

to any extensive or accurate scientific knowledge, I simply lay these statements and statistics before you for your consideration. To me they seem to justify the conclusions at which I have arrived, that intemperate habits are not merely hereditary, but that the craving for alcoholic stimulants becomes stronger and stronger every succeeding generation, and must ultimately prove very deteriorating, if counteracting causes do not arise to stay their baneful influences. The Temperance Reformation, during the last thirty years, has done much to preserve our race from the bad results of the accumulating force of this injury.

Few will attempt to question that the disease, Intemperance, is hereditary. The wisest men in ancient and modern times have sustained that opinion ; in support of it I could bring forward any amount of testimony. That it goes onward from generation to generation with increasing force, is a proposition not strongly supported (so far as I know) by any great authorities ; but, except on this supposition, I do not see how we can satisfactorily account for the constantly increasing consumption of the stimulant. Dr. Morell, and a few others, appear strongly to sustain this view of the case.

My object will be attained if I shall have awakened this new idea in any of your minds, so that it may lead to a further and more searching investigation of this important question. For surely it will be considered by all a matter of no light importance, to ascertain whether, in indulging our propensity for alcoholic stimulants, we may not be handing down to our children the seeds of a fierce desire, which will, almost of necessity, hurry them into a career of vice and crime, and cause them to transmit to their successors, in accumulating force, those influences which lead to a rapid deterioration of our race.

IV.—*On the Tenures and Taxation of India.*—By Joseph J. Murphy, Esq.

[Read Monday, 15th March, 1858.]

It is an established truth of political economy, that the interest of the entire community requires land to become private property, and to be as nearly as possible assimilated to chattels in the facility with which it can be bought, sold, pledged, and bequeathed.

But the simplest truths are often the latest to be discovered, and this one does not appear to have been recognized by any primitive nation. Regarding land as a grant from the state, they attached conditions to its possession which hindered the operation of the commercial principle.

Those nations whose social organization was democratic, on their first settlement divided the land among their members in properties, free of all charge or service, except what was due by every citizen ; but the power to sell or mortgage was not always conferred,

and the earliest legislators made every man's will for him.* These were the principles acted on by the Jews, the Greeks, the Romans, and some of the Gothic races.†

Where the social organization was monarchical, on the contrary, the sovereign was owner of all the land in his kingdom; but from the utter impossibility of administering a kingdom, as private estates can be managed among us, various customary rights in the land grew up, more or less distinctly defined; and especially the peasantry appear never to have been mere tenants at will; they always had a right to live on the land, though they were not always guaranteed against an arbitrary increase of their burthens.

When the sovereign was universal landowner, it necessarily followed that sovereignty and ownership meant the same thing; and when the sovereign had a right to all the revenues of the territory of which he was thus both owner and ruler, it was an inevitable consequence that rents and taxes could not be distinguished from each other.

In such a primitive economical state, the rents or taxes of the land were, of course, the chief source of the revenue; all others were as insignificant, in comparison, as the "miscellaneous items" of our budget.

In the infancy of administrative science, all kinds of power were generally vested in the same hands. The representative of the sovereign in the government of a province was at once the landlord's agent and the ruler's deputy, and held financial, judicial, and military power.

The peasants, as I have said, had a hereditary right to live on their lands. The position of the various grades of functionaries between the sovereign and the people was less assured; but it appears to have been generally hereditary, though not necessarily so; they were liable to displacement at the will of the sovereign.

The social state, of which I have described the leading features, will be recognized as that of Europe during the Merovingian period, between the fall of the Roman empire and the consolidation of the feudal system; but every word of it applies with far more general truth to India, from the earliest known periods to the British conquest; for this system never became normal in Europe, it lasted only through a revolutionary and convulsive period, and was superseded by the universal introduction of the feudal system, which gave to every man, high and low, the same indefeasible hereditary right to his position that in the Merovingian period was enjoyed by the peasant and the prince alone. In India, on the contrary, what is properly called feudalism never came into existence, although great vassals often made themselves independent of the crown. The possession of military power was the sovereign, and the sovereign was the owner of his territory. As in Merovingian Europe, no

* This appears to have been because a landed property was not in theory a private possession, but an apauage of citizenship, and therefore went with the citizenship, which, like a crown or a peerage, was hereditary, but not bequeathable or saleable.

† The Romans were but partially democratic; but when the democracy was in power, it carried these principles into effect by an agrarian law.

one between the prince and the peasant had any guaranteed rights; every one's position depended either on his sovereign's will or on his own strong arm.

A very important difference must be noticed between the national economy of India and that of feudal Europe. In Europe, under the feudal system, as well as that which preceded it, tenures were generally military; the chief duty of a vassal was to defend his country in war. In India, on the contrary, the tenures were generally pecuniary; the chief duty of a vassal was to collect the rents or taxes, whichever they are to be called, and pay them to his sovereign; and, of course, he had a right to make his profit out of the operation. The governor of a province was head farmer of its revenues. This was not an abuse, as in the Roman empire, but the recognized and the only way in which he could support his position. This opposite character of the tenures, being military in feudal Europe, and financial in India, is a general and characteristic, though not invariable, difference between the two systems.

