigated. Acres.	Commanded area Acres irrigable.	Area irrigated Acres.	Irrigable area. Acres.	Area irrigated Acres.	Irrigable area Acres	Area irrigated Acres	Irrigable area Acres	Area irrigated Acres.	Irrigable area Acres	Area irrigated. Acres.
1928-29 ..	80,000	64,842	8,000	..	25,000	38,789	600	.	1,600	.	1,747	.	136,500	.
1929-30 ..	..	59,605	..	..	..	22,119	..	..	..	..	.	..		..
1930-31 ..	..	51,541	..	..	..	20,992	..	..	.	..		..		..
1931-32 ..	..	38,967	.	4,132	60,000	18,220	.		..		..	..	..	..
1932-33 ..	.	28,136	..	5,861	60,000	18,574	.	.	..	..	.	.	..	..
1933-34 ..	..	19,517	..	7,361	60,000	14,977	.		..	.	.	.	..	5,580
1934-35 ..	..	10,491	..	7,760·63	60,000	14,114	..	..	..	..	..	1,747	..	85,000
1935-36 ..	..	37,884	..	6,489	60,000	24,948	..	600	..	1,575	..	1,747	..	132,278
1936-37 ..	..	40,606	..	5,620·82	60,000	18,483	..	600	.	1,537 51	..	1,747	..	133,101
1937-38 ..	..	41,603	..	4,039·04	60,000	14,635	..	600		1,462	.	1,462	..	136,507
	Average	. 39,319		5,894·78		20,595		600		1,524 8		1,675 93		

Q. 2. What was the capital outlay on these schemes? What is the recurring expenditure?

Answer.—The information required is furnished in the Statement below—

Statement showing the capital outlay on different schemes and the recurring expenditures.

Year.	Midnapore Canal.		Bakreswar Canal.		Eden Canal. (*a*)	Salbund Canal. (*b*)	Amjore Canal. (*c*)	Damodar Canal.	
	Capital outlay.	Recurring expenditure.	Capital outlay.	Recurring expenditure.	Recurring expenditure.	Recurring expenditure.	Recurring expenditure.	Capital outlay.	Recurring expenditure.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1928-29 ..	84,92,053	1,94,222	1,89,557	..	44,284	..	..	..	..
1929-30 ..	84,92,053	2,34,805	3,48,900	..	45,902	.	..	..	..
1930-31 ..	84,92,053	2,13,900	5,60,483	..	45,307	..	..	..	..
1931-32 ..	84,92,053	1,87,038	6,71,307	1,258	52,831	..	..	..	..
1932-33 ..	84,92,053	1,55,612	7,11,038	6,734	57,864	..	..	..	..
1933-34 ..	84,92,053	1,49,989	7,11,370	13,636	*	..	..	1,02,23,798	(*d*) 1,05,074
1934-35 ..	84,92,053	1,48,038	7,13,812	12,656	*	1,652	2,129	1,04,73,454	(*d*) 2,52,120
1935-36 ..	84,92,053	1,31,397	7,13,875	12,372	*	685	1,892	1,09,65,928	(*d*) 2,15,993
1936-37 ..	84,92,053	1,26,914	7,13,875	13,697	52,251	2,894	1,299	1,17,58,449	2,23,091
1937-38 ..	84,92,053	1,48,578	7,13,502	15,420	64,302	5,729	1,136	1,20,30,731	3,53,426

*Included in Damodar Canal.
(*a*), (*b*) and (*c*) No capital and revenue accounts are kept. Hence it is not possible to supply the figures.
(*d*) Includes Eden Canal also.

Q. 3. What has been the income from water-rates during the last 10 years? What is the rate of assessment in each area and on what principle it is based?

Answer.—The information required is furnished in the Statement below—

Statement showing the income from water rate during the last 10 years and the rate of assessment in each area.

Year.	Midnapore Canal.		Bakreswar Canal.		Eden Canal.		Salbund Scheme.		Damodar Canal Proper.	
	Income.	Rate of assessment	Income.	Rate of assessment	Income.	Rate of assessment	Income	Rate of assessment	Income (amount actually collected up to the end of 1937-38)	Rate of assessment per acre.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs. a.	Rs.	Rs.	Rs	
1928-29 ..	1,83,663	3	..	..	43,374	2 4	..			
1929-30 ..	1,68,186	3	..	..	45,297	2 4	..			
1930-31 ..	1,60,362	3	..	..	40,126	2 4	..			
1931-32 ..	1,13,115	3	8,239	2 4	39,704	2 4	..			
1932-33 ..	69,916	3	10,076	2 4	35,701	2 4	..			
1933-34 ..	60,250	3	13,654	2 4	29,838	3 8	..		40,215	Rs. 3-8 for long lease.
1934-35 ..	31,133	3	17,741	2 4	24,555	3 8	..		92,816	Rs. 4-8 for kharif season leases.
1935-36 ..	29,427	3	15,478	4 8		3 8 (a)	..		3,68,208	
1936-37 ..	93,724	3	18,767	4 8	1,18,728	3 8	1,002	3	3,68,108	Under Bengal Development Act at Rs 5-8 per acre. For old long lease at Rs. 3-8. A general rebate at Rs. 2-15 per acre has been granted by Government.*
1937-38 ..	1,50,381	3	12,527	4 8	38,929	3 8	9,730	3	69,857	

N. B—Rates in Midnapore Canal have recently been reduced to Rs 2 for long leases, Rs. 2-8 for covering leases per acre in Bengal Government Notification No. 12-I., dated 21st June 1938.

(*a*) For season lease at Rs. 4-8 per acre The rates have been reduced from 1938-39, viz., for long lease at Rs 3 per acre, for season lease at Rs 3-8 per acre.

*For old long leases at Rs 3 per acre, a rebate at as 4 per rupee has been allowed. The rate under the Bengal Development Act has been reduced from Rs. 5- to Rs. 2-9 per acre.

The Bengal Development Act has been withdrawn from 1938-39. The revised rates are :—

(*i*) long lease at Rs. 3-8. (*ii*) for khariff season lease Rs. 4.

Q. 4. (*a*) Have the rates been adjusted in any area in consideration of the rise or fall in the price of paddy? (*b*) Are the terms of agreement with tenants, who are supplied with water, fixed, for a term of years, and is there any evidence that they discourage tenants from taking water? (*c*) What are the conditions which have to be satisfied before water is supplied?

Answer.—(*a*) Yes, *vide* Statement under question 2.

(*b*) Yes, under the Irrigation Act but not under the Development Act. There has been considerable agitation in favour of reduction of rates under the Damodar Canal.

(*c*) The land must be commandable and must have natural or artificial barriers to prevent waste. There must be sufficient supply available and for leases under the Irrigation Act and the tenants must execute an agreement beforehand.

Q. 5. What new projects, if any, are under consideration and what is the estimated capital and recurring cost?

Answer.—(1) *Damodar—Hooghly Flushing and Irrigation Scheme.*—It is combined Sanitary and Irrigation Scheme to flush and irrigate an area of about 350,000 acres in Burdwan, Hooghly and Howrah districts. Rough estimated cost of Rs. 2,73,00,000. Recurring cost about Rs. 6,20,000. Detailed project is under preparation.

(2) *Dwarkeswar Reservoir Project*—to irrigate about 1,74,000 acres in Midnapore and Burdwan districts. Detailed investigation completed and rough estimate prepared amounting to Rs. 1,19,81,726. Estimated recurring cost about Rs. 3,35,000.

(3) *More Reservoir Project*—to irrigate an area of about 4,61,000 acres in Birbhum, Burdwan and Murshidabad districts.

Detailed investigation completed and rough estimate is under preparation. Cost, of the order of Rs. 2½ crores. Recurring cost, of the order of Rs. 6 lacs.

(4) *Suvankar Danra Project*—to irrigate an area of about 16,000 acres in Bankura district.

Detailed estimate prepared amounting to Rs. 12,33,405. Estimated recurring cost Rs. 27,000.

(5) *Jhargram Project*—to irrigate an area of about 5,000 acres in Midnapore district.

Detailed estimate prepared amounting to Rs. 2,47,160. Estimated recurring cost Rs. 5,000. The work is proposed to be taken up in 1939-40.

***Q. 6.** Are there any statistics to show the extent of the benefit derived by tenants who pay water tax?

***Answer.**—*Vide* Statement below—

Estimate of yield, Grade A (alluvial and exceptional soil).

Damodar Canal Area.

	Pre-canal yield per acre.		Post-canal yield per acre.		Difference in yield per acre.	
	Paddy.	Straw.	Paddy.	Straw.	Paddy	Straw.
	Mds.	Mds.	Mds.	Mds.	Mds.	Mds.
Zone 1.						
Sali (high) ..	16·91	33·82	31·80	79·59	14 89	45·77
Sali (medium) ..	21·81	43·78	36·81	96·77	15 00	52·99
Sali (low) ..	34·39	68·78	41·08	106·75	6·79	37·97
Sona (high) ..	10·20	20·40	24·02	48·04	13·82	27·64
Sona (low) ..	13·82	27·64	24·02	48·04	10·20	20·40
Zone 2						
Sali (high) ..	14·49	28·98	27·26	68·22	12·77	39·24
Sali (medium) ..	18·69	37·53	31·55	82·95	12·86	45·42
Sali (low) ..	79·48	58·96	35·21	91·50	5·73	32·54
Sona (high) ..	8·74	17·84	20·59	41·18	11·85	23·70
Sona (low) ..	11·85	23·70	20·59	41·18	8·74	17·48
Zone 1.	Appendix A, Grade C (Clay loam).					
Sali (high) ..	10·67	16·43	27·00	62·02	16·33	45·59
Sali (medium) ..	16·91	31·21	26·50	60·44	9·59	29·23
Sali (low) ..	21·81	43·78	26·00	63·52	4·19	19·74
Sona (high) ..	10·00	16·00	20·46	32·73	10·46	16·73
Sona (low) ..	11·00	17·60	20·46	32·73	9·46	15·13
Zone 2.						
Sali (high) ..	9·15	14·10	23·14	53·16	13·99	39·06
Sali (medium) ..	14·49	26·75	22·71	51·81	8·22	25·06
Sali (low) ..	18·69	37·53	22·29	54·45	3·60	19·92
Sona (high) ..	8·57	13·71	17·54	28·06	8·97	14·35
Sona (low) ..	9·43	15·09	17·54	28·06	8·11	12·97
Zone 2.	Appendix A, Grade D (Red laterite soil).					
Sali (high) ..	8·95	17·54	20·46	32·84	11·51	15·30
Sali (medium) ..	13·43	24·75	22·54	39·54	9·11	14·79
Sali (low) ..	14·20	26·50	20·33	33·01	6·13	6·51
Sona (high) ..	8·07	12·90	16·51	26·41	8·44	13·51
Sona (low) ..	8·87	14·20	..	..	7·64	12·21

Q. 7. *Would it be reasonable to give remissions of water rate in years when there is (a) excessive, or (b) sufficient rainfall?*

Answer.—*The criterion for granting remission should be the outturn.* If crops are damaged by excessive rainfall or due to the insufficiency of canal supply remissions are generally granted. If however in a year of well-distributed rainfall canal water is not taken that should not constitute a valid ground for granting remission as in that case no irrigation scheme can pay its way in Bengal.

***Q. 8.** Has tube-well irrigation been tried in different parts of Bengal, if not should it not be tried in East Bengal for growing spring crops?

***Answer.**—(*a*) No tube-well irrigation at Government cost has yet been tried, but on a very limited scale it is being tried by private parties for cultivation of sugarcane. We have however no definite information on the subject.

(*b*) Yes, only after the sources of gravity irrigation have been exhausted. Feasibility of gravity irrigation which is much more economical and more lasting should be explored first.

Oral evidence of Mr. S. C. Majumdar, B.Sc., M.I.E., Chief Engineer, Communications and Works Department, Irrigation Branch, on 15th February 1939.

In reply to the Chairman, he said that there is great scope for irrigation improvements in Bengal. The chief obstacle has been lack of funds. He said that it is impossible to finance big irrigation schemes out of public revenue. The principle to be followed should be that people who benefit from the schemes should mainly bear the cost. He considered that if essential irrigation schemes are not undertaken, there is a danger that Government revenue may decrease owing to further deterioration in the productivity of the soil. This is particularly the case in western, northern and central Bengal, but not in areas in eastern Bengal which are annually flushed with silt-laden water.

Regarding Mr. Fawcus' note on deltaic formation, he said it is true that the level of land is rising but the level of the river bed also is rising with it. This would not lead to deterioration in eastern Bengal unless the rivers also deteriorate due to changes in their courses or otherwise, thereby depriving the land of the natural spill supply. He agreed that land formation is taking place in the estuaries of big rivers and mentioned that in other places erosion also takes place.

He agreed that there have been difficulties over the Damodar Canal. The tenants have objected to the payment of water rate on the ground

that it is very high. The figures showing the increase of yield from irrigated lands are based on results of crop-cutting experiments.

The area shown as irrigable in the Statement (*vide* supplementary question) should be constant. He said he would send in revised figures.

The reason for the fluctuation in the irrigated area is that it is at the option of tenants to take or not to take water. If there is a good rainfall, the tenants generally do not take water or else wait until the last possible moment before making their applications.

He explained that the term "zone" in the Statement given in answer to supplementary question 6, relates to rainfall divisions; that "sali" means low-lying land and "sona" means high land.

In reply to Maharajadhiraja Bahadur of Burdwan, he said that he was not aware of any reclamation of waste land by tractor. He would certainly differentiate between major and minor irrigation schemes, and agreed that it was impossible for the landlords or tenants to initiate and maintain major schemes. He knew of the proposal to excavate the Aurora Khal in Arambagh subdivision under the Development Act. That was a scheme which would be too expensive for the landlords to initiate. He did not intend to imply in his note that the landlords in Burdwan are responsible for the deterioration in fertility of the soil but had simply mentioned that the tenants had complained of their rents being too high.

He said that no solution has yet been found regarding the embankment policy. In rivers like the Damodar, the bed is silting up, and the embankments have had to be raised higher. He agreed that there has been serious agitation over the Damodar Canal rate and mentioned that there have been social boycott and satyagraha against the Department's collecting staff. In spite of that he would be in favour of taking up further schemes. The agitation has clouded the issue. Experiments have shown that irrigation produces an increased yield of 7 or 8 maunds per acre, the value of which would be about Rs. 13. Of this Government only claims Rs. 5-8 and has recently reduced its claim. Again, in years of very low rainfall the raiyats could hardly expect to get anything from the land but for irrigation. Further agitation will be of no economic advantage to the tenants but will lead to the cessation of development and further deterioration of the land.

In reply to a question interposed by Dr. Mukherji, he did not agree that there was any force in the tenants' claim that they could get the same increased yield without irrigation.

Asked about the method of financing schemes like the Suvankar Danra project, the cost of which is rather high as compared with the return that can be expected under the Development Act, he replied

that irrigation schemes must fall into two classes:—first there are the protective schemes in which Government should come forward with a portion of the capital met out of revenue as otherwise Government will probably have to pay more ultimately in the shape of famine relief; secondly there are the productive schemes which can pay their own way and which have to be financed out of borrowed capital to be recouped from the party benefited under the Development Act. The protective schemes must be carried out in places which are often affected by drought, distress, etc. Suvankar Danra and other schemes in Bankura district are protective schemes.

Questioned about indirect revenue he said that improvement in the economic condition of the people must also lead to increase of Government revenue indirectly in various ways. From this point of view it seems reasonable that Government should also bear a share of the capital cost even as regards the productive schemes.

In reply to Khan Bahadur Momin, he agreed that the fertility of the soil has decreased in Burdwan district. By providing irrigation facilities, the Department has restored the fertility which once existed. If nothing more is done than restoring the original fertility and the original rent measured in terms of produce still remains in force, it is a difficult question whether any further tax can reasonably be charged from the raiyats. That issue touches the broad question of the adjustment of the shares which Government, the landlords and the tenure-holders receive from the tenants' rent. According to the Development Act, the landlords are not required to pay any contribution. He agreed that to some extent, the landlord might be benefited by irrigation schemes because with the increased yield, the tenants might be in a better position to pay rent. He could not say personally whether the figures for the yield of paddy in the Statement (*vide* supplementary question 6) are correct. They were prepared under the direction of the Director of Land Records. When the first experiments were made the tenants objected, and Government ordered that further experiments should be carried out. These corroborated the estimate of increased yield prepared by the Chief Estimating Officer. In addition to crop-cutting experiments, other independent inquiries were made. The column of figures showing the pre-canal yield, is probably the average for five years. This could be ascertained from the report of the Chief Estimating Officer. He said he preferred irrigation by gravitation to irrigation from tanks, as in the latter method the water has to be valed out. The cost of storage is also high, as in flat areas like Burdwan practically the entire storage capacity has to be provided artificially by excavation at a heavy cost. In undulating country however, as in the western part of Bankura district, natural storage capacities of valleys may at some places be utilised by means of bunds, and water may be supplied to

lower areas by gravity. These bund irrigation schemes may be economically possible. But excavation of tanks at the cost of the State cannot be recommended except as an important item in the famine relief programme. There are many irrigation tanks excavated in the olden days when labour was very cheap but they have mostly dried up. Their improvements and excavation can only be made possible if the raiyats use their spare time, of which they have plenty, specially during the dry season, when earthwork is usually done, or if the Government undertake relief works in times of famine.

He agreed that the area irrigated from the Damodar Canal is not as much as it might be. The area depends on the amount of water available in the river in October. As the catchment areas of these rivers in western Bengal are within a short distance from the areas to be irrigated the distribution of rainfall is more or less similar. It therefore happens that in October when rain usually fails and irrigation is required, the river supply is insufficient to irrigate more than a very limited area, though considering the large volume of water flowing down the rivers earlier in the season it should be possible to irrigate three to four times as large an area, if a portion of the flood-water could be impounded in storage reservoirs and used in October to supplement the river flow. The cost of irrigation schemes from these torrential rivers in western Bengal has been high in the past because the question of storage was neglected, and the irrigable area had consequently to be limited to what could be irrigated by the dwindling flow in October. The Department however intends to follow the reservoir policy in future. Reservoirs are also necessary to encourage the cultivation of rabi crops, including sugarcane and perhaps also cotton, as for want of rain in winter months in West Bengal cultivation of such crops on a large scale is not otherwise possible.

The Department is now preparing another Irrigation project from the Damodar river and though the irrigable capacity of this river appears to have been fully tapped by the Damodar Canal scheme, it will be possible to irrigate an additional area of 350,000 acres, i.e., about double that of the Damodar Canal, by adding a comparatively small reservoir and other necessary diversion and distribution works.

In reply to Khan Bahadur M. Hosain, he said that the figures for capital outlay, given in the Statement (answer to supplementary question 2), are progressive totals. He had not totalled the figures in the statement but it might be true that about 2 crores of rupees had been spent to irrigate about 2 lakhs of acres in Bengal. The irrigated area is capable of increase: the difficulty is that the system is voluntary, and the tenants sometimes do not take water, or wait until the last moment. The Midnapore Canal was originally constructed mainly as a navigation scheme and the cost was necessarily high. Besides in none of the existing schemes

is there provision for storage and consequently the cost is proportionately very high compared with their irrigable capacities. He thought that irrigation by tanks would be more costly than the existing irrigation schemes. He agreed that in Madras there is extensive irrigation from tanks but pointed out that these tanks really consist of bunds put up across well-defined valleys to utilize the natural storage capacities and it is not necessary to provide artificial storage capacities by excavation as will be necessary for the flat areas in Bengal.

As regards the Statement given in answer to supplementary question 6, he agreed that the tenants had not accepted the figures showing the increased yield. One of the Department's difficulties is that the tenants do not apply for water until the last moment. It is difficult to finance schemes under such conditions. In the case of the Damodar Canal, the area under long leases is only about 33,000 acres. This is insufficient to pay even the recurring costs. In the Midnapore Canal the taking of water is voluntary. It was compulsory only in the Damodar Canal when it was worked under the Development Act but the operation of the Act has recently been withdrawn by Government.

In eastern Bengal, the fertility of the soil is recouped by river flushing. He agreed that floods are likely to be more frequent and more extensive in Bengal and that it is necessary to take preventive action. One means would be to control deforestation. Steps are being taken to establish an Inter-Provincial Commission consisting of representatives of Bengal, Bihar and United Provinces Governments with the object of controlling deforestation and encouraging afforestation within the catchment basins of the Ganges. Another means is the resuscitation of spill channels from the Ganges with the object of spreading the flood water over a wide area so as to reduce the depth of flooding. He did not agree that this would lead to a decrease in the cultivated area. Even if flooding is deep, it would be possible to grow the long-stalked paddy that is grown in eastern Bengal. He was not in favour of reclaiming land from beels prematurely. Reclamation of waste lands in southern Bengal may not be harmful so long as no embankments are erected in spill areas to protect them. Irrigation by tube-wells will be expensive and the possibilites of irrigation by gravity should be tried and exhausted before resorting to tube-wells.

In reply to a question interposed by Khan Bahadur A Momin, he said that on principle he is in favour of removing all embankments which obstruct the free flow of river spill, but it has to be considered that the people in those areas have got to live and consequently a compromise has to be made.

In reply to Dr. R. K. Mukherji, he said that he had no intention of suggesting that the landlords in Burdwan have deliberately imposed rents which are too high. If the rents, on inquiry, are really found to be rather high as compared with the present conditions, it probably means that when these rents were originally fixed the lands were more productive and though the productivity has decreased no adjustment of the rents has yet been made. He had, however, no definite knowledge on the subject as the matter was outside the scope of his official duties. His statement was more in the nature of a suggestion made with the object of drawing the attention ot the Commission to this important aspect of the problem.

He did not consider that the Damodar Canal project was hastily conceived by Government. In western Bengal there is a real demand for irrigation: the distribution of rainfall is erratic and becomes more so the further one goes westwards.

By "irrigation" he did not refer to the flushing contemplated in other parts of Bengal: in western Bengal it is a real necessity. The tenants really wanted irrigation and there was volume of public opinion in support of it.

The irrigated lands are classified: some may yield somewhat less and some rather more than the calculated surplus yield on which the tax is charged. The scheme is sound in itself and he thought that the tenants' objections may be overcome.

He repudiated the suggestion that the department is responsible for deterioration of the soil through the policy of embankments as they were in existence before the British period. The only complaint which might be made against Government is that it might have detected earlier the deterioration which they have caused. The ideal solution in western Bengal would be to remove all the embankments, but the people who would be affected in those areas have got to be considered and in most of the cases the nearest practical approach to the ideal solution would be to retain the embankments and flush the enclosed area with silt-laden flood water admitted through controlled escapes constructed on the embankments.

The Department is preparing a flushing scheme for the Damodar-Hooghly-Howrah area which will flush and irrigate about 3½ lakhs of acres. The scheme will be ready during this month. For the purpose of relieving the flood congestion in the Damodar it would not be desirable to connect this river directly with the Hooghly as that would flood Calcutta and other business interests on the Hooghly. The carrying capacity of the Hooghly is limited. The existing Damodar outfall is near Uluberia. By bringing it into the Hooghly above Calcutta the additional water would have to be of the order of say 200,000 cusecs in order to offer any material relief to the Damodar flood which

measured about 650,000 cusecs in 1935. This would be beyond the capacity of the Hooghly.

In addition to the flushing scheme mentioned above, the Department has other schemes under preparation such as the More Reservoir project, Darkeswar Reservoir project, Suvankar Danra project, etc.

In central Bengal the Department is trying to improve conditions by improving spill channels such as the Bhagirathi, the Mathabhanga and the Jalangi. A contour survey is now being made.

In northern Bengal deterioration is mainly due to the diversion of the Teesta river.

In eastern Bengal the floods, the erosion and the improvement of water communications are the main problems. A river training laboratory has been proposed which, it is hoped, will be successful in finding solutions to many of the complicated river problems in Bengal.

In Midnapore the decrease in the irrigated area is due to the fact that it is optional to take water. The non-co-operation movement might also have been responsible. Originally the Midnapore Canal was intended mainly for navigation and irrigation was only a subsidiary object. Consequently the capital cost was unduly high and as navigation receipts have fallen very low owing to competition by railways it can never pay its way.

In reply to Khan Bahadur Hashem Ali Khan, he said that he did not agree that the large *bil* area extending from the north of Bakarganj district into Faridpur is lying useless for want of drainage channels. There is paddy growing in that area, but the main difficulty is lack of communications. In the centre of the *bil* area the level of the land is too low to be reclaimed. Reclamation should not be undertaken until the level is raised naturally by siltation. There is water hyacinth in that area, possibly due to the fact that the drainage is inadequate.

He did not agree that the fertility of the soil in Bakarganj has deteriorated. The economic conditions might have been adversely affected by the pressure of population and fall in prices of the agricultural produce. He would not be prepared to say that the rivers in Bakarganj and Faridpur are gradually dying. There are some instances no doubt of rivers having deteriorated but nothing to the same extent as in western and central Bengal.

Two or three hundred years ago western Bengal was probably more prosperous than eastern Bengal. Now the condition has been reversed. A comparison of the incidence of land rent between the two parts of the province as fixed at the time of Permanent Settlement or earlier will probably corroborate this view.

He found it difficult to believe that the soil in eastern Bengal, which is annually flushed by silt-laden flood water, was more fertile 20 or 30 years ago than it is now. He thought conditions are probably much the same.

He agreed that the steamer route from Madaripur to Khulna has deteriorated at some places but pointed out that the rivers in Khulna are mostly affected by the central Bengal spill channels which have all deteriorated. By this he meant the channels between the Gorai and the Bhagirathi rivers. It is true that some rivers in Faridpur and Bakarganj districts between Madaripur and Gopalgunge have also deteriorated.

As regards the formation of a Waterways Board, his view was that it is impossible to isolate drainage from waterways, and personally he was not in favour of vesting the control over rivers in a commercial body which will be mainly interested in navigation and river-borne trade, and might neglect drainage interests because they do not produce any revenue.

He agreed that embankments have been raised in Bakarganj district. He had asked Government for extra staff to supervise that area as the embankments affect drainage and public health. In the Sunderban area an agreement has been reached by which the Khas Mahal Department consult the Irrigation Department regarding the construction of any embankments.

He agreed that char lands should not be settled when they are so low that cultivation is not possible without embankments.

In Bakarganj and Khulna districts the process of land formation is continually going on. The Ganges now flows about 150 miles through Bengal from Rajmahal: if it has to flow an additional 10 miles, it will not make much practical difference. It will be centuries before it deteriorates.

In reply to Sir Fredric Sachse, he said that the recurring expenditure in the Damodar Canal is now about Rs. 3½ lakhs. If the water-rate was to be fixed on the basis of the years of scarcity only so as to recoup the above charge it would become prohibitive. The cost per acre could be reduced if the storage schemes, which he had previously mentioned, were introduced.

Smaller schemes as advocated by the Maharajadhiraja Bahadur of Burdwan could be taken up with advantage at some places but to arrest the growing deterioration in health and productivity of the soil schemes should be planned and executed on a comprehensive scale.

The Suvankar Danra project would cost Rs. 77 an acre: the cost is high certainly but the scheme is a protective one. The area suffers from an erratic rainfall on unproductive soil.

He agreed that it is desirable to bring waste lands under cultivation, but pointed out that Government cannot concentrate on areas of waste lands when help is needed in areas already brought under cultivation.

He agreed that in the United Provinces irrigation from wells by bullock power is common, but said that this irrigation is carried out for rabi crops which require very little water compared with paddy. Before introducing tube-wells in the United Provinces the possibilities of irrigation by gravity were exhausted. When he was asked about the possibilites of irrigation from tube-wells he was under the impression that the reference was to irrigation of paddy lands. He agreed that it would be possible to irrigate rabi crops from tube-wells.

In Bengal the water rate is comparatively low. In the United Provinces it is much higher and in Madras as much as Rs. 15 to Rs. 18 per acre is paid at some places as the consolidated rate for water and rent.

In Bengal most tenants can grow some crop without irrigation facilities and it is not therefore likely that tube-wells for irrigation rabi crops will be in large demand unless power can be provided in the rural areas at a very cheap rate.

Before commencing the Damodar scheme Government must have been convinced of its necessity, and must have been aware of the fact that crops were lost once every five years or so due to scarcity of rainfall.

In the khas mahal lands also embankments had been erected, but other landlords, apart from Government have done very much more in this respect: Government maintain about 1,500 miles of embankments whereas the mileage maintained by zamindars is many times this figure.

The chars whch have been settled and can grow crops without embankments are not objectionable. They are objectionable when embankments are erected to cut off the river spill.

In central Bengal the problems of Malaria and decrease of fertility can never be solved by mere tinkering, but a comprehensive scheme will have to be taken up.

In reply to the Secretary, he said that in the Sunderbans the river beds have risen, and by erecting embankments artificial conditions have been created.

In areas like Midnapore where the taking of water is voluntary, some tenants have given agreements for varying periods which may be one year or five or seven years.

He agreed that there might have been complaints from the tenants that when they asked for water it was not supplied in time. This might have been due to the fact that owing to the raiyats not taking canal water for a long time the Midnapore Canal system was not being maintained efficiently as a measure of economy. This was the position when in 1934-35 due to great scarcity of rain there was a sudden demand and applications were received for supply of canal water to about 40,000 acres. Naturally there was difficulty in coping with this sudden demand and though the departmental staff tried their best some complaints were probably unavoidable.

He agreed that it would be the most equitable method to assess water rate in terms of produce and to realize its value at the market rate prevailing in the collection season. But there are difficulties in the way of fixing the market rates which will probably vary from place to place and which are likely to be disputed. The system may also lead to corruption.

Reply by Khan Bahadur Maulvi A. M. Arshad Ali, Registrar of Co-operative Societies, Bengal.

Q. 83. There is no really efficient organisation at present for providing credit facilities to the agriculturists. The only organised system which is working in this direction is the co-operative societies but it deals with only a small percentage of the agricultural population not more than 6 per cent. and it caters only for seasonal agricultural loan needs of the cultivators. Arrangement for providing long-term loans to the agriculturists for redemption of their prior debts and for improvement and purchase of lands has been only recently started by organisation of 5 Co-operative Land Mortgage Banks.

Besides the 5 Co-operative Land Mortgage Banks the agricultural credit movement comprises 1 Provincial Bank, 116 Central Banks and 19,896 primary agricultural societies with a membership of 4·46 lakhs in the primary societies. The working capital of the primary societies is Rs. 5 94 crores of which Rs. 353 crores have been borrowed by the societies from the Central Banks and outside public. The usual borrowing rate of these societies from the Central Banks is 9§ per cent. and their lending rate to their members is 11 per cent. Attempt is, however, being made by the Central Banks to effect a reduction in the interest charged from individual borrowers by reducing their own lending rate to the societies.

This phase of the movement has been severely affected by the continued economic depression which has considerably reduced the repaying capacity of the borrowing members. The 'overdues' have increased in large proportions. The operation of the Bengal Agricultural Debtors Act has further contributed to the immobility of the loans in the societies. As a result the financing banks have generally stopped further advance of loans to the societies. For these reasons the majority of the societies has now ceased to be effective rural credit agencies.

The other credit agency working in the province is the individual moneylenders who are not organised in any form. They dealt with by far the largest number of agricultural population. They supplied credit to the agriculturists for all purposes—productive and unproductive—at a rate of interest generally not less than 24 per cent. The rate was higher still before the introduction of co-operative system. Due to the operation of the Bengal Agricultural Debtors Act and the amendments of the Bengal Tenancy Act the private moneylenders are now generally disinclined to advance loans to the agriculturists which has resulted in the contraction of credit in the rural areas. In most places the cultivator cannot now raise capital even for his ordinary agricultural operations except by selling his land outright.

The tendency of profiteering is so inherent in the private moneylending system that though it has been tolerated so long in the absence of any better system it is impossible to improve it to a useful credit agency for the economic benefit of the agriculturists even with strictest regulations. Private moneylending must degenerate itself into usury as it has happened in all countries at all times. The most insurmountable disadvantage which makes private moneylending unsuitable as an effective rural credit agency is that it is unconcerned with restriction of loan to productive or necessary purposes. Rather, instances are not rare that private moneylenders encouraged unnecessary loans. Further, the lack of keenness among the private moneylenders to insist on regular repayment of loans so long as they remain secure and fetch interest has been largely responsible for accumulation of agricultural debts and over-indebtedness of the agriculturists. Private moneylending is also responsible for making agriculture unprofitable by charging high rate of interest or high proportion of produce as interest on mortgaged lands.

In the life of an agriculturist credit is an indispensable factor. He cannot carry on without credit. Even if all his old debts are paid off he will still require credit for improvement of his economic condition and he must do something to increase his income. In the circumstances, the importance and urgency of establishing or reorganising a rural credit agency for the benefit of the agriculturists cannot be over-rated and that agency to be economically useful to them must be free from profiteering spirit.

The cultivator generally requires three kinds of loans, viz. (1) short-term loan not exceeding one year for raising crop and for other productive purposes, (2) intermediate term loan not exceeding 3 years for purchase of cattle, building house and minor agricultural improvements, and (3) long-term loan for over 10 years for release of his mortgaged property, redemption of prior debts and for purchase and major improvement of lands. Any effective credit agency will have to recognise these different needs of the cultivator and make provisions accordingly.

In my opinion there cannot be any better organised agency for supply of these different form of credit needs to small agriculturists than the co-operative societies. For short and intermediate term loans, the ordinary agricultural societies on unlimited liability basis are most suitable while for long-term loans the Co-operative Land Mortgage Banks are likely to prove useful. A co-operative society is preferable to any other system as effective rural credit agency for the following reasons:—

(*a*) In a co-operative society there is no profiteering spirit and consequently the interest charges on loans must always be as low as possible.

(*b*) The personal contact among the members and their mutual knowledge of one another's economic condition is the most important characteristic of a co-operative organisation which tends not only to improve the business side of the societies but also to foster a spirit of mutual help and sympathy among them.

(*c*) The surplus of profit or interest realised from the members after meeting the obligatory charges are available in a co-operative society for creation of a reserve fund which may ultimately make the society self-sufficient and independent of outside borrowing.

(*d*) There is a scope for encouraging thrift and savings by the members.

