

## Land Taxation in India

EVER since as a midshipman I sailed up the Hooghly, at almost the same age as Henry George in a similar capacity had previously done, I have always been interested in India. Some years ago I read a whole lot of books dealing with its history, and among others an illuminating one by the late H. M. Hyndman, the eminent Socialist, entitled "The Bankruptcy of India." It was published in 1886, and was a scathing indictment of one of the most important phases of our administration in Bengal.

### ENGLAND'S "HUGE BLUNDER!"

Referring to the "Permanent Settlement" effected by Lord Cornwallis in Bengal in 1793, he stated: "It was in fact a *huge blunder*. The revenue collectors with whom he made the Permanent Settlement, thus turning them into owners of the soil and constituting them a landed aristocracy, were in reality no more owners of the soil than the peasants whom they represented and from whom they collected the revenue; nor was their position secure save during good behavior. They could be and were removed if they failed to satisfy the government and the villagers. The infrequency of such removals was no evidence of the permanence of their position, still less assuredly of their claim to be dealt with as sole owners of the soil at a fixed payment forever, with the right to treat all below them as mere tenants subject to their will. Yet this was the position which, in spite of all protests, the Board of Directors authorized Lord Cornwallis to give the zemindars. The result has been that we not only created a landed aristocracy of the most oppressive kind where none of a similar character had existed before, placing the ryots at the mercy of these men so long as the light government tax was paid, but we shut ourselves out from taking advantage of any improvement that might be made in this rich province, so that for nearly 100 years (it is now 130 years) the revenue of Bengal has remained stationary, while the descendants of the zemindars have become great landowners, determined, as we have lately seen, to oppose to the last any intervention on the part of the government to protect

their tenants. Of the *aristocracy* (!) thus created at the severe impoverishment of the ryots the less said the better . . . . . Had the arrangement been made with the zemindars simply as representatives of the district, they being allowed a percentage for collection, with no power to raise rents without the consent of the government, then no doubt the Permanent Settlement would have greatly benefited the whole people. As it was this was our *first great fiscal blunder* in India, so far as the interests of the agricultural population of Bengal were concerned; and it arose, as so many of our blunders in India have arisen, from a stern determination to regard all its social, economical and political problems from a European point of view."

The village system prevails in the north; but in Madras, Bombay, Burma and Assam the ryotwari tenure is on an individual basis, the government entering into a separate agreement with every single occupant. A reassessment is made every 30 years with a view to the government securing a fair share of the increased value arising from any cause other than the improvements made by the occupier. Every assessment is subject to appeal to the Superior Court. When questioned as to the amount which the government took Mr. Sastri asserted positively that it was one-half of the produce and not one-fifth, although some years ago, in Lord Curzon's time, the latter asserted with equal positiveness that one-fifth was all that the government officers were allowed to take.

#### THE PERMANENT SETTLEMENT

An altogether different system, known as the Permanent Settlement, said Mr. Sastri, prevailed in Bengal and in certain districts of Oudh and Madras, altogether over at least a third of the British possessions in India. The Permanent Settlement was introduced into Bengal by Lord Cornwallis in 1793, when the revenue farmers known as Zemindars were required to hand over a certain fixed sum as rent, which they collected from the cultivators. This fixed sum remained the same today as it was then, notwithstanding the tremendous appreciation in land values that had taken place since. The government got a very small percentage of the amount realized by the zemindars, by whom, according to a government report issued in Lord Curzon's time, "the cultivator was rent-racked, impoverished, and oppressed." It may be stated here that the government derives less than £3,000,000 from the zemindars, who exact a total rental estimated at four times that amount. "So satisfied," said Mr. Sastri, "are the zemindars with the Permanent Settlement that some of them hope to have it extended to other parts of India! A movement in opposition to this system has been started, and is gaining strength, but, so long as the government of India is ultimately responsible to the Parliament of Great Britain, the present arrangements, whether based on the zemindari or the ryotwari tenure, will stand unaltered".—PERCY R. MEGGY, in *Sydney Standard*, Australia.