A despotism, where the sovereign is sole landowner, and there is no independent class between him and the peasant, appears by all experience to be most unfavourable to the existence of national feeling. A change of government is only a change of masters and landlords, and is no more a violation of popular rights than is the transfer of an estate among us. The complex transactions of conquest and purchase by which the East India Company obtained possession of India were probably attended with much injustice to the displaced sovereigns, but none to the people, who, living under a pure despotism, had no political rights to lose. The government is simply a proprietor, exercising magisterial functions. This character belongs to the government in India probably more than in any other country in the world, in consequence of the pecuniary nature of political tenures. There is probably no other country where a king would think of paying a debt or cancelling a mortgage by selling part of his kingdom; but such a transaction is regular in India. When Lord Ellenborough was governor-general, he contemplated the extinction of all tributes payable by one state to another, (and a tribute in India is nothing but a mortgage,) by equivalent cessions of territory, and also the consolidation of the native states, some of which have their territory scattered like the county of Cromarty, by means of a series of exchanges.

The greater part of India, as I have explained, was let out at a rent by the various sovereigns; but there were some important exceptions. Distinguished men were frequently rewarded or conciliated by means of grants of territory, like the fiefs of the feudal system, for which they were required to pay no rent, nor to render any other service than to assist when required in the military defence of the country. These grants are called jagheers. There are also rent-free lands called enams, the possession of which is annexed to the performance of functions of local magistracy. The distinction between jagheers and enams is not very clear. All land held rent-free under a royal grant is properly called enam-land. Besides these, many estates are held rent-free under real or fictitious grants from various governors and governors' deputies.

Jagheers, enams, and offices connected with the revenue were hereditary by the usual practice of India; but this was not an absolute right; the sovereign might displace his officers or eject his rent-free tenants.*

There is a peculiarity about the Indian law of succession which it is necessary to mention here. When the sovereign does not recall his grant, a fief or a hereditary office or pension is transmitted by succession. The heir, as in all countries where polygamy prevails, is, I believe, not the eldest, but the favourite son. In default of male issue, it is customary to adopt a son; but the sovereign's consent is necessary to the validity of the adoption; and if this is withheld, the estate does not pass to the next of kin, but reverts to the crown. This law is applied to subordinate kingdoms; but it does not affect the tenant-right of the peasants; for the sovereign would have no motive to extinguish this, as one tenant will pay the same rent as another.

Such was the political and agrarian state of that vast country, in which the result of the Mahratta wars made the East India Company supreme.†

It is evident that the new government was compelled to govern on new principles. I do not now speak of army, police, and judicature, though all these were to construct. I speak only of pecuniary burthens and of territorial rights, whether proprietary or political.

Of course the semi-feudal native institutions would not work in our hands. A bureaucratic government and a regular army constitute the only possible machinery of our rule; and in order to give

* On this subject, and on many others connected with the tenures and taxation of India, see the life of Sir Thomas Munro, by the Rev. G. R. Gleig: a work which, though wretchedly edited, probably contains more information on the subject than any other in existence.

† We conquered the empire of India, and Delhi, the capital of India, not from the Mohammedans, but from the Mahrattas. The king of Delhi, previous to our capture of that city, occupied the same position under the Mahrattas that he has retained till lately under the Company, except that his pension was much less liberal.

It is important to remember, in estimating the comparative merits of British rule in India, that the Mohammedan empire of India was a civilized power, but that the Mahrattas, who overthrew it, were, on the contrary, as thorough barbarians as any of those who conquered the Roman empire; and their history gives no indication of that capacity for receiving civilization which was early manifested by the Visigoths and the Lombards. It was not we, but the Mahrattas, who were the destroyers of the native civilization of India, and over a great part of India our armies were regarded as deliverers from Mahratta oppression.

The empire which the second Mahratta war placed at the feet of the Company did not include Scinde, the Punjab, or Pegu; these were subsequently acquired by conquest.

The first Mahratta war placed Delhi and its king in our hands, and thus made the company the lord of Mohammedan India. The second led to the cession of all the prerogatives of the Peshwa, the head of the Mahratta confederacy, to the Company, which thus became the lord of Mahratta India. The Peshwa was liberally pensioned for life, but his pension and honours died with him. It is now evident that the king of Delhi ought to have been paid off in the same way that the Peshwa afterwards was. But it is easy to be wise after the event. Lord Metcalfe, who assuredly had no sentimental respect for Maharajahs, believed that it was sound policy to retain the nominal dignity of the king of Delhi.

effect to these, the consolidation of our empire was necessary, for every military force which the Company's government does not directly control is a cause of weakness, and so is every feudal right which intercepts the rents or taxes of the land from the government. It consequently became necessary that the government should refuse to create any more fiefs or tributary kingdoms, and should take every fair opportunity of gaining possession of and extinguishing the old ones.