(*e*) It is only through a co-operative society that unproductive borrowing by agriculturists can be adequately restricted and proper use of the loan taken and punctual repayment can be insisted on.

Unless unproductive or unnecessary borrowing can be adequately restricted no rural credit agency can be effective. The Agricultural Debtors Act may give relief to the agriculturists at one time but not always. Thus it is essentially necessary that an effective rural credit agency should not only function as a moneylending concern but also as a corrective and educative agency by refusing unnecessary loans and by insisting on proper use and punctual repayment of loan. No other agency except the co-operative societies has the necessary moral element to enable it to faithfully and satisfactorily perform these functions and advance loans for the economic benefit of the cultivator.

At this time when there has been a contraction of credit in the rural areas and the private moneylending system has well-nigh broken down it is most desirable to establish a network of agricultural credit societies throughout the province for advancing short and intermediate term loans to the cultivators for their ordinary agricultural operations and other productive purposes. For long-term loans Land Mortgage Banks may be extended to all subdivisions in the province. The 5 Land Mortgage Banks that have been started are doing quite satisfactory work although their progress is slow. It is natural that the progress of these banks should be slow because it is necessary to examine carefully and minutely the condition of the assets of the applicants for long-term loans as also to come to a favourable settlement with his creditors amicably before the loan is sanctioned. The collection from these banks has been very encouraging and in no case it has been necessary to enforce certificates for collection of instalment due.

It may be questioned that the past history of co-operative movement in this province does not fully justify the claim that the co-operative societies would be the most effective rural credit agency. To this my reply is that the co-operative movement has not really been given a fair trial in this province. In the first place, the Co-operative Societies

Act of 1912 was defective in that it did not provide for any check whatsoever between normal working and liquidation.

Co-operation is an ideal and in actual practice it must often fall far short of the standards aimed at any details inconsistent with co-operative ideals have often to be accepted in the hope that they may lead to better things. Such better things can be attained by insistent education of the members of societies on co-operative principles assisted by corrective measures through legislation. The Act did not provide for any corrective measure for checking abuses. At the same time, there was no arrangement whatsoever for educating the members of societies. The supervision was also extremely inadequate which will be evident from the fact that even till 1937 an Assistant Registrar had in his charge near about 5,000 societies including large Central Urban Banks and an Inspector was in charge of 400 to 500 societies. The staff of the Department remained almost the same when the number of societies was 8,000 as when it rose to 24,000. Lastly, the movement was overtaken by a sudden unprecedented economic depression just when it was gradually expanding its activities and consolidating its position.

The position has substantially changed for better to-day. A new Co-operative Societies Bill with suitable provisions relating to restriction of loans, their use and repayment, for checking abuses and encouraging orderly development of the movement is now before the provincial legislature. Arrangement for co-operative training of Departmental and Central Bank staff and also of office-bearers and members of societies has been taken up in right earnest with the help of grant received from the Government of India for the purpose. The staff of the Department has also been increased on the basis of controllable number of societies and the principle of automatic addition of staff with the increase in the number has been accepted by Government. Separation of audit from administration has been taken in hand. The nature of business by the Central Banks with the village societies has been radically changed restricting the loans for productive purposes only for a period usually not exceeding one year. Steps have also been taken to link up production and marketing with credit. A rural reconstruction scheme embodying an economic and moral uplift programme to demonstrate the concrete benefits of co-operation appealable to the illiterate minds has been introduced and a special staff has been sanctioned by Government for the purpose. Lastly, a comprehensive scheme for rehabilitation of the co-operative credit facilities to the agriculturists is now under the consideration of Government.

The aforesaid facts will, I am sure, carry a sufficient degree of conviction to hope for better working of co-operative societies in the future. The movement should be encouraged to improve and expand its activities so as to occupy the position of an effective rural credit

agency. Expansion of credit societies for advancing crop loans may be taken up at once to give relief to the cultivators in those areas where the contraction of credit has been acute.

Q. 84. It is not possible to say accurately what percentage of gross profit of land goes to the mahajans as interest. It is estimated that about 80 per cent. of the occupancy raiyats are in debts and the total amount of their debts is about 100 crores. The amount of their debts varies in different proportions. Some have debts up to 2 years' income while others have up to 4 or 5 years' income. On the gross value of produce which is estimated at 95 crores the average interest paid by 80 per cent. of the occupancy raiyats to the mahajans will be near about 25 per cent.

The drain of interest charge on the loans incurred for annual agricultural operation can only be stopped by expansion of co-operative credit societies combined with marketing facilities for the collective marketing of produce. The short term capital required for the purpose should not bear interest at more than 3 per cent. so that the primary borrowers may get money at 6½ per cent. The collective marketing will increase the price of the produce and the advance taken by the cultivator for raising the crop will be for a short period not more than 9 months. Both these will effectively minimise the drain of interest charge.

The interest charge on the existing unproductive debts of the cultivator can be substantially reduced by the successful working of the Debt Settlement Boards.

Q. 85. Replies to most of these questions may be seen in the replies to question 83 and supplementary question 2.

I have only to add that the rate of interest charged by the co-operative societies from the agriculturists which is 11 per cent. at present is considered too high. At this rate the agriculturists pay at present only 70 to 75 per cent. of the annual demand of interest. It is not expected that they will be able to pay the full annual demand of interest unless the rate is reduced to 7½ per cent. The co-operative societies have benefited the agriculturists by charging a lower rate of interest than the mahajans as also by compelling the mahajans to reduce their rate.

Q. 86. To this question I can only say about the position of settlement regarding the debts of co-operative members. The total number of applications for settlement made by co-operative members was 14,121 involving a debt of Rs. 35 lakhs. Out of these applications the Debt Settlement Boards have considered 424 applications involving a debt of Rs. 1 lakh and odd. The total number of awards finally approved is 54 involving a debt of Rs. 10,421. From these figures it will appear that the progress has been very slow.

The defects of the Board are:—

(1) want of really honest and capable workers among the village people for forming the Board;

(2) their general inability to understand the principles of law they are required to administer and to assess the repaying capacity of the agriculturists on an equitable basis;

(3) their inability to compel the attendance of all the creditors.

The unusual delay in the disposal of the cases has not only resulted in contraction of credit but has also given a handle to the recalcitrant debtor to avoid payment even when he can pay according to his repaying capacity.

For improvement of the system I would suggest that the conciliation should be made by a whole-time responsible Government official with knowledge of law and there should be a credit agency to take over the adjusted debts for repayment in cash to the creditors all at once where possible or in instalments over a reasonable period. This will really benefit the agriculturists. Financial assistance from Government will certainly be necessary for making the Boards really effective with a credit agency behind.

Q. 87. The establishment of agricultural banks by Government in every union is in my opinion impracticable and undesirable. There is the danger of Government becoming unpopular in financing the agriculturists directly for their normal credit needs. The agricultural loans are given only as an emergency measure of relief and in very small sums geneally not more than Rs. 10 which the agriculturists can easily pay by making small savings in their annual budget. This measure makes the Government popular. But the supply of his normal agricultural credit will necessitate the advance of a larger sum for realisation of which in case of default some sort of stringent measure will be necessary, the introduction of which will make the Government unpopular. Further, the normal responsibility of Government will be very great if it once undertake to supply rural credit. While it is possible for a moneylender or a credit institution to refuse the credit for reasons for which he or it will not be responsible to anybody in the case of Government it will not be so easy to refuse the credit without being unpopular. Government will have to raise large loans not less than Rs. 10 crores for short-term agricultural purpose and Rs. 50 crores for long-term purpose to meet the requirements of the agriculturists. The administration and management of the banks by Government official is likely to be more costly than management by non-official organisations which will increase the overhead charges on the borrowers. There is also the danger of the policy of Government banks being controlled by political influence at the sacrifice of banking principles which might involve Government into a serious embarrassment.

At the same time it is likely that the Government revenue and landlords' rent which are the first charges on the assets of the agriculturists may be endangered as it will be difficult for Government to give preference to the payment of these dues ignoring the Government loans. The cultivators may also take advantage of this position and pay one and default the other. Their respect and that of their superior landlords towards punctual payment of Government revenue is likely to be shaken. Lastly, it will be discouraging public enterprise and banking habit among the people if Government take up direct financing to the agriculturists.

Q. 88. There are 5 Co-operative Land Mortgage Banks functioning in this province. The total number of borrowing members of these banks is 1,107. The loans issued to them amount to Rs. 5,20,018. The total number of applications for loans presented to these banks from their very start was 4,501 for a total amount of loan of Rs. 22·38 lakhs. The banks investigated and considered 4,061 applications for a total loan of Rs. 20·15 lakhs. The number of applications accepted for loans was 1,522 for a total amount of Rs. 7·39 lakhs. The number of applications rejected was 2,256 for a loan of Rs. 10·87 lakhs. They were rejected in consideration of (1) uneconomic holding and unsatisfactory repaying capacity, (2) unsatisfactory conciliation, (3) unwillingness of co-sharers to join, (4) inability to furnish sureties, and (5) other grounds. The largest number of applications have been rejected for uneconomic holdings and unsatisfactory repaying capacity as also for unwillingness of co-sharers to join.

The primary Land Mortgage Banks borrowed the capital required from the Bengal Provincial Co-operative Bank, Ltd., at 5 per cent. and lent out to the members at $8\frac{3}{8}$ per cent. The loans have been advanced on the security of first mortgage of the lands of the borrowing members, and the maximum amount of loan to any individual member is limited to 50 per cent. of the value of the property mortgaged. In actual practice loans have been given not more than 38 per cent. of the value of property mortgage. The debts of the members have been amicably conciliated and reduced on an average by 35 per cent. by negotiation with their creditors.

During the year 1937-38 the annual instalments due from the Land Mortgage Banks was Rs. 28,126 principal and Rs. 35,514 as interest. The collections on account of principal and interest have been Rs. 32,753 and Rs. 32,659, respectively. The excess collection of principal loan is due to advance payment of instalment made by borrowing members. The overdues have been very small and mostly due to damage of crops by flood during the year a circumstance over which the members had no control.

In my opinion the Land Mortgage Banks have worked fairly satisfactorily although their progress is slow as a result of minute examination and scrutiny into the assets and repaying capacity of members applying for loans. The rate of interest charged from the borrowing members of these banks is 8¾ per cent. which is considered high. In Madras the rate of interest charged from members of Land Mortgage Banks is only 5 per cent. The rate of interest in this province should be reduced to at least 6½ per cent and this is possible if the capital is raised by debentures guaranteed by Government both with regard to principal and interest.

For giving the benefit of Land Mortgage Banks to a large number of agriculturists, it is necessary that the banks should be multiplied at the rate of one bank for each subdivision for the present.

Supplementary Questions and Answers.

Q. 1. In what year were village co-operative Banks, Urban Banks and Central Banks first started? How many of each are there now?

Answer.—Village Banks and Urban Banks were first started in 1904-05 after the Co-operative Credit Societies Act (1904) came into force. Central Banks were first started in the year 1913 after the Act of 1912 came into force.

The number of societies of each class on 30th June 1937 was as follows:—

(*i*) Village societies	...	19,923
(*ii*) Urban Banks	.	555
(*iii*) Central Banks	..	116

Q. 2. Was the original objective of the Department to clear off the existing debts of the members of the village banks? To what extent had this policy succeeded by the end of 1928 when the economic depression started?

Answer.—It was not the objective of co-operative societies or of the Department to take over the existing debts of the members of the societies, for the process involved raising of long-term capital and granting long-term credit. The primary object of co-operative societies was to advance agricultural loans to members at a lower rate of interest than those charged by the mahajans; and it was expected that when the members got credit on more reasonable and accommodating terms they should be able to pay off their old debts to outside creditors gradually out of their surplus income and savings. In the *bona fide* attempt of any member to repay his outside debts out of his surplus income and savings the co-operative society assisted him when convenient with loans for the purpose.

Q. 3. Has the number of members of the majority of rural banks remained the same as at the beginning? Are their total debts less or more?

Answer.—The average membership in rural societies gradually decreased from 25·4 in 1924 to 22·3 in 1937. Their average debt per head increased gradually from Rs. 70 in 1924 to Rs. 93 in 1934. Thereafter, it is decreasing every year and in 1937 it is Rs. 88·7.

The total number of village societies in 1924 was 8,347 with a membership of 2·12 lakhs. Their total co-operative debt was Rs. 148·39 lakhs. In 1937 the number of societies rose to 19,896 with a membership of 4·46 lakhs. Their total co-operative debt was Rs. 395·29 lakhs. The membership declined mainly during 1930 to 1937 which was to a great extent due to the stoppage of fresh loans by the societies to their members. Those who cleared their debts during this period refused to continue as members nor it was possible to enlist new members. The increase of debts is partly due to capitalisation of overdue interest in many instances but no interest was charged on capitalised interests.

Q. 4. Is it true that the present financial position of many Central, Urban or Rural Banks is critical? Is this entirely due to the depression? To what extent is it because loans were granted without adequate enquiry regarding security and that they were not restricted to productive purposes?

Are the officers of the Department responsible for the policy of the Banks or their dealings with individual members, or only for audit?

Answer.—The present financial position of many central and rural societies is critical. It is 90 per cent. due to economic depression and falling off of the repaying capacity of the cultivators. At the time when the loans were advanced security for these loans were generally considered sufficiently in view of the prevailing prices of the land and agricultural commodities. There were some instances in which loans were granted without security but they were not many. The loans were granted apparently for productive purposes but it was not generally examined on subsequent verification whether the loans were utilised for productive purposes.

The officers of the Department are not allowed to interfere into the internal management of the banks as these are autonomous bodies. The Registrar issued numerous circulars relating to (1) borrowing and raising of capital, (2) lending to members of societies, and other investments, (3) maintenance of fluid cover and building up of reserve fund, and (4) sound banking principles. These circulars were not mandatory and in the prosperous times of the banks they were not carried out with accuracy. The statutory duty of the Department is

registration of societies, superior inspection and liquidation. The Department can give the policy but has no power to enforce.

Q. 5. If the Department has not been as successful as was expected, what in your opinion are the general reasons? Has there been sufficient co-operation with the Collectors and other departments? What defects have there been in the machinery, the supervision, and the law? What steps are now being taken to remove these defects?

Answer.—I have replied to this question in my reply to question 83. The only thing I would add here is that the Collectors and Subdivisional Officers generally co-operated with the Department by accepting the Chairmanship of co-operative societies particularly of Central Banks and special type societies. But the time at their disposal necessary for the improvement of a bank was generally very little.

Q. 6. Have there been any important changes of policy in the history of the Department?

Answer.—There has been important changes of policy in the Department recently and it is expected that the position will improve in the future if the departmental scheme for the treatment of the overdue debts of the members of primary societies is approved by Government.

Q. 7. What is the actual number of rural banks which have gone into liquidation? What proportion of their dues has been recovered and how much has been found to be irrecoverable? Has the principle of joint liability been a success? If not, why not?

Answer.—Since the inception of the movement 3,249 societies were liquidated. Out of these the proceedings of 1,355 societies are now pending. The records of the societies of which the proceedings have been closed have not been maintained. It is therefore not possible to say what proportion of the dues were actually recovered. But generally the Registrar did not permit the closing of the proceedings till the assets of the liquidated society are not realised to the extent of its outside liabilities. The principle of joint liability has been fairly successful before the depression years but during the depression period even by enforcing joint liability collections in liquidated societies did not improve on account of fall in the prices of land, want of suitable buyers and the inability of the liquidator to hold on the land indefinitely which involved a good deal of cost.

Q. 8. What is the view of the Department as regards the activities of the Debt Settlement Boards? Do they show signs of fulfilling the objects for which the Act was passed? Have you any improvements to suggest (*a*) in the law, (*b*) the working of the Boards?

Answer.—*Vide* reply to question 86.

Q. 9. How many Land Mortgage Banks are there? How much money have they given out? What interest do they charge? What are the rules as regards security?

Answer.—*Vide* reply to question 88.

Q. 10. Was it a mistake to fix the rate of interest as high as 18¾ per cent. on loans to individual members of rural banks?

Answer.—The rate of interest at 18¾ per cent. on loans to individual members of village societies was fixed at a time when mahajans' interest varied from 37 per cent. to 75 per cent. and the repaying capacity of the agriculturists was good. 18¾ per cent. was not high at that time. Further, this rate was considered reasonable as it was within the repaying capacity of the agriculturists to pay and as it brought in sufficient income to a society to build up its reserve fund. The bank rate at that time was 6 per cent.

Q. 11. It is said that as a result of the establishment of Debt Conciliation Boards, agricultural credit has dried up. If this is so, are there any other reasons as well?

If owing to depression, mahajans have failed to realise any considerable portion of their dues, are they still in a position to lend? If so, how are they employing the money at their disposal?

Answer.—The agricultural credit has dried up for the following reasons:—

(1) operation of the Debt Settlement Boards;

(2) amendment of the Bengal Tenancy Act;

(3) fall in the price of lands and repaying capacity of the agriculturists due to economic depression; and

(4) propaganda for remission of the monetary obligation of the agriculturists.

Although the mahajans are in difficulty to realise their dues, still it is believed that they have surplus money in stock which they can lend out to the cultivators. This is evident from the fact that the cultivators can obtain money from the mahajans either by pawning their gold or silver ornaments or by outright sale of their lands. The surplus money in the countryside belonging to the mahajans or others are now being invested in the post offices where the deposit has considerably swelled up during recent years. The mahajans are also investing their surplus money in the Joint-Stock Banks which are being registered in large numbers.

Q. 12. Is there any certainty that cultivators as a whole have suffered because they cannot obtain temporary accommodation? Has any appreciable area of land gone out of cultivation on this account?

Is it true generally that families with considerable areas of land and good incomes are the most heavily encumbered with debt?

Answer.—There is a general discontent among the cultivators throughout the province on account of contraction of rural credit. No appreciable area of land has gone out of cultivation because the cultivators work as labourers on their own lands or cultivate their own lands as bargadars.

I have no statistics in support of the suggestion that families with considerable areas of land and good incomes are the most heavily encumbered with debt.

Q. 13. Why do the mahajans lend money to small tenants without sufficient security? Is it because they are aiming at securing possession of their land?

Answer.—The mahajans lend money to tenants without sufficient security because residing in the same or neighbouring village they are fully aware of the habits, tendencies, financial solvency and sources of income of their debtors. They can easily have a share of the produce of the debtors. They do not always aim at securing possession of the land of their debtors.

Oral evidence of Khan Bahadur Maulvi A. M. Arshad Ali, Registrar of Co-operative Societies, Bengal, on 23rd February, 1939.

(Mr. E. W. Holland, I.C.S., Secretary, Co-operative Department, and Mr. R. Roy, Deputy Registrar, Co-operative Societies, were present.)

In reply to the Chairman, Mr. Holland agreed that the co-operative system has only touched the fringe of the agricultural population and that in the past the policy of the Department had been mistaken. One mistake was that no distinction was made between short-term, intermediate and long-term loans. The co-operative system was worked with village societies without any paid staff; consequently careful audit and supervision were necessary but the Department had not been in a position to provide them and as a result many societies got into difficulties and have gone into liquidation. The whole system will have to be rebuilt. Short-term loans to be recovered after each harvest are preferable and long-term loans should be operated by Land Mortgage Banks. The audit staff has been recently increased. As regards supervision, much depends on the Bill which is now before the Assembly—if passed it will give wider powers to the Department. Formerly one difficulty was that although the Registrar was in a position of responsibility, he had no powers of interference short of liquidation and his circulars could be disregarded by societies with impunity.

There are suitable people in the villages to carry out co-operative work but previous to the last two or three years they had never been trained. The Department has now a training scheme and has established a training school at Dum Dum. About 118 Inspectors and 200 auditors have been trained up to date. There are at present about 19,000 agricultural societies. The present inspecting staff is larger than it was, but it is still inadequate. The Audit Branch is being separated from supervision. Previously both of these were carried out by the same officer. It is hoped that this will be effective in checking defalcations. The main reason for defalcations has been that the same man has held the post of Secretary and Treasurer for many years continuously, although according to the rules, three years is the maximum period. The rule has been enforced more strictly during the last year or two. Recently the Secretary of the Diamond Harbour Urban Bank applied for an extension. This was refused. He then absconded and a defalcation was discovered. In future the Registrar will be able to compel the reconstitution of societies if it is found that things are going wrong. He considered the principle of unlimited liability is sound but it is not possible to spread co-operative methods rapidly. In the past, they have never been instilled or thoroughly understood by the people. One reason why the co-operative system became unpopular was that the larger portion of loans from Central Banks were appropriated by a few influential men. He thought that the system will ultimately be successful, unless there is a general movement designed to stop the sale of defaulters' holdings.

He explained that the funds of societies are derived from Central Banks which in turn get money from the Provincial Bank and from deposits. Nowadays not much deposits are being made. The interest on deposits used to be high—some years ago it was 7 per cent. on three-year deposits and varied between 5 and 8 per cent. It is now about 4 per cent. which is rather higher than the interest on Government paper. Central Banks charge 7 per cent., leaving a margin of 3 per cent. for cost of management. Rural banks used to borrow money from the Central Banks at 9⅜ per cent. and lent out at 15½ per cent. The margin of 3 per cent. is sufficient to run Central Banks. The Provincial Bank supplies the Central Banks and derives its money from private deposits. There is no Government money: if Government were to finance the Provincial Bank, much more stringent rules would have been necessary.

The general idea used to be that cultivation could not be carried on without taking a loan. It is very difficult to say what percentage of cultivators actually need loans for agriculture but for the last five years they have borrowed practically nothing. Rural credit became contracted five years ago and the Bengal Agricultural Debtors Act further restricted it. He considered that till there is a network of co-operative societies the mahajans are necessary to agricultural economy. If the

co-operative system could be extended, the result would be that the mahajans' interest would be kept down to reasonable limits but for a long time to come, the mahajans will be necessary. In the past, rural societies have been too hastily established and without proper enquiries. Loans were not always restricted to productive purposes. If legislation could be passed to provide that no one can borrow beyond his repaying capacity, it would be most advantageous. The Land Mortgage Banks have derived their money by borrowing from the Provincial Bank. In reply to questions put by the Chairman on behalf of the Maharajadhiraja Bahadur of Burdwan, Khan Bahadur Arshad Ali said that the Central Banks have stopped advancing loans to societies owing to the Bengal Agricultural Debtors Act. This Act has adversely affected the co-operative movement. The same is true of the Money Lending Act which has recently emerged from the Committee stage and which has included within its scope the co-operative movement. But subsequently the Legislature excluded co-operative societies from the scope of the Bill. So far as the Bengal Agricultural Debtors Act is concerned, he thought that the position might improve to some extent as a result of the recent rule that short-term loans cannot be reduced or extended beyond the stipulated period. He agreed that credit has dried up as a result of the Bengal Agricultural Debtors Act and the provision of the Amended Bengal Tenancy Act relating to usufructuary mortgages. Mahajans have now less money than they had and they have collected little in the last two years. He could offer no suggestion for an immediate remedy. He thought that most money borrowed by agriculturists is used for cultivation or for subsidiary purposes but he could not say what proportion of loans was used for marriages and other social ceremonies. He agreed that the banks should not advance loans for the latter purposes.

In reply to the Chairman, Mr. Holland said that in his opinion, it is better to make it difficult for people to borrow rather than easy. In the past there had been a tendency to give loans far too freely and some people even regarded borrowing as a normal source of income.

In reply to Khan Bahadur M. Hosain, Khan Bahadur A. Ali said, the Department has supplied 6 per cent. of the population with loans. The working capital of primary societies is 5·96 crores, of which 3·53 crores have been borrowed by the societies from Central Banks and the outside public. The total agricultural debt was estimated by the Banking Enquiry Committee at 100 crores. Since then it has increased on paper owing to the accumulation of interest. The Co-operative Department has financed 3 per cent. of agricultural credit. The reason why the Co-operative system has become unpopular is firstly that 40 of the Central Banks have been unable to repay deposits as they matured, and secondly that owing to the depression the Department has

been unable to do anything more than to try and recover the co-operative dues. Formerly, 18¾ per cent. interest was charged from members of village societies—but only in rare cases. After a few years, the general rate came down to 15 per cent. Three per cent. was the usual margin of profit between the borrowing and lending rate of societies but the whole profit, could not be taken to reserve. Only 25 per cent. could be taken after meeting expenses on account of audit fees, contingencies, etc. Normally, the profit on Rs. 1,000 borrowed would be Rs. 30. Out of the profit, audit fees would amount to Rs. 6 or 7 and from the balance contingencies would have to be met. Out of the total number of 19,000 rural societies, about 3,000 have become self-supporting and independent. The position of the reserve fund is taken into consideration when loans are granted to societies but the loan is not always reduced in consideration of the amount of the reserve. The rule is that societies can take loans up to 10 times the share capital and reserve separately invested. If the share capital is not equal to the loan taken, the share capital is deducted from the loan and more shares have to be taken out. The share capital is not included in the reserve fund. It is not possible for the Department to control borrowing by members of societies from other sources. In the new Bill, there is a provision against borrowing without the knowledge of the society but there are no powers for stopping such borrowing. He did not agree that the prospect of instilling co-operative ideas is hopeless: in the last few years co-operative principles have undoubtedly been extended and in many villages co-operation has been the basis of jungle-cutting, excavation of drains and other village improvements.

He did not agree that the only way of restricting outside borrowing is for societies to take charge of the property in the same way that the Court of Wards takes charge of the estates of disqualified proprietors. He thought that without doing so a reasonable measure of restriction could be enforced. He agreed that cases have been found in which members had disposed of mortgaged properties without the knowledge of the societies. That was due to a defect in the Act. There might also have been cases where transfers were made when societies went into liquidation.

He said there are three big sale societies in existence. There are also several smaller societies, one of which has gone into liquidation and others are in a moribund condition. The reason for this was that co-operative principles were not followed. Members of the societies did not bring their produce to the societies' warehouse as laid down in the bye-laws. The three big paddy sale societies are now working properly because a legal agreement is taken from the members to bring in their crops to the societies' warehouse. No security is taken from the members: a bond is taken in return for the money advanced. The

crops are sold when the prices are most favourable. He mentioned a case where the market price was between annas 14 and Re. 1 per maund of paddy but Re. 1-6 had been obtained by sale through the society. These societies which aim at linking agricultural credit and marketing facilities have been established at Parbatipur, Gosaba and Khepupara. The Department is not however contributing any subsidy to these societies. In Madras, marketing is managed by a central society which has branches in different localities controlled from the centre. He agreed that it will not be possible to advance as much as 3 crores this year for providing short-term loans over the entire province but if short-term loans are granted, the number of societies could be increased. The Department had been aiming not only at providing agricultural credit but at training the people on co-operative principles: otherwise the cultivators will borrow elsewhere. Agricultural loans are a temporary measure but the cultivators will always be in need of loans. If Rs. 20,000 were provided per thana for loans on account of seed and cattle, the amount would be insufficient, and any scheme would be useless unless outside borrowing were restricted. Even if the crops were hypothecated, a staff would still be required to collect the dues. It would not be possible to use a number of the existing staff for this work. The suggestion is not practical that 100 inspectors should be left to carry out the existing work of the Co-operative Department and the remaining 300 put in charge of short-term loan issues throughout the province.

Of the applications received in the Land Mortgage Banks, two-thirds have been rejected. The progress is certainly slow but conditions are such that it is imperative to proceed cautiously.

In reply to Khan Bahadur Momin, he said that in the past nothing had been done to train the people in co-operative ideas. This year's budget is Rs. 15 lakhs. In the early days of the movement, it was 3 to 4 lakhs. He considered that the ratepayers have got their money's worth from the Department because it has effected a reduction in the rate of interest. He did not include the Ganja Sale Society or milk societies amongst those which he had mentioned. He was speaking of paddy sale societies. There are also fishery and weaving societies. There are four milk societies in Chittagong, Dacca, Calcutta and Darjeeling, but those in Darjeeling and Dacca have gone into liquidation. Consolidation of holdings on a co-operative basis was attempted by the Department from 1928-30 but the people did not co-operate and it was found that they were unwilling to exchange plots of different qualities. An attempt is now being made in Bankura, and a society has been started for the consolidation of holdings. Last year the Provincial Bank decided on the policy of advancing short-term loans: some Central Banks took security in land; others did not. In the new Act it is proposed to distrain crop for default of short-term loans.

He explained to the Chairman that security in agricultural societies consists of the personal surety of two members.

Continuing, he said that a scheme is now before Government for scaling down old debts of the members of village societies and arranging repayments by instalments spread over a number of years or through Land Mortgage Banks.

Mr. Holland mentioned that the estimates of debtors' assets made by Debt Settlement Boards are often incorrect assets. In ten cases enquiries had been made by Land Mortgage Banks and it was found that the estimates were so inaccurate that none of the debts could be taken over. A further investigation had been made with more success. Another reason for the slow progress of Land Mortgage Banks is that one co-sharer sometimes applies for a loan but until all the other co-sharers join no progress can be made.

Khan Bahadur M. A. Momin suggested that if Debt Settlement Boards and Co-operative Banks were abolished they might be replaced by Land Mortgage Banks in every union or thana, which would deal with old debts and advance loans for agricultural purposes.

Mr. Holland replied that the extension of Land Mortgage Banks might bring relief to agriculturists but it would really consist of the same machinery under a different name. The same enquiries would have to be made by the Land Mortgage Banks as are being made by Debt Settlement Boards. The Department has tried the experiment of a Debt Settlement Board consisting of the Directors of a Land Mortgage Bank. Disposal of cases before Special Boards is not dilatory and in the case of some ordinary Boards disposal has improved.

At this stage news was received of the death of His Excellency the Governor of Bengal, and the meeting was adjourned.

Reply by Khan Bahadur Maulvi Ataur Rahman, Retired Assistant Commissioner of Income-tax, Calcutta.

Q. 3. As far as my personal knowledge and experience for 50 years goes I don't think the zamindar did play any important part in the economic development of their estates. The zamindars have failed to perform the function expected of them. The Permanent Settlement was made with them in such favourable terms that they could lead an easy life with the income they obtained without any exertion on their part. Moreover they were "Despotic power in their zamindari" and could realize illegal exaction without any opposition. The demand of land gradually increased and the zamindars did not find any difficulty to get tenant and the tenants so obtained improved and brought the land under cultivation.

Q. 4. Before Permanent Settlement many zamindars were mere collectors of revenue on behalf of the State. But some of the Permanent Settlement-holders were real proprietors such as the Raja of Birbhum, or Raja of Pachet. They had sovereign right in the land. Subsequently when British Raj came in, the Permanent Settlement was concluded with them.

Q. 5. It is a very important and vexed problem. I am not a student of Political Economy so I am unable to discuss the merit or demerit of the question academically but from my practical experience as an officer in the Settlement Department and an officer in charge of Government estates I am of opinion that it must be a mistake to annul the Permanent Settlement. Such action will not improve matters or help the raiyats. It may bring some money to the State but there will be a chaos in the society as it is constituted now with the effects of a century and half old institution. If the State wants money it can tap land in other ways such as Cess Act, income-tax on land.

Q. 6. I don't think the expansion of cultivation or improvement of land is due to any action of the zamindars. The land improvement registers maintained in the districts will show that very little capital has been invested by the zamindars. During my official career which was spent mostly in rural Bengal, I have not come across any act of improvement by the zamindars. On the other hand the improvements made by their predecessors in interest or other pious people before Permanent Settlement are allowed to decay.

Q. 9. The zamindars keep very little touch with the tenants. Their village gomastas are all in all. The only concern the zamindars has in the estate is "How to get money and more money". He never helps the raiyats in any way. At least I have not come across any such

estate, where the tenants received any help from the zamindar. The visit of the zamindars is dreaded by the people as such visit costs the raiyats good deal in the shape of nazar, travelling expenses, chanda, etc.

Q. 10. It is another academic question.

The Permanent Settlement has no doubt crippled the resource of the revenue of the province but I don't think it is responsible for the economic depression of the peasantry. Annulment of Permanent Settlement is no concern of the raiyats because they will have to pay their rent to some authority under any circumstances. If they can be saved by legislation from illegal exaction and rack-renting it matters little to them who collects their rent.

Q. 11. It is true that the Permanent Settlement has given large share of the revenue to a few middlemen. I can't say whether it is 80 per cent. or less. In this connection settlement report may give useful information (viz., Birbhum Report, pages 53 to 55). It has no doubt created overlordship and the tenants are oppressed by the landlord. But the times are changing and with more light and political advancement the zamindars' overlordship will die out.

I must note here that the Government is also responsible for such overlordship of the zamindars. The zamindars were looked upon as favourite children and the peasantry was left to their mercy and the tenancy legislations were one-sided in many respects.

Q. 12. As I have already stated I don't advocate the abolition of Permanent Settlement but recommend that the tenants should be protected by legislation and they will be able to help themselves with advancement of the sense of their right and responsibilities.

Q. 13. By imposition of a tax on the income of the rent-receiver (not on the actual cultivators) if the income is beyond a certain limit say Rs. 1,000 or Rs. 2,000.

Q. 19. There was time when the raiyats preferred to come under the Government management because of the advantages they used to get in terms of the rent they paid. When I was in charge of khas mahal in Bakarganj 1907-12 the tenants of the permanently settled estates of Nawab Bahadur of Dacca adjoining the Government estates sent thousand of petitions praying to come under the Government management. It will not be out of place to mention here that at the time proceedings were going on for confiscating several temporarily settled estates on account of the mismanagement of the settlement-holders.

I must admit that the khas mahal is also not always free from the *zulum* to the raiyats still they preferred to come under Government

management, because of the advantages they got in the shape of sanitary improvement, educational facilities, remission of rent at the time of distress but unfortunately those golden days in the khas mahal have passed away. The khasmahal tenants are not treated in the same manner as they used to be. At the same time the zamindars' oppressions are declining and with the awakening of the tenants this will die out in time.

Q. 29. I have no statistical figure but from what I see in our villages there is no appreciable increase of bargadar. Many middle-class people are paying more attention to cultivation on account of want of avenue of employment elsewhere. But I believe there may be increase of bargadar, if more land passes away from the hands of the cultivators. This cannot be avoided unless their economic condition is improved.