This is the meaning of the native saying, that "the Company always takes and never gives."*

The process of the consolidation of our Indian empire, by the successive annexation of territories to the Company's dominion, is almost exactly parallel with that of the consolidation of the French monarchy by the annexation of the various great feudal fiefs to the crown. The annexations have been effected in different ways; some as conquests, at the end of the Mahratta wars, some in consequence of the failure of direct heirs, the company making use of the prerogative of the feudal superior according to the Indian law to prohibit the adoption of an heir. It was in this way that Sattara, Berar, and Travancore have lapsed and been annexed. In other cases, at least in the case of Oude, the native government having become unbearably bad, was deposed and paid off, and its functions assumed by the Company. In this case, and in those of princes whose territories were annexed on their conquest, there was no confiscation, properly so called; a pension was secured to the outgoing ruler equal to the estimated amount of his net private income, corresponding to what we call the civil list. As for the political power of which they were deprived, this is not regarded as property by civilized nations. It is strange that any of those who voted for the extinction without compensation of rotten boroughs in England, should be tender towards rotten thrones in India.

* It may be urged that recent events have proved the failure of these principles; but their apparent failure is entirely the result of faults in the organization and management of the Bengal army, which were not essential to its existence.

It sounds like a paradox, but it is true, that the success of our principles of Indian government has never been so conspicuous as during the present rebellion. Every part of India, as we found it, was overrun by a class of irregular plundering soldiers, always ready for mischief, who were the scourge of the industrious classes; and the kings and half-independent nobles were the employers of this class. In Hindostan or Upper Bengal, which has been under the direct government of the Company for half a century, this class has been thrown out of employment, and has by this time died out; and the rebellion in that province, where it began, has been entirely confined to the army. In the Punjab, also, where our predecessor, Runjeet Sing, did our work for us by crushing the aristocracy as with a garden roller, there is no tendency to rebellion. In Central India, on the contrary, where the too cautious policy of Sir John Malcolm, on the conquest and pacification of the country, left a number of petty thrones standing, the materials of rebellion and anarchy still exist in abundance. And in Oude, which was annexed but one year before the outbreak of the mutiny, and where the great feudatories were permitted to retain their fortresses and artillery, the feudatories and the military class have united in a most formidable insurrection.

The position of the Oude rebels is morally the same as if they had taken up arms to resist the annexation when it was at first effected. On the suppression of the rebellion they ought, consequently, to be treated not as rebels, but as conquered enemies; and we have never treated conquered enemies ungenerously.

Below the princes are the native aristocracy, consisting of the holders of offices, pensions, and tax-free lands; and these, as I have stated, are generally, though not necessarily, hereditary. On coming into possession of a new territory, the Company's government has of course to settle with these. It is on this class the change of governors bears hardest; they are not like a European aristocracy, not being in general properly landowners, but the mere creatures of the sovereign's will; but a civilized government like ours ought to treat undefined though really existing rights with more, not less liberality, than a native king would. I fear that this has not been done. I fear it cannot be denied that in Central India hereditary revenue collectors have been deprived of their offices, and holders of tax-free lands ejected, or compelled to pay taxes, on the plea that the duties annexed to their tenures had been superseded; and that in Bengal government has systematically examined into the titles under which tax-free lands were held, and given itself the benefit of every doubt. This is no doubt legal, according to the laws of India, but it is not equitable, nor worthy of a government which ought to pride itself on a punctilious regard for every vested right.* The best way would be something like this—when any office, pension, or tax-free estate has been conferred upon the holder by the out-going government, he ought to enjoy it for life, but without remainder to his heirs; and where it has been inherited by the holder, it ought to be recognized as hereditary in his family, but lapsing on failure of direct heirs; and government should employ its legal power to prohibit the adoption of an heir. When hereditary rights of any kind stand in the way of reform, they ought to be commuted for pensions, or what would probably give greater satisfaction, for tax-free lands.

It is often said that our rule in India tends to destroy the native aristocracy. This is true, but is not a cause of blame; the fiefs and pensions that support the aristocracy will, of course, lapse from time to time; and a government like ours cannot be expected to alienate its revenues by conferring new ones.†

I now come to the most important part of my subject—the relations between the government and the peasantry.

Under the Company's government the land-tax or rent is still necessarily the chief source of revenue; this is the case even more at present than under our predecessors, for the Company's government has abolished a great variety of exactions which were more

* The character of the Company's government stands high for fidelity to treaties, but not for respect for any rights which it has not itself guaranteed. This character makes much of our Asiatic policy capable of a double interpretation, for we generally manage to be technically in the right, though often really in the wrong.

† It is also said that the operation of the courts of law tends to the destruction of the old aristocracy. This is a very vague charge. We have, however, the unquestionable authority of Sir Thomas Munro for the statement, that a large proportion of the old families had been ruined by the expense of law suits; and it is well known that the earlier legislators of British India copied the defects of our legal systems with great fidelity.