Q. 30. The cultivator is always in deficit budget on account of repeated failure of crops, for the serious disparity of prices, for meeting the contingency of the modern civilization and lastly for the gradual loss of the productivity of the soil. Failing to meet with his demands he parts with his lands which may go to bargadar.

Q. 31-36. These questions deal with barga system. It is a time-honoured system of agriculture in the country. I am not in favour of tinkering with the institution. Nothing in a society can be perfect, not to speak of land tenure which is a very complicated affair and all legislation on the subject should be based on custom which is prevalent in the country and which has worked well. In fact the State based its revenue on the produce of the land. To me it seems that the system of produce rent is more perfect and equitable. I wish the old Hindu system or Muhammadan system of collection of rents by estimating the crop and taking the value of a share was still prevalent. Money rent is an artificial system. The produce of the soil is its wealth, so a share of the same payable to the State is the proper rental. The tenant will have to pay nothing when there is no crop. He will have to pay less when there is a partial failure. So really speaking barga system is most equitable if it is properly adjusted. There may be increase of barga land and this cannot be stopped by any outward force of legislation. Whatever legislation may be passed, means will be found to avoid its term when the people find that it is against their interest. Necessity knows no law. I am not in favour of changing the present law.

If the settlement reports are consulted it will be seen that only small a fraction of land is let out in barga. In Birbhum district 1·17 per

cent. of the total area is let out in barga. In many cases the tenant who lets out in barga helps the bargadar with capital, seed and manure. He is more substantial and is a resident in the village and without his help and guidance the bargadar would not be able to cultivate the land properly.

The bargadar is better paid in this system than a day-labourer.

It will not be a good policy to disturb this system, nor I would advocate its increase if it can be avoided. There is no complaint nor there is any public opinion against it. If the Government wants to stop it the remedy does not lie in interfering in the barga system but means should be found out to see that the raiyat's land does not go out of his hand on account of his poverty. The poverty is the root cause of all the trouble. If he can meet his both ends he will never part with his land. A raiyat would rather give some drops of his blood than his land on which he depends for his livelihood but he parts with it when he finds that he has no other means. Let the well-wisher of the raiyats take steps to improve their economic condition, free him from debt by increase of his income, by improving the land's productivity and save him from the expenditure of the modern civilization and then you will see that he will prosper again.

Q. 40-41. The consolidation of holdings is not a possible problem. The land held by one raiyat is of various kinds and he will not part with one plot of his A class land for another plot of B class and so on. There are other practical difficulties.

Q. 42. The accumulation of very large area in one hand is not desirable but so long as the raiyats'.condition is not improved how this can be stopped. If it can be stopped by helping him with money to clear off his debts and keeping him out of new debts it will be no doubt a thing to be desired.

Q. 43. I agree but I don't find any solution without interfering with the laws of inheritance.

Q. 45. If it means that the collection of all co-sharers landlords will be joint it is very desirable.

Q. 46-47. I do not think the intention of Permanent Settlement was that the zamindars would augment their income by enhancing the rent of raiyats. Besides the land in occupation of raiyats there was a large area uncultivated and the zamindar had ample opportunity to increase his income by letting it out and assessing rent on it.

Though it is not expressly said anywhere I think it was contemplated in the Permanent Settlement Regulation that the rent of raiyats should not be enhanced.

Q. 50. I can't advocate the principle of fixing the rent of the raiyats permanently and thereby crippling the source of revenue to the State. The mistake once committed by Permanent Settlement should not be repeated but this source of revenue should be kept open.

Now the question is how such enhancement be provided. I don't think the present law of enhancement for the rise of the price of staple food crop can be an independed ground of enhancement. Various factors are to be taken into consideration, e.g., (*a*) productive power of the soil, (*b*) increase of cost of cultivation, (*c*) increase of cost of living, (*d*) disparity of prices between the price of goods the cultivator sells and the price of goods he purchases, (*e*) the bad economic condition of the cultivator.

Though the money value of the agricultural goods has increased the production is very much less than what it used to be. As far back as 1885 late Mr. Amir Ali objected to the provision of enhancement owing to increase in the price of staple food crop in the then Legislative Council.

At least for 30 years to come there should be no enhancement on any ground except on the ground of increase of area.

Q. 52. The rent should be based on a share of the produce. This will act adversely on the poorer land but the tenants who hold only such land must receive special consideration.

Q. 56. I think the value of 1/10th of the principal crop based on an average of 10 years' produce, carefully experimented on, should be the basis of rent.

Q. 57. There should be no enhancement but there must be reduction or remission in case of partial or total failure of crop.

Preferably twenty-five years.

Q. 64. My answer will be "Yes".

Q. 72. Average yield of paddy in normal year is 15 maunds per acre in western Bengal districts. There is a failure or partial failure of crop about every third year. If this is taken into account the average comes to 9 maunds per acre (*vide* page 73 of the Settlement Report of Birbhum) I have no idea of the cost of jute or sugarcane cultivation, but I have some idea of the cost of paddy cultivation and it is as follows:—Usually one man is engaged for 16 bighas of land of which in about one bigha second crop is grown. His services is practically utilized for the whole year in cultivation of this land.

Occasionally he is employed on domestic work. So I shall allow a part of his wages and calculate the costs in the following manner:—

Wages of one labourer:—

		Rs.
For 12 months	...	60
His food and clothing	...	60
Price of implement on its depreciation	...	2
Manure	...	8
Feeding of cattle	...	24
Depreciation of the cattle	...	10
Seed	...	6
Total		170

		Rs.	as.
Less the employment of labourer in other works 1/3rd of 120	...	40	0
Total		130	0
Per bigha (130/16)	...	8	2
Per acre	...	24	6

This is the cost of paddy cultivation if the cultivation is done by hired labour. If the cultivator works himself he saves the cost of the wages and the cost for 16 bighas comes to about Rs. 100.

The cost per acre amounts to about Rs. 18.

Q. 73. Apart from the statistical figures it is my personal experience that the land has lost part of its productivity. I cannot say what are the scientific reasons, but I believe the following are some of the reasons for lands losing its fertility:—

(1) Every village had some waste land for the purpose of grazing of cattle. When rain fell on it, it trickled down to the surrounding land and fertilized it. It does not exist now.

(2) For want of grazing ground the people cannot keep sufficient number of cattle to obtain manure therefrom.

(3) The river banks are all high. Many of them are altogether dried up. Apart from the flood silt the land has lost its underground moisture. If the rivers can be brought to its original condition by

removal of artificial obstruction, they would have their full scouring action and maintain their proper channel up to the sandy stratum and diffuse its moisture. This will not only improve the fertility, I think it will bring back timely rain.

(4) Rainfall has become scanty and irregular.

(5) Old irrigation tanks are decayed.

As to definite proof of the deterioration of the soil I would refer to page 538, Vol. (V) of the Dictionary of Economic Products by Sir George Watt. I quote here what he says, "Enquiry in 1867 made with regard to the production of rice, throughout the province, made it apparent that the average of all the figures then given would justify 27 to 33 maunds of paddy per acre."

The Government Blue Books and Settlement Reports will show that the average is about 15 maunds now and if bad year is taken into consideration it is 9 maunds (*vide* page 73 of the Final Settlement Report of Birbhum).

As far as I know nothing substantial has been done by Government to improve the land or to help the cultivators by distribution of seeds or manure in our locality.

Q. 74. These beneficial acts seem to have been enacted for operation only at the time of distress or famine. The reason for not extensive use of these enactments is the plea of shortage of fund.

Q. 77. In my opinion the land revenue administration of the province is not the cause of the uneconomic condition of the raiyats. But it will not be out of place to say that the Government did not take proper care of the raiyats. They were left to be suffered at the hand of the powerful zamindars and greedy mahajans.

Any modification in the administration of land revenue will not appreciably improve the economic condition of the cultivator. Even if it is declared that the cultivator will have to pay no rent now, still his condition will not be sufficiently improved to give him two square meals. Please refer to page 15 of the bulletin of the Board of Economic Enquiry for Bankura. You will see that the average income of a family is Rs. 146 and his expenditure is Rs. 267. The cost for rent will be about Rs. 30. If this is eliminated still he will be in deficit of Rs. 90 per year.

Q. 78. The Settlement Reports and the bulletin of the Board of Economic Enquiry will show in what a miserable position the cultivator is. In general about 90 per cent. of them are having deficit and half are ill-fed. Besides agriculture other sources of income has practically dried out. They have no cottage industry and it is impossible to revive

the same in competition with the big industry. The happy old days are gone. The charkha lost its existence. The dhenki and ghani are dying. The weaving of gunny bags is forgotten.

In our younger days we have seen paddy selling at the rate of 1½ maunds per rupee and still the cultivator was happier. He had no unnecessary luxury expenditure. He had practically nothing to buy. He used to grow all he required, on his own land. So he was not in want.

Q. 80. The condition of the cultivator cannot be improved unless the whole fabric of economic structure is re-cast. Bengal is a purely agricultural country and the income of the cultivator has not increased. On the other hand, on account of deterioration of the productivity of the soil the income has fallen. Modern civilization has brought in many items of unnecessary expenditure. Recently I saw a cinema show in the villages where cultivators are starving. So it is very hard to improve the cultivators' condition unless the cultivator is made to live on the produce of his land, and this cannot be done on the plea of free trade and industrialization of the country.

The cultivation cannot be improved by the so-called improved method but it will improve itself if the physical condition of the country is changed to its original condition when we had enough crop without much exertion.

Q. 81. I do not subscribe to the view that poverty of the cultivators is mainly due to the pressure of population. The increase of cultivation is proportionate to the increase of population. The census figure and the Settlement Report of West Bengal districts at least will prove this fact. The poverty as I have already said is the outcome of modern civilization. "More expenditure than income" is the cause of poverty. Let the cultivator have his old mode of life to live, he will be happier again.

Q. 82. I am not in favour of driving people to big industries. The salvation does not lie therein. The revival of cottage industries will be better and safer means to give amelioration to the cultivator. The accumulation of the people in big industry and the life led therein curtail their longevity and they gain vices. A man in a cotton mill may give an outturn of 100 yards a day but he may live only for 40 years, but he will live 80 years if he works in his own village among his own people. So ultimately the country will be gainer by cottage industry.

Q. 83. An attempt to improve the credit of the cultivator will be one-sided, till his expenses are reduced by banishing all foreign-made or mill-made goods by legislation and improving the productivity of the land by resuscitating the rivers. The credit movement will not improve the situation. At present there is no efficient credit organisation and none can exist till it is taken up *pari passu* with the improvement of land.

Take the case of bagri area of Murshidabad. The entire area lost all its standing crop by flood and it is not only this year but several years successively. What a credit organisation could have done in this area with such a situation. In the rarh area the same situation may arise if there is a failure of rain.

Q. 84. It is rather exaggerated. There might have been a time when such was the case. At present the mahajan will be satisfied if he gets back his principal alone.

Q. 85. The co-operative movement is a failure. It is not the fault of the system but as I have said already that the credit organisation is only one-sided. It cannot improve the situation. Even if one Registrar or Assistant Registrar is appointed in each thana, he will not be able to improve matters.

Q. 86. It is too early to speak on this matter. The greatest trouble in the working of the Board, I find, is not disposal of the cases.

The parties are being harassed from day to day. The question of court-fee deserves the consideration of Government.

Q. 87. Vide reply to questions 83-85.

Q. 89. The system now in vogue will work well if corruption and bribery in the Civil Court can be stopped. Besides the legal expenses the Government abwab is very much heavier than the abwab realized by the zamindars. The rate of court-fee is too high. If some modifications are made the system will work well.

The cultivator is a good pay-master. The payment of zamindar's rent is considered as a sacred duty. The tenant will never withhold his rent if he is able to pay and if he is not exploited by political agitators. Improve his condition and the rent will be paid without any coercion. The new amendment of Bengal Tenancy Act giving facility to partition of holding will improve the collection of zamindars' rents to a great extent.

Q. 90. Experience shows that the recovery of rent by Public Demands Recovery Act in the present condition of the cultivator is most harassing. As I have said in the previous question the tenant would not fall in arrear if he is able to pay. But when he is in such a helpless position the certificate procedure acts too adversely on him. I know cases in my own district where the Certificate Officer attached and sold agricultural implements and cattles. In Civil Courts the judgment-debtor gets some respite. He makes some settlement with the landlord. The good relation between landlord and tenant is strained by Certificate Officer. The Certificate Officer replaces the landlord, who does not look to the interest of the tenant but his sole aim is to show good collection and get credential.

Oral evidence of Khan Bahadur Ataur Rahman, on 25th February 1939.

In reply to the Chairman, Khan Bahadur Ataur Rahman said that he had been in the Settlement Department and in charge of khas mahals, including the colonization area of the Sundarbans from 1903-1917. After 1917, he served in the Co-operative Department and subsequently in the Income-Tax Department till his retirement.

He considered that the poverty of cultivators is due primarily to the increased standard of living without increase of income. He mentioned as an example that in olden days, cultivators used to grow their own cotton and women used to spin it: consequently very little paddy had to be sold to procure the necessities of life. Now-a-days, one maund of paddy has to be sold to buy a piece of cloth. Village enterprise and village industries are now dead.

In reply to Khan Bahadur Hashem Ali Khan, he agreed that the condition of the peasantry is very miserable. One reason is deterioration in the productivity of the soil and the lack of scientific irrigation. The absence of proper marketing facilities is another reason. Sometimes the cultivators are forced to sell their produce. For example, one Government kist is fixed in the month of Pous when the paddy was just being harvested and they are compelled to sell some paddy at a low price. Deterioration in health is due partly to the lack of nutritious food and of proper drainage. The climate of the country has deteriorated owing to the construction of railways and bridges. Improvement cannot be effected simply by establishing dispensaries and distributing quinine. He agreed, however, that medical facilities to-day are better than they were 50 years ago, but such facilities would not be necessary if the country were kept in proper order. Although there are dispensaries covering the rural areas, he was not in favour of modern medical methods but would prefer to go back to the old indigenous medicines, which are cheaper.

He said that in Murshidabad and in the adjacent part of Birbhum, the cultivators are entirely occupied in agriculture and have practically no spare time. He agreed that they only raise one crop in the year and might grow a second crop on a small part of their holdings. He did not agree that in general the cultivation of aman paddy requires only three months' work in the year. In Bakarganj, nature helps the cultivators and they do not have to do much ploughing. He agreed that home industries in the cultivators' spare hour would be very helpful and would increase their income. He did not agree that crores of rupees would be necessary to start cottage industries: in the old days cottage industries existed without finance. The remedy, he said, was to stop the import of foreign products and leave the people to make their own cloth, oil, and other necessaries of life. The money spent on demonstration parties had been sheer waste of public funds.

In reply to the Chairman, he said that the people still possess the necessary skill for husking, weaving and spinning. Their skill is being killed by machinery. He was not in favour of starting sugar mills in rural areas because 90 per cent. of the people use gur and not sugar. It is only consumed by the higher classes.

In continuing to Khan Bahadur Hashem Ali, he said that the Permanent Settlement has certainly crippled the resources of the province. He apprehended, however, that if the landlords and tenureholders were bought out, the increased revenue might not be allowed for improvements in rural areas. He mentioned that a grant of Rs. 2 crores had recently been received from the Government of India and had been merged with the general revenue. If the position of the cultivators is to be improved, additional revenue would have to be earmarked for their improvement.

In reply to Khan Bahadur Abdul Momin, he agreed that in eastern Bengal the pressure of population on the land is heavier than in western Bengal. He was not in favour of employing the surplus population in centralised industries but thought that they might be employed if industries are started locally. His suggestion was that industries might be started in villages through the introduction of electric power. He mentioned that in Japan, every home is an industrial centre and that is the reason why cloth and other industrials are so cheap there. He agreed that spinning should be encouraged. He preferred home industries to big industries. He was not in favour of starting industries such as the manufacture of motor-tyres and bicycle-tyres, as such articles of luxury are not required by the peasantry. He preferred home spinning by machinery which would not be costly. He agreed that even if foreign imports were stopped, the habit of buying such articles might remain. The chief need in western Bengal is irrigation. First of all, the irrigation tanks should be restored; secondly, the rivers should be resuscitated. He did not consider that the canals like the Bakreshwar in Birbhum had been successful.

It would be an ideal state of affairs to have the raiyats directly under the State but he was not certain that this could result in a decrease in litigation. He thought that to buy out the landlords and tenureholders would create a disturbance in the present social order, which he did not favour. He agreed, however, that the object of the administration must be the greatest good of the greatest number. If the landlords are bought, they would have to be compensated. The value of zamindari property has gone down and probably none now-a-days would be willing to buy it. He considered that 10 times the net profit would be the minimum fair compensation. Compensation should be given in cash or in promissory notes at 4 to 5 per cent. interest.

In reply to Sir F. A. Sachse, he agreed that these proposals would

but this need not cause much apprehension as rent has become almost unrealisable owing to the introduction of the Bengal Agricultural Debtors Act and other reasons. The tenants can hardly afford to pay rent now-a-days and have hardly enough to maintain themselves.

In reply to the Chairman, he said it is not that rents are too high but the cost of cultivation has increased while the price of agricultural produce and fertility have decreased. He agreed that many holdings are too small, and uneconomic. Tenants are sometimes compelled to part with their holdings owing to bad economic conditions. Rent is on the high side in western Bengal compared with eastern Bengal taking into consideration the respective value of agricultural produce in both parts; but he did not consider that the rent is too high. In western Bengal, there is only one main crop, viz., aman paddy, the value of which he would take at Rs. 30 an acre. One-tenth of this, i.e., Rs. 3 would be a fair rent. The Government figures for outturn in western Bengal is 12½ maunds an acre.

In reply to Khan Bahadur M. Hosain, he said that those zamindars who had a sovereign right in land at the time of the Permanent Settlement held their zamindaris subject to the customary rights of the raiyats. He reiterated his view that to buy up the landlords and tenureholders would be a sudden innovation which would have a disturbing effect on the province.

In reply to the Maharajadhiraja Bahadur of Burdwan, he said that he apprehended that by doing away with the existing zamindari system, the present fabric of society would be destroyed.

In continuing to Khan Bahadur M. Hosain, he said he was not certain that if the zamindars were given compensation in cash, they would invest their money in industrial enterprises: it would be a good thing for the province if that happened. He agreed that one evil of the Permanent Settlement was that the landlords have not looked after their tenants in the manner expected at the Permanent Settlement. He doubted, however, whether a change to State landlordism would not result in the tenants going from the frying pan to the fire because the State might squeeze them as hard as the landlords. He agreed however that the tenants would have some protection from their voting power.

As regards the imposition of a tax on agricultural incomes, he said that realisation was difficult enough from businessmen and will be extremely difficult from cultivators making an income of more than Rs. 1,000 or Rs. 2,000.

He considered that the khas mahal management now-a-days is not as paternal as it used to be. Nazarana is now charged in the same way

splitting up of holdings. As regards bargadars he explained that he was not against giving some rights to them, as opposed to bhagchasis, but he was not in favour of allowing commutation of rent: otherwise bargadars might sublet. The bargadars who finance their cultivation ought to get some right. He agreed that land is passing to non-agriculturists and that State aid is necessary to help tenants who have lost their land. He was not in favour, however, of any Land Alienation Act because in the present condition of the credit market, the cultivators would be adversely affected and would have to sell up more land. Artificial methods of restriction if thrust on the cultivators would not do them any good. Non-agriculturist would pass as agriculturists and land would be still transferred by benami transactions. Such a law would be impractical and easy to evade. He was not aware whether such restrictions had been successful in Punjab or what was the report of the Royal Commission on Agriculture on that subject. The present price of paddy in his own village is Rs. 1-11 per maund. At the harvest time this year it was between Rs. 1-12 and Rs. 1-14 owing to the failure of the crop in part of Murshidabad district. Last year the price at harvest time was Rs. 1-4 to Rs. 1-6. The average might be taken as Rs. 1-10 a maund. The fact that during the war, there were no imports and yet cottage industries were not revived, does not mean that they could not be revived now. It would be a lengthy process and could not be carried out all at once. Money would be essential, but money alone would not suffice—there must be genuine will on the part of the State to improve the industries.

The present trouble of the cultivators is due largely to the increased cost of living. They pay Union Board taxes, the price of kerosine, the cost of medical facilities, etc. He agreed that attempts should be made to increase the yield: now-a-days the cultivators are getting only 10 maunds an acre compared with 20 maunds formerly. Cultivators' necessities of life ought first to be met from the produce of their land; it would then be possible to improve their income. He agreed that many holdings are now small and uneconomic and that it is desirable to aim at providing economic holdings. But if every one had an economic holding there would be some surplus population and as he had previously suggested, they should be employed in village industries. He agreed that certificate procedure, if judiciously applied, would be cheaper and simpler, but thought that as it is now applied it is rather discouraging.

In reply to Sir F. A. Sachse, he said that, speaking from memory, cotton used to be grown in this part of the country and spun by the womenfolk. Although the quality of home-spun cloth might be inferior, the price was much less than it is now. He agreed, however, that cotton might not have been generally grown all over Bengal. In

maunds per rupee. He agreed that this is only half of the present price but thought that the tenants' difficulties arise from the increased cost of living to which he had previously referred. Kerosine oil, for example, was not in use previously: cultivators used to make their own oil and it cost them nothing. When more expensive habits of life develop they are difficult to remove. He agreed that the standard of living has gone up. It was true that lakhs of rupees were spent during the jute boom in the purchase of corrugated iron sheets in eastern Bengal: Although corrugated iron sheets render thatching unnecessary, there should be no cost for thatching roofs if the thatching grass is grown on a tenant's holding.

Sir F. A. Sachse pointed out that Khan Bahadur A. Rahaman had given the opinion that a bargadar is better off than a labourer. According to his reply to question 72 the labourer earns Rs. 120 a year. This must mean that a bargadar who is assumed to get same receives Rs. 120 from half the crop after paying the cost of cultivation. In that case his profit would be Rs. 24 an acre and the profit of a raiyat who get the whole crop would be nearer Rs. 48 an acre. This fact could hardly be reconciled with the estimate that the gross value of produce is Rs. 30 an acre. Khan Bahadur A. Rahaman adhered in reply to his figures, which, he said, were based on Government statistics. He said that he had taken Rs. 24 a year as the cost of feeding cattle because in his district the tenants invariably purchase oilcakes. As regards his reply to question 31 he said that since 1334 B.S. there have been six failures in the rarh area of Murshidabad. He agreed, however, that this area is different from the average land in Bengal and that in good years the first class land there is capable of producing 30 maunds an acre. In connection with Khan Bahadur A Rahaman's reply to question 32 where the average outturn in western Bengal is said to be 9 maunds an acre, Sir F. A. Sachse pointed out that the Settlement Report had not given 9 maunds as the average outturn of Birbhum district, but had deliberately taken a low figure for the purpose of comparing the value of gross produce with the indebtedness of the whole district.

Khan Bahadur A. Rahman said he had not examined the Bihar Act for the levy of a tax on agricultural incomes. He agreed that if the limit of taxation is fixed at Rs. 5,000 income no *bona fide* cultivator in Bengal would have to pay any income-tax at all. If the limit were reduced to Rs. 600 even then there might not be many assessees; but it would be very difficult to collect the tax. He said he had some land of his own, part of which is cultivated by labourers who are paid an annual wage, and part on the kisani system by which he himself supplies all the cost of cultivation and the actual cultivator receives 1/3rd of the crop. Of the two systems he thought the latter is the better because

in case of failure of crops he has got to pay as much as he would have to give to an agricultural labourer.

In reply to the Maharajadhiraja Bahadur of Burdwan he agreed that the incidence of land revenue in western Bengal is higher than elsewhere. This is not entirely the reason why rents in western Bengal are higher. At the time of the Permanent Settlement that area was more prosperous: it was healthier and more populous. The tenants in western Bengal feel that the rent is high because productivity of soil has decreased and the climate has changed. That is why they feel the pinch, but apart from those considerations the rate of rent is not high. As regards his replies to questions 46 and 47 he said that his reading of the Permanent Settlement Regulation led him to the conclusion that the zamindars were not intended to increase their incomes by enhancing rents. Their increased profits were to come from extension of cultivation and by effecting other improvements. On this ground only enhancement of rents was allowable.

Asked whether in his opinion all tenancy legislations since 1859 regarding enhancement of rents had been wrong, he replied that in 1859 the tenants were not well represented. He thought that tenancy legislations had been one-sided and mentioned that during the course of Settlement operations he had found instances of enhancements beyond legal limits. He did not agree that a rise in prices is a fair ground for enhancement. As regards his reply to question 50 and his recommendation that there should be no enhancement for thirty years, he said that his object was to provide a respite for the tenants. Any enhancements would make their position more precarious. The present rent should continue but he had no particular reason for suggesting a period of thirty years: his object was simply to provide a longish period in which the tenants could recover. As regards question 83 he said he thought Government had failed in its duty to resuscitate the rivers. As regards question 89, he said that by "Government abwabs" he was referring to the sum which had to be spent by way of gratuities in the Civil Courts. In advocating Civil Court procedure for recovery of rents in preference to certificate procedure he was thinking of his experience in his own district. If it was decided that landlords should be allowed more summary powers for the realization of rents, he would agree that something like certificate procedure with proper safeguards should be given, but he thought that economic conditions are so bad now-a-days that tenants cannot be pressed to pay. Certificate procedure would facilitate recovery from refractory tenants but he thought that landlords show more consideration in realizing rents than Certificate Officers.

Mr. B. K. Roy Chowdhury pointed out, in connection with Khan Bahadur A. Rahaman's reply to question 3, that the zamindars were

only given 10 per cent. as profit and collection charges at the Permanent Settlement, that many estates had been sold up immediately after the Permanent Settlement owing to the zamindars' inability to pay revenue, and that there is evidence to show that the zamindars have developed the prosperity of the country and been responsible for the advancement of learning, provision of medical help and other acts of charity and munificence. Khan Bahadur A. Rahaman was not prepared to modify his views that the Permanent Settlement was made with the zamindars on such favourable terms that they could lead an easy life without exertion on their part. He said that there were opposite views to those advanced by Mr. B K. Roy Chowdhury.

The Maharajadhiraja Bahadur of Burdwan enquired whether the witness really thought that the intention of the Permanent Settlement was that zamindars should live a life of ease on an allowance of 10 per cent., Khan Bahadur A. Rahaman replied that the zamindars had ample scope for increasing their income by settling waste land.

Continuing to Mr. B. K. Roy Chowdhury, he agreed that it would not amount to enhancement if a landlord had induced tenants to cultivate waste lands and after giving lands rent-free for three or four years had charged a progressive rent.

In reply to Secretary he said that in his answer to questions 31-36 he had favoured the payment of rent as a share of the produce. The Secretary pointed out that enhancements on the ground of a rise in prices amount simply to adjustments of the value of this share. Khan Bahadur A. Rahaman did not agree, on the ground that with a rise in the price of paddy, the prices of other commodities also rise simultaneously. The system of paying a share is also beneficial to the tenants because if there is no crop in a particular year, they would have to pay nothing. He did not altogether agree that such a situation would be covered now-a-days by remissions of rent. He agreed that if the raiyats came directly under the State there might be a general demand for reduction of rent and the level of rent might become a subject for electioneering. Increased remission of rent and increased agricultural loans might also become necessary. He thought, however, that it would be beneficial inasmuch as Government would have direct control over the raiyats.

Reply by the Finance Department of the Government of Bengal.

Q. 13. At the outset we must make it clear that the question of abolition of the zamindari system or the substitution of the Permanent Settlement by temporary settlement are large questions of policy on which the Finance Department cannot express an opinion. We may confine ourselves to examining the allegation that larger revenues could be got by one or other of the above methods.

2. It is dangerously easy to prove all kinds of conclusions on this very fundamental issue. This is so because of two facts, viz., (1) the data are more or less conjectural, and (2) the compensation to be paid to landholders has been supposed to be an elastic figure. It is therefore considered better to proceed on first principles.

3. The total amount of rents that are collected from the cultivating raiyats in the permanently settled areas of the province can be divided into three parts, viz.—

(1) Cost of collection of all tenureholders and zamindars
(2) Net profits of all tenureholders and zamindars.
(3) The land revenue which comes to the State treasuries.

4. Government would not, of course, gain on the third item by acquiring all interests on land above that of the cultivating raiyat. There may be a slight loss on this head as many petty landlords pay revenue for estates which do not earn their revenue, simply to keep the title and prestige of being a zamindar.

5. If the capitalised value of the net profits at market rates of interest are to be paid as price for acquiring the different interests on land, there is no scope for gain out of the second item also.

6. So the only source of profit to Government is through a possible economy in the cost of management. This may look possible in areas in Barisal where there is a large degree of subinfeudation and each of a number of men having interest in the same land has to maintain a separate collecting establishment. But against this possible economy must be set off the following:—

(1) Management cost of Government is likely to be higher than that of private individuals.

(2) The cost of collection of smaller landholders with annual incomes of about Rs. 100 or thereabout is almost nil; but in the hands of Government, this collection will have to bear the full percentage. It is believed that at least half the rents collected from the cultivating raiyats are shared by such smaller landlords.

7. Another point also deserves consideration. A zamindar is what he is not only because of his money incomes but also because of the prestige and social position which the ownership of a zamindari connotes. There may be people in the Burdwan division richer than the Maharajadhiraj of Burdwan or in the Dacca division richer than the Nawab of Dacca, but nobody can compare with them in social position and general esteem which their zamindari brings them. If Government must acquire their zamindaris by a compulsory measure, these "intangible" assets may also have to be paid for. That this has an economic value is proved by the fact that many petty landlords pay revenue for estates which do not earn their revenue. If Government decide to pay for these intangible assets of the landlords, the debit side will be considerably swelled, as Government cannot earn any economic return on these payments.

8. On the liability side should also be added the following, viz.—

(1) The cost of the agency of compulsory acquisition. Under present rules, such cost varies from 5 per cent. to 20 per cent. of the total cost of acquisition. This expenditure will be heavy and must be met by borrowing against which there will be no separate asset.

(2) The annual demand of estates under the direct management of Government and the remissions granted for the last three years are given below:—

Year.	Demand.	Remission.
	Rs.	Rs.
1935-36	71,70,109	19,88,955
1936-37	71,00,040	8,34,438
1937-38	73,46,375	8,87,984
Total	2,16,16,524	37,11,377

The remissions work out at about 17 per cent.

It will appear that average remissions are about 17 per cent. of the demand per year.

(3) Government's expenditure *qua* landlord on irrigation is estimated to increase.

(4) Law charges of Government will increase considerably.

9. As against all this, Government will acquire the right in the future enhancements of rents; but this right is more fictitious than real on the following grounds:—

(1) No political party have championed nor are likely to champion this source of profit.

(2) There is hardly any scope for extension of cultivation in the permanently settled areas.

(3) Enhancement on the ground of rise of price is limited by the Bengal Tenancy Act. The trend of legislation is towards greater restriction in this respect.

(4) There is a large number of mokarari raiyats.

(5) The question of periodical assessment of the rents of raiyats cannot be thought of as (*a*) no political party is likely to support it; (*b*) it raises highly controversial points regarding the "unsettling" effects of periodical settlements and their retarding effect on the progress of agriculture—points which formed the subject-matter of a long controversy in the beginning of this century; (*c*) it raises the question of compensating raiyats.

(6) The bigger social aspect of the question of enhancement of rent apart from its purely fiscal aspect is likely to assume greater importance in future unless the country enters upon a phase of quick industrialisation. (The fiscal aspect is concerned with the ability of the land to bear the rent; but the bigger social aspect may enquire into the ability of the holder of the land to pay the tax.)

10. The above analysis clearly indicates that the State purchase of zamindaris cannot be looked upon as a bringer-in of larger revenues. It proceeds on the assumption that it is not proposed to expropriate without proper compensation, i.e., without paying the capitalised value of net profits. For present purposes it is not necessary to determine how many years' purchase will yield the capitalised value.

11. There is, however, an argument sometimes used which denies that Government need give the capitalised value. It is argued that all taxes are expropriations without compensation and that in this case we may look upon expropriation of landlords as a tax. But strictly speaking it is not a tax but a capital levy confined to a particular class and even within that class not graduated according to ability. It does not satisfy any of the canons of taxation. It will affect the landholder with a net profit of Rs. 100 a year but will not touch millionaires in other classes of society. It will affect the big landholder and the small landholder equally. It will not satisfy the canon of economy or convenience. It will change the whole make-up of society and spend millions for the sake of revenue not at all commensurate with the cost.

12. The following observations of the Finance Department made before the introduction of the new Constitution in this connection will bear quotation:—

> "It is sometimes, however, suggested that it will be open to the local Government under the new Constitution, by some act of

repudiation, disguised or undisguised, to extract from the land, revenue of which the Permanent Settlement deprived the exchequer. This is far from being the case. The land revenue lost by the Permanent Settlement, is, with few exceptions, not lying with those interests with whom the original covenant was made, as in a reservoir, that might be tapped; by a process of subinfeudation, subdivision and sale which has gone on for nearly a century and a half, it has entered into multitudinous hands and is practically the sole support of a large proportion of the present population which it has brought into existence. The Permanent Settlement and the consequences flowing from it are now the framework of the general economic life of the country; and, in the considered opinion of this Government, no tampering with that framework could, in the long run, produce financial gain to the State."

13. As regards imposition of a tax on agricultural income, that stands entirely on a different footing. It does not offend against the canons of taxation: and, in fact, the exclusion of agricultural incomes from the income-tax has no justification in theory.

The Taxation Enquiry Committee have fully investigated the question and the arguments need not be repeated. The Finance Department are investigating the question of imposing such tax in this province, with a view to devise a cheap but efficient machinery of collection and to estimate the probable net yield.

14. The substitution of Permanent Settlement by temporary ones is not also desirable as a fiscal measure on the following grounds:—

(1) The estimated increase in revenue is small.

(2) The cost of collection will be high.

(3) It will upset the entire land system of Bengal without bringing in large revenues.

(4) The question of compensating the landlords and the different grades of tenureholders will also arise here and if the point is conceded, there cannot be any net revenue to Government.

(5) A sharply graduated income-tax on agricultural income would bring in extra revenue without raising any of these complicated questions and without disturbing the land system.