But I suspect that another way in which the law courts ruin the landed aristocracy is simply by forcing them to pay their debts.

oppressive to the people than productive to the revenue, retaining no indirect taxes of importance except very moderate customs duties, and excise duties on salt and opium.* The government was certainly right in reducing the indirect taxes before the land-tax, not only because direct taxation is in general preferable to indirect, but because the land revenue of India is not properly a tax at all, but the rent of the land. This statement has been much controverted, but I think it is proved by the fact, that when the land of Bengal was transferred as property from the government to a number of private landlords, so that its letting value could be determined by competition, the peasants continued to pay the same rent to their landlords that they had previously paid to government.

It was evidently necessary for a civilized government like that of British India to divest itself of the character of sole landowner, and to vest the landed property of the country in private hands; in other words, it was necessary for the Indian government to effect, not indeed at once, but with all convenient speed, the same change which occupied the whole history of Europe, from the rise of the feudal system to its fall; and, of course, to effect this without loss to the public treasury.

This was to be done by leasing the land to private parties; but to what parties?

There are two ways in which absolute private property in land has arisen out of the feudal system. In most parts of the United Kingdom the feudal lord has become absolute owner of the land, and the serf has become a free labourer without any right of property. In the case of the English copyholds, on the contrary, and in most parts of France and Western Germany, the feudal lord has been bought out by the serf, who has become the free and absolute owner of the land.† The same two systems have been set at work side by side in India.

The way in which a great Asiatic empire tends to perish is by the governors of provinces changing them into independent states. This process was far advanced in India before our conquests there

* The salt tax is partly, and the opium tax chiefly, collected by means of a monopoly. The question between a monopoly and an excise duty, like our excise, is merely one of administrative convenience. The salt tax is objectionable, but it has existed in India from time immemorial, as well as in most European countries. The opium tax is the counterpart of our spirit duties. Free-trade in opium in India would be as great a nuisance as free-trade in spirits at home; and when we have prohibited distillation at home it will be soon enough to think of prohibiting opium cultivation in India.

I do not express any opinion about the justice of the first Chinese war, which arose out of the opium trade.

† This is a case in which the commercial principle cannot work without direct assistance from legislation; and I am decidedly of opinion that the system is the best which favours the growth of a peasant proprietary. Great mischief was done by the Russian government some years ago in Bessarabia by a hasty abolition of serfage, which, at the same time, destroyed the rights of the peasants in the land. (See Xavier Hommaire de Hell's Travels in the Steppes of the Caspian, the Crimea, and the Caucasus.) In the United Kingdom, however, we have attached to the state in which legislation on the subject is needed only for the purpose of ensuring perfectly free-trade in land. The commercial principle can now work alone.

commenced, and it made them possible; and while the provincial governors asserted their practical independence of the royal power, the feudatories, in some parts of India, maintained definite and half independent rights against the governors. Bengal, a hundred years ago, and Oude, until now, were in this state.

During the first governor-generalship of Lord Cornwallis, at the end of the last century, that nobleman fell into the very natural error of supposing that the zemindars, or crown feudatories, who, according to Indian law, were only hereditary collectors and administrators of the revenue, were similar in position and rights to the landed aristocracy of England; and, being full of his English ideas, he thought the closer the resemblance was made the better, provided only that the revenue of the government was preserved. He accordingly effected what is called the Permanent Settlement, which was the most sweeping change in tenures ever made; or if any such revolution has approached it in magnitude, it is the abolition of serfage and commutation of feudal tenures in France before the revolution, and in Prussia during Napoleon's wars. It ought to be remembered that the word *settlement*, in the language of the Indian administration, is almost exactly synonymous with our word *lease*, and that in speaking of the land revenue of India, *rent* and *tax* are synonymous terms.

By the Permanent Settlement every zemindar was constituted owner of his lands in perpetuity, subject only to the payment of the amount of land-tax then levied; and government abandoned in his favour its undoubted right of raising the land-tax from time to time, according to the wants of the state or the ability of the payers. Ten per cent. was deducted from the land-tax, and, in consideration of this, the zemindar was understood to forego all claim to remission of tax on account of any cause whatever, and to come under the obligation of either paying his tax up to the day it fell due or surrendering his estate to the government; a degree of promptitude and harshness in enforcing payment which was unknown to the native governments, and altogether repugnant to Indian ideas. The tax on every estate being declared incapable of increase, the right to derive an increased rent from any extension of cultivation over the waste lands which at that time occupied great part of the area of Bengal, was thereby transferred from the government to the zemindar; so that the transaction may be most simply stated by saying, that the zemindar received a perpetual lease of the cultivated lands at the accustomed rent, and a free gift of the waste lands.

At the same time, the zemindar was required to extend to his tenants the same fixity of tenure, at the accustomed rent, which the government so liberally accorded to him.