Q. 14. Does not arise.

Q. 75. A statement showing the total expenditure on agricultural improvements in the colonisation and khas mahal areas since 1919-20 is placed below—

Land Revenue—Expenditure.

Management of Government Estates.

(In thousands of rupees.)

	Outlay on Improvements/ Agricultural Improve-ments.	Colonisation of Sundarbans/ Agricultural Improve-ments.	Total expenditure on Agricultural Improve-ments.
1919-20 ..	60	..	60
1920-21 ..	3,28	..	3,28
1921-22 ..	1,25	..	1,25
1922-23	47	..	47
1923-24 ..	56	..	56
1924-25 ..	1,58	..	1,58
1925-26 ..	46	71	1,17
1926-27 ..	84	76	1,60
1927-28 ..	91	73	1,64
1928-29 ..	79	1,11	1,90
1929-30 ..	1,48	1,65	3,13
1930-31 ..	1,02	1,34	2,36
1931-32 ..	85	1,46	2,31
1932-33 ..	79	86	1,65
1933-34 ..	71	1,09	1,80
1934-35 ..	61	92	1,53
1935-36 ..	96	87	1,83
1936-37 ..	85	68	1,53
1937-38 ..	77	57	1,34

The variations are due to variations in the general finances of the province which they reflect fairly correctly. It is interesting to note that the ups and downs of these figures also correspond generally with

the ups and downs of index numbers of wholesale prices in Calcutta which are given below—

Year.	*Annual average.*
1915 ...	... 112
1916 ...	... 128
1917 ...	... 145
1918 ...	... 176
1919 ...	... 196
1920 ...	... 202
1921 ...	... 179
1922 ...	... 176
1923 ...	... 172
1924 ..	... 173
1925 ...	... 159
1926 ...	... 148
1927 ...	... 148
1928 ...	... 145
1929 ...	... 141
1930 ...	... 116
1931 ...	... 96
1932 ...	... 91
1933 ...	... 87
1934 ...	... 89
1935 ...	... 91
1936 ...	... 91

Supplementary questions and answers.

Q. 1. In 1938, the Revenue Department estimated that if all zamindaris and tenures above the cultivating tenants were acquired by the State as proposed by the Congress Party, Government would obtain an increase of revenue of 3·71 crores of rupees. On the other hand, Government estimated that if 20 years' net profits were paid to the landlords of all grades as compensation, a loan of 115 crores would have to be raised. The interest charges at 3½ per cent. would be about 4 crores and the annual contribution to sinking fund ·14 crores. Hence there would be an annual loss of 45 lakhs.

Do you agree with this estimate? If compensation was paid at 10 times the annual profits, would there be a profit of 163 lakhs?

Answer.

Different methods of estimating the gross income of zamindars and tenureholders.

It appears that three different methods of estimating the gross assets have been used. The results obtained by the three methods vary widely. They are roughly 16,00 lakhs, 9,11 lakhs and 10,00 lakhs respectively. The divergence in the result is very remarkable.

2. The estimate of 16 crores is obviously a wrong basis for the present purpose. It is based on the valuation of cess tenures which include a large number of raiyati and under-raiyati holdings. The wide divergence between the Bengal Tenancy Act tenures and the cess tenures is shown by the statistics collected in 1928 for 11 districts. It was found that in these 11 districts the total number of cess tenures was 3,726,206 though the total number of Bengal Tenancy Act tenures was only 1,677,823. Rai Bahadur M. N. Gupta rightly refused to accept the valuation of cess tenures as the basis of his estimate.

3. Rai Bahadur M. N. Gupta's estimate is arrived at as follows: Messrs. Ascoli and Momin had estimated the total income of rent-receivers in Dacca and Jessore, respectively. He divides each of them by the total number of rent-receivers in Dacca and Jessore, respectively. The result is the *per capita* income of the rent-receivers. The *per capita* income so arrived at is applied to the entire permanently settled area of the province, and he arrives at the total income of the rent-receiving population of the province by multiplying the *per capita* income so found by the number of rent-receivers as given in the census tables of 1921. His estimate is 9,11 lakhs.

The Rai Bahadur's estimate is liable to criticism as follows:—

(1) There is danger in applying the average of two districts only to the whole of Bengal.

(2) The census figures of rent-receivers is not accurate for our purpose, as the Rai Bahadur himself points out in paragraph 6 of his report.

(3) The valuation of produce rents in Jessore and Dacca was made at a time when the price of paddy and jute was much higher.

(4) The census figure includes areas within the khas mahals and is therefore exaggerated so far as the present enquiry is concerned.

4. The Revenue Department estimate takes a more correct line of attack. They find out the average rate of raiyati rent for 11 districts

and apply it to the entire permanently settled area of the province. They arrive at an estimate of 1,00 lakhs by this method. But, apart from the fact that there is danger in applying to the whole province the average of 11 districts only (and there is hardly any reason why we should remain content with the figures of 11 districts only when figures for nearly the entire area is available), the estimate makes the obvious mistake of not excluding rivers, jungles and wastes (not included in raiyati holdings) from the total areas under Permanent Settlement. So a correct estimate even according to this basis would be lower than 1,00 lakhs.

5. *Cost of management by Government.*—In 1934, the Board of Revenue moved Government for increasing the budget allotment for management. They proposed the following:—

		Per cent.
Management proper	...	9½
Outlay on improvements	...	3½
Education	...	1
District Board for communication	...	1½
Total	...	15½

The percentages were to apply to the demand and not to actual collection.

Government agreed to 8 per cent. plus some fixed lump allotments for management proper, a lump sum of Rs. 50,000 for improvement works per year and 2½ per cent. for education and communication. Any further provision required for improvement in excess of the fixed amount was to be a subject for the Schedules. In the budgets of the current year and the next the agreed percentage for management proper has also been exceeded.

The budget provision for Government estates for the year 1939-40 is as follows:—

		Lakhs.
Management of estates (Land Revenue budget)	...	11·56
Education and Civil Works as agreed to above	...	2·13
Fixed lump allotments as agreed to above	..	·24
Total	...	13·93

The demand of Government estates in 1938-39 was as follows:—

	Lakhs.
Rent ..	73 07
Cess ..	4·51
Miscellaneous (3 years' average) .	8 34
Total .	85 92

So the actual budget provision of 13 93 lakhs works out at 16·2 per cent. of the total demand of 85·92 and at 19 0 per cent. of the demand of rent only.

These figures take no account of the cost of supervision by Collectors, Commissioners and Board of Revenue, which in view of our budgetary methods cannot be correctly ascertained. Rai Bahadur M. N Gupta takes this cost at 1½ per cent. of the demand. It is certain that if the entire province were a raiyatwari tract, it would not be possible for Collectors or Commissioners to do the supervision as part-time work. Full-time officers of their rank will be required. It is difficult to estimate the cost; but we shall proceed on the Rai Bahadur's basis of 1½ per cent.

One of the chief reasons for which the Board of Revenue wanted a larger allotment for management was that the proportion between directly managed Government estates and farmed estates had changed since the time when the basis of calculation was last fixed. Even in directly managed estates, there are big tenureholders, collection from whom is easy. In absence of any farmed estates or tenureholder, the cost of collection is bound to increase. An additional 2 per cent., at least, must be provided for that. So on the basis of rent demand only, the minimum estimate of management cost that is possible is 22½ per cent. as follows:—

	Per cent.
Next year's budget ..	19
Superior supervision .	1½
Estimated increase as in the last paragraph ...	2
Total ...	22

6. *Irrecoverables.*—This is difficult to ascertain. The annual average of the last three years' remissions already granted works out

at 17 per cent. of the demand. The average of the last ten years' is 7·15 per cent. Two factors require consideration in this connection, viz.—

(1) The above percentages are worked out on the demand of both directly managed estates and farmed estates. The directly managed estates also include a number of tenureholders. When there will be no farmed estate and no tenureholders, the remission must be larger.

(2) Remission of rents has recently found a place in the programmes of political parties. With the increasing political power of the agriculturists, remissions are likely to mount up at least so long as the pressure of population on land is not relieved.

Taking these two factors into consideration, any figure less than 12½ per cent. on account of remissions will not be a safe basis of calculation. This is much below the average of last three years.

7. *Cost of acquisition proceedings.*—The cost is supposed to be Rs. 1,000 per square mile. As this figure is based on past experience, we may accept it. At this rate the cost of acquiring 63½ thousand square miles will be roughly Rs. 6 crores. As against this expenditure, there will be no separate asset. So this would be added to the capital cost, in estimating the financial results.

8. *Rate of interest at which loans can be floated.*—It is better to proceed on the basis of a permanent loan in order to gauge the financial implication of the operation.

3½ per cent. G. P. notes are quoted to-day at Rs. 95-11. So the effective rate on them is about 3·7 per cent. The credit of the Government of India is supposed to be better than that of the Government of Bengal. Hence ordinarily Government of Bengal will have to offer a little higher rate. Three other factors will tend to raise the rate of interest, viz.:—

(1) The loan will be of a huge dimension.

(2) It is beyond the capacity of the ordinary revenues of the Government.

(3) The financial result of the big operation behind the loan will be considered by the public to be at best uncertain.

So if the necessary amount has to be attracted, a rate lower than 4½ per cent. cannot be thought of. If the policy behind the loan

cannot create public confidence, the rate may go much higher. This Government have no experience of such a huge loan operation; but the market is extremely sensitive and a small factor can suddenly push up the rate.

9. *Irrecoverables and collection expenses of landlords and tenure-holders.*—The bulk of the tenureholders are small men who hardly spend anything on collection except their own labour. They also hardly remit any rent as they are in constant personal touch with the tenants. The bigger landlords hardly pay living wages to their employees who chiefly thrive on abwabs. They seldom grant any remission but allow arrears to mount up. If the actual cost of collections and remissions could be ascertained, they would work out on the average to a very small figure. But we can for the sake of our calculation take the figure at 12½ per cent., as was done by Rai Bahadur M. N. Gupta.

10. *At what rate to capitalise the net profits.*—A fair basis would assume that the compensation given would secure to a man the same net income of which he is being deprived by the compulsory acquisition. If a man's net income from a property is Rs. 5 and we decide to issue 5 per cent. irredeemable bonds to him in lieu of the property, he can naturally demand a bond of Rs. 100. If we give him a bond of Rs. 50 only, we give to him an annual net income of Rs. 2½ only though we deprive him of an annual net income of Rs. 5. If a fair capitalisation basis of compensation is accepted, there cannot be any profit to Government out of the purchase. This has already been shown in our reply to question 13.

But there are various attempts to lay down a rate by a rule of thumb without reference to these relevant factors. Rai Bahadur M. N. Gupta has based his estimates on an assumption of offering 14 times the net profits. The calculation of the Revenue Department proceeds on the assumption of offering 20 years' purchase. Supplementary question I of the Land Revenue Commission addressed to us suggests the offering of 10 years' purchase. None of these assumptions take into consideration the current rate of interest, which ought to be one of the chief considerations. So the Finance Department offer no opinion as to how many years' purchase should be given though what they understand by the words "fair compensation" is given in the foregoing paragraph. We give below a few calculations of the result according as 10 years', 15 years' or 20 years' purchase is given. It is to be understood that we do not mean the calculations to prove anything, because the correctness of the data is not assured. They are simply meant to be specimens of calculations assuming the data to be correct.

11. The following calculations proceed on the assumption that the gross income of zamindars and tenureholders is Rs 10,00 lakhs as estimated by the Revenue Department:—

A. The net profits of landlords and tenureholders—

Receipts.		(In lakhs of rupees.)		
Collection . ..	10,00	Government Revenue .		240
		Cesses		50
		Cost of management and irrecoverables at 12½ per cent.		1,25
				4,15
		Net profits ..		5,85
	10,00			10,00

B. Cost of acquiring the different interests—

(1) *at 10 years' purchase:—*

(In lakhs of rupees.)

10 years' purchase		58,50
Cost of acquisition proceedings		6,00
Brokerage and discount		73
Total ..		65,23

(2) *at 15 years' purchase.—*

15 years' purchase		87,75
Cost of acquisition proceedings		6,00
Brokerage and discount		1,07
Total ..		94,82

(3) *at 20 years' purchase* :—

20 years' purchase		1,17,00
Cost of acquisition proceedings		6,00
Discount and brokerage		1,41
Total ..		1,24,41

C. Management and irrecoverables at 35 per cent. of the demand : Rs. 350 lakhs.

D. Interest at 4½ per cent. :—

(In lakhs of rupees.)

(1) at 10 years' purchase	2,93½
(2) at 15 years' purchase	4,27½
(3) at 20 years' purchase	5,60

The balance sheet therefore stands as follows :—

(In lakhs of rupees.)

I. At ten years' purchase.

Collection	..	10,00	Land Revenue	.. .	2,40
			Cesses	.. .	50
			Management and irrecoverables		3,50
			Interest	.. ..	2,93½
			Management of debt	..	1
			Profit and loss account	..	65½
		10,00			10,00

II. At 15 years' purchase.

Collection	..	10,00	Land Revenue	.. .	2,40
Profit and loss account		69½	Cesses	..	50
			Management and irrecoverables	..	3,50
			Interest	.. .	4,27½
			Management of debt	..	2
		10,69½			10,69½

III. At 20 years' purchase.

Collection	..	10,00	Land Revenue	.. ..	2,40
Profit and loss account	..	2,02½	Cesses	.. ..	50
			Management and irrecoverables		3,50
			Interest	.. ..	5,60
			Management of debt	.	2½
		12,02½			12,02½

The above balance sheet takes no account of increased irrigation costs nor of the loss of the probable yield of an income-tax on agricultural incomes.

Q. 2. Would it be possible for the Provincial Government to raise a loan of 52 crores for this purpose? What rate of interest do you think Government would have to offer? What will be the cost of raising and administering a loan of this amount? Could it be taken by instalments spread over 12 years or longer?

Answer.—Under section 163(1) of the Government of India Act, 1935, the Provincial Government can raise a loan on the security of the revenues of the province within such limits, if any, as may from time to time be fixed by an Act of the Provincial Legislature. No such Act has yet been passed by the Bengal Legislature.

Government can raise a loan of 52 crores provided—

(1) they can meet the loan charges from their budget;

(2) the legislature does not pass an Act fixing a lower limit to their power.

On the present revenues, Government cannot meet the loan charges on Rupees 52 crores. Sufficient revenues must be forthcoming in advance, before a loan can be floated.

The Reserve Bank's advice will have to be taken in the matter of the floating of the loan, its amount, period, rate of interest, etc.

The effect of a big loan if taken in one lump for such a purpose on industrial finance, on the money market and on the circulating media also ought to be considered. If all the landholders accepted annuities, the thing would be simple. But if all demanded cash, the loan operation may have far-reaching consequences. This can be avoided by raising loans in large number of instalments; but that raises other problems.

The rate of interest is not possible to forecast. That depends on the market, the financial solvency of the Provincial Government, the amount of the loan required, the purpose of the loan and the nature of the public confidence in that purpose. It can be said with certainty, however, that, more than 3 per cent. would have to be paid for a loan of the dimensions contemplated (it would have to be a long term loan) if it were floated to-day.

The non-recurring cost of raising the loan would be:—

	In thousands of rupees.
Discount and brokerage 114 × 52 .. .	59,28
Advertisement charges (if loan is raised in one instalment)	4
Total ..	59,32

The recurring cost at 3 per cent. interest would be—

The cost of management (2 × 52)	1,04
Annual interest charges at 3 per cent.	1,56,00
Total ..	1,57,04

To this will have to be added annual sinking fund charges. These will vary according to the number of years for which the loan is raised.

The loan could be taken in instalments spread over 12 years or longer, but that will make the operation extremely uncertain as nobody can forecast the condition of the market, etc., for such a long period.

The spreading over will also increase the cost of advertisement.

A statement showing the effect of raising a loan of 52 crores in 13 annual instalments, payable in 15 years at 3 per cent. is attached, assuming everything to be static during the period.

Loan of 52 crores spread over 13 years.

(Figures are in thousands of rupees)

	For Loan of Re. 1 crore	1939-40	1940-41	1941-42.	1942-43	1943-44	1944-45	1945-46	1946-47.	1947-48.	1948-49	1949-50	1950-51.	1951-52.
		4 crores	4 crores	4 crores	4 crores	4 crores	4 crores	4 crores	4 crores	4 crores	4 crores.	4 crores	4 crores.	4 crores.
Non-recurring charges.														
1. Discount of loans. (Issue price taken at 99 for every 100)	1,00	4,00	4,00	4,00	4,00	4,00	4,00	4,00	4,00	4,00	4,00	4,00	4,00	4,00
2. Brokerage Charges, etc.	14	56	56	56	56	56	56	56	56	56	56	56	56	56
3. Advertisement charges, etc. ..	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	1,18	4,60	4,60	4,60	4,60	4,60	4,60	4,60	4,60	4,60	4,60	4,60	4,60	4,60
Recurring charges.														
1. Interest on permanent loans. (Recent rate of 3 per cent taken into account.)	3,00	12,00	24,00	36,00	48,00	60,00	72,00	84,00	96,00	1,08,00	1,20,00	1,32,00	1,44,00	1,56,00
2. Sinking Fund charges ..	5,38	21,52	43,04	64,56	86,08	1,07,60	1,29,12	1,50,64	1,72,16	1,93,68	2,15,20	2,36,72	2,58,24	2,79,76
3. Remuneration to Bank for management of debt	2	8	16	24	32	40	48	56	64	72	80	88	96	1,04
	8,40	33,60	67,20	1,00,80	1,34,40	1,68,00	2,01,60	2,35,20	2,68,80	3,02,40	3,36,00	3,69,60	4,03,20	4,36,80

The recurring charges on account of the loans will not cease until after 1965-66 in which year the last loan will be repaid in full from 1939-40 to 1951-52 are shown in the above statement The charges from 1952-53 to 1965-66 will be as shown below —

Year.	Amount Rs
1952-53 .. .	4,36,80
1953-54 .. .	4,36,80
1954-55 ..	4,03,20
1955-56 .. .	3,69,60
1956 57 ..	3,36,00
1957-58 ..	3,02,40
1958-59 ..	2,68,80

The amounts of these recurring charges

Year	Amount Rs.
1959-60 ..	2,35,20
1960-61 .	2,01,60
1961-62 .. .	1,68,80
1962-63 .	1,34,40
1963-64 . .	1,00,80
1964-65 .	67,20
1965-66 .. .	33,60

Note.—The figures against " Sinking Fund Charges " are made up of contribution to the Sinking Fund for loans already taken *plus* similar contributions for the new loan.

Q. 3. What agency would you suggest for calculating the compensation due to each co-sharer zamindar and each co-sharer tenureholder and for paying it out?

Answer.—We have no departmental information on the subject, but it would seem that some costly machinery such as wholesale revisional settlement proceedings or wholesale land acquisition proceedings under some central direction which probably the Board of Revenue would be unable to undertake in addition to their normal duties, would be involved.

Q. 4. What is the amount allowed in recent years for the management of Government estates? Is it true that there have been complaints about its insufficiency and that some of the money meant for improvements has had to be diverted to management?

Answer.—

(In thousands of rupees)

	Budget.			Actuals.			Budget	Actuals.
	Outlay on improvements	Colonisation of Sundarbans.	Total.	Outlay on improvements.	Colonisation of Sundarbans.	Total	Collection of Revenue (i e management of Government estates)	Collection of Revenue (i e management of Government estates).
1928-29 ..	2 44	1 99	4 43	2 33	1 95	4 28	9 98	10·17
1929-30 ..	2 25	2 58	4 83	2 32	2 51	4 83	9 95	9 90
1930-31 .	3 27	2 33	5 60	1 93	2 09	4 02	10 40	11 04
1931-32 .	1 65	2 26	3 91	1 48	2 17	3 65	11 54	10 83
1932-33 ..	2 20	1 28	3 48	1 12	1 44	2 56	11 38	10 44
1933-34 ..	1 00	2·07	3 07	1 07	1 69	2 76	10 91	9 58
1934-35 ..	1 00	1 92	2 92	·93	1 58	2 51	9 89	10 23
1935-36 ..	1 20	1 65	2 85	1 78	1 58	3 36	8 01	7·42
1936-37 ..	1 50	1 66	3 16	1 48	1 47	2 95	6 71	7·11
1937-38 .	1 50	1 17	2 67	1 57	1 16	2 73	7 45	7 35

The last two columns of the above statement show the budget provision and the actual expenditure respectively for the last 10 years under "Collection of revenue" which represents the "Management of Government estates" proper. It will be seen that the expenditure under the above head was in excess of the budget provision in 1928-29, 1930-31, 1934-35 and 1936-37. It will also be seen from the above statement that there were savings under "Outlay on improvements" and "Colonisation of Sundarbans" taken together in the same years mentioned above. The savings were diverted to meet the excess under "Management of Government estates."

Before the year 1936-37 grants for the cost of management were calculated at 6½ per cent. on collections. There were complaints about the unsteadiness and insufficiency of this arrangement and a new basis of calculation was agreed upon. The new basis is 8 per cent. of the demand and took effect in 136-37.

Q. 5. Rai Bahadur Mahendra Gupta in 1932 estimated the cost of management at 10 per cent. of the rent-roll, 3½ per cent. for improvements and 1½ per cent. for supervision, that is to say the proportionate pay of the District Officer, the Commissioner, the Board of Revenue, etc. The total of 15 per cent. he estimated, would work out Rs. 206 a square mile.

Do you agree with this estimate? Would additional officers of the status of Collector and Commissioner be required for supervision?

Answer.—Not having the data, we have not been able to check the estimate. But it is certain that a large scale operation like the one proposed will require the supervision by additional officers of the rank of Collectors and Commissioners.

Q. 6. What has been the average cost of running the Co-operative Department during the last 20 years?

Answer.—The average cost was Rs. 6,37,000 as shown below:—

(Actuals in thousands of rupees.)

	Rs.
1918-19	2,55
1919-20	3,29
1920-21	4,04
1921-22	4,60
1922-23	4,68
1923-24	4,72
1924-25	4,17
1925-26	4,90
1926-27	5,46
1927-28	5,85
1928-29	6,35
1929-30	6,90
1930-31	7,53
1931-32	7,65
1932-33	7,31
1933-34	7,73
1934-35	8,12
1935-36	8,76
1936-37	11,28
1937-38	11,61
	1,27,50

1,27,50÷20=6,37.

Q. 7. What has been the amount spent on the Agricultural Department during the last 20 years?

Answer.—The total amount spent was Rs. 1,93,13,000 as shown below:—

(Actuals in thousands of rupees.)

	Rs.
1918-19	8,01
1919-20	8,57
1920-21	8,83
1921-22	9,88
1922-23	10,42
1923-24	8,42
1924-25	8,23
1925-26	8,50
1926-27	8,69
1927-28	8,49
1928-29	10,96
1929-30	10,59
1930-31	10,61
1931-32	10,37
1932-33	9,63
1933-34	9,66
1934-35	9,33
1935-36	10,09
1936-37	10,32
1937-38	11,53
	1,93,13

(*a*) Figures up to 1934-35 are exclusive of expenditure on "Sericulture" which was transferred to 'Industries" from 1935-36.

(*b*) Figures up to 1936-37 are exclusive of English expenditure separate figures for which are not available.

Q. 8. What has been the expenditure on working the Agricultural Debtors' Act? What fees the Government received up to date? Would it be possible for Government to dispense with *ad valorem* fees on the adjusted or awarded debts?

Answer.—Expenditure on working the Agricultural Debtors' Act:—

	Rs.	Stationery and Printing of forms (allotment). Rs.
1936-37	1,07,307	
1937-38	7,93,322	73,000
1938-39 (1st 6 months) ..	5,48,280	
	14,48,909	

Fees received by Government up to date:—

	Rs.
1936-37	28,628
1937-38	5,40,473
1938-39 (1st quarter) ..	3,14,809
	8,83,910

On the other hand there has been a heavy drop in receipts from Stamps:—

Judicial Stamps:—

	Rs.
1935-36	2,20,27,000
1936-37	2,19,77,000
1937-38	2,06,73,000
1938-39 (Revised) ..	1,80,00,000

So far as Finance Department is concerned, No.

Q. 9. What further sources of taxation admissible to the Local Government have been suggested during the last 10 years? Is there, in your opinion, any possibility of raising more money for the improvement of the economic position of the agriculturists by any form of taxation?

Answer.—(1) A list is given below.

(2) Yes, but the scope may not be great.

Taxation proposals considered during the last 10 years.

(1) Tax on professions, trades, callings and employments.
(2) Raising of gun license fees.
(3) Tax on mineral water.
(4) Amusement tax.*
(5) Tobacco Sales licensing tax.*
(6) Some Sales Taxes.
(7) Tax on the cultivation of "Pan".
(8) Motor Vehicles Tax.*
(9) Electricity Duty.*
(10) Raising of Court-fees.*
(11) Raising of Stamp duties.*
(12) Tax on Advertisements.
(13) Tax on patent medicines.
(14) Betting Tax.*
(15) Police rate in Calcutta.
(16) Succession Duty (Death Duty).

Legislation was passed in respect of those marked with an asterisk, but number 5 has since been dropped.

Q. 10. What is your opinion on the advisability of taxing agricultural incomes either as a substitute for land revenue, or as an addition to it?

Answer.—The question of an Agricultural income-tax as a substitute for land revenue was never investigated in this Department. But the question of such an income-tax in addition to land revenue is being investigated.

Q. 11. Supposing 12 crores is the total amount paid as rent by agriculturists of Bengal and this is treated as their contribution to the expenses of the State (though actually the major part is intercepted by the landlords), how does it compare with the taxes paid by non-agriculturists in proportion to their income or resources? What is supposed to be total taxation of the people of Bengal including taxes collected by Government of India? What is total income on which income-taxes are levied?

Answer.—(*a*) No data available in the Department.

(*b*) To try to determine accurately the incidence of taxation in a country is to try something impossible. In Bengal it is even more difficult as there are no reliable statistics. The subject was within the terms of reference to the Taxation Enquiry Committee; but all that they could do is found in Chapter XIV of their report. But a rough idea may be obtained from the following table, extracted from page 230 of the Report of the Simon Commission, Volume II.

Provincial Revenues and Central Revenues collected in the Provinces, 1928-29 (in lakhs of rupees).

	Rs.
Provincial—	
Land Revenue	327
Excise	225
Stamps	355
Income-tax	....
Forests	31
Irrigation	—1
Other heads	160
Total ..	1,097
Central (collected in provinces)—	
Customs	1,850
Taxes on income	615
Salt	176
Opium	....
Other heads	36
Total ..	2,677

Since then we have introduced several measures of taxation in the province which yielded Rs. 38,14,924, in 1937-38. Rates of some old taxes have also been increased.

(*c*) Rs. 35,15,65,303, *vide* Return No. 4 of the Annual Return of the Income-Tax Department for 1936-37. It is to be noted that the figure is for incomes assessed in Bengal. No satisfactory formula for allocating this between provinces of origin has yet been found.

Q. 12. Do you think it possible for Government to take the responsibility of financing the agriculturists in times of need by establishing an Agricultural Bank in every thana with a capital of Rs. 20,000 to Rs. 40,0000, and allowing short-term loans at 6¼ per cent. interest to be realised just after the harvest? If the Government secures the requisite capital by floating a 3 per cent. loan, will not the margin of profit, together with the amount now spent on the Co-operative Department be sufficient to meet the expenses of running the Agricultural Banks?

Answer.—A reply to this question is not possible without making a thorough examination which requires more data and time than this Department has got. But, apart from the question of policy, the proposal seems *prima facie* to be financially unsound on the following grounds:—

(1) The margin of 3¼ per cent. seems to be utterly insufficient for a sound bank of the type proposed. 3¼ per cent. of Rs. 20,000 means about Rs. 52 per month. Deductions must be made from this amount for (*i*) allocation to the Reserve Fund, (*ii*) allocation to the Bad Debt Fund and (*iii*) for arrears of interest. There may not be any balance left or if there be any it will be too small for meeting the management cost and contribution to the cost of a Central Control which is asssential to such a scheme.

(2) It is very doubtful whether a bank of this type, whose rules must of necessity be rigid, can make a sound investment of Rs. 20,000 in each thana.

There being 626 thanas in the province *minus* the town of Calcutta, the Banks, with a capital of Rs. 20,000 each, will require a capital of Rs. 1,25,20,000. It is uncertain whether a permanent loan of this sum can be raised at 3 per cent.

Q. 13. Do you agree with the statements that a tax of one pice per rupee on all articles of luxury would yield an annual income of 2 crores? If not what is your estimate?

Answer.—The estimate cannot be checked without knowing the basis of the calculations by which the amount of Rs. 2 crores has been arrived at.

This Department cannot make any estimate unless—

(1) They get an exact list of the "articles of luxury" to be taxed; and

(2) They know the mode of levying the tax.

Q. 14. The Swan Committee recommended a saving of 1·84 crores by retrenchment in the cost of administration. What saving has been made up till now by giving effect to these recommendations?

Answer.—The savings recommended by the Swan Committee is Rs. 1,82,65,300 and not Rs. 1·84 crores. (There was a mistake of Rs. 2,30,700 in calculating the total in the Report.)

As against this sum, Government have effected saving of Rs. 1,30,99,267 as follows:—

		Rs.
Economies	...	1,07,12,771
New Revenue	...	23,86,496
Total	...	1,30,99,267

Besides, the revision of pays and special pays, which has been undertaken and is expected to be finished soon will effect a saving of about Rs. 14 lakhs. That will bring the total to Rs. 1,45 crores in round figure.

Q. 15. (*a*) Up to what year was Land Revenue credited to the Central Government and the Province dependent for all its expenditure on amounts allotted from the Central budget?

(*b*) Is it certain that if the Land Revenue had been 6 crores instead of 3 crores the extra amount would have been available for expenditure in Bengal?

(*c*) Is it possible to give any information as to the schemes of the Local Government which could not be carried out for want of money between 1890 and 1920 and how the extra revenue of 3 crores would have probably been spent according to the order of importance in which those schemes were placed at the time, if it had been available?

(*d*) When did the demand for nation-building schemes assume importance?

Answer.—(*a*) Before 1882, all revenues were Central and provinces were given fixed grants for definite services. In 1882, the "Settlement" system was introduced. After that "Land Revenue" was a divided head, being shared by the Centre and the provinces. In 1921-22, it became entirely a provincial head.

(*b*) No. As it was a divided head, Bengal could only get a share in the increase. But that also is doubtful as the settlements were based not on provincial revenues but on supposed provincial needs, and the provincial Government has no inherent legal right to the revenues. In legal theory all revenues belonged to the Centre, the settlements made with the provinces being purely based on administrative convenience.

(*c*) No information is available, as no schedules of expenditure are available for years prior to 1931-32.

The question how the extra revenue of 3 crores would have been spent between the years 1890 and 1920 hardly arises in view of the reply to (*b*) above. Moreover, in absence of schedules we cannot give any information on the point. Even if schedules were available, we could not indicate the order of importance of schemes, as the schedules show the order of urgency of schemes within each major head and not the absolute order of urgency.

The question is further complicated by the fact that during the years between 1890 and 1920 the provincial boundaries varied widely. The present Presidency was formed only in the year 1912-13. Before that, eastern Bengal was separate from western Bengal and formed with Assam a separate province while eastern Bengal was linked with Bihar and Orissa. Before that again the whole of Bengal with Bihar, Orissa and Assam formed one province.

The following quotation from letter No. 8078-F., dated the 24th July 1919, from the Government of Bengal to the Government of India, in connection with the then impending financial settlement will however indicate that expenditure was being curtailed for want of funds:—

"Another important item under which expenditure was specially curtailed on account of war conditions is the administration of the recurring Imperial grants for education and sanitation. Under both these heads expansion was deliberately checked in accordance with the instructions of the Government of India; and it is estimated that a saving of Rs. 19·5 lakhs a year was made on this account. It must also be borne in mind that this Presidency was only constituted in 1912-13, and it can safely be said that it was not till 1914-15 that expenditure at all commensurate with the requirements of the province was undertaken. It is true that a considerable amount of expenditure incurred in that year was non-recurring, but the fact remains that, if even only the more pressing needs are to be provided for, a large increase of recurring expenditure is inevitable. The war has retarded provincial development, while the need for that development has grown even more rapidly than before. It is therefore not surprising that, even though the Budget of 1919-20 is

framed on more liberal lines than those of preceding years, the normal requirements of the Presidency exceed the Budget figures."

(d) After the introduction of the Reforms of 1919 and still more after the introduction of the new constitution.

Q. 16. Is it the case that when the preparation of records-of-rights was undertaken it was the order of the Government of India that they should be either maintained or revised at frequent intervals? In what years were these orders cancelled or modified and why? Why were the revisional operations in Midnapore and Faridpur for which funds were provided in the budget of 1938 to 1939 dropped? What parties have opposed (*a*) original settlement operations, (*b*) revisional settlement operations?

Answer.—No information is available in the Finance Department on the question. The Revenue Department and the Board of Revenue may be in a position to answer it.

Oral evidence of Mr. B. B. Das Gupta, representative of the Government of Bengal, Finance Department, on 20th February 1939.

In reply to the Chairman, Mr. B. B. Das Gupta said that the Finance Department's reply to the questionnaire and to the supplementary questions represented the view of the department. He could not say if it represented the personal view of the Hon'ble Minister The Hon'ble Minister had seen the note and had not dissented from it.

In reply to Sir Frederic Sachse, he said that if the landlords and tenureholders are bought out it would be possible to give them bonds instead of raising a loan· whichever system is adopted, however, the method of calculation would have to be the same, and other financial effects would also be the same. There might be a difference in the nominal rate of interest but the effective rate would be the same in both cases. The buying operation will require time to complete. As soon as the first batch of bonds are issued, they will be placed on the market by the receivers and will have a market value according to the opinion of the market. If the nominal rate of interest is placed too low, the bonds will fall in value. If, again the market lacked full confidence in them, their value would depreciate still more. The next batch of landlords would not accept them *at par* if the market price was lower. Thus even by issuing bonds instead of floating a loan, it would not be possible to check the influence of the market on the effective rate of interest. The market value would automatically operate in determining the effective rate of interest, because the bonds would be transferable.