A more promising scheme has seldom been drawn up on paper; but, though not altogether a failure, its success has been very incomplete, in consequence of causes which are partly inherent in Indian society, and partly the result of the careless haste with which it was carried into effect. I do not question the wisdom that drew up the Permanent Settlement on paper, although, as I shall presently show, it was mistaken in matters of principle as well as of

detail; but it is impossible to think highly of the administrative skill, which, in carrying it into effect, created rights without first carefully ascertaining and minutely defining what those rights were to be. The estates were not surveyed, and their boundaries in many cases remained unsettled; and, what was much worse, the tenures of the peasants were not enquired into; so that they had no means of protection against any oppression on the part of their landlords, except what was afforded by the courts of justice; and these, in Bengal, were and are notoriously inefficient and corrupt. Under these circumstances, the zemindars had generally succeeded in reducing the peasants to the condition of mere tenants at will. The government has of late years been doing what it can to remedy these evils by a survey of estates, which lets every man know what his boundaries are, and constitutes a basis for transactions in the letting of land; and also by compelling the landlords to give leases to their tenants at the present accustomed rents.*

The effect of the Permanent Settlement has been much the same as that of a similar agrarian system in the United Kingdom, especially in Ireland. Cultivation and wealth have increased, but the peasant has not shared in the increased prosperity of the country. Subletting is general, and the condition of the peasants is mostly wretched. The one great merit of the Permanent Settlement is not that it gave rights to the zemindars, and placed the peasants under their control, but simply that it is a settlement—a lease—guaranteeing against any increase of the land-tax, and thus creating private property in the land.† Any settlement is better than none; but there is a wide difference between the merits of different principles of settlement.

So infatuated was the Indian government of two generations ago with Lord Cornwallis's project of creating a class like the landed aristocracy of England, that in some parts of the Madras Presidency,‡ where there was no class in existence like the zemindars of Bengal, an attempt was made to create such a class artificially, by placing men over the peasants as zemindars, who were of a class in society no higher than the peasants themselves. This was not such a blunder as a wise man might have made, like Lord Cornwallis's mistake in conceding too much to the Bengal zemindars; it was a piece of pure gratuitous stupidity.

Lord Cornwallis's error was twofold. He mistook the law of India in supposing that the zemindars had any claim to be regarded as proprietors. We now know that the ancient common law of the land did not recognise the necessity of any intermediate party be-

* I have heard it suggested, since the above was written, that all tenures ought to be prohibited in Bengal except those which are based on the payment of a simple money rent; for payments in kind and in services form pretexts for oppression. Such a law might be the first step to a general introduction of copyhold tenures among the Bengal peasantry.

† Lord Metcalfe said that private property in land was not the creation of our legislature, but had always existed in India. This, however, is not what we call property, but only tenant-right under the government. Lord Cornwallis's ideas were certainly too English, but I think Lord Metcalfe's were too Indian.

‡ I believe this has been done in some parts of Bengal also.

tween the government and the peasantry; that the zemindar was properly only an officer of the government, although his position was hereditary; and that his rights would have been amply provided for by commuting them for an hereditary estate, lapsing to the government by failure of direct heirs. Lord Cornwallis also mistook the character of Indian society, by supposing that the zemindar would be a better landlord than the government; and that the courts of law could be relied on to protect the peasants against the rapacity of their landlord.

So impressed was Lord Metcalfe with the evils of the Permanent Settlement, that he declared some means ought to be found of reversing it altogether. It is not easy to find such means; for the Permanent Settlement has converted the zemindars into landlords, and government has no more right to confiscate landed property in Bengal than in Britain. Most writers appear to be of opinion that government can do nothing in the matter except to protect the remaining rights of the peasants, and to leave the rest to the healing powers of time and freedom, which sooner or later will cure all merely economical evils. With some hesitation, however, I venture to propose a way by which government may slowly but surely get back the land of Bengal into its own hands. Let a valuation be made of all the lands of Bengal. Let a liberal rate, say 25 year's purchase,* be fixed, at which government shall engage to purchase every estate that is either forfeited by default in payment of land-tax, or brought into the market in any other way. Let no party but government be permitted to purchase estates. And having thus regained possession, let government proceed to make a settlement with the peasants as its own tenants.

It is to be remembered that the Permanent Settlement is but two generations old; and, I believe, the popularity of such a measure with the proprietary class would entirely depend on the number of years' purchase that government was willing to pay.

The estates of zemindars have been sold by process of law in very many instances, sometimes for non-payment of taxes, and sometimes for the private debts of the zemindar. The events of the present rebellion show how opposed are such transfers to native ideas. The old proprietors, or their representatives, have still been in many cases living on the estates, paying a rent to the purchasers; but since the destruction of the authority of the government in the disturbed districts, these rents are no longer paid, and the transfer of the property is regarded by all parties as null and void. This shows that a zemindar's estate in the opinion of the people, and therefore in reality, is not like an estate among us but like a feudal lordship among our ancestors, which could not be sold. But had government constituted itself the purchaser of those estates, and

* Probably this is much too high. I mention 25 years' purchase, equivalent to 4 per cent of interest, because this is the lowest rate at which a government loan has ever been raised in India.

The practicability of such a scheme depends entirely on the financial gain or loss it would entail. I do not know enough of the value of land and money in Bengal to form an opinion, but I am not sanguine about it.

then made liberal covenants with the peasants, they would never have thought of inviting the old zemindars to come back.

The Permanent Settlement of Bengal being made with the zemindars, is also called the Zemindary Settlement. A settlement with the peasants, called in India ryots, is called a Ryotwar Settlement. The settlement of the Bengal revenues was both a zemindary and a permanent settlement; but it is important to bear in mind that this connexion is only accidental. A zemindary may be for a term of years, and a ryotwar settlement may be permanent. The unquestionable benefit of the settlement of the Bengal land-tax, in promoting the extension of cultivation, is not because it is a zemindary settlement, but because it is a permanent one.

Southern India, on its conquest by the Company, had not in general any great feudatories, like those of Bengal, between the government and the peasantry. In some parts of the Madras Presidency, as I have mentioned, the revenue was settled in imitation of the Bengal settlement, and landlords created for the purpose; but Sir Thomas Munro, who was a man of greater abilities than Lord Cornwallis, and who, moreover, knew India well, succeeded in making the ryotwar system of direct dealings between the government and the peasantry universal throughout all parts of the British dominions in Southern India where settlements were still to be made.

The ryotwar system is this: all the land is surveyed and valued, and a guarantee given against any increase of the tax for a limited period, generally thirty years. Every peasant is answerable for the taxes on the land he cultivates, but no more; and any peasant may throw up his land, or part of it, at any time; so that the amount of taxes payable by any district is in exact proportion to the extent of land under cultivation. The peasant's tenant-right is heritable and saleable property.*

It is a common belief in this country that the ryotwar system has been an utter failure, in consequence of some error in principle; but the truth is, that it has apparently failed for want of being properly tried.

For a long time the land-tax, at least in the Madras Presidency, was fixed at so high a rate that it could not be paid in ordinary seasons; so that it was left to the judgment or energy of the collector to get as much as he could out of his district. This state of things was of course the same in effect as if the tax were not fixed at all; and as a collector's district is much too large for one man to manage, under a system which requires the collector to deal separately with the case of every peasant, he was compelled to leave much to his native subordinates, who are habitually more inclined to a harsh and suspicious treatment of the peasants than their European employers.† This is the cause of that system of

* On this subject, see the lately published official "Memorandum on the Improvements of the Administration of India during the last thirty years."

† This is noticed by Sir Thomas Munro. The facts concerning the employment of torture have been questioned, but are I fear established. The difficulty of preventing such villanies is greatly increased by the passive character of the natives, who have been accustomed to them for centuries, and take them as a matter of course.

torture in the collection of the revenue which has lately surprised and horrified the public of this country. It was another necessary consequence of a state of things in which every man was always in arrear with his taxes, and where, consequently, the tax-gatherer might seize all he had, that no one had any inducement to extend cultivation or to accumulate wealth. Society remained stationary, and at the level of a bare subsistence.*

The remedy for this state of things is evidently such a reduction of the land-tax as may enable every man to know what he has to pay, and to pay it. A reform of this kind is now in progress. A new survey, valuation, and assessment are made in one district after another; the land-tax is considerably reduced, and at the same time it is understood that it must be paid; no claims for remission will be listened to, except such as arise from calamities affecting whole districts. The reduced tax is paid with facility, and the government does not lose anything, for, under the ryotwar system, the amount of tax paid depends on the area under cultivation; and, as in most parts of India, there are still considerable reserves of uncultivated land, the increased property produced by moderate taxation leads to the extension of cultivation, and consequently to the payment of an increased amount of land-tax. The peasants are guaranteed against any increase of taxation for a term of years; and it is now an established principle in India, that on re-valuing, at the expiration of a settlement, no man's land is to be subjected to a higher tax in consequence of his own or his predecessor's improvements; the value of land over the district is alone to be considered. It is also an established principle, that every valuation and assessment is to be considerably below the extreme letting value, so that (to use the technical language of political economy) not only his wages and the profits of his stock are left to the peasant, but also a share of the rent. This has made the tenant-right of the peasant a valuable property in districts where it was not so before.

But the re-valuation of the Madras Presidency is going on slowly, though carefully and well. So elaborate an operation as the survey and valuation of every field throughout a vast tract of country cannot be rapid; and are the people of every district to be left to the old system of uncertainty and extortion till their time comes to be re-valued? The Indian government is certainly to blame for not introducing a satisfactory provisional system to meet their case. There could not be any difficulty in doing so, for this is usually done in countries newly annexed to the British dominions. Settlements are made for a short term of years without any pretension to minute accuracy, the revenue officers being chiefly guided by the

* Sir Thomas Munro being the earliest advocate of the ryotwar system, it is commonly supposed that he was the author of its early failures; and this error seems to be repeated in the official memorandum referred to in a former note. No one questions that he was one of the ablest and best statesmen that Britain has ever produced or India employed; and this supposed blunder has served to point a disheartening moral about the "follies of the wise." But the fact is that Sir Thomas Munro laid down the true principles of the subject; and the reform of the ryotwar system, now in progress, consists not in departing from but in returning to those principles.

payments that the lands have made in times past ; and by the time these provisional settlements expire, a detailed survey and valuation of the land is prepared, with a description of the rights of the various classes of tenants living on it.