He had not considered the question of compensation to the landlords in the form of a permanent pension, but he thought that the financial effect would be much the same as in issuing bonds.

In reply to the Chairman, he said that if the bonds were made negotiable instruments the influence of the market would undoubtedly assert itself. It is true that if bonds could be issued at par at 3 per cent. there would be a saving of 1½ per cent. in interest charges, compared with 4½ per cent. Government loan issued at par; but in view of the possibilities of the bonds depreciating in value owing to the influence of the market, it might be necessary to issue the bonds at a higher rate of interest. The bonds would not probably command the same confidence as 3½ per cent. Government of India Paper which now yields an effective rate of about 3·7 per cent. and consequenly a higher rate would have to be paid by Government of Bengal.

In reply to Sir Fredric Sachse, he maintained that in preparing its estimate of the raiyati assets of the province the Revenue Department had applied the average raiyati rate of rent of 11 districts to the whole permanently settled area of Bengal, including rivers, jungles and other non-culturable areas. He said that he had consulted the Assistant Secretary of the Revenue Department on this point and the latter had agreed that non-culturable areas were included. If it is assumed that the raiyati assets, including the value of khas lands amount to Rs. 16 crores, there would be a larger margin of profit than if the assets were only Rs. 10 crores, if the State acquires all zamindaris and intermediate tenures. As regards the cost of management proper in khas mahal estates, he said that 9½ per cent. on the total demand is the figure which was asked for by the Board of Revenue. The agreed figure is 8 per cent., besides some lump grants; and this year it has slightly exceeded that percentage. If the province became a khas mahal, it might be possible to relieve a few Deputy Collectors of revenue work connected with permanently settled estates, but he thought that the number would be few, and not comparable to the large increase which would be necessary to manage the whole province. During the last three years remissions of rents have averaged 17 per cent. which is much higher than the figure of 12½ per cent. proposed for irrecoverables. He could not say how these remissions were distributed over the khas mahal area. He did not agree that the khas mahals are more liable to famines and floods than the permanently settled areas: he rather thought that the reverse is the case and that the khas mahals have been more immune from such calamities.

He said that no rational system has yet been found for discovering the incidence of taxation on agriculturists and non-agriculturists. As,

a matter of fact, most taxes proposed during the last ten years have affected non-agriculturists but there are a few taxes, such as the increased stamp duty, which may equally have affected agriculturists. An attempt to determine the incidence of a country's taxation on a class basis was of no use in an enquiry into the justice of taxation, because ability to pay taxes has reference to individual incomes and not to class incomes. A class may contain all grades of incomes from the millionaires to the paupers and the ability of a class to bear a burden depends not only on the total income of the class but also on the distribution of that income among the individuals composing the class.

In reply to the Chairman, he agreed that the Indian Taxation Enquiry Committee had dealt with the question of justice in taxation by trying to determine the incidence on a class basis, but pointed out that the classification adopted by the Committee was of such a nature that a similar level of individual incomes could be assumed in each class.

Continuing to Sir Frederic Sachse, he said that it would hardly be possible to arrive at any conclusion regarding incidence of taxation by comparing the total income of persons assessed to income-tax in the province with the total value of Bengal's agricultural produce, viz., Rs. 1,435 crores and taking half of this as the net agricultural income. In 1936-37, Rs. 350 crores was the non-agricultural income on which income-tax was assessed in Bengal. It was only in 1921-22 that the land revenue of Bengal became a provincial head. Before that it was a divided head. All revenue thus belonged to the Government of India which used to supply the financial requirements of the province through a system of financial settlement to be in force for five years. The distribution of revenues was made not on the basis of provincial revenues but on the basis of supposed provincial needs. It is possible, therefore, that had there been an increased land revenue before 1921, the money might have been spent by the Government of India in other provinces. In those days there used to be a regular scramble for extra grants, and it was only after the Montague-Chelmsford Reforms that the provinces were given their own revenue. He could not say whether Bengal had asked for any special extra grants prior to 1921.

The needs and expenditure of the province between the years 1890 and 1921 cannot be compared as three different provinces were created during the period. The present province of Bengal was formed only in 1912-13. After that came the Great War and after that came the Meston Award. The province therefore could hardly develop on normal lines. Files before 1921 only show what expenditure was allowed and not what expenditure was refused.

In reply to the Maharajadhiraja Bahadur of Burdwan, he said that if bonds were issued to the landlords they would not be private but

negotiable instruments. It is difficult to say whether there would be public confidence in such a transaction. It is quite possible that if the market value of the bonds went down to say Rs. 80, landlords who had yet to receive compensation would refuse to accept such bonds at par. The floating of a loan and the issue of bonds would have the same financial result as the market would operate to put its own value on the bonds. If Government were to take a permanent lease of the zamindaris and the intermediate tenures in order to bring the State in direct touch with the tenants, the money market would not be affected: that would also be the case if Government took all estates under the Court of Wards. He had not examined the relative cost of management by taking a lease of zamindaris and of management after buying out the landlords.

There are a number of people who hold small zamindaris which yield little or no profit, but keep them merely for the sake of their prestige. The acquisition of such estates would be a financial loss: he could not say what would be the number of such estates.

In reply to the Chairman, he agreed that there might be a widespread krishak movement which would put the landlords in difficulties and depress the value of their estates: but this is an entirely separate question and the Department has not taken that into consideration in their opinion about a fair compensation.

The Chairman mentioned that in England the royalties in collieries had been bought out by Government and annuities had been given to the colliery owners securing to them a lower income than what they had previously obtained. Mr. B. B. Das Gupta replied that he would differentiate between the two cases because a colliery becomes exhausted after a number of years whereas a zamindari continues permanently. It might be true that the productive power of the soil was deteriorating, but that is a controversial question.

He agreed that in recommending that there should be no loss of income by exchanging zamindaris with bonds the Department had not taken into account what might be the future position of the landlords on account of socio-economic movements.

Continuing in reply to the Maharajadhiraja Bahadur of Burdwan, he said that in some areas small landlords and tenureholders spend practically nothing on the cost of collection whereas Government would have to pay the full percentage.

He agreed that if the province became a khas mahal Government would acquire the right of enhancing rents, but if all the objections enumerated in the reply to question 13 are true they would provide good reasons against State acquisition of zamindaris and tenures.

He said that even if land revenue forms a high percentage of the assets, as in some estates in Burdwan, the income from those estates also should be subjected to a graduated tax on agricultural incomes; he did not agree that in cases where land revenue is as much as 65 per cent. of the assets the zamindars' incomes should be exempted from assessment to income-tax.

The Finance Department was not prepared to say how many times the net profit should be paid as compensation: He agreed however that the Land Acquisition Act provides a reasonable rate of compensation for the purposes of the Act. He could not say whether in calculating compensation the possibility of obtaining future enhancements of rents should be considered: the Department's estimate had been prepared on existing assets.

In reply to Dr. Mukharji, he agreed that it might be a fact that Bengal paid 38 crores as taxes of which the Government of Bengal received only about 10 crores a year during the Montague-Chelmsford Reforms. The population of Bengal is 50 millions compared with 19 millions in Bombay, including Sind. Bengal may be paying 36 per cent. of the total income-tax but he did not agree that Bombay was paying only half that amount. He thought it was only slightly less than the amount paid by Bengal. Income-tax is paid entirely from non-agricultural sources and is derived from salaries, profits on business, professions, etc. It is probable that agriculturists contribute to the revenue derived from customs. He agreed that there is a very large number of middle-class tenureholders in Bengal. The number of tenures as estimated by Rai Bahadur M. N. Gupta some years ago was about 13 lakhs (the Commission's figure from Settlement Reports is 27 lakhs). If they were all bought out by the State, he considered that the effect on the social structure would be far-reaching and agreed that there might be a decrease in revenue from Court fees—he could not say how much. Remissions during the last three years in khas mahals had amounted to 17 per cent. In estimating the financial results of the State becoming the sole landlord, such remissions would certainly have to be taken into account. He had no figures to show the amount of rent paid by under-raiyats (the Commission's figure from Settlement Reports is 1·92 crores). If the landlords and tenureholders are bought out, the valuation of their homesteads would certainly have to be made on the basis of the rate prevailing in neighbouring areas. It would also have to be considered if, by buying out the landlords and the tenureholders, the social system of the province would be thrown out of gear. He agreed that there are certain intangible assets, referred to in the Department's reply, but it would be difficult to assess their value. There are sources of income derived from fisheries, gardens, etc., but these have already been taken into account.'

The Finance Department still holds the view that the abolition of the Permanent Settlement would throw the social system out of gear and may not be conductive to the financial welfare of the province.

If proper compensation was not given, it would be a capital levy confined to a particular class and effected in a cumbrous and risky way. For these reasons, the department would prefer a tax on agricultural income. It is a canon of taxation that such a tax should be graduated in accordance with the levels of agricultural incomes. He would not, however, agree that landlords who pay as much as 65 per cent. of their income as land revenue should be exempted.

In reply to the Chairman, he agreed that in western Bengal some landlords may pay 65 per cent. of their gross income as land revenue whereas in eastern Bengal, some landlords may pay as little as 10 per cent. But this need not be taken into consideration in an income-tax on agricultural incomes because the tax itself will be graduated and will operate on net income. The incidence of land revenue was fixed at the time of Permanent Settlement and a tax on agricultural incomes would have to be levied irrespective of the incidence of land revenue.

Continuing to Dr. Mukherji, he said that the department had given an indication in its reply of what it considers to be fair compensation but he was not prepared to say how many times the net profit should be paid.

It would not be possible to guarantee the face value of bonds issued as compensation in the event of war or other unforeseen circumstances Those are ordinary risks which are common to all investments. As the income from the bond is guaranteed, the capital value of the bond need not be considered.

In reply to Mr. B. K. Roy Chowdhury, he said that the question has been frequently examined in the past whether taxation of various kinds is barred by the terms of the Permanent Settlement Regulation. Legal opinion has been taken and the Indian Taxation Enquiry Committee has discussed the question fully. He did not agree that the levy of a tax on agricultural incomes would amount to a breach of covenant.

The department's estimate had not included any additional cost which might be necessary to acquire mines and collieries. He said that the value of khas lands of landlords and tenureholders would also have to be included in the compensation to be paid. As pointed out in the reply, the system of valuation made by Rai Bahadur M. N. Gupta (the average value of khas lands in Dacca and Jessore as applied to the whole province) could not be considered satisfactory. At the time of the Jessore Settltment, paddy was selling at Rs. 3 a maund whereas its present price is Rs. 2. He could not say what is the amount paid by

zamindars by way of private charity. Such commitments might be considered in awarding compensation but it would be difficult to obtain figures showing the amount. He agreed that landlords pay considerable sums as municipal and union board taxes, and if Government became the sole landlord, it would certainly have to pay such taxes.

In reply to Khan Bahadur Hashem Ali, he could not give the number of petty estates from which little or no profit is derived but agreed that they would form a very small proportion of the compensation that will be payable. If the capitalised value of estates and tenures is to be paid there could be no gain to the State: for example, if a tenureholder's net income is Rs. 5, a bond of Rs. 100 would have to be issued at 5 per cent. It may be true that in the last few years, there has been reluctance to invest in land. He doubted whether it would be said that there is any market for zamindaris in the real economic sense of the word The price paid for estates at revenue sales, which are forced sales, varies from 1 to 282 times the net profit according to the report of Rai Bahadur M. N. Gupta made in 1932. There were no figures for the last three years. He agreed that some landlords might be satisfied with 5 or 10 times the net profit of their estates but others might not be satisfied with 50 times But in awarding compensation the primary concern is not the figure with which the zamindars would be satisfied. The cost of the acquisition proceedings has been shown in the Department's reply as Rs. 1,000 per square mile. This figure is based on past experience. It represents the cost of revising the records-of-rights, which are completely out of date In some districts like Barisal it would be impossible for the State to proceed without revising all records-of-rights and ascertaining the net profits of landlords and tenureholders. If the province becomes a khas mahal he thought that the cost of management and the percentage of irrecoverables would increase rather than decrease. An additional 2 per cent. had been added to the estimate for increased cost of management. At present the cost of collection in farmed estates is practically nothing but if these estates were taken over, they would cost the full percentage rate for management. Law charges would increase as a whole, but not proportionately above the present figure. Government expenditure on irrigation would certainly increase: for example, in the Sunderbans there are many miles of embankments which are maintained by the landlords. If these estates are taken over, the cost of maintenance will fall on Government. Even if the cost of maintaining these embankments were deducted from the compensation payable, they would still have to be entered as a liability. They had not been included in the Revenue Department's estimate of 1,000 lakhs as net profits of landlords and tenureholders. The possibility of increasing the outturn of crops by effecting agricultural improvements is a question entirely separate from the proposal to buy out the landlords. If Government

spends more money on such improvements they may get an increased return. He adhered to the opinion (expressed in the quotation from the Finance Department's note written before the introduction of the new Constitution) to the effect that no tampering with the framework of the Permanent Settlement could, in the long run, produce any financial gain to the State. He could not say if that is the present view of the Hon'ble Minister but he had seen a copy of the note. The view of the Department is that to buy out the landlords would be in the nature of a speculation and will upset the existing social system in order to secure an inadequate increase in revenue and that in a cumbrous and questionable way involving a huge expense. For that reason the Department would prefer a tax on agricultural incomes. He agreed that such a tax would not be appreciated by the people paying the tax but pointed out that no form of taxation ever is popular. Both financially and economically, there is a strong case for a tax on agricultural incomes. He agreed that Government require more money for social services. The abolition of the Permanent Settlement would be a financial speculation which would probably result in little gain, but a tax on agricultural incomes would produce a definite increase in revenue without upsetting the existing system and without offending against any canon of taxation. He could not give any opinion if all the estates could be purchased by Government in revenue sales if the Sale Law was rigidly enforced and all Court of Wards estates were released.

In reply to Khan Bahadur Momin, he explained that cess amounting to 50 lakhs had been deducted along with revenue from landlords' gross assets because that is the share of cess which they pay from their own pockets. The figure of Rs. 1,000 per square mile as the cost of acquisition is based on the average cost of all settlement operations. If the records were to be revised without carrying out any cadastral survey, the cost would be reduced but he doubted if it would be as little as Rs. 500 per square mile.

Brokerage and discount would have to be included even if bonds are issued. Discount represents the difference between the face value and the issue price; and if bonds are negotiable, the market is bound to set a value on the bonds immediately after their issue. Brokerage would be necessary because the Reserve Bank would have to carry out the operation for issuing the bonds. The cost of management includes improvements which might not be considered, strictly speaking, as part of the cost of buying out the landlords but he would include them in the estimate, as improvement is a necessary concomitant of management and has always been considered to be an integral part of good management. If the cost of acquisition were reduced by half, the result would be that 62·23 crores would be the cost of compensating landlords and tenure-holders at 10 times the net profit and if the cost of management could be kept at 12½ per cent. there would be a profit of 3·04 crores. This

figure does not however include irrecoverables. He did not agree that 12½ per cent. could cover the cost of management plus irrecoverables for Government.

He could not say at what rate the zamindaris are now being purchased: if people invest in zamindaris they except to make profit. In the determination of a fair compensation the rate of interest is a chief consideration, but the previous estimates have not taken it into consideration. At present the rate of interest given by the Reserve Bank is 3 per cent., so that the capitalised value would be 33 times the net profit.

In reply to Khan Bahadur M. Hosain, he agreed that in Bengal the *per capita* revenue was probably the lowest. He could not say if this was due to the Permanent Settlement. This is not due to Bengal paying more than other provinces in income-tax and customs: it has to be considered on the basis of the financial arrangement of the Government of India Act as a whole. If the Permanent Settlement had not existed, the income from customs, court-fees, etc., might have been smaller than it is now. If there were not a large body of zamindars and tenureholders, the imports into Bengal might have been smaller.

He could not say whether the cost of management would be decreased if the entire province became a Khas Mahal because the area would be compact instead of being scattered as at present: it might be so.

His figures for remission in the last 10 years include the entire period of depression. He undertook to supply the Commission with figures for the 10 years previous to 1928. Asked how zamindars in temporarily settled estates could make a profit, when they are allowed only 30 per cent. for profit and collection charges, he pointed out that private management is much cheaper than Government management. The cost of revising the record-of-rights in the estates which were given certificate powers could be had from the Revenue Department. Even if bonds were given as compensation and issued at the market price, it would be necessary to pay the full capitalised value of the net profits. Irredeemable bonds would be better than redeemable for purposes of calculation because they would not involve charges for a sinking fund. In the case of a man whose net income is Rs. 100—if interest is taken at the current rate of 3 per cent. he would have to be given over Rs. 3,300 in order to secure to him the same income. If, however, it is intended to expropriate the landlords and tenureholders to the extent of half their net income or more it may be possible for the State to make a profit. The question of imposing a tax on agricultural incomes is now being examined by the Finance Department. It is very much better to have an assured income from that source of, say,

50 lakhs at no cost rather than enter into a speculative transaction which may show a larger profit at a huge cost. As regards the probable yield of a tax on luxuries, he could not say what proportion would be derived from business and trade: to say that half or one-third of the income assessed to income-tax was spent on luxuries is purely guess work. He could not give any opinion about the probable yield until it is defined what are luxuries.

In reply to the Chairman, he said that his impression was that the rent of lands in Calcutta was capitalised at the time when the land was originally transferred. It would be possible for the Finance Department to consider the possibility of raising additional revenue by imposing a tax on Calcutta property similar to that proposed by the Bombay Government. He undertook to have the question examined and to forward a note on the present position.

In reply to the Secretary, he said that he was not at present in a position to give any details in regard to the Finance Department's proposal for a tax on agricultural incomes. In Bihar a similar proposal has been made but the Bill has not yet passed into law. He agreed that the Department's estimate for buying out the landlords and tenure-holders does not include the cost of constructing and maintaining additional kutcheries, and quarters for Khas Mahal officers. This expenditure would have to be included. He also agreed that a large number of Khas Mahal officers would have to be appointed and trained for several years before they could take over their duties. This expenditure would also have to be included.

Notes collected by Dr. Radha Kumud Mookerji during his tours in Madras and some Bengal districts.

A Note on Madras Land System by Dr. Radha Kumud Mookerji.

Different Land Systems.—In the Madras Presidency, there are in operation three different land systems—

(1) Zamindari under which the assessment payable to Government is permanently fixed. The cultivated area under this system amounts to about 13 million acres from which the zamindars derive rental of about 240 lacs and pay to Government the annual revenue of 50 lacs.

(2) Raiyatwari or State landlordism under which assessment is revised every 30 years. This system covers a cultivated area of 25,266,691 acres, yielding a land revenue of about 6½ crores per annum.

This system is worked as follows:—

Classification of soil.—On the basis of a preliminary scientific survey, lands are divided into wet, dry and rain-fed.

Next, soil is divided into several main classes according to its mechanical composition and chemical properties. These classes number 14. Each class is subdivided elaborately. The total varieties of soil marked out in Madras number 66. Irrigated lands lend themselves to further subdivision according to the nature and efficiency of irrigation sources.

Grain-outturn.—After this classification of soil as the first step in Settlement, the second process is to ascertain the grain-outturn of each of these various classes of soil. This is done by conducting actual harvest experiments for a number of years. When the outturn is thus ascertained, a deduction of 15 to 25 per cent. is allowed for vicissitudes of season and for barren patches unavoidably measured with the fields.

Its money value.—The third process in the Settlement is the conversion of the grain-outturn into its money-value. The basis of this calculation is the average value of grain during the preceding 20 non-famine years. From this average price of grain, a deduction of 8 to 20 per cent. is made to allow for cost of marketing, transport charges and merchants' profits. The resulting balance is adopted as the commutation rate.

Cost of cultivation.—The fourth process in Settlement is to ascertain for each kind of soil the cost of cultivation. The difference between the money-value of the grain-outturn determined in the aforesaid manner and the cost of cultivation is taken as the net yield of each kind of soil. Half of it is taken as the State demand or land tax. This system is known as the half net produce.

Pattadar.—The person with whom Government enters into engagement for getting payment of land revenue on the above basis is called *pattadar*. Of these pattadars, more than 75 per cent. are small landlords paying less than Rs. 25 as revenue, and more than 50 per cent. are not themselves cultivators but get their lands cultivated by leasing them out to others.

(3) *Inam*, where there is payment to Government of a quit rent varying from 2 annas in the rupee to 5/8 the raiyatwari assessment in respect of land of corresponding quality and class.

Working of the zamindari system.—Peshkush.—The zamindari tenure is based on an assessment which was fixed at 2/3 of the total collections from the cultivators or raiyats at the time of the Permanent Settlement and is called by the technical term of *peshkush*. At the time of Permanent Settlement, $\frac{1}{3}$ of the total area of each estate was taken to be waste land. The zamindar was given the benefit to be derived from the reclamation of such waste land and extension of cultivation. This explains why Government fixed the zamindari revenue so high. The zamindars were constituted proprietors of land. The tenants, holding of them, were protected by pattas fixing the rents to be paid by them to the zamindars. The rights of tenants were somewhat undefined. This defect was removed by the Madras Estates Land Act of 1908 by which—

(*a*) Rent was payable either in cash or in kind with commutation of rent payable in kind by suit before the Collector;

(*b*) Rent can be enhanced only by suit before the Collector on the ground of rise in prices or increase of productivity consequent on improvement effected by landholder or on fluvial action; and

(*c*) Rent can be reduced on account of fall in prices, deterioration of soil or permanent failure of water-supply.

Rent in kind.—In zamindari tenures, the rent may be paid in kind. In raiyatwari, the revenue is always paid in cash. This hits hard the pattadars by the phenomenal fall in prices.

Occupancy rights.—Again, in zamindari occupancy right has been given to the raiyat in possession in 1908. But in raiyatwari the actual cultivator does not enjoy any such right. The reason for this is that the pattadar who was originally the person in occupation when the raiyatwari system was first introduced has later developed in most cases into a rent receiving non-cultivating absentee landlord.

Comparison of yield of revenue under zamindari and raiyatwari system.—The zamindari area covers 37,883 sq. miles = 23,604,887 acres (640 acres = 1 sq. mile).

The raiyatwari area covers 107,683 sq. miles. Land Revenue from zamindari area=65 lacs=roughly Rs. 200 per sq. mile. Raiyatwari revenue on 107,683 sq. miles=569 lacs=roughly Rs. 500 per sq. mile.

The raiyatwari revenue has grown by re-settlements and extensions of cultivation.

Raiyats and under-raiyats.—As has been already stated, in the raiyatwari system, the pattadar or registered holder of the land holds it direct from Government, subject to the payment of land revenue. The raiyat is not restricted in his powers of alienation, but is bound to pay the assessment fixed on his holdings, whether cultivated or waste, for a period of 30 years, though remissions of land revenue are usually granted for drought or other causes beyond the raiyat's control. The incidence of land revenue on fully assessed area per acre with reference to the total cultivated area (and not merely the total area)= Rs. 2-9.

According to the last Census Report, of 1,000 persons engaged in cultivation, (1) agricultural labourers number 429, (2) cultivating owners 390, (3) cultivating tenants 120, (4) non-cultivating owners 34, (5) non-cultivating tenants 16.

These figures show that agricultural labourers together with working owners constitute over 80 per cent. of the total number of persons engaged in agriculture numbering 5·09 millions in 1931.

The low proportion of non-cultivating tenants shows to what small extent subinfeudation obtains in Madras and from another point of view indicates the extreme smallness of the average holdings.

Size of holdings.—The bulk of the pattas are those which yield a land revenue of Rs. 50 and less. Of these, the pattas giving Rs. 10 and less form the largest number, about 80 lacs. This shows to what extent land is a source of living to the people.

Crops.—Of the net area sown amounting to about 34 million acres, about 30 millions or 88 per cent. grows food-crops, paddy alone taking 12 millions. Madras takes the fourth place among the provinces as regards acreage under rice cultivation The total acreage in Bengal under rice amounts to nearly 22 millions as against about 12 millions in Madras The yield per acre in Bengal=894 lbs. as against 985 in Madras.

The average yield per acre of rice in Bengal=·38 tons, as against ·45 in Madras, 1·37 in Italy and 1·33 in Japan.

Condition of Peasantry.—The Madras Banking Enquiry Committee estimated rural debt at 150 crores in 1930. Debt follows credit in India. The more the borrowing power of the raiyat, the more does

he borrow. British rule increased security and increased indebtedness as a consequence.

"In India, agriculture is, with most cultivators with uneconomic holdings, more a mode of living than a business" (Royal Commission on Agriculture). It is a losing concern.

The gross value of the crops of the Madras Presidency was estimated at Rs. 165 crores for the year 1928-29 by the Banking Enquiry Committee. Owing to reduction of 50 per cent. in prices, this value is to be taken at Rs. 80 crores (for 1933-34) remaining for distribution among a peasantry of 34 millions, leaving a gross income per head of about Rs. 23-8. From this gross income are to be deducted the cost of cultivation, land revenue, interest charges, etc. Cultivation expenses come to about 40 per cent. of the yield. Thus from an yield valued at Rs. 80 crores, there is to be a deduction of about Rs. 32 crores for cultivation expenses and a further reduction of Rs. 8 crores for land revenue assessment and rent paid to zamindars. This leaves a net agricultural income of 40 crores for 34 millions or an income of Rs. 11-12 per head, assuming that no interest is paid on debt. Allowing Rs. 3 to Rs. 4 as income from other sources, the net income of an agriculturist cannot exceed Rs. 15 per head. This proves the utter bankruptcy of the peasant.

While the population increased between 1921-31 by 10·4 per cent., the net area sown has risen only by 1·5 per cent. and the total holdings by 5·7 per cent. The density of population per sq. mile is, however, only 329 as against 646 in Bengal. Thus Bengal's agriculture suffers most from over-population. Over-population is the main cause of rural indebtedness.

Features of Madras land system relevant to our enquiry.—These may be described as follows:—

(1) The State as landlord has determined assessment on a scientific basis by relating it to what the soil can yield by (*a*) an elaborate classification of soils, (*b*) ascertaining the average yield of each class of soil, (*c*) converting it into price at an average rate.

(2) The level of assessment under State landlordism is lower than in the zamindari but this is ultimately at the expense of the tiller of the soil. The Government in Madras is concerned only with the world of pattadars or raiyats and not with the under-world created by the raiyats by unrestricted subletting among a rack-rented peasantry.

The Government is thus ultimately more responsible for rack-renting of the tiller of the soil of whose existence and rights the Government does not take any cognizance. The zamindar, on the other hand, by fixing a higher level of rents does not leave any profit and scope to subinfeudation.

(3) The Madras level of both assessment and rents is much higher than that of Bengal. Half the net profit is believed to be the highest land tax in the world. Payment of revenue in money adds to the hardship of the system. To add to this, though the assessment is not enhanced during the currency of the 30 years' settlements, there is no limit to its enhancement in the form of water-rates, second crop charges and other miscellaneous items of land revenue during this period.

The average *wet* assessment per acre in the Fasli, 1903-04, was Rs. 5-9-9 as against Rs. 6-6-1.

For *dry* land, it was Re. 1-0-9 in 1903-04 as against Re. 1-1-8.

Enhancement is limited to a maximum of 18¾ per cent.

The level of prices for paddy in November 1933 was almost exactly what it was in 1902-03 at the time of previous assessment. The cultivators appropriated the benefit of higher prices which had ruled for about 25 years of this period of 30 years and are now not worse off during the present period of lower prices.

(4) Government in Madras has worked out in a scientific manner the expenses of cultivation for purposes of ascertaining its net profits as the basis of assessment.

In calculating net produce or profit, deductions are made from gross outturn to represent—

(1) an allowance for cartage of the grain to the nearest market;

(2) an allowance for merchant's profit;

(3) an allowance for vicissitudes of seasons;

(4) an allowance for unprofitable areas such as bunds and channels included in holdings;

(5) cost of seed;

(6) cost of ploughing cattle;

(7) cost of agricultural implements;

(8) cost of manure; and

(9) cost of labour.

A deduction of 10-27 per cent. is allowed for (1) and 6¼-25 per cent. for vicissitudes of seasons and for unprofitable areas. The remaining deductions are grouped under the head of "Cultivation Expenses".

In actual practice, the Government's share of half the net produce is in most cases only nominal and falls to less. Assessment does not count the cultivator's gains from growing commercial or garden crops. The cultivator may also gain by saving the cost allowed for labour by his own labour. He may save the cost of manure by supplying his

own manure coming from his cattle. Or he may often have much less expense in marketing his produce.

(5) In Madras, the agriculturist remains out of work for about 6 months in the year. This idle labour is sought to be employed by cottage industries such as spinning, weaving, carpentry, pottery, fruit growing, poultry-keeping, cattle-rearing, bee-keeping, sericulture, market-gardening, handicrafts, dealings with gold, silver, brass, bell-metal, iron and wood.

(6) Of the total assessment on raiyatwari holdings amounting to Rs. 602·44 lakhs for the year 1936-37, there was a total remission of Rs. 84·77 lakhs. This amounts to 14 per cent. remission related to season and the continued low level of prices of agricultural produce. This percentage of remissions is to be considered in the case of State landlordism.

Further, of the total arrear demand, only 51·04 per cent. was collected, 4·3 per cent. written off. The percentage of collection in the year 1935-36 was 21·3 and that written off was 72·5 per cent.

(7) The zamindaris in the year 1936-37 covered a total area of 13,242,230 acres. The estimated revenue realised by the zamindaris in the year is taken at Rs. 2,07,65,905. Out of this amount, they pay to Government a revenue of Rs. 46,81,840.

The total area of raiyatwari holdings in the year was 27,572,867 acres yielding the total assessment of Rs. 602·44 lakhs, besides water-rates and second crop charges and other miscellaneous charges which bring the total up to Rs. 7,18,86,414.

Result of a first hand investigation of the working of a model private farm.

The farm belongs to Thirumoshi at Poonamallee in Chingleput District.

It has an area of 60 acres of wet land.

Its gross yield consists of (*a*) 120 carts of first crop, (*b*) 90 carts of second crop, (*c*) 90 carts of third crop and (*d*) 120 carts of straw, valued at a total of Rs. 9,630.

The cost of cultivation per acre is to be counted as follows:—

16 ploughs = Rs. 8, at annas 8 per plough.

Seeds = Rs. 3-8.

2 labourers for transplanting seedlings for 2 days = Rs. 1-4, at annas 5 per head.

10 female labourers for transplanting the seedlings picked = Rs. 2-8, at annas 7 per head.

12 female labourers for 1 day for weeding out extraneous growths = Rs. 3, at annas 4 per head.

16 labourers for 1 day for reaping harvest = Rs. 3, at annas 4 per head.

12 labourers for 1 day for gathering in the harvest and remaining operations = Rs. 3, at annas 4 per head

Manure of oil cakes = Rs. 15.

Total = Rs. 41 per acre.

The Farm is equipped with—

(*a*) Three wells.

(*b*) Three oil-engines.

(*c*) Twelve bullocks.

(*d*) Two carts.

(*e*) A staff of 3 workmen.

(*a*) Of the three wells, one of 24′ diameter cost Rs 1,000 in its construction. The other two of 16′ diameter cost Rs. 500 each The total capital expenditure on the three wells amounts to Rs 2,000.

(*b*) Of the three oil-engines, one of 16 H. P. cost Rs. 2,300, the second of 12 H. P. cost Rs. 1,200, and the third of 8 H. P. cost Rs. 800. The total capital expenditure on the three engines amounts to Rs. 4,300.

The working cost of the three oil-engines involves the following items:—

(*i*) Cost of oil per day = Rs. 5-15 at Rs. 1-3 per tin for 5 tins required.

(*ii*) Two gallons of Mobil Oil per day = Rs. 2-4.

(*iii*) Cost of belting = Rs. 29.

Total cost for 260 working days on account of—

(*i*) = Rs. 2,160.

(*ii*) = Rs. 580.

(*iv*) *Add* to this the cost in wages of 3 drivers of 3 oil engines = Rs. 480.

(*c*) Six pairs of bullocks cost Rs. 1,000. Their upkeep costs Rs ? per day.

(*d*) Two carts cost Rs. 240.

(*e*) The staff of 3 workmen cost Rs. 24 per month.

The total capital outlay thus consists of the following items:—

(*a*) Rs. 2,000 for 3 wells.
(*b*) Rs. 4,500 for 3 oil-engines.
(*c*) Rs. 1,000 for 12 bullocks.
(*d*) Rs. 240 for 2 carts.
Total Rs. 7,540.

The recurring expenditure of the Farm per annum comprises the following items:—

(*a*) Interest on capital outlay of Rs. 7,540 at 9 per cent.=Rs. 675.
(*b*) Oil=Rs. 2,160.
(*c*) Mobil=Rs. 580.
(*d*) Belting=Rs. 29.
(*e*) Labour at cultivation (for 2 crops)=Rs. 4,920.
(*f*) 3 Drivers=Rs. 480.
(*g*) Upkeep of 12 bullocks=Rs. 720.
(*h*) Staff of 3 men=Rs. 288.
(*i*) Kist payable to zamindar=Rs. 450 at Rs 9 per acre of wet land.
Total=Rs. 10,302.

Thus the Farm, as a purely agricultural concern, is not a profitable one, owing to the phenomenal fall of prices of its produce. The owner makes it a profitable concern by adding to it several handicrafts such as husking rice, spinning and weaving.

In assessing such a farm, Government as landlord will not allow in the computation of cost of cultivation the cost on account of wells, engines, oil and drivers.

[*References.*—Statistics have been gathered from the following among other Government publications:—

(1) Report on the settlement of the land revenue of the districts in the Madras Presidency for Fasli 1346 (1936-37) by J. F. Hall, I.C.S., and C. A. Henderson, I.C.S., Commissioners of Land Revenue.
(2) Report on Agricultural Indebtedness by W. R. S. Sathyanathan, I.C.S., 1935.]

Village inspection in the Sadar Subdivision of Birbhum district by Dr. Radha Kumud Mookerji, M.A., Ph.D., M.L.C., Member, Land Revenue Commission and Mr. S. N. Chatterjee, Subdivisional Officer, Sadar, Birbhum.