Equal division among children is the common law of India, and this, together with the want of enterprise among the people, produces the same result of too great division of the land, as in some European countries. In the Bombay Presidency, where also the ryotwar system prevails, the government is endeavouring, more in its character as landlord than as ruler, to counteract this. The land is divided into areas called fields ; each field being about as much as one yoke of oxen can work. When new land is brought under cultivation, no one can rent less than an entire field from the government ; and where one field is occupied by several peasants, although their tenure is not immediately interfered with, yet, if one vacates by going away, or dying without heirs, the others receive his share and become liable for his rent.

The best of all the land revenue systems of India is that modification of the ryotwar called the village system. The political society of India, though monarchical above, is democratic below. The whole rural population is in general organized into village municipalities ; and it is found to be more convenient for the government, and more beneficial to the people, to make revenue settlements with the village municipalities than with the individual peasants. The village system is the ryotwar system, with village municipal administration of the revenues, and collective liability for their payment. Village settlements, however, do not obviate the necessity of government carefully ascertaining and registering the rights of every member of the village community.

In ryotwar settlements the amount of land-tax paid by any district depends upon the number of fields cultivated ; but in village settlements the amount paid by a village is invariable during the continuance of the settlement.

The village system was first introduced into the Delhi and Agra provinces,* and no administrative experiment was ever more thoroughly successful. Much of this success, of course, is due to the reduction of taxation, which was as great as in the reformed ryotwar settlements of Madras and Bombay. The condition of the peasants in the provinces of Delhi and Agra is very far superior to that of the Bengal peasants living under Lord Cornwallis's permanent settlement. The same system of village settlements, with moderate assessments, has been subsequently introduced into the Punjab and the newly-acquired districts in Central India, and was in process of introduction into Oude when the present war broke out.†

* Generally called the North-west Provinces, though the name is inapplicable since the acquisition of the Punjab. It was in those provinces that the mutiny broke out ; but, as I have remarked in a previous note, the success of the Company's government is shown by the fact, that none have revolted but the native soldiers.

† Oude, like Bengal a hundred years ago, was in the hands of the zemindars, when it came under the Company's government. I do not know in what way they were settled with, but I believe their pecuniary rights were amply respected

It is a favourite idea with many, that the Indian government ought to sell the land of India, out and out, at a moderate price. This, of course, could not be done in Bengal, for there Lord Cornwallis's permanent settlement has alienated the land already. But such a plan would only repeat Lord Cornwallis's blunder. The peasants would not have the means of purchasing the land they live on, and to sell it to others would endanger their rights, and would set a class of landlords over them who would, at the very best, be much less liberal than the government; for what private landlords could be expected to let their land at two-thirds or half its extreme letting value, as government has done in the district of Delhi and Agra?*

It is indeed right and necessary that the land of India should become private property; but it is to the peasants, and no one else, that it ought to be alienated. The course of legislation in India is slowly but surely tending to this result. First, short provisional leases; then thirty-year leases; ultimately, no doubt, leases for ever, with power of redeeming the rent. A lease for ever will at once convert the tenant under the ryotwar system into a freeholder. The village system, though easier for the government to deal with in the mass, is more complex in detail; but so soon as the need for such a change is felt, it will not be a difficult work for legislation to simplify the intricate relations of the village community with its members, and to parcel out the lands of the village into freeholds for the villagers, while the collective liability of the village for the taxes of all its members may be abolished as soon as it is rendered unnecessary, by the increase in the value of the peasant's holdings making their payment no longer a matter of doubt.

I have not attempted to evade the fact, that the agrarian legislation of the Indian government is unfavourable to the growth of a landed aristocracy. This is also true of all purely modern institutions. No landed aristocracy is coming into existence in the United States or Canada.† It is to the towns and to commerce that India, as well as America, must look for the growth of a wealthy class; and it is a significant and encouraging fact, that successful traders in Bengal, as well as in England, turn to the land as a means of investment.

Before the commencement of the present troubles, there was no Indian subject that attracted so much attention in this country as that of the duty of the government with respect to public works.

while their political power was taken away. But all men, especially barbarians, love power as much as money, so the zemindars and talookdars or sub-zemindars took advantage of the revolt of the Bengal army to join with the irregular soldiers, whom the change of government had thrown out of employment, in a league against the British power. Their position is much like that of the Scottish chiefs who thought to restore feudalism in 1715 and 1745. The conduct of the government in Oude, between its annexation and the revolt, has, of course, been severely condemned by that large class of reasoners who think failure a proof of error, and misfortune of crime.

* Two-thirds in the first settlement, which was effected between 1834 and 1844, and one-half in the renewals now in progress.

† Australia may be regarded as an exception, but we have not yet seen Australia under a perfectly free system of dealing with the waste lands, like that of Canada and the United States.