On the 3rd March 1939, we visited Kamalpur and Tarulia in Illambazar police-station, Tantipara in Rajnagar police-station and Bakreswar in Dubrajpur police-station.

At Kamalpur, one Sahadev Mondal was examined. He is a typical agriculturist owning 21 bighas of land jointly with his brother. The family consists of 9 members. Of the 21 bighas, he cultivates 15 and he has a bhagidar who tills 6 bighas. Rent varies from Rs. 1-8 to Rs. 1-10 per bigha. Except for vegetables grown on about 10 cottas of land mainly for home consumption, all the plots are on paddy. There is no irrigation facility and the prospect of crops depends entirely on rainfall. The average yield is 2½ maps = 6 maunds per bigha. The present price of paddy is Rs. 1-11 per maund. Besides the above 21 bighas he cultivates 9 bighas as bhagidar of another person. The yield is much smaller in these plots on account of poor quality of the soil and for want of sufficient manuring. The share of the bhagidar is 1/3rd of the produce where the cattle, plough and manure are supplied by the owner, but 9/20th of the produce is due to him if the land is cultivated with his own cattle and plough. A rough estimate of his income is given below :—

Total yield of paddy in 21 bighas at 6 maunds per bigha = 126 maunds.

	Rs.	a.
Price of 126 maunds at Rs. 1-11 per maund .	212	10
Deduct bhagidar's share of produce in 6 bighas ...	20	4
Deduct cost of cultivation, e.g., seeds, manure, oil-cakes for bullocks, etc. ...	30	0
Add income from bhag in 9 bighas of land @ 2 maunds per bigha ...	30	6
Net income per annum ...	192	12

The rent is to be paid out of this income. At present, he is in arrears for 2 or 3 years because of failure of crops in 3 successive years.

A day-labourer was examined at Kamalpur. He has only 1½ bighas of land. The daily wages vary from 2 as. 6 p. to 4 as. but he does not get work every day. His case is undoubtedly very hard. He has to maintain his brothers who are young.

At Tarulia, another typical farm was visited. The owner has 32 bighas of land, all on paddy. The rent is Rs. 1-8. He has a family of 4. The yield is 6 maunds per bigha.

We then proceeded to Tantipara and Bakreswar. There is tassar industry at Tantipara. It was too late for a detailed enquiry but all indications tended to show that the industry had suffered much from foreign competition.

Village inspection by Dr. Radha Kumud Mookerji in the district of Tippera.

Diary of work of 4th April 1939 at Comilla

I.

Mr. A. E. Porter and I started in the morning for Jorkaran, about 10 miles from the town.

2. We saw there Mr. Nishi Kanta Bose who was the Naib of Jorkaran Kutchery under His Highness the Maharaja of Tripura.

3. (*a*) He stated that the maximum size of a cultivator's holding was about 5 *drones* = 80 *kanis* = 32 acres.

(*b*) The rent was about Rs. 3-12 to Rs. 4 per acre.

(*c*) 1 *Kani* = 1¼ bigha = 0·40 acres, yields Rs. 1-8 as rent and 10 maunds of paddy (both *Aus* and *Pous*) valued at Rs. 20.

(*d*) Both varieties of rice are grown here.

(*e*) One bigha would thus yield 8 maunds of both *Aus* and *Pous* paddy.

(*f*) The rent would thus amount to about 1/14th of the value of produce.

(*g*) The estimate of the cost of cultivation of such a farm of 5 *drones* = 32 acres was thus worked out—

	Rs.	a.
(1) Cost of 2 ploughs	3	0
(2) Cost of 4 bullocks	100	0
(3) Cost of seeds at 5 maunds	12	0
(4) One labourer with food (cost of food = 2 annas per day) per year	60	0
(5) Feed of bullocks (per month)	2	8

It will be seen that items (1), (2), (3) represent capital outlay = Rs. 115 per year.

(*h*) Recurring expenses on 1 labourer and 4 bullocks amount to Rs. 130 per annum.

(*i*) The living expenses of the household of 5 members at 2 annas a day = Rs. 17 per month = Rs. 200 per annum.

(*j*) Total recurring expenses of the farm—(Rs. 130 + 200) = Rs. 330.

(*k*) A pair of bullocks at Rs. 50 will work for at least 5 years and a plough can be repaired annually at about Rs. 1-4.

Annual recurring charges for (1) and (2) should not be more than at the most—

(1) Rupees 2-8-0 and (2) Rupees 20.

(*l*) Total annual expenditure of the Farm is Rs. 477-8 as. comprising rent, Rs. 125; *plus* item (*j*) above, Rs. 330; *plus* item (*k*) above, Rs. 22-8.

(*m*) As the calculation of expenditure is based on cost of rice and no rice will be bought, the income should include the difference between value of rice consumed and paddy husked to produce it. Maximum consumption of rice would be on an average, 6 maunds annually or 30 maunds for the family which at Rs. 4 costs Rs. 120 Paddy (40 mds.) to produce this costs Rs. 80. The balance of Rs. 40 represents the womenfolk's contribution to the income by *dhenki* husking. This may be added to value of total gross produce at 10 maunds of paddy per kani—Rs. 1,600, making Rs. 1,640 in all.

II.

4. (*a*) We examined a farmer named Gedu Mia who owns 12 *kanis* of land growing both *Aus* and *Pous*.

(*b*) He pays the total rent of Rs. 27 = Rs. 5-8 per acre.

(*c*) He owns 4 bullocks and 2 ploughs.

(*d*) His is a joint family of 14 members depending on the farm.

(*e*) His daily cost of food includes 9½ seers of rice. He has to spend Rs. 2 for bazar purchases of all sorts including the food for his bullocks, oil, cloths, etc.

(*f*) Thus the daily cost of his food for his whole family may be counted at Rs. 1-4 = Rs. 9 per week = Rs. 36 per month = Rs. 432 per annum.

(*g*) The value of gross produce of his farm = Rs. 20 per *kani* = Rs. 240 per year. Deducting rent, his net income = Rs. 210 per annum.

[(*e*), (*f*) and (*g*). I should prefer to calculate thus—

(1) Gross produce equals 120 maunds of paddy which goes to produce 90 maunds of rice required for his family's consumption at 9½ seers daily.

(2) Charges are—

		Rs.	a.
(*a*) Rent	... ...	27	0
(*b*) Bazar expenses	... ...	100	0
(*c*) Depreciation of—			
Bullocks	... ...	20	0
Stock	... ...	2	8

A. E. Porter.]

(*h*) He is thus not solvent as an agriculturist. The main reason is that he has to support 2 families.

(*i*) He has thus a debt of Rs. 500 bearing a nominal 36 per cent interest. Some of this debt he incurred for buying more land.

(*j*) He has not paid his rent for 3 years.

(*k*) He adds to his work of cultivation supplementary work in the shape of carting, poultry farming, keeping goats, husking paddy, oil pressing.

His food even includes occasional meat and milk.

III.

5. (*a*) We next examined a comparatively well-to-do cultivator (Mafizuddin) who also owns 12 *kanis* of land on which he grows both *Aus* and *Pous* and pays Rs. 24 as rent = Rs. 5 per acre.

(*b*) His land yields 100 maunds of paddy = Rs. 200.

(*c*) He hires a plough at 12 annas per day for 24 days in the year for purposes of cultivation.

(*d*) A plough has to be renewed annually at the cost of Rs. 1-4.

(*e*) He has a joint family of 8 members consuming 5 seers of rice per day and buys other necessaries for Rs. 2 per week from the *hats* assembling twice a week in the village.

(*f*) He owns 2 bullocks.

(*g*) His total expenses thus comprise the following items:—

	Per annum. Rs. a.
(1) Rent	24 0
(2) Food (Rs. 15 + Rs. 8 per month) ...	276 0
(3) Plough account	1 4
(4) Cost of two bullocks = Rs. 50 on which interest amounts to	6 0
(5) Debt account—	
His debt amounts to Rs. 150 on which he pays interest	54 0
Total ...	361 4

[(*g*) Here again I would say that of the 100 maunds of paddy grown 60 maunds goes to make the 45 maunds paddy consumed in a year at 5 seers daily. The balance of 40 maunds is worth Rs. 80: *deducting* rent at Rs. 24 the surplus is Rs. 56 against which is to be set—

	Rs.	a.
Depreciation of bullocks	5	0
Renewal of plough	1	4
Bazar expenses	100	0

A. E. Porter.]

(*h*) Thus while his gross income from cultivation amounts to Rs 200 per annum, his expenditure per annum amounts to Rs. 24 + Rs. 276 + Rs. 1-4 + Rs. 6 = Rs. 307-8 which, together with Interest on Debt, will amount to Rs. 361-8 per annum.

(*i*) He is thus insolvent as a cultivator. His insolvency is due to dependence of 2 families on his small plot. If he had his own family to support, his annual expenses would amount to Rs. 307-8 – Rs. 138 = Rs. 169-8 and would thus be almost covered by his gross income.

(*j*) But he is very well-to-do on account of his substantial monthly income as a Chowkidar on a pay of Rs. 13 per month, to which he may be adding tips given by travellers using the bungalow.

IV.

Work on 5th April 1939 at Comilla.

6. We visited the village of Kansanagar about 10 miles from Comilla.

7. (*a*) We examined a cultivator named Safar Ali who owns 20 *kanis* = 7 acres (at ·3 of acre per kani).

(*b*) He pays the total rent of Rs. 42 = Rs. 6 per acre on two crops, if not three.

(*c*) He grows—

(*i*) *Aus* on 13 kanis yielding 80 maunds of paddy;

(*ii*) *Pous* on 20 kanis yielding 150 maunds.

(*iii*) *Jute* on 7 kanis along with *Aus* (April-September).

8. Taking price of paddy to be Rs. 2 per maund and of jute Rs. 5, he earns a gross income of Rs. 460 from paddy and Rs. 250 from jute amounting to a total of Rs. 710.

9. Even three crops do not give him work for all the months of the year. He is out of work for 4 months during which he has to find some handy subsidiary occupations.

10. This farmer is saddled with a very large family of 14 members comprising his aged parents, their 5 sons, 3 wives of 3 sons, and their 4 children.

11. The living expenses of this family may be roughly taken at 2 annas per head per day at Rs. 56 per month = Rs. 672 per year.

12. The details of expenses may be taken as per rates and calculations already given

V.

13. We next examined another cultivator named Maidharali owning 6 Kanis = 1·8 acres.

14. He pays rent of Rs. 11 or roughly Rs. 5-10 per acre.

15. He gave us an unusual fact. He uses cows instead of bullock for drawing the plough.

16. (*a*) He also goes in for 3 crops, growing—

(*i*) *Aus* on 2 Kanis.

(*ii*) Jute on 2 Kanis and

(*iii*) Pous on 4 Kanis.

(*b*) The gross yield of his paddy = 14 maunds and jute = 8 maunds.

17. He has a family of 8 members, consuming 5 seers of rice per day = 45 maunds of rice per year derived from 60 maunds of paddy.

18. In spite of much heckling he maintained that his 2 acres of land yielded only 14 maunds of paddy, maximum 18 maunds.

19. To maintain himself and his family, he is compelled to work as a bargadar on 3 kanis, for which he pays a fixed cash rent of Rs. 9 per kani and gets about 15 maunds of paddy.

Remarks of Mr. O. M. Martin, I.C.S., Commissioner, Chittagong Division.

The diary is interesting, but it is difficult to draw any conclusions from it as regards the average size of a holding, or what size of holding is "economic". The assumption embodying the use of the word economic in this sense is either (1) when a holding is too small, it cannot be cultivated without undue expense, or (2) when a holding is too small, it can't support a family. In the first sense, no small holding is uneconomic, for the smaller it is, the cheaper it is to cultivate. In the second sense many holdings are "uneconomic", but whether a particular holding is too small or not, must depend on the size of the family, the fertility of the land, and the standard of living.

In the first sense, large holdings become uneconomic, when wages are high in terms of agricultural produce.

I think it will be found that under any small holding system, the cultivator tends to be badly off unless he is (1) free from debt, (2) very thrifty, (3) has a fairly low standard of living and (4) has some subsidiary occupation to fall back upon when crops are poor. The eastern Bengal cultivator ought to be well off on the average because—

(1) his land is fertile;

(2) he has money-making crops (jute, etc.);

(3) rate of rent is low;

(4) except in certain areas, the country is not overpopulated; and

(5) he does not suffer from famine as in West Bengal;

(6) he is a hard worker, as a rule.

Actually, he gets into difficulties because—

(1) He is fond of litigation;

(2) When prices are high he does not save but increases his living expenses and gets into debt for marriages, etc.;

(3) Village industries are on the decline, and the cultivator is idle for several months in the year. Generally speaking, he has no subsidiary occupation to fall back on;

(4) Large families, children's inheritance becoming too small. There are big exceptions, however, to this. Many petty cultivators work as bargadars, fishermen, day-labourers, etc. and so keep fairly prosperous. Maidharali (No. V) is a very good example of this. Thrift and hard work is more important than the amount of land held, in most cases.

Notes on discussions held by the Comilla Bar Library with Dr. Radha Kumud Mookerjee, M.A., Ph.D., Member, Land Revenue Commission on 5th April 1939.

Dr. Radha Kumud Mookerjee visited the Bar Library at about 2 p.m. on 5th April 1939 and was received by the President and other members of the Bar. An informal meeting was held with the President in the Chair. At the outset, the President welcomed Dr. Mookerjee on behalf of the Bar and requested him to open the discussion. After making some preliminary remarks with regard to the land revenue system, and observing that the rent paid by the tenants in the province of Bengal is the lowest in the world, Dr. Mookerjee asked the opinion of the Bar with regard to (1) the

fragmentation of holdings, (2) serious situation owing to the fact that cultivators sit idle for at least 4 months in the year, (3) fall in the prices of jute and paddy and (4) deterioration of fertility of the soil and the question of enhancement of rent if fertility be increased by means of irrigation.

2. With regard to the fragmentation of holdings, Babu Kshetra Mohan Roy stated that this should be checked by altering the law of inheritance and introducing law of primogeniture. Rai Bhudhar Das Bahadur and Babu Akshay Kumar Dutta opposed the proposal and Moulvi Abdul Wahed and Babu Umakanta Das also took part in the discussion. The President said that it was not possible to put a stop to fragmentation of holdings. Babu Nibaran Chandra Ghosh said that in China evils of fragmentation of holdings have been checked and the system in China should be followed.. It was then agreed that it was not possible to check the fragmentation of holdings by introducing legislation.

3. As to the fact that cultivators sit idle for 4 months in the year Dr. Radha Kumud Mookerjee pointed out that it was a dismal picture and the condition of the agriculturists could not possibly improve if they remain idle for 4 months or more in the year. It was agreed that agricultural income should be supplemented by income from other sources and it was suggested that in the district of Tippera it was possible to introduce cottage industries such as basket-making, cane work, pen handles, umbrella handles, dairy, hookahs, buttons, mats seats, bee-keeping for adding to the income of the cultivators and improving their condition.

4. As to fall in price of jute and paddy, fixing a minimum price for jute was pressed. Dr. Radha Kumud Mookerjee stated that it was not possible to guarantee a fixed price of jute without guarantee in the matter of restriction of cultivation. It was pointed out to him that it was not feasible to fix price for paddy and rice.

5. As to deterioration of fertility of soil, Dr. Radha Kumud Mookerjee asked the opinion of the Bar as to whether rent should be enhanced if the fertility of soil be increased by irrigation. There was difference of opinion in the matter. Moulvi Abdul Wahed said that tax should be imposed for income from agriculture. The President opposed the proposal. There was no agreement among the members in this matter.

The President then moved a vote of thanks to Dr. Radha Kumud Mookerjee for kindly visiting the Bar and placing important points with regard to land revenue problem for the opinion of the Bar.

UPENDRA MOHAN DUTT,

President, Tippera District Bar Association.

Comilla, 6th April 1939.

Data collected in Tripura State.

Agartala, dated the 7th April 1939.

One interesting and singular fact I discovered in the Tripura State. The State levies export duty on its agricultural products. The principle involved in this arrangement is that when agricultural produce leaves the hands of its grower, the cultivator or tiller of the soil, and passes into those of traders seeking profit from its sale, the State has the right to a share of such profit. Coupled with this is the very commendable regulation that the entire proceeds of export duty on rice and paddy are strictly earmarked for the development of rural areas growing these crops in the shape of roads opening them up.

It is worthwhile considering if this source of taxation can be tapped in the British India districts for purposes of rural development. The middleman may be taxed for the benefit of the countryside and the peasantry growing the raw materials of trade and profiteering.

The Revenue Minister gave me the following statement in reply to my queries.

Statement.

Agricultural products.	Ordinary price per maund	Rate of export duty. Per maund.	Export Statement (5 years' average)	Income (5 years' average).
		Rs a.	Mds.	Rs.
1. Cotton with seed ..	Rs 3 to Rs. 5	1 12	52,454	..
Cotton without seeds	Rs. 9 to Rs. 13	4 6	..	..
2. Til ..	Rs 2-4 to Rs. 4	1 6	27,182	1,31,899
3. Mustard seeds ..	Rs. 5 to Rs. 6	0 2	33,643	..
4. Jute ..	Rs. 3 to Rs. 5	0 6	101,967	41,311
5. Tea ..	8 annas per lb. for export. 3 annas per lb. for Indian market.	2½ per cent. (of the gross sale proceeds)	2,424,631 (lbs.)	29,215
6. Rice ..	Rs. 3-8 to Rs. 4-4	0 2 per md.	148,960 mds.	18,620
Paddy .	Rs. 1-8 to Rs. 2.	..	..	..

The average rate of jama per kani is Rs. 1-3 in khas mahal land, the maximum being Rs. 25 and minimum 4 annas per kani of jute land.

No rent of land is levied for the land used for cotton and til, cultivation on jhum system and almost cent. per cent. of these commodities are produced by this system.

The entire income from item 6 is earmarked for road-making and road development.

Work of 9th April 1939 at Comilla.

On a request from the Tippera District Krisak Samity, I went to village Galimpur, about 14 miles from Comilla, with Babu Dinesh Chandra Chanda, Sub-Deputy Collector, deputed by the Collector to accompany me. On my arrival at the place, I met the Secretary and some members of the said Samity, in whose presence I conducted the enquiry.

I selected seven typical cases of cultivators and took down their evidence by examination and cross-examination. The evidence is thus set forth below:—

(1) Harish Chandra Nag owns 4 Kanis ($120 \times 4 = 480$) of land which he cultivates by bargadars from whom he gets half the net produce. He maintains a family of 10 persons. He pays Rs. 5 as rent per Kani. His family consumes 5 seers of rice daily. He gets a gross produce of 40 maunds of paddy = 26 maunds of rice valued at Rs 104 at Rs. 4 per maund. The family cannot maintain itself by cultivation of a plot too small for its needs, and has to seek supplementary earnings. Thus one son works as a teacher on Rs. 14 per month, and two other sons are earning Rs. 15 on an average as rural physicians. This is a case of a family of cultivators rising from their original status and raising their standard of life.

(2) Nishikanta Acharjya owns $3\frac{1}{2}$ Kanis of lands ($\cdot 120 \times 7/2 = \cdot 420$) bearing rent of Rs. 6-12 per Kani, and growing both Aus and Pous yielding a total produce of 50 maunds of paddy. He has a family of 9 members; consuming 5 seers of rice daily. He has to find supplementary income which, as a Brahmin, he earns by working as an astrologer to the rural folks.

(3) Ali Ahmad owns 15 Kanis of lands ($\cdot 120 \times 15 = \cdot 1800$). He grows Aus on 5-7 Kanis (during April-September) yielding 84 maunds of paddy; grows jute on 3 Kanis (during same months), yielding 30 maunds valued at Rs. 4-8 per maund; grows Pous (September-December) on 12 Kanis, yielding 100 maunds of paddy. Thus his total income from rice and jute = Rs. 503 per annum. He has a family

of 13 members (including 4 labourers he employs for cultivation). The family consumes 10 seers of rice daily for 9 members. Each labourer is paid Rs. 18 for 7 months' work together with food which costs Rs. 3 per month per head. He spends Rs. 1-8 per *hat* and Rs. 12 per month. He pays rent at the rate of Rs. 8-12 per Kani. His total expenditure thus amounts to (*a*) Rs. 144 for rice, (*b*) Rs. 144 for bazar purchases, (*c*) Rs. 156 for 4 labourers for 7 months in the year and (*d*) Rs. 131-4, totalling Rs. 575-4. He is thus practically self-supporting and would be much better off, were he not saddled with a large family.

(4) Fateh Ali owns 4 Kanis of lands and as usual, grows Aus, Pous and Jute. Total rent for these 4 Kanis=Rs. 36.

(5) Abdul Jalil owns 3 Kanis on rent of Rs. 27.

(6) Khan Mohammad owns 3½ Kanis on rent of Rs. 35-8.

(7) Asal Ali owns 3 Kanis on rent of Rs. 12 per Kani. All his lands have been sold out for debt of Rs. 200.

While recording the above evidence I came across some peasants migrating to Hill Tippera from Chandpur in search of 'fresh fields and pastures new' to work as bargadars with their plough cattle for 6 months up to October

Many other peasants who were present there volunteered to tell me that they were very miserable under the zamindari system prevailing there and that the rent was very high in comparison with that in the neighbouring estates under the Tippera Raj, Khash Mahal, or Court of Wards.

During the enquiry, I could understand that the recent increase in rates of rents was due, in some cases, to increase in area of lands disclosed by re-settlement and, in others, to increase in value of produce of the lands.

R. K. MOOKHERJI.

DINESH CHANDRA CHANDA,
Sub-Deputy Collector.
9-4-39.

SUBODH MUKHERJEE, B.A.,
Member, Executive Committee,
Tippera District Krisak Samity.
9-4-39.

First day's work at Chittagong, dated the 10th April 1939.

On arrival at Chittagong I met the Collector and the Commissioner. With the latter, I had a useful discussion till midday. At 2 p.m. accompanied by the Collector and Babu R. Chatterjee, the Khas

Tahsildar, Sadar, Chittagong, I went to Halisahar, a typical seaside village of Chittagong, the revenue system of which is certainly interesting from many points of view, due to its peculiar geographical location and its close proximity to Assam and Burma.

Many tenureholders, cultivating raiyats and bargadars were present and out of those I picked out eleven typical raiyats of this side and examined and cross-examined them thoroughly. The result of the enquiry thus conducted by me is noted below:—

1. Monomohan Datta. He is a tenant who has no lands in his khas possession. He along with 31 other co-sharers, 7 of whom are Muhammadans is the owner of 6·75 acres of land for which he has to pay a rent of Rs. 19-8 to the Government. He has besides this a holding which bears a rental of only 5 annas but that holding consists of only a tank which belongs solely to him. From land the only income he derives is a share of the rent he receives from the under-raiyats who are in actual possession of the lands comprising the tenancy which belongs to him and his co-sharers. He works as a village Kaviraj and anyhow maintains his family. He is typical of Hindu semi-literate raiyat of this side. These classes of tenants think it beneath their dignity to cultivate their lands with their own hands.

2. One Thanda Mea who owns in all 10 kanis of land out of which on 5 kanis, he can grow only one Aman crop. Curiously enough this tenant too does not cultivate his lands himself but he has his lands tilled by bargadars. He says that he gets only 30 maunds of paddy in all as his share of the annual produce of those 10 kanis. He has a family of 7 members and requires at least 5 seers of rice per day. He has to spend Rs. 10 per month on an average on other necessaries of life. He has to pay in all Rs. 22-8 as rent. As paddy sells at the rate of Rs. 2-8 per maund this side, his total annual income from land is, according to his own statement, Rs. 75 only. Thus he is compelled to supplement his income by shop-keeping (i.e., by dealing in cloth).

3. One Nazir Ahamad who also owns 10 kanis of land, i.e., 2½ acres but who too does not cultivate his lands himself and gets his 10 kanis tilled by his bargadars. His lands are slightly of a better quality so that he gets 40 maunds of paddy as his half share of the produce of those 10 kanis which yield only one paus crop. His case is similar to that of Thanda Mea. Hence no further details need be noted here.

4. One Badar Samad who owns in all 12½ kanis of land for which he has to pay Rs. 22-8 to zamindars and Rs. 5 only to the khas mahal authorities. 8½ kanis out of 12½ kanis yields only one crop, viz., green paddy which is harvested in Kartick and the other 4 kanis yield two

crops, viz., aus and paus paddy. He gets 70 maunds of paddy in all, i.e., 39 maunds of rice. He has a family of 16 members as 2 of his brothers and 2 sisters also are dependent on him. He requires 14 seers of rice daily and has to spend Rs. 2 per week for buying other necessaries of life. He gets a supplementary income by growing and selling kachu and cocoanuts He also rears fish in 3 tanks and sells fish. He had so far incurred debts in all amounting to Rs. 800.

5. One Abdul Khayer who owns 10 drones, i.e , 160 kanis. He does not cultivate any land himself He is a prosperous middleman tenant, so further details are totally immaterial for the purposes of our enquiry.

6. One Aminulla who owns only 8 kanis, i.e., 3·20 acres of land but also works as a bargadar in respect of 12 kanis, i.e , 4·80 acres more. He says that he gets only 24 maunds of rice as his half share by cultivating those 12 kanis as a bagadar. His family consists of himself, his wife and 6 children. He had debts amounting to Rs. 350 in all. He was in debts for purchase of land, for building a house and for marrying two daughters. He requires Rs. 6 per month for buying other necessaries of life.

7. One Moslem Khan who is the owner of only 3 kanis, i.e., 1·20 acres and works as bargadar on 4 kanis, i.e , 1·60 acres more. His family consists of 5 members including 2 wives. He spends 8 annas per hat for buying oil, etc , and has to pay Rs. 7 as rent per annum. He gets only 9 maunds of rice as his half share from barga. His debts amount to Rs. 300.

8 One Fazal Rahaman who owns 3 kanis and works as a bargadar on 16 kanis more. He says that he gets only 9 maunds of paddy from his own lands and 20 maunds of rice only as a bargadar. He has a family of 19 members including his 2 brothers and their children who live in joint mess with him. He requires Rs. 2 per *hat* for buying the other necessaries of life. He supplements his income from land by fishing in the sea. He can catch 5 to 8 seers of sea fish per day and sells that fish generally at the rate of 3 as. per seer. The femalefolk of his house husks paddy regularly and he owns 4 bullocks for feeding which he has not to spend anything extra. He incurred debts to the extent of Rs. 400 for maintaining his large family in ten years.

9. One Daran Ali who owns 10 kanis and cultivates 5 kanis more as a bargadar. He has to pay Rs. 35 as annual rent for his 10 kanis (because his lands mostly lie in khas mahal areas, where rents are charged at slightly higher rates than in permanently settled estates, due to periodical enhancement at each succeeding settlement). He has 2 wives and 8 children. He gets 60 maunds of rice from his own lands and 18 maunds more as a bargadar. He requires 5½ seers of rice per

day and has to spend Rs. 7 per month in bazar purchases. He earns Rs. 20 more per year selling chillis and cocoanuts. He owns 5 buffaloes and sells buffalo milk regularly. Yet he has to raise Rs. 80 more per year for maintaining his family. He incurred a debt of Rs. 120 for marrying a second time.

10. One Fazar Ali who owns 4 kanis and tills 4 kanis more as a bargadar. He has 2 wives and 8 children. He grows and sells regularly chillies and water. He originally owned 14 kanis of land. To maintain his family he sold a portion of his lands, losing 10 kanis so far. His debts too amount to Rs. 500. He has to pay annual rent of Rs. 10 for his 4 kanis.

11. One Abdul Gani who owns 4 kanis himself and works on 4 kanis as a bargadar. He has a family of 3 members only and yet incurred debts to the extent of Rs. 200 because he required Rs. 50 once for buying 2 bullocks and Rs. 60 for rebuilding his house which was burnt by accident. He has to pay Rs. 9-8 for his 4 kanis.

We record some general impressions suggested by this enquiry—

(1) Too many of the people with whom we spoke found it evidently beneath them to till their own lands and thus save the cost of labourers or of an adhi share.

(2) Too many of them had more than one wife and consequently unnecessary extra expense.

(3) Not enough of them took advantage of the proximity of the sea and of the apportunity to make some extra income by catching fish therein.

(4) Too few of them bothered with merely making crops such as chillies.

(5) Debt to most of them seemed inevitable and unworthy of special mention.

R. K. M.

P. N. McWilliams,
Collector, Chittagong.

Chittagong Hill Tracts Land Revenue System, dated the 11th April 1939.

The following witnesses were examined by me on this subject:—

(1) Mr. Birupaksha Roy, brother of the present Chakma Chief.

(2) Rai Sahib Tanfrau Choudhuri, headman, Bohmong Circle.

(3) Babu Kamini Mohan Dewan, a Chakma headman.

The valleys which mostly consist of cultivable plains on which various crops are grown belong to the Government. The latter settle those lands for 10 years only at a time, charging at the rate of Rs. 3, Rs. 2 and Re. 1 per acre for three different classes of lands.

The hillocks belong to the three different tribal Chiefs, viz., (1) the Chakma Chief, (2) The Mong Chief and (3) The Bohmong Chief. The hill people known as *jhumias* can grow various crops on hillock also and they have to pay at the rate of Rs. 6 per *jhum*, i.e., as much land as one man can utilise for crop-growing. A *jhumia* never cultivates the same lands consecutively for 2 years. He generally clears up a patch of land by burning the standing jungles of that unit and then he sows several crops together, viz., (1) pahari (i.e., hill) paddy, (2) cotton, (3) maize, (4) linseed, (5) pumpkin, (6) white melon and several other vegetables like barbati and the like.

Out of Rs. 6 each jhumia pays as jhum rent, Government gets Rs. 1-12, tribal headman Rs. 2, and triabal Chief Rs. 2-4.

The cultivation work begins in Baisakh with clearance of jungle by burning and sowing of seeds. Sowing to harvesting requires about 6 months and for 3 months more in the year he can earn something by extracting forest produce and selling the same in the *hats* or to whole-sale traders of timber. The hill people, however, do not sit idle during any month of the year, because they work on dugouts and cane work in their leisure months and many work as day labourers by immigrating temporarily to other places.

The produce per acre amounts to 20 maunds of paddy, 5 to 6 maunds of cotton (with seeds) and other vegetables of the value of Rs. 3. Thus the market value of the produce per acre comes up to Rs. 67 out of which an amount of Rs. 6 is to be paid as rent.

Generally one family of jhumias cultivates about 3 acres of land for which only Rs. 6 are paid as rent out of a total income of Rs. 201 from those three acres An average family consists of about 10 members. These hill tribes have yet incurred heavy debts. They borrow from time to time money at a high rate of interest because they are of nomadic habits. The main reason for indebtedness is a great increase of population so that at present no jhumia can cultivate as much as 3 acres. There are only 2 degrees of subinfeudation. This is a redeeming feature, but for which the economic condition of the tribal people would have been worse still.

R. K. Mookerji.

Camp Patiya, dated the 11th April 1939.

On arrival at Patiya accompanied by Babu R. Chatterjee, Khas Tahsildar, Sadar, Chittagong, I met many cultivating raiyats present

and after a prolonged talk with them I picked out a few typical cases and I am noting below the details which I could ascertain from them regarding the prevailing rate of rent and their mode of living and present economic condition.

1. One Sona Mea stated that he owns 4 kanis (=1·60 acres) of land for which he has to pay Rs. 15 as rent. Besides those 4 kanis, he also cultivates 4 kanis more as an eksona tenant (i.e., a tenant-at-will for a year). For those 4 kanis he has to pay Rs. 44 as rent. He has to engage for 7 months in the year 2 labourers, one of whom is a boy for helping him in cultivation work. His family consists of 6 members in all and he requires 7 seers of rice daily He has to spend 12 annas to 14 annas per *hat*.

He grows 2 crops, viz., aus and amon paddy on his own 4 kanis and gets in all nearly 94 maunds of paddy and from the other 4 kanis which he cultivates as an eksona tenant. He gets besides paddy, chillies, brinjals and kachu valued at Rs. 15 to Rs. 20 per year.

The total value of the produce of his labour amounts to Rs. 141 (price of paddy) plus Rs. 15 or Rs. 20 (as price of vegetables), i.e., Rs. 156 or Rs. 161 in all. On the 2 labourers he has to spend Rs. 49 for 7 months and he has to pay Rs. 59 as rent, i.e., his net profit amounts to Rs. 48 or Rs. 53 only per year even if he has not to spend anything over his plough cattle and plough. Up to date this raiyat had incurred debts amounting to Rs. 310 in all because he had to borrow Rs. 150 for marrying a brother of his.

The Khas Tahsildar of Patiya who was present at the enquiry said that the yield of aus and aman crops as stated by this raiyat was an under-estimate. According to him 1 acre of land this side yields 20 to 25 maunds of aus and 25 to 30 maunds of aman paddy, so that by cultivating 8 kanis, i.e., 3·20 acres of land this raiyat must have got at least 144 maunds of paddy valued at Rs. 216, as paddy sells at the rate of Rs. 1-8 per maund locally.

2. One Tajumbal Ali said that he owns 12 kanis of paddy land which he cultivates through hired labourers. He too gets 2 crops but gets in all only 120 maunds of paddy (local Khas Tahsilar's opinion is that this was also a gross under-estimate). This man pays Rs. 35 as rent and has a family of 10 members in all, 4 adults and 6 children. He is a clerk of the local post office hence no further details need be noted as regards this raiyat.

3. One Abdul Mannan stated that he was once a teacher of a primary school but that he had taken to cultivation now. He owns 10 kanis of land (4 acres) for which he has to pay Rs. 32 as rent. He grows 2 crops and has a mamily of 4 members. According to him he gets 75 maunds of paddy only as his share of the produce of 4 acres

owned by him. His net profits thus amount to Rs. 80-8 ($75 \times 1\frac{1}{2}$ = Rs. 112-8 minus Rs. 32 paid as rent). This raiyat had no debts however.

4. One Asad Ali (who was carrying milk to the local bazar for sale) said that he owns only 3 kanis (=1·20 acres) of land for which he has to pay Rs. 6 as annual rent. Out of those 3 kanis, 1 kani consists of his homestead and he grows only amon paddy on remaining 2 kanis. He gets only about 25 maunds of amon paddy valued at Rs. 37-8. As he cultivates his 2 kanis himself, he has not to spend anything on hired labourers. He has no bullocks of his own. He spends only 2 annas only per *hat* for buying oils, salt, etc. His family consists of only 4 members and he requires 4 seers of rice daily. He sells 1 seer of milk per day for 8 months in the year and gets 1 anna 6 pies daily by selling that milk He sometimes works as a day labourer He too has no debts

The net annual profits from land which this raiyat derives amount to Rs. 31-8 only and from all sources his net income comes up to Rs 80 or Rs. 85 only even if it be taken for granted that he can work as a day-labourer for about 3 months in the year on a monthly pay of Rs. 10 at least.

5. One Ali Ahmad said that he owns 12 kanis of land out of which $7\frac{1}{2}$ kanis are paddy-lands and the remaining $4\frac{1}{2}$ kanis are khila (i.e., land on which paddy cannot be grown). He has to pay Rs. 39 per year for $7\frac{1}{2}$ kanis of paddy land. He grows vegetables enough for family use throughout the year on $4\frac{1}{2}$ kanis of khila land which do not yield paddy. His family consists of 16 members in all as 3 of his brothers with their families live in joint mess with him. According to him he gets about 80 maunds of paddy valued at Rs. 120 as his share of the produce of the $7\frac{1}{2}$ kanis, i.e., his net profits amount to Rs. 81 only from that much of land.

He has no debts, however, because his brothers work in other capacities, one working as a deed-writer in a Sub-Registry Office and another as a clerk in a Khas Mahal Office.

6. One Korban Ali said that he owns 4 kanis of land for which he has to pay Rs. 16 as rent. He grows 2 crops only on 2 kanis and only 1 amon crop on the remaining 2 kanis. He keeps a cow and sells milk to the value of Rs. 3 per month. He cultivates 2 kanis of land more as an eksana tenant and works as a day-labourer also. His family consists of 6 members and he requires 5 seers of rice daily and 4 annas to 6 annas per *hat*. He could not tell what net profits he derives from the lands he cultivates but the profits may be calculated as follows:—

50 maunds of aus and pous paddy valued at Rs. 75 from 2 kanis;
30 maunds of pous paddy only valued at Rs. 45 from 2 kanis;
25 maunds of aus and pous paddy valued at Rs. 37-8 from 2 kanis which he cultivates as an eksana tenant.

Thus it is seen that his income from 6 kanis comes up to Rs. 157-8 minus Rs. 16 paid as rent plus expenses of cultivation.

R. K. M.

R. CHATTERJEE,
Khas Mahal Tahsildar,
Chittagong.

Report of a Conference with Chittagong District Bar Association.

At a Special Meeting held on 11th April 1939 at the District Bar Association, Chittagong, with Mr S. L. Khastgir in the Chair, there was discussion with the members of the Chittagong Bar by Dr Radha Kumud Mookerji about many points touching the agricultural, industrial and economic conditions of this country. Dr Mookerji points out that agricultural holdings in our country being more and more divided amongst the descendants or heirs of the deceased agriculturists according to the laws of inheritance of both the Hindus and Muhammadans, no improvement of these holdings for solving the economic problems of the country is possible. He invited suggestions for the improvement of condition of the present agriculturists. There was one suggestion that in these holdings, the legislature should withhold the operation of these laws of inheritance and limit their scope, so that further division of holdings may not be possible to be applied in the case of the agriculturists alone. It was pointed out that such alteration of the laws of inheritance is never possible both in the case of the Hindus and the Muhammadans. It was placed before the Association whether or not economic holdings will suit the country. These are holdings fit to maintain 4 or 5 members of the family. If things are allowed to drift with regard to agricultural holdings and if the families of the agriculturists increase and all rest for their maintenance on the limited income of the holdings, the result will be simply disastrous. It was agreed to by the members that the public and the Government should join hands in making economic holdings popular in this country.

Another question was put to the members for reply, namely—how to strike a balance in price for the agriculturists as the price level of the commodities has gone down by 53 per cent. and the price of other commodities has gone down by 10 per cent. only. In course of discussion Mr. Susil Kumar Choudhury suggested that just in the way in which we had control of rice by the Government during war-time in the years 1914-18 between India and Burma, the price of food-stuffs or agricultural produce and no less the price of commodity-products can be controlled by striking a mean position so that the agriculturists

may have almost proper price for their products and people in general also may reap other advantages of the beneficent measure. It was agreed to by the members that there can be State control of price and the measure is bound to be beneficent for the agriculturists and for all.

There was lively discussion when suggestion was invited whether or not cultivators should be given every right to enjoy fruits of their toil on lands they cultivate and whether zamindars or landlords should be eliminated as the unwanted wheel in the chariot and whether or not rent-receiving is a crime in view of circumstances obtaining in the country.

Mr. Charu Chandra Sen, forcefully argued that rent receiving is never a crime and landlordism still now exists in every country on earth. Landlords form a very important and useful part of our system of society and their overthrow will not only bring about complete chaos in society not only by bringing a large number of unemployed people on the scene but also by dislocating every established mode of life in the country. Mr. Susil Kumar Choudhury opined that rent is unearned increment of land and rent-receiving without doing or having to do anything for the land or the cultivator, may not be crime because it is a strong expression meaning more than we say, but is surely a moral wrong. We have, whoever we are and whatever our status, no right to enjoy fruits of another man's toil, namely, that of the cultivator tilling the land. All benefits or income in any shape or form arising from land should morally belong to him and to none else.

As to giving employment to the huge number of agriculturists who for more than 5 months in a year remain idle at home, a really illuminating discourse followed. One members suggested that the spinning wheel or charkha has been prescribed by Mahatma Gandhi for the profitable use of time and energy by the cultivator during his protracted period of idleness. Swadeshi cloth worn by the people, made out of the coarse of fine thread brought out by the charkha of the cultivator has added income to the poor agriculturists of the country even though the demand of swadeshi cloth may or is more sentimental than permanent in the country. It was unanimously resolved that village industries and products of local artisans having ready market in the district or village should be encouraged both by the State and the public and agriculturists should be taught by the local enthusiasts or Government demonstration parties or propoganda officers free of charge with their simple tools or machinery these industries. Every district, thana, or village should choose the special cottage industries with ready market for home consumption and with small loans sufficient for the purpose advanced by Government co-operative societies. Otherwise these cultivators should usefully devote their time or energy during the protracted period of their idleness. These agriculturists,

unskilled labourers as they are, cannot join big mills or factories in large or small towns to make profitable use of their idle time. Mills or factories, as they are now, cannot give employment to this vast army of unemployed cultivators landless or not, in this country The difficulty of immobile labour refusing to go from place to place or country to country for highest wages like labourers in Western countries have made the lot of the cultivators who can be labourers also for 5 or 6 months, miserable indeed. As conditions obtain in the country to-day, there is one way mentioned above open to us, viz., to give employment to cultivators during their 5 or 6 months of idleness.

It was suggested that agriculturists of Bengal are in every respect happy and should remain contented so far as their conditions in other countries of the world are concerned. They pay only one-fourteenth of their produce as rent to the landlords and their rights empowering them to remain on lands make them virtual proprietors of the soil they cultivate with payment of smallest amount as rent to the superior landlords. It is landlords, to whom permanent position was given by the Permanent Settlement to receive rents and pay Government revenue whose position is becoming even under Permanent Settlement more and more unsafe in the country. If any help is to be given to anybody in Bengal it is poor landlords whose mahals will be sold at once for arrears of Government revenue mercilessly and who are the only people whose resources are tapped for any beneficent move both on behalf of Government or the public for the general good and in the best interests of the country. Without entering into the biggest controversial question of the day in Bengal whether Permanent Settlement should remain or have its decent and compensatory burial, the sense of the House was that landlords should remain and as peasants or cultivators have not and cannot have any fear from the superior landlords, we will be unwise and wrong to give the go-bye to the landlords as they do not and cannot be tyrannical to tenants at their pleasure and as they form as a body motive-force of many a beneficent move in the country both on behalf of the people and the Government. It was therefore unanimously resolved that landlord system should remain and should not be disturbed with respect to their right or possession.

To another question whether the principle of barga system followed in Bengal's land system can stem the tide of subinfeudation or further subdivision of the land, it was agreed to after some discusion that the principle of barga system will help the cultivators and arrest further division and subdivision of tenancy of the agriculturists.

Cottage industries having local market and capable of starting with a small capital should be encouraged and agriculturists should be trained in these industries to profitably utilise the long period of idleness in the year and these special industries should be chosen and the public and the Government should in all possible ways train the

agriculturists for bringing out products in the open market so that the income of the agriculturists may increase and their leisure may be under the circumstances, most profitably utilised.

The President thanked the learned Speaker Dr. R. K. Mookerji and the Speaker thanked the members for their attention and participation in the discussion on the important topics of the day.

On board steamer SS. "Nilla" on way to Adinath, dated 12th April 1939.

On the steamer I met many raiyats and had had a full discussion with them and as a result I came across a few interesting cases which I cannot help mentioning here.

1. One Syedulla, a grandson of Khan Sahib Makbul Ali Chowdhuri of Chota Chanua, a paddy king, stated that his grandfather, instead of settling his khas dakhali lands measuring 400 drones (=2,560 acres), gets the entire area cultivated through hired labourers, ekshona tenants and bargadars (150 drones; i.e., 960 acres by the latter). His grandfather has to engage 100 labourers and to keep 300 buffaloes and 150 bullocks for this farming on a big scale. He gets 20,000 to 25,000 maunds of paddy valued at Rs 30,000 to Rs. 37,500 from his khas dakhali lands for which his grandfather has to pay as rent Rs. 14,000 (including cess). The latter had not introduced any improved, scientific methods of cultivation however, though his cultivation is on such a big scale.

2. One Abdul Kader said that he owns 2 drones, i.e., 12·80 acres of land for which he has to pay Rs. 64 as annual rent. He gets 250 maunds of paddy valued at Rs. 375 only from his lands. He requires 4 ploughs and has to keep 8 bullocks for tilling these 12·80 acres. He has a family of 35 members and he requires Rs. 2-8 per *hat* for purchasing other necessaries of life like oil, salt, etc. He has no debts, however, because he has another source of income, as he works as a tahsildar on account of local Noabad talukdar named Ijjat Ali Chawdhuri of Rajakhali.

3. One Golam Haidar told me that he too owns 2 drones, i.e., 12·80 acres of land. He has to pay Rs. 100 as annual rent and requires 2 ploughs and keeps 5 buffaloes and 2 bullocks and has to engage 2 labourers for 7 months in the year for tilling his lands. He gets 320 maunds of paddy valued at Rs. 480 only from his 12·80 acres. He has a family of 10 members for feeding whom he requires 15 seers of rice daily. He has to spend Rs. 1-4 per hat for the purchase of other necessaries of life. He added further that his deficits were met by his brothers who were earning elsewhere in various capacities.

R. K. M.

R. CHATTERJEE.

Camp Adinath, dated 12th April 1939.

On arrival at Adinath I examined Babu Manindra Lal Chakravarti, Naib, K. C. Ray Estate, Chittagong, and scrutinised the papers produced by him.

1. It was seen that the estate was running a model agricultural farm an nearly 600 acres of khas lands at an annual cost of Rs. 3,000 From this farm are being distributed free seeds of various new experimental crops including sugarcane (Coimbatore 213 variety) to the tenants.

2. Remission of rents on account of failure of crops is granted as a rule by the estate.

3. Remissions allowed by the Government for damage to crops from flood water, saline deposit (what is locally known as *kos*) are followed by the zamindar in allowing corresponding remissions to the tenants of the estate.

4. Rates of rent per drone charged by the estate vary from Rs. 8 (minimum), i.e., 8 annas per kani to Rs. 28 (maximum), i.e., Rs. 1-12 per kani. Where maximum rent of Rs. 28 per drone, i.e., Rs. 1-12 per kani is charged, it is on the basis of the produce of 60 aris of amon and 40 aris of aus crop per kani. As 100 aris of paddy of both varieties sell at the average market price of Rs. 35 on this basis the rent charged amounts to about 1/20th of the produce. Out of the rent of Rs. 28 only realised for each drone of land by the estate, Rs. 7 per drone are spent in maintenance of embankments. The net rent is thus reduced to Re. 1-5=1/21st part of the produce.

5. Where the minimum rent of 8 annas per kani is charged, it is on the basis of produce estimated at 16 aris per kani. As 16 aris can fetch Rs. 6 in the market, it is evident that the rent charged amounts to about 1/12th of the produce.

6. Rents are not enhanced in case the cultivator grows additional crops or even when the prices go up.

7. The estate is maintaining 1 charitable dispensary (paying $\frac{3}{4}$th of its upkeep), several roads, 40 ring wells and 1 M. E. school.

R. K. M.

R. CHATTERJEE.

Camp Adinath-Mahishkhali, dated 13th April 1939.

I met a group of 26 occupancy raiyats who all cultivate their holdings themselves. In course of my talks with them I ascertained some facts which I am noting below by describing what 3 of those typical cultivators told me.

1. One Golam Bari said that he owns 30 drones, i.e., 192 acres of land for which he has to pay Rs. 700 roughly as rent. He has his lands cultivated through hired labourers engaged for 6 months in the year on a pay of Rs. 8-10 per month without food. He grows 6 varieties of local rice, tobacco, chillies, and brinjals. He has no debts.

2. One Ali Mia stated that he owns 1 drone 4 kanis=8 acres for which he has to pay Rs. 25 as rent. He grows 4 local varieties of rice, tobacco, potato, chillies, brinjals, watermelons and betels. He has a supplementary income of Rs. 4 per month by working as a teacher. He too has no debts.

3. One Mangal Chand told me that he owns 1½ drones=9½ acres for which he has to pay Rs. 35 as rent per year. He has to engage 2 labourers for 4 months on Rs. 3 per month in addition to food. He grows 4 local varieties of rice, chillies, tobacco and betels. He has a family of 14 members consuming 10 seers of rice per day and spends 12 annas per hat. His 3 sons work as day-labourers here and in Aracan. His debts incurred for marriages only amount to Rs. 200. His main complaint is that very often by periodic epidemic cattle diseases, he loses his cattle.

His net income may be calculated as follows:—

		Rs.
350 maunds of paddy valued at	...	525
Tobacco, chillies and betels valued at roughly		100 per year.
Gross income	...	625

Deduct—

		Rs.
Wages of labourers Rs. 40 *plus* rent Rs. 35	...	75
Costs of maintaining 6 bullocks	...	144
Costs of 3 ploughs including repair charges	...	15
Total	...	234

The net income, therefore, amounts to Rs. 391 or at least Rs. 350 (minimum).

General remarks.

Adinath may be considered as a typical permanently settled estate in Chittagong. In other parts of the district there are found tenants who cultivate lands under owners of permanently settled estates as well

as under owners of temporarily settled noabad talukdars or etmamdars. I chose Adinath for this reason only. Adinath derives its name from the deity whose temple is situated there. The place is visited by thousands of Hindu pilgrims from all parts of Bengal during the mela period which commences from the Siba-Chaturdasi-day. The inhabitants of the island, therefore, can easily derive additional profits by selling various articles to these annual visitors.

The island locally known as Maheshkhali from which the channel that laps its shores borrows its name, is about 12 miles long and 5½ miles broad and is owned by Rai Bahadur K. C. Roy, M.L.A., who has to pay about Rs. 3,000 as rent and cess for it to the Government and the District Board. The total rent roll of the island comes up to just a little over Rs. 1,00,000 (gross). As it is a seagirt island, costly embankments have to be maintained by the zamindar on portions which are exposed to the sea. As the entire island is very fertile, the tenants inhabiting it are all fairly prosperous. The rate of rental charged by the estate is very low being only 1/12th to 1/21st portion of the produce.

R. K. M.

R. CHATTERJEE.

Deposition of Babu Jitendranath Dastidar, son of Priyakanta Dastidar, Forester of K. C. Roy Estate Moiskhali.

When we get any remission from the khas mahal, we grant corresponding remission to our tenants on condition that they would also grant similar remission to their under-tenants till it passes to the lowest stratum, i.e., to the tiller of the soil. I do not know of any single instance that our tenant getting remission did not pass it on to his under-tenants.

We make public the notices issued by the khas mahal authorities granting remission.

Deposition taken by me.

M. BANERJEE,
Khas Tahsildar,
Cox's Bazar,
Camp Moiskhali.
12-4-39.

I examined Afazuddin, son of Kaderbux of Bharamaheshkhali, police-station Moiskhali. He is an under-tenant of one Majidali Fakir

of Jafarali Munshi dail (Bharamoiskhali). Majidali is a tenant of Roy K. C. Roy Bahadur's Estate for T. K. No. 6. His rent for 1936-37 and 1937-38 had been entirely remitted as the lands were exposed due to breach of embankments and khal. The under-tenant Afazuddin deposes that he too got complete remission for 2 years.

Read over and admitted to be correct.

Thumb impression of Afazuddin taken in my presence.

M. BANERJEE,
Khas Tahsildar,
Cox's Bazar,
Camp Moishkhali.
12-4-39.

The remission that I had allowed as khas mahal officer to the superior landlord Ray Bahadur K. C. Roy for failure of crops to T.K. Nos. 956, 34958 and Jote No. 1 of Kutubjum was granted on the condition that it must be passed on by him to his under-tenants. I also generally make sure that this remission would be passed by the under-tenant to his under-raiyats at the time when remission is granted.

I also follow the above noted procedure.

R. CHATTERJEE,
Khas Tahsildar, Sadar.
M. BANERJEE,
Khas Tahsildar,
Cox's Bazar,
Camp Moishkhali.
12-4-39.

Deposition of Jahirulla, son of Fazalar Rahman of Barkhope, police-station Kutubdia, aged about 40.

1. I hold 1½ drones of lands, i.e., 9·60 acres under my direct cultivation. Of these lands 7·60 acres are under khas mahal and 2·00 acres under a private landlord. I pay Rs. 52-8 as my annual rent for the entire area held by me. Lands under khas mahal bear a rate of Rs. 5 per acre, whereas those under Talukdars under khas mahal about Rs. 6. I grow only one crop, viz., aman paddy in all my lands though it is possible to grow two crops. Average yield per acre in my lands is 100 aris (23 maunds)=Rs. 35. I have work for only 6 months, on

cultivation. I have got subsidiary occupation (1) Sampan plying and (2) running a small grocer's shop on hat days twice in the week with a stock of articles worth Rs. 200 renewed according to needs throughout the year.

2. The family of this man consists of 15 members including children. Total annual gross income of this family comes up to Rs. 340 as price of crops grown by him in his lands, and this is supplemented by the income derived by him from sampan plying and shopping which fetch an annual income of Rs. 200 and Rs. 100 respectively in the average and thus the total gross income of this family comes up to Rs. 640. The members of this family consume 8 seers of rice daily and have got to spend annas 8 to 10 per hat day which takes place twice in the week for purchase of other necessaries besides expenses of clothes and ceremonies. He has got 4 heads of buffaloes for cultivation, but he grazes them in his own lands and have very litle to spend on that account and he has got to spend some Rs. 5 or so on that account annually. Annual gross expenditure of this family would be Rs. 188 as price of rice, Rs. 58 as bazar expense, Rs. 100 as cost of cultivation, Rs. 100 for clothes, Rs. 100 for other expenses including educational expenses of children and Rs. 52-8 as rent, thus totalling Rs. 598-8. Thus he has a surplus of Rs. 41-8.

3. It transpires that peasants can easily get a higher price for the paddy they grow if they can wait till the next sowing season, viz., Jaistha (May). By thus waiting for 4 months they can get Rs. 1-14 per maund instead of Re. 1-9. This would mean an addition of Rs. 7 to the price of paddy per acre. It is worth considering whether the burden of this waiting can be thrown on the parties best able to bear it, i.e., the landlords and moneylenders who may realise their dues in the season of higher price. Present financial year expires on the 31st of March and the landlords insist on payment by March whereas price of paddy goes up generally in May and hence it may be considered if the last kist and the latest date of payment of the last kist might not be shifted up to May. It is also the case that peasants may seek to evade payment and spend the sale price of their produce in other ways at once, before paying their legitimate dues of rent and interest.

R. K. M.

M. Banerjee,
Khas Tahsildar,
Cox's Bazar,
Camp Maheshkhali.
13-4-39.

Inspection Bungalow, Cox's Bazar, dated 13th April 1939, 4 p.m.

I.—Deposition of Rai Bahadur Bepin Behari Raksit, Chairman, Cox's Bazar Municipality.

1. He owns 4 kanis direct under khas mahal. Rent Rs 6 for the total area. Rate Rs 3-12 per acre. These are homestead lands.

2. He owns 7½ drones, i e., 48 00 acres under 2 different tenure-holders. Rate Rs. 2 per kani, i.e., Rs. 5 per acre.

3. These are all for growing one kind of paddy, yielding 40 aris per kani, (i.e. 9 maunds per acre) worth Rs 16. Rent is ⅛th of the produce. He states that it is not possible for Talukdar to deny him the remission which he gets from Government.

II.—Statement of Babu Nalini Ranjan Dutta, B.L., Pleader of 5 years' standing at Cox's Bazar.

1. He has stated that he has known of a case (rent-suit) where the raiyat did not grant his under-raiyat the amount of remission which he had secured from Government at the time of special Jamabandi Operation, which was legally due to the under-tenants. This fraud was detected in the course of legal proceeding. The raiyat was compelled by Court to grant the remission withheld.

I, however, gather that such cases of fraud are somewhat exceptional and not general. They are connected only with special Jamabandi Operation, where in some cases lump reduction was granted to tenureholders as a relief without any condition to pass it on to his raiyats and in some cases post-card notices issued to under-raiyats were not properly distributed. In these latter cases, the fact of remission was not widely circulated.

Statement of Moulvi Makbulali Chowdhury of North Mithasari, police-station Ramoo.

1. He charges Re. 1 to Rs. 1-4 per kani on lands growing one rice and yielding 40 to 45 aris, i.e., 10 maunds worth Rs. 16. This means that rent is one-fourteenth of the produce. His raiyats remain idle for about 7 months in the year.

2. Moulvi Kabiruddin Ahamad, zamindar, Harbhag, states the same facts as above.

R. K. M.

13-4-39.

Camp Sitakunda, dated 15th April 1939.

On arrival at Sitakunda I first examined the Manager, Treasurer and Tahsildar, Mohanta estate. The estate comprised mainly noabad lands which had been leased out to raiyats on rentals varying from Rs. 4 to Rs. 8 per kani. There is only one permanently settled estate which consists of 173·28 acres of land for which the Mohanta has to pay Rs. 187-2-7 as revenue to the Government. Out of those 173·28 acres, 149·53 acres had been leased out to tenants on a total rental of Rs. 293-6-3, i.e., the raiyats pay to the Mohanta rents at the rate of about Rs. 2 only per acre. As on lands of this side on the average 16 maunds of aus and amon paddy can be grown valued at Rs. 24, it is clear that the rental payable by the raiyats of the permanently settled estate amounts to only 1/12th of the produce as compared to the rental charged from raiyats of noabad lands (i.e., temporarily settled estate) who have to pay at a much higher rate, viz., Rs. 10 to Rs. 20 per acre.

I met many cultivators of this side and I am noting below what I ascertained from a few typical raiyats by examination and cross-examination:—

1. One Syed Obaidar Rahaman stated that he along with 15 other agriculturists had started a farm on a co-operative basis for the cultivation of sugarcane and marketing and selling of *gur* produced from that sugarcane.

The farm comprises 7·10 acres of noabad land for which the Society has to pay rent at the rate of Rs. 15 per acre. The Society grows sugarcane on 4·80 acres of land and gets 240 jars of gur valued at Rs. 480 from those 4·80 acres. On the remaining portion two varieties of paddy and several rabi crops are grown.

The yield of both aus and amon paddy per acre amounts to only 16 maunds according to this witness and yet paddy is grown on a portion of the farm-lands which were taken for growing sugarcane. Apparently the crop yield per acre must have been underestimated by this raiyat who is the Secretary of the Society. He works as a teacher in the local High Madrasah and is fairly educated. Rabi crops grown comprise mainly—(1) cabbages and cauli-flowers, (2) potato and (3) chillies. He admitted freely that he did not work on the land himself and added that there is a system of leasing of lands at competition rents to annual tenants-at-will who sometimes have to pay rents at the rate of even up to Rs. 40 per acre. The other cultivators examined by me did not support this statement. Hence it could not be ascertained conclusively wherefrom Syed Obaidar Rahaman got his impression about changing as much as Rs. 40 per acre by land-owners of this side.

2. Nur Ahamed Choudhury said that he owns 36 acres of land which he cultivated himself with the help of his grown up family members and hired labourers. He gets only 15 to 20 aris (=5 to 6 maunds) of aus and 8 to 10 aris of pous paddy (=3 or a little over 3 maunds) valued at only Rs. 15 per kani (=2/5th of an acre) though he has to pay rents at the rate of Rs. 2-8 per kani to owners of permanently settled estates or as much as Rs. 6 per kani to the khas mahal authorities. His supplementary occupation is pisciculture. He is not indebted to anybody and is known to be one of the richest cultivators of the thana.

3. One Dinabandhu Das told me that he owns a farm of 5 acres within a permanently settled estate. He has to pay Rs. 36 as annual rent and gets in all only 80 maunds of aus and amon paddy valued at Rs. 100. His family consists of only 5 members and he has no debts because he has addditional income. He works as the local tahsildar of two noabad talukdars on a commission basis.

The local Thana Officer who came to meet me and who was in charge of the thana for over a year stated that the miseries of the peasantry of the Sitakunda side are mainly due to 5 reasons, viz.: (1) illiteracy, (2) useless litigation, (3) profiteering from litigation as touts, (4) polygamy; marrying at harvest time and divorcing when out of work with the result that most of the cultivators have on an average more than 2 wives and (5) idleness for at least 6 months in the year.

Babu R. Chatterjee, Sadar Khas Tahsildar was present all along throughout the enquiry.

R. K. M.

R. CHATTERJEE,
Khas Tahsildar,
Sadar, Chittagong.
16-4-39.

Evidence of Babu Kumud Behari Choudhury, Estate Ramkamal Ramballav Shaha, Chittagong.

Opinion as to rent being paid in kind.

1. Tenants generally do not like to pay in kind. In litigation it has been found in innumerable cases whenever landlord sues a tenant for price of paddy at market rate tenant has opposed the claim by all means at his disposal and insisted on payment of rent not at market value of the paddy but at money value supposed to be mentioned in

the kabuliyat for the purpose of registration. It is a common experience that tenants withhold delivery of paddy and later on insist on acceptance of the money value of the paddy. This occurs specially when on account of excessive rain or want of rain or some other natural calamity the tenants do not get full yield. The tenants are actuated by the desire to keep in store sufficient paddy for maintenance and if possible to sell surplus paddy not required for maintenance at better price.

2. Landlords obviously do not like to collect paddy. The reason is (1) it means extra expenditure in collection and storage, (2) zamindars have got lands scattered all over the districts and cannot maintain a kutchery in every village of their zamindari. In case of money rent one office or kutchery is sufficient for one thana or several villages but in cases of paddy rent, the staff will have to be increased and number of kutcheries multiplied. Storing of paddy in the villages means not only extra expenidture in the shape of erecting or making granary or store houses, but also in the matter of sale, the zamindar will have to depend on the mercy of his tahsilar who may sell at any price he chooses on various pretexts.

3. The tenants of the district hold lands at a very low rate but the zamindar pays a high revenue to the Government. If the money rent which the tenant is paying to the zamindar is now converted into paddy rent, the result will be that the zamindar will be compelled to sell paddy at an uneconomic price and his income will dwindle in proportion although the revenue and the rent payable by him to the Government for permanently and non-permanently settled lands will remain the same. Consequently default in payment of revenue to the Government and rent to the khas mahal will go on increasing. In course of time the zamindar will be unable to meet the claims of the Government and the result will be that they will be deprived of their property on account of the compulsory sale under Sunset Law.

4. In this district measure of an ari is not uniform: in some locality 13 seers make an ari, in some locality 14 seers 10 chittaks. In case of money rent, the want of uniformity cannot exist. Besides during harvesting season paddy will have one weight whereas the weight comes down by nearly 10 per cent. in course of 2 or 3 months after storage: this will obviously work a great hardship on the landlord.

Opinion as to the imposition of the proposed Agricultural Cess.

5. Zamindars are paying numerous cesses. It has been seen during the several revaluations under the Cess Act, cesses have been enhanced almost arbitrarily in many cases. In some cases cesses have been increased more than double. Present Cess Act is operating very harshly on the zamindars. It is submitted that the imposition of cesses

under the Cess Act is an inroad upon the zamindar's rights under the Permanent Settlement. Besides, the Government imposes cesses as occasion requires under various Acts such as Embankment Act, etc. Zamindars have to pay the cesses in the first instance otherwise the Government realise the same by summary process of law irrespective of the question whether the tenants have paid the cesses due by them to the zamindars. The tenants usually hold up the rent for 3 or 4 years and zamindars institute rent suits. They can hardly realise the decretal amounts within 3 years of the decree under the normal procedure This means normally the zamindars have to wait for 5 to 7 years for the realisation of rent and cess, although they have paid the cess in due time. The situation becomes worse when tenants seek the protection of Agricultural Debtors Act either before or after the rent decree involving as it does delay for any number of years 8, 10, 15, and so on in realisation of cess, rent etc. In this state of affairs the zamindars cannot agree to imposition of a further cess which will have the effect of impoverishing the zamindars without proportionate benefit. The lure of enhancement of rent does not appeal to the zamindars because tenants have already acquired the habit of non-payment and been encouraged to withhold payment on account of the operation of Bengal Agricultural Debtors Act and debt relieving activities of the Government Zamindars are unable to bear the strain of cesses hitherto imposed and view with grave suspicion that the agricultural cess will do them any benefit. It may be suggested that if the real interest and benefit of tenants be intended by imposition of such cess, then the local Union Boards who are in close touch with the tenantry may be placed in charge of collection of such cess, like the chaukidari tax, union rate, etc

Opinion as to the imposition of Agricultural Income-tax.

We are opposed to the imposition of agricultural income-tax. Income-tax is by its nature arbitrary and unjust and ignores expenses incurred for the maintenance of the family of the assessee. Agricultural income-tax will add to the burden without any compensating advantage.

The poverty of the zamindars will go on increasing and they will have no funds to meet the demands of the income-tax authorities: it will ultimately affect the tenants adversely.

Opinion as to whether Permanent Settlement is obstructing industrial development.

The Government has hitherto not taken effective steps in industrial organisation of the country. Proper education for the purposes has

not so long been given. If Permanent Settlement obstructs industrial development, we would expect great industrial developments by this time in non-permanently settled areas. Chittagong is non-permanently settled for the major portion. Khas Mahal in the name of Government is the biggest landed proprietor in Chittagong but Government ownership of large proportion of land in Chittagong has not made it more industrially developed than places where almost all the lands are permanently settled. The reason is Permanent Settlement is not to blame for industrial backwardness. The people have not been made to think of industrial development at all and the root of the evil lies in the method of education which has so long aimed at creating clerks sufficiently able to help the Government to carry on its day-to-day administration Chittagong was the first to go under the British administration. Chittagong was taken over by the East India Company in 1760 and during these years of occupation khas mahal, the largest landed proprietor or the Government has not thought it necessary or fit to establish a single industrial school at Chittagong Chittagong had ship building industry in bye-gone days but it is ruined by introduction of steamships. It can very well have salt industry, but so far nothing has been done by the Government to educate or help the people in the said industry. Tannery and fishery could also be established and developed in spite of the Permanent Settlement: has the khas mahal, i.e., the zamindar of the non-Permanently Settled lands done anything?

Opinion as to price of paddy being too low.

As a matter of fact the price of paddy cannot be said to be low now. The present market rate is Rs. 2-6 per maund of average paddy whereas some 20 years back its price was rarely higher than a rupee per maund and yet the tenancy were much better off in those days inasmuch as they could afford to stock a decent quantity of gold and silver every year but at present in spite of the higher market price of paddy, they have had to part with whatever ancestral stock of gold and silver they possessed, not to speak of purchasing anew any gold or silver.

Subinfeudation.

Actual number of sub-tenures prevalent in the district is as follows:—

1. Highest Sadar Patni.
2. Sadar Patni.
3. Patni Taluk.
4. Taluk.

5. Dar Taluk.
6. Etmam.
7. Dar Etmam.
8. Tapa.
9. Dar Tapa.

Annual cost of living of a family of 5 members.

		Rs.
Rice (37 maunds) at Rs. 3-8	... ...	130
Dal (2 maunds)	... ...	10
Dry fish, etc.	... ...	20
Salt species, etc.	... ...	15
Clothing	... ...	25
	Total ...	200

Chittagong, dated 16th April 1939.

I

Ramesh Chandra Sen. Manager, Court of Wards, South Group, gave the following evidence:—

(1) Rate of rent per acre=Rs. 3-8.

(2) Produce per acre=24 maunds=Rs. 24. Rent=Rs. 5-8.

(3) Tenureholder pays Rs. 5 to superior landlord, gets Rs. 7 from under-tenant who gets Rs. 10 to Rs. 15 from his under-raiyat.

The under-raiyat thus pays Rs. 10 out of Rs. 24 as value of produce.

(4) Remissions are notified by printed post cards and beat of drum by the zamindar. The effect of this notification is sometimes the claim for remissions from neighbouring raiyats who are not granted such remission.

(5) Where the zamindar gets a rent of 5 annas to Rs. 2-8 per acre from tenureholder, the tenureholder realises in some cases Rs 6 to Rs. 9 per acre from his raiyat who may even get Rs. 9 to Rs. 12 from the under-raiyat.

(6) Permanently settled estate No. 1270 has been assessed by Government at more than 74 per cent.

Permanently settled estate No. 1023 has been assessed by Government at more than 50 per cent.

The above statement is agreed to by Mr. Kiran Chandra Chakravarty, Manager, Court of Wards, North Group.

RAMESH CH. SEN.

KIRAN CH. CHAKRAVARTY.