The government, in the greater part of India, being the sole land-owner, and almost sole capitalist, is under the obligation of attending to many things which in Europe may be safely left to private enterprise. Public works, especially works of irrigation, have of late years been prosecuted with great vigour by the Indian government, and with the happiest results, both to the revenue of the state and the condition of the people.* But one of the most important results of modern and Christian civilization is to narrow the functions of the government, and when the transfer of the land of India as property from the government to the cultivators has been fully effected, it will probably be time for the government to abandon to private enterprise the function of constructing and managing the great public works. An attempt has, indeed, been already made to execute works of irrigation by means of a joint-stock company; we have not yet seen with what success.†

The British government in India has done very much, and when the present rebellion is crushed, will no doubt do much more towards realizing the eastern ideal of national prosperity and happiness, which may not be a very high one—not so high as India is destined to attain under the British rule; yet it has not very often been attained under eastern governments. This ideal may be briefly described as a nation of small proprietors, protected from war,‡ living under a just government, and subject to moderate taxation; for such is the translation into modern prose of the beautiful language of ancient Hebrew poetry—“Thine officers shall be peace and thine exactors§ righteousness.” “Every man shall sit under his vine and his fig-tree, none making them afraid.”

* See the official memorandum already referred to; and for fuller particulars, the Appendix to Colonel Baird Smith's work on Italian Irrigation, and the same officer's work on Indian Irrigation.

† I refer to the Irrigation Company of Western India. This company has done nothing as yet. Dr. Buist, of the *Bombay Times*, says this is for want of the co-operation of the revenue authorities. I do not know whether this charge is well founded, but it certainly seems natural that despots, even benevolent despots, should not like the presence of parties within their jurisdiction who would be in some degree independent. This remark applies more to irrigation companies than to railway companies, which interfere less with the land revenue authorities; and nothing can be more liberal than the treatment of the railway companies by the Indian government of late years.

‡ From the pacification of India in 1818, by the result of the second Mahratta war, to the mutiny of the Bengal army in 1857, India enjoyed general internal peace. The great wars of the period were all on or beyond the frontier.

§ I speak with deference, as I do not know Hebrew; but this word appears evidently to mean tax-gatherers.

NOTE.

After the reading of the foregoing paper, (at which the writer was not present), some of its statements were controverted, *on the authority of statements made in 1839*. It ought to be scarcely necessary to remind a generation which has seen the repeal of the Corn Laws and the establishment of the Encumbered Estates Court, that what was true in 1839 is not necessarily true in 1858. Perhaps the charge oftener made against the Indian Government is that it permits works of irrigation to fall into decay. This was true in 1839, but has now passed into history as completely as our own Corn Laws. On this subject see Colonel

Baird Smith's work on Indian Irrigation, and the appendix to the same officer's work on Italian Irrigation. It is also commonly said that the taxation of India is oppressive. This is not difficult to prove; the difficulty is to find any country in the world of which the same is not true. But the revenue system of India, like that of this country, has been greatly improved during the last twenty years.

It is true I have drawn largely on the authority of Sir Thomas Munro, who closed his career more than twenty years ago; but this is not for facts that may be true at one time and not at another, but for principles that must always guide the revenue administration of India, until European methods and principles are fully introduced; and the disastrous blunder of Lord Cornwallis's Permanent Settlement proves that this is not to be done at once.

The restoration of general peace in India took place in 1818, three years after the same event in Europe. In India, as well as in Britain, several years elapsed before the work of internal improvement began. This in Britain may be dated from 1832, and in India from 1834. It was in 1834 that the "village settlement" of the Delhi and Agra province was commenced, and a beginning thus made of a reform in the land tenures and taxation of all parts of India that are not included in the Permanent Settlement; and it was about the same time, if not earlier, that the restoration was commenced of those works of irrigation which had fallen into decay during a century of anarchy, and had not been restored, as they ought to have been, immediately on our conquest of the country.

The idea appears to have got into some minds, that the present revolt is a proof of bad government. On this subject we have the testimony of the insurgents themselves in their proclamations. They do not complain of the Company's administration: they attack it as a foreign and conquering government, which we know that it is; and as a proselytising government, which we know that it is not. If the revolt were caused by misgovernment it would not have broken out in the Delhi and Agra province, which is one of the best governed parts of India, but in Madras, which is probably the worst.

An attempt is made in the April number of the *Westminster Review* to discredit the alleged misgovernment of Oude. On this subject the evidence of Sir William Sleeman's recent work is sufficient; he describes a state of anarchy which in a country less favoured by nature would have destroyed the population. Sir William Sleeman is an eye-witness and knows the country well; and he is impartial, because he was opposed to the annexation of Oude; he wished to interfere for the restoration of order, but in a less violent manner.

V.—*Proceedings of the Dublin Statistical Society.*

ELEVENTH SESSION—FOURTH MEETING.

[19th April, 1858.]

The Society met at the Royal Dublin Society House, James Haughton, Esq., in the chair.

Henry Dix Hutton, Esq., read a paper entitled, "The Working of Tribunals of Commerce composed of one legal and two commercial judges, as exhibited in the Hamburg Tribunal; founded on communications received from Dr. Versmann, the vice-president of that court."

Professor Cairnes, for Ferdinand Loughrane, Esq., read a paper on "Decimal Coinage, Weights, and Measures."