R. K. MOOKERJI.

Replies to the questionnaire of Dr. Radha Kumud Mookerji, by Babu Jnanatosh Roy Choudhury on behalf of Estate Jogendra Nath Roy Choudhury and others, Dhoom, Chittagong.

Q. 1.—Receipts and expenses on one holding of best soil of 5 acres.

A. 1.—The Receipts and expenses for 5 acres of lands of best soil are estimated as follows calculating two main crops and rabi crop:—

Receipts.

	Rs.
Main two crops—	
40 maunds of paddy per acre of best lands for one main crop $40 \times 5 = 200$ maunds at Rs. 2 per maund	400
30 maunds of paddy per acre of best lands for aush crop $30 \times 5 = 150$ maunds at Rs. 2 per maund	300
For rabi crops—at Rs. 15 per acre 15×5 ...	75
Fodder value at Rs. 10 per acre 10×5 ...	50
Total ...	825

Expenses.	Rs.	a.
Rent at Rs. 3-2 per acre	15	10
Seeds at Rs. 3 per acre	15	0
Bullock (two only) including fodder, etc. ...	72	0
Manuring and other improvements at Rs. 3 per acre	15	0
Cost of labour including ploughing, sowing and harvesting the crops	80	0
Interest on the capital to be invested at 6 per cent. per annum	30	0
Total ...	227	10

It will be seen from the above figures that calculated at a modest figure the agriculturist can easily maintain himself after defraying all his expenses and can easily discharge his liabilities to the landlord and other people.

Q. 2.—Minimum size of a holding (under cultivation).

A. 2.—The minimum size of a holding under cultivation is one decimal of an acre.

Q. 3.—Period of cultivation on a worst type of land.

A. 3.—The maximum period required for cultivation of worst type of land is 5 months.

Q. 4.—Idle period of a cultivator depending on an average land.

A. 4.—The idle period of a cultivator depending on an average land is about 7 months in a year.

Q. 5.—Average size (number of dependants) of a cultivator family.

A. 5.—The family of a cultivator on an average consists of 6 members only.

Q. 6.—Causes of indebtedness of cultivators.

A. 6.—It is curious that the agriculturists in Bengal are involved in heavy debts although in my opinion the lands yield an income sufficient to maintain them. After a very careful study of this intricate subject which is receiving the best attention of the present Government and the public the reason for agricultural indebtedness can be attributed to the following causes:—

(1) Multiplication (as the result of the last census will show).

(2) Polygamy among the agriculturists.

(3) Idleness and indolence for about $\frac{2}{3}$rds of a year.

(4) Social ceremonies and other social obligations.

(5) Purchasing lands at a time when the value of crops was most favourable by borrowing money at an exorbitant interest which they failed to repay on account of a sudden fall in prices of jute and paddy and other crops.

(6) Improvidence, viz., purchasing fancy goods; and unproductive litigation.

(7) Pilgrimage.

(8) Death of cattle due to ignorance of rearing and want of grazing fields.

Q. 7.—Suggested industry for idle period of the cultivators that may be introduced immediately without much capital investment.

A. 7.—It is suggested that the agriculturists should be encouraged to employ themselves in cottage industries, which do not require much capital investment, during the idle period of the year such as charka, hand-loom, basket and chatai making, shati food making, making of fishing implements, poultry, fisheries, making of safety matches and salt (free from excise duty) improved system of cattle and sheep rearing, paper making (indigenous system), toy making.

Q. 8.—Different kinds of "Barga" systems prevailing in the locality.

A. 8.—There are four systems of barga—viz. (*a*) adhi barga, half the crop for the landlords and the other half for the cultivator, (*b*) thika barga or payment of a fixed quantity of crop, (*c*) fixed money payment and (*d*) part money and part crop.

Q. 9.—Irrigation facilities:—If and how possible and with what result.

A. 9.—Irrigation plays a very important part in agriculture and it is suggested that canals should be excavated and where necessary re-excavated through the agency of the Union Boards and District Boards with public help which is sure to produce very good result in the matter of yielding good crops. In hill areas, reservoirs of water coming down from the hills and making pipe connections with distant culturable lands at a considerable low cost are sure to produce good result.

Q. 10.—Question of statutory obligation of realisation of cess from zamindars provided enhancement of rent is allowed.

A. 10.—It is generally believed without any reference to statutory figures that the peasantry of Bengal pay a heavy rent to their respective zamindars and legislative measures are being resorted to for redressing their grievances and by recent legislation the position of the raiyats has been improved so much so that with their only obligation to pay rent to the zamindars they are the masters of the situation with further protection and facilities to withhold timely payment of rent afforded by the Bengal Agricultural Debtors Act. So the landlords may have no objection to realisation of statutory cess from them provided enhancement of rent is allowed and a summary procedure for realisation of rent and cess can be adopted; but the trend of the present day legislative measures is otherwise and public feeling is against enhancement of rent. So we do not agree to statutory obligation realising any new form of cess from the zamindars.

Q. 11.—Question of agricultural income-tax—what do you think about it?

A. 11.—We do not advocate imposition of agricultural income-tax as there are too many taxes such as road cess, chowkidari tax, union rates and education cess. Any such imposition will be ruinous to both the landlords and the actual cultivators of the soil.

Q. 12.—Actual number of sub-tenures prevalent in the district:—

A. 12.—

A.

(1) Sadar Patni.
(2) Taluk.
(3) Dar Taluk.

B.

(1) Taluk.
(2) Etman.
(3) Dar Etman.

C.

(1) Taluk.
(2) Tapa.
(3) Dar Tapa.

From the above table it will be seen that ordinarily these three under tenureholders intervene between the zamindar and the actual cultivators of the soil but under exceptional circumstances sometimes the number of intermediaries vary from 5 to 7 including the dar raiyat.

Q. 13.—Cost of cultivation and living expenses of an agricultural family of five members (having 3 acres of land).

A. 13.—A family consisting of 5 members, with 3 acres of land can under ordinary circumstances live very happily discharging all their monetary obligations, and the cost of cultivation and living expenses of such a family is shown below:—

	Rs.
(1) Cost of cultivation	30*
Cost of harvesting	6
Total ...	36
(2) Living expenses calculated at Rs. 3 per head per month $5 \times 3 = 15 \times 12$	180

N. B.—Having no bullocks.

Q. 14.—Bullock account of one actual family (two bullocks).

A. 14.—One actual family of cultivators generally owns two bulls and the cost of purchasing two bulls is Rs. 75 and the cost of rearing and fodder is Rs. 72 but it may be noted here that generally the cultivators have not to spend much on fodder and rearing as they get sufficient fodder from their own cultivation. On the other hand they earn something by giving them on hire to other cultivators owning no bulls.

Q. 15.—Payment of rent in kind—arguments for and against.

A. 15.—Payment of rent in kind is very difficult to realise specially in our locality where the zamindari lands are scattered all over the district, and further it shall bring in difficulties in assessment of crop valued and loss to the tenants when the price of the crop goes up. Zamindars pay their revenue to Government on a fixed date in cash. If crop fails or grows late zamindars are put to great difficulties to collect rent and pay revenue in time.

Q. 16.—Permanent Settlement is obstructing industry of the country—Your opinion about it.

A. 16.—The Permanent Settlement has not impeded the industry of the country and in my opinion the Permanent Settlement has raised the value of land to a very great extent which rendered sufficient help in raising money from banks and other sources for bigger industries. For big industrial concerns Permanent Settlement is a boon in view of the fact that at a moment's notice big loans can be raised in commercial towns by simply depositing the title deeds (equitable mortgage). In rural areas the cultivators could easily raise loans whenever required against lands because of the Permanent Settlement.

Q. 17.—Actual cause of ruin of rural credit resulting in sale of lands of cultivators at abnormally low price.

A. 17.—The actual causes of the ruin of rural credit are the high rate of interest, compound interest at which the cultivators borrowed money from the village mahajans, secondly the fall of prices of the produce and lastly the Bengal Agricultural Debtors Act is mainly responsible for the ruin of rural credit. The village mahajans have tightened their hands and stopped money lending altogether. We do strongly desire that the Bengal Agricultural Debtors Act should be repealed and co-operative land mortgage banks should be introduced to give money facilities to the cultivators at a lower rate of interest not exceeding 6 per cent. per annum against lands and on short terms loans on hypothecation of crops.

Q. 18.—Percentage of collection for the last five years.

A. 18.—

	Per cent.
1341 B.S.	79
1342 B.S.	120
1343 B.S.	102
1344 B.S.	96
1345 B.S.	48

The above figures will clearly show that the certificate procedure was effective in the matter of realisation of current and arrear dues. When the power to issue certificates was withdrawn the percentage of collections fell down at once to 48 per cent. and the result is disastrous as the zamindar will not be in a position to fulfil his obligations towards the Paramount Power in paying revenue in due time. The Debt Conciliation Boards—creatures of the Bengal Agricultural Debtors Act—are also responsible for the fall of collections and the Boards are always fraught with danger to the zamindars.

Q. 19.—Prices of agricultural produce too low—what remedy you suggest?

A. 19.—It is a pity that the agriculturists cannot get a good price for their products—I suggest the following remedies:—

(1) Fixing up the lowest price of paddy, jute and other crops.

(2) Imposition of import duty on agricultural products imported in this country from outside.

(3) Arrangement of advances to the agriculturist to withhold sale of products for a better price.

Q. 20.—Formerly (about 30 years ago) there was considerable sale of gold and silver in Chittagong area (amongst the cultivators) when the prices of agricultural produce were still lower. At present this has stopped—what reason.

A. 20.—I do not agree that 30 years ago agriculturists in Chittagong used to purchase a considerable quantity of gold but it is true that they used to purchase considerable quantity of silver—but at present the whole market has been flooded by ready-made ornaments of alloyed metals and other chemicals and the price of gold has gone so high that they cannot think of new purchases; rather they sold away whatever ancestral stock of gold and silver they had when they got a very good price for them.

In conclusion I beg to submit that in Chittagong the Khas Mahal who is the biggest landlord has done nothing to our knowledge for the

industrial development of the district. So it can never be argued that Permanent Settlement is detrimental to such development, rather it is the want of impetus and lack of opportunities of industrial training that are primarily responsible for the industrial backwardness of the country. Chittagong popularly known as the Grand Port of the East had various industrial activities, viz.:—Ship-building, dry fish, rope making, salt, etc., but gradually by foreign competition they do no longer exist. It now lies with the Government to educate the people again and help the people willing to undertake these industries. It can therefore be said definitely that Permanent Settlement is not responsible for industrial backwardness of the country.

Noakhali, dated 16th April 1939.

I.

Khalil Ahmad, Khas Mahal Deputy Collector, states:

(1) Rent per acre=Rs. 3-2 to Rs. 6; rent for under-raiyat is double.

(2) Produce per acre=18 maunds on 1 crop=Rs. 36.

(3) Rent=1/13th of produce.

(4) Aus and chilli grow alternatively, as also jute and aman.

(5) Areca nuts per *kani* (=1 1/5th acre) yield an income of Rs. 100—300 together with cocoanuts. Rent per kani= Rs. 5 for raiyat. Rent per kani=Rs. 15 for under-raiyat.

II.

Messrs. Mohammad Fazlullah, Jamini Ranjan Sen, M.A., Chittaranjan Das, Rasamay Majumdar, B.A. (ex-detenus), members of District Krishak Samiti, were examined.

1. Cultivation of commercial crops like areca-nut, cocoanut, betels and jute are subjected to rack-renting which at places amount to Rs. 150 per *kani* (=1⅔ acre), e.g., Char Shahabhikari in Feni subdivision.

2. There are also farms and homesteads for which rent charged is Rs. 50 per *kani* at Ramganj, Raipur and other places.

3. Paddy land also bears a rent of Rs. 10 to Rs. 20 per acre against 10 maunds of produce.

4. New settlements should be with landless people by preference.

5. Noakhali is stronger in jute than in betels and areca nuts, as generally believed.

R. K. M.

C. D.
J. S.
R. M.
M. I.
16-4-39.

Chaumuhani, Noakhali, dated 16th April 1939.

III.

Kamini Kumar Mondal, merchant, made a statement. He stated that on an average 1 areca nut tree produces crop yielding about 2 as. per year. An ordinary peasant grows 200—300 such trees round his homestead. These trees do not require much space or care for their growth. They bear fruit in 4 years. Lemon trees also grow between them.

IV.

A meeting of peasants was cross-examined by me. They complained that the rate of rent ranged between Rs. 20 to Rs. 30 per *kani*. The rate was enhanced at every transfer of the holding. These peasants are all under-raiyats.

V.

Raj Kumar Ghosh, supari merchant, was next examined. An ordinary peasant owning 5 *kanis* will grow areca nuts on 2 *kanis* and paddy on 3 *kanis*. 1 *kani* can grow 1,000 areca trees, yielding Rs. 60 to Rs. 70, 1 *kani* produces 20-25 maunds=Rs. 50.

This obtains at Raipur.

This witness confirms the statement made by the peasants, as recorded above.

VI.

A meeting of landless labourers at Saheberhat in Noakhali town complained that they were not given lands available in newly-formed *Char* areas by Government who preferred settlement with the more well-to-do classes of rent receivers.

R. K. Mookerji.

Evidence recorded at Chandpur on 16th April 1939.

Name of tenant.	Rate of rent per acre.	Remarks.
Matbar Haji	Rate of rent= Rs. 3-8 per acre. Growing 15 maunds of jute=Rs. 75. If it grows paddy it will be at 15 maunds per acre =Rs. 30.	Mouza Char Bhairabi, police-station Chandpur.

Programme of work for 12 months.

1st Kartic to Pous—Growing fodder for bullocks (কলাই কালাই এবং পরান ধান).

Agrahayana—Growing Chilli.

Magh—Ploughing.

Falgoon and *Chaitra*—Growing of Aus paddy and Jute.

Boyisakh-Jyostha—Clearing jungles in the fields.

Ashar-Sraban—Aus paddy cutting.

Bhadra—Jute cutting.

Ashin—No work.

Note by Babu Hara Dayal Nag of Chandpur, on the present condition of Bengal peasantry.

Generally the Bengal peasantry is better fed, better clad, and better housed than the peasantry of the other parts of India. The simple reason is, the lands of Bengal especially Eastern Bengal are more productive than those of the other provinces. The Bengal peasantry can mainly be divided into two classes. I take the liberty of naming the first as the "haves" and the second as the "have-nots". By the "haves" I mean those peasants who have sufficient lands for maintaining themselves with the industry of agriculture; the "have-nots" have no such lands, in short they are called landless peasants. When Bengal was full of waste lands the most industrious peasant was the most well-to-do. Now the time has so changed that the industry of agriculture is not sufficiently remunerative for the maintenance of a peasant even though he be as industrious as his predecessors. The simple reason is that he has to purchase everything except his agricultural produce. The price he gets by sale of his surplus agricultural produce does not at all cover the price he pays for his other necessaries of life. At the same time a considerable portion of his time is wasted and a valuable part of his labour is lost on account of his having nothing to do except the pursuit of agriculture. All the cottage industries in which he profitably used to spend his savings of labour and thereby earn some additional income, are now devoured by the wolf of the foreign trade. This makes the debit side of his life overbalance the credit side. Necessarily he falls into debt. Once in debt always in debt; a peasant can scarcely recover himself from it. His debt steadily increases and he becomes heavily involved in it.

Ultimately he sells his land and becomes landless. On the other hand with a little thrift and some other additional profession or pursuit a peasant can make both ends meet and make some savings. With these

savings when made he sometimes purchases lands of those who are compelled to sell them. Gradually he becomes richer and richer by making his unfortunate ignorant neighbours poorer and poorer. The most ambitious of the peasants who thus make savings and purchase lands become in course of time peasant-proprietors in the village.

In Bengal the moneylenders are dead. They no longer molest the peasants. They are now entirely at the mercy of the Arbitration Boards established and working throughout the province. The zamindars and other landholders are more dead than alive. They can hardly realize their rents, not to speak of any "*abwab*". They are also not free from the process of the Arbitration Boards. The peasants have nothing to fear from the moneylenders and landlords. They are now mercilessly exploited by the peasant-proprietors. The landless peasants principally live upon hires of their labours. They are the actual tillers of the lands. The peasant-proprietors often possess more than one hundred "bighas" of lands. They scarcely till those lands with their own hands and cultivate their lands with hired labourers.

The hire they pay to the landless labourers is very small, sometimes not more than two annas per day. The peasant-proprietors also lend food-grains to the landless labourers, i.e., their actual producers for extravagant profits. Sometimes an actual tiller of the land borrows from his master, the peasant-proprietor, during the non-harvest time, food-grains on condition of repaying them in food-grains with 50 per cent. profit. The actual tiller of the land, if perchance he has any small bits of lands, pays with the food-grains of those lands, the loan of his master, the peasant-proprietor, not being able to keep any for his own maintenance. Thus the actual tiller of the land becomes a slave labourer of the peasant-proprietor for ever.

There was a time when rent was paid in kind. Originally 1/5th of the produce was paid, then it came up to ¼.

At that time barter system prevailed and the payment of rent in kind did not cause much inconvenience either to the payer or to the payee. At that the landholders used to maintain "Dharmagolas" full of food grains entirely for the benefit of the peasants.

From these "Dharmagolas" food-grains were distributed among the peasants—either for price or as loans for small profits only to cover the expenses and losses of those "Dharmagolas", not only during the food scarcity and famine but also during the ordinary times whenever the peasants needed such distributions. This was a system of rural co-operation with the landholders as the central figures. These institutions were regarded as religious institutions and religious necessity. In course of time when the barter system was displaced by the money system and the "Dharmagolas" lost their religious sanctity they vanished and the rural co-operation disappeared with them.

At the present time the tenants know as "bargadars" pay half the produce as rent. These "bargadars" are generally landless peasants and the lands they take in barga are generally let out by those peasant-proprietors and holders of khas khamar lands. The "bargadars" after payment of the half produce to their lessors make absolutely no profit by the other half that hardly cover the bare price of their labour.

These "bargadars" sometimes take barga even at a loss simply because they have no other work to do. The average rate of rent paid by the occupancy raiyat to his private landlord is about a rupee per "bigha."

The average gross produce of an agricultural land is about Rs. 10 per "bigha," so the rent is about 1/10th of the gross produce of the land. The peasant agriculturist does not work more than 6 months in the year for cultivating, weeding, reaping and storing the harvest. Although he has almost nothing to do in the other 6 months of the year, he has to live throughout the year for the work of his agriculture. The most important factor of his life is not the rent he pays to his landlord but it is the daily increasing cost of his living. His necessaries of life have appallingly increased and are still increasing. The heaviest expenditure lies in his feeding the wolf of the foreign trade. Apart from the rent he pays, he pays Union Board rates, road cess, public work cess, and in some districts the education tax is added or is about to be added. In addition to these direct taxes he has to pay many indirect taxes, such as, salt tax. Salt cannot be manufactured in the country freely for the sake of Government revenue, although there are ample materials and facilities for its free production.

Imported and indigenous salt is sold at a price of more than three rupees per maund about half of which is Government revenue.

For many other necessaries of life which the peasant-agriculturist has to buy to feed the wolf of the foreign trade, he has to pay indirect taxes in the shape of customs and excise duties.

Thus he has to pay an enormous penalty for his enforced unemployment during the 6 months of the year for feeding the wolf, i.e., for purchasing his other necessaries of life than his food stuffs he requires ready money for which he sometimes sells his food stuffs at a low price to its agents and buy them again at a higher price from them. Thus it is conclusively proved that the high cost of living enforced upon him by the above mentioned circumstances and the like, is more responsible for his economic misery than anything else.

A considerable number of the now defunct moneylenders grew from the agents of the wolf of foreign trade, namely, the cloth merchants. These cloth merchants made piles by selling foreign cloths on credit and took bonds for accumulated arrears of the prices.

The moneylenders had flourished for a few decades and then began to decline. So long as the occupancy right of the peasant-agriculturist was a non-transferable personal right he could not be deprived of his cultural lands by his exploiter whose number is legion, and is still increasing. The godless education without any vocational training is rapidly adding to the number of exploiters of the peasant-agriculturists who are so illiterate and ignorant that they do not know the use of money. The money comes to their pockets only to be picked by the pick-pockets—their exploiters. They generally fall prey to the lusty money makers, such as, peasant-proprietors, store-keepers of food grains, merchants of foreign and indigenous goods, loafers, unscrupulous well-to-do people of the village and the last but not least is the priest. It is not possible to exhaust the list of the exploiters of the peasant-agriculturists. In short the only source of making money in the village is the exploitation of the peasant-agriculturists. Now after passing through various stages the transferability of the occupancy right has become most complete. The complete transferability of the occupancy right has been achieved by the so-called friends of the peasant-agriculturists more for the benefit of the former than the latter. Now the sale of the agricultural lands of the peasant-agriculturists has become so easy that whenever he is in need of money he sells bits of them and ultimately becomes landless.

The rents paid by the khas mahal tenants are certainly higher than the rents paid by the tenants of the private landlords. But that does not make much difference between the economic condition of a khas mahal tenant and that of a tenant of the private landlords for the reason stated above because the costs of living and other conditions of life of both of them are the same. I do not know whether the state is legally empowered to abolish the Permanent Settlement but I do know that the abolition will not at all benefit the peasant-agriculturists.

It will undoubtedly increase the revenue. The abolition will enable the estate to bring the abolished estates under khas management and increase the rents of the tenants of those estates to the level of the khas mahal lands with the addition of the unhappy process of certificate. Thus the Government revenue will be enormously increased but the peasant-agriculturists under the private landlords will have to pay increased rents and under certificate procedure. There is nothing like collective security among the peasant-agriculturists. There is no such thing as league of peasant-agriculturists in the village. The co-operative village life based on the barter system has entirely been destroyed.

In short there is nothing common among them that binds them together into a homogenous whole for their own protection.

Efficient rule in a spirit of social service does not require any policy of divide and rule but an effective rule with the object of exploitation does.

Exploitation implies a sort of domination or rule. The exploiters often adopt the policy of divide and rule to make their exploitation effective. Healthy competition in a friendly spirit is conducive to co-operative village life but unhealthy rivalry at the instance and for the benefit of the exploiters is destructive of it. The peasant-agriculturists, illiterate and ignorant as they are, are often misled by their exploiters and are engaged in unhealthy rivalry. Their all round exploitation of various brands and varieties simply kills the bliss of their home and co-operative life. Every peasant-agriculturist draws the inspiration from his exploiters of growing into a peasant-proprietor and exploit his next-door neighbour. The peasant-agriculturists belong to the "lower classes" and their exploiters not excepting the peasant-proprietors belong to the "upper classes".

The net result of this process of exploitation of the lower classes by the upper classes is that the actual tillers of the land have the right to till the land but not the right to live upon the fruits of their labour. They often starve in the midst of plenty of foodstuffs produced by themselves.

They are born in poverty, they live in poverty, they die in poverty. With miseries they begin their life, with miseries they pursue and end it.

HARA DAYAL NAG.

On board "Afghan", dated 18th April 1939.

Evidence of Syamendra Lal Roy, Esq., Zamindar and Banker, son of Rai Bahadur Harendra Lal Roy of Bhagyakul, Munshigang subdivision.

1. There are generally 2 crops, either paddy or jute and *rabi* crops, e.g., pulses (খেসারি), mustard, (ধনে, কাল জিরে) onions, garlic, etc.

2. One acre of such double-cropped land yields (*i*) 20 maunds of paddy=Rs. 40, (*ii*) 12 maunds of jute=Rs. 60, (*iii*) Rs. 15, totalling about Rs. 60 against which the rent is about Rs. 2-8 (Rs. 2 to Rs. 3).

Thus rent equals about 1/20th of produce.

3. The raiyat charges to the under-raiyat or bargadar much higher rent under the following systems: (*a*) Half share of produce.

(*b*) *Takti* or cash payment amounting to Rs. 20 per acre which represents his net profit from land unaffected by fluctuations of produce.

4. The cultivator is out of work for about half the year.

5. The cultivator has ordinarily at least 2 wives.

G. L. R.

Local enquiry in Naogaon subdivision (Rajshahi district) by Dr. Radha Kumud Mookerji.

At Mahadebpur village, 16 miles from Naogaon.

1. Jogendra Nath Khan of village Enaitpur, 3 miles from Mahadebpur, and the Manager of Shamanath Estate, made the following statement:—

(1) The main crop here is aman. Subsidiary crops are—(1) sugarcane, (2) jute, (3) aus, (4) mustard, (5) pulses, (6) potato, (7) brinjals, (8) tomato, (9) cabbages and (10) groundnuts.

(2) Paddy-husking is very common and there is no rice-mill in the locality.

(3) Oil-pressing is a prosperous industry.

(4) Cane-crushing is an established industry here on the basis of co-operation among villagers outside the Government Co-operative Department.

(5) Rent is 2 as.—Re. 1 per bigha irrespective of number of crops. One bigha produces 6 maunds of paddy=Rs. 9 *plus* 20 maunds of cane =Rs. 50. Cane grows in Kartick-Chaitra; paddy occupies Asadh-Bhadra. A cultivator owning 15 bighas can profitably grow aus and jute on same land=4 bighas. These two crops are followed by aman on the whole land. He gets a total produce of (1) 12 maunds of aus on 2 bighas, (2) 12 maunds of jute on 2 bighas and (3) 90 maunds of aman on 15 bighas. His total income will be Rs. 125 from paddy and Rs. 36 from jute=Rs. 161 on which he pays a rent of Rs. 15. This makes rent about 1/11th of produce.

(6) Barga is on half-produce for paddy and one-fourth for sugarcane.

(7) Rates of rent are those fixed at the last settlement.

(8) Where a new settlement is called for in respect of a holding transferred or surrendered, rent is enhanced at 1 anna extra per rupee.

(9) Proportion of revenue to gross collection=43 per cent. including cesses, and 30 per cent. without cesses.

(10) Amount of losses on account of cesses=about Rs. 4,000 per year.

(11) There is no regular machinery for granting remissions of rent due to failure of crops; though such remissions are granted.

(12) Percentage of collections is above 80 per cent., while tenants do not generally take advantage of limitation.

R. K. M.

JOGENDRANATH KHAN, M.A. (Advocate),

Jotedar, President, Enaitpur Union Board, and Ex-Honorary Manager, Mahadebpur Roy Bahadur's Estate.

J. C. CHATTERJEE,

S.D.O., Naogaon.

SUPRASANNA RAY, M.A., B.L.,

Manager, Shamnath Estate, Mahadebpur.

The 22nd April 1939.

Village Baghdona, 8 miles from Naogaon.

1. Harendra Mandal under zamindars—

(1) owns 40 bighas,

(2) grows aus, aman, jute, sugarcane;

(3) gets 20 maunds of aus at 5 maunds per bigha on 4 bighas; 180 maunds of aman at 9 maunds per bigha; 5 maunds of jute on 1 bigha; 2 maunds of sugarcane;

(4) gets a price of Rs. 1-4 per maund for aus; Rs. 1-7 for aman; Rs. 4 per maund of jute; Rs. 4 per maund of sugarcane;

(5) has a family of 8 members; consumes 6½ seers of rice per day; spends Rs. 1-4 per hat;

(6) owns 2 bullocks; and

(7) has a debt of Rs. 400 incurred for building a house destroyed by flood and also for living expenses; on mortgage of 16 bighas.

2. Chiru Mandal—

(1) owns 25 bighas on rent of Rs. 22 per year—1/12th of produce;

(2) has a family of 7 members;

(3) grows aus, pous and cane;

(4) consumes 8 seers of rice and spends Re. 1 per hat; and

(5) has a debt of Rs. 400 due to bullocks and failure of crops.

3. Faiyiz Sardar is dispossessed of land for a debt of Rs. 900; now works as a bargadar on 10 bighas and gets 30 maunds of aman as half-produce; has a family of 4 members; works for 5 months (August—December) as bargadar and as a day-labourer for the rest of the year on 4as. a day.

4. Nausar Ali Mondal belongs to a family of 18 members; his father married 4 wives; owns 80 bighas under debt of Rs. 8,000; debt due to flood; cultivates by barga.

5. Mansur Ali Sardar owns 40 bighas of land; grows aus, aman, jute, potato, pulses; mustard, chillies, brinjals; employs 2 labourers; owns 2 cows, 6 bullocks, 2 ploughs; has a family of 10 members; and has no debt. A self-supporting family. Has lent Rs. 200, spends Rs. 2 per hat, pays rent of (*a*) Rs. 33 on 11 bighas, (*b*) Rs. 32 on 12 bighas and (*c*) Rs. 25 on 17 bighas.

R. K. M.

J. C. CHATTERJEE,

S. D. O., Naogaon.

The 22nd April 1939.

Dubalhati, 6 miles from Naogaon.

Evidence of Jogesh Chandra Rai, B.A., Manager, Dubalhati Raj.

1. The Dubalhati Raj family traces its history for 54 generations, i.e., to times much earlier than the Permanent Settlement. There is a tradition about its annual revenue payable to the Moghul Emperor being fixed in the form of *koi* fish, of which 22,000 had to be supplied in lieu of cash.

This is one of the estates which has thus kept up its historic continuity from the Permanent Settlement and even from earlier times.

2. The estate has about 400 tanks within its area and 4 large *bils* or lakes from which cultivators can get free the water for irrigation.

The estate does not charge any rent for lands excavated for construction of tanks and wells by cultivators.

Within the last ten years the estate has spent Rs. 6,000 on the construction of tanks; about a dozen pucca masonry wells at a cost of about Rs. 2,000; and spent about Rs. 600 on the sinking of 5 tube-wells in response to the demands of tenants but the estate has not enhanced rent for these.

It also gives grants-in-aid of irrigation facilities constructed by cultivators.

The estate has established 1 Dispensary, 1 High School, and contributes Rs. 5,000 annually to the Rajshahi College.

Since 1872 the estate has spent a total sum of over Rs. 12 lakhs of rupees on various public utilities both in and outside the estate.

3. The proportion of revenue (with cess) to total collection is about 20 per cent.

The rates of rent vary from 10 annas to Rs. 3 per bigha (for *ganja* and sugarcane areas).

4. Between the zamindar and the occupancy raiyat there are no intermediaries in about 95 per cent. of the tenancies. The occupancy raiyat charges to the under-raiyats in the "*bora*" areas a rent of Rs. 10 per bigha which amounts to about a third of the produce. The bargadar here pays half the produce as rent.

5. The amount of interest due on arrears of rent and written off during the last eight years appears on a rough estimate to be Rs. 2,28,925.

6. The average percentage of collections for the last 8 years is stated to about 65 per cent.

R. K. M.

M. SEN,

Superintendent of Excise, Rajshahi.

JOGESH CHANDRA ROY,

Manager, Dubalhati Raj Estate, Rajshahi.

The 23rd April 1939.

Evidence of tenants.

1. Troilakya Bairagi (Mahisya) under Dubalhati Estate—

He owns 22½ bighas and pays rent at the rate of about 10 annas per bigha. Produce is 5 maunds per bigha=Rs. 6-4. He has a family of 3 persons and 2 children.

2. Golap Mondal (Mahisya) under Dubalhati—

Owns 8 bighas of which rent is Rs. 8. His is a family of two members. He has a debt of Rs. 8.

3. Dwarikanath Hazra—

Owns 10 bighas. Pays Rs. 2-8 annually as rent in all=4 annas per bigha. Produce=60 maunds of aman paddy=Rs. 75. He has a family of four. He works as a bargadar on half-produce. He has incurred a debt of Rs. 15 for purchase of seeds from Government.

4. Sriram Pramanik—

Owns 9 bighas for which he pays rent of Rs. 5-10 as rent=9 annas per bigha.

He earns a supplementary income by bargadari.

R. K. M.

M. SEN,

Superintendent of Excise, Rajshahi.

The 23rd April 1939.

The Congress Committee of Mahadebpur brought to my notice the fact that the Dubalhati estate sometimes charges very high rents ranging from Rs. 5 to Rs. 8 per bigha; and has also submitted a statement to that effect. I made an enquiry on the subject and the Manager of the Dubalhati Estate explained to me a case (Mouza Akhra, No. 191, Khatian No. 137, P. S. Mahadebpur) where the tenant concerned pays a rent of Rs. 8-8-6 for 1 bigha 11 cottahs 7 ch. of land which was however registered as homestead land. The complaint on the subject is therefore not proved by the record-of-rights shown. It is due to the confusion made between homestead land and cultivated land. This distinction has escaped the notice of the Congress Committee concerned.

R. K. M.

M. SEN,

Superintendent of Excise, Rajshahi.

The 23rd April 1939.

Badalgachi, 12 miles from Naogaon, 14 miles from Mahadebpur, dated the 24th April 1939.

1. Jharu Mondal, having a family of five, works as a bargadar on eight bighas of land on half-produce—

Gets 3 maunds of paddy for 8 bighas and 2 maunds of jute and a little mustard. He works as a day-labourer for 9 months and 3 months as a bargadar. He has a small debt of Rs. 15.

2. Md. Jahanatulla of Chakrai—

Has 300 bighas of land and pays a rent of Rs. 300 a year: main produce is aman, gets 3 maunds of paddy per bigha by barga.

3. Md. Badaruddin of Badalgachi—

Has 24 bighas of land. Aman, aus and jute are grown on his lands; pays a rent of Rs. 24 a year to his landlord. Has let out his lands in

barga and works as a tahsildar under zamindar Ram Chariat Bhakat. He gets a total quantity of paddy of 100 maunds out of his barga lands.

4. Faizuddin Mondal of Jeol—

Has 6 bighas of land and pays a rent of Rs. 7 per year. He grows aus, potato and jute on his lands and gets 24 maunds of aus paddy and 5 maunds of jute. Has 5 members in his family. Jute alternates with potato of which he gets about 25 maunds. Has no debts.

5. Safedulla Sardar of Badalgachi—

Has about 22 to 23 bighas of land, grows jute on 3 bighas of land and aus on 2½ bighas of land and paddy on 5 bighas of lands, gets 8 maunds of paddy and 12 maunds of aus paddy and 50 maunds of aman paddy and he also gets potato, chillies and bamboos. He has no debts.

R. K. M.

J. C. CHATTERJEE,

Subdivisional Officer, Naogaon.

The 24th April 1939.

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