

Land Tenure and Taxation in Nepal

VOLUME I

The State as Landlord: Raikar Tenure

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FOREWORD

This study, The State as Landlord, constitutes the first volume of an intensive analysis of the land tenure and taxation system in Nepal. As such, it represents a pioneering endeavor that will doubtless prove of considerable value to the economic development projects undertaken by the Government of Nepal and the various foreign aid programs in that country. Scholars and area specialists interested in something more than a superficial familiarity with the social, economic and administrative systems in this small but strategic Himalayan Kingdom--in which approximately 90% of the population earn their livelihood, directly or indirectly, from agriculture--will also find this study an indispensable addition to the literature on Nepal because of the inclusion of basic resource materials of vital importance to the researches of both historians and social scientists.

The first volume of this three-part study, projected for completion by mid-1964, concentrates on a detailed and thorough analysis of Raikar tenure; that is, land on which taxes are collected or appropriated by the state, either directly or through intermediaries. In the context of the Nepali agrarian structure, the author has characterized this system as state landlordism. In the second volume, attention will be focused on the Birta tenure system, under which lands and, in most cases, the revenue therefrom are conditionally assigned to individuals by the state. It is this form of tenure in Nepal that has been the object of most land reform legislation since the introduction of democratic government in 1951. One section of this volume will consist of a detailed description of the various Birta abolition measures that have been introduced since 1951 and an analysis of the factors behind the failure of the government to implement these measures with any significant success. The final volume will consider all the remaining major types of land tenure prevalent in Nepal: Guthi (religious and charitable endowments); Kipat (communal ownership, usually associated with ethnic groups resident in eastern Nepal); and Jagir and Rakam (compensation for duties performed or services rendered). Some general conclusions concerning the entire scope of the tenure and revenue systems will also be discussed in this volume.

These studies, based upon an examination of archives, district land registers and records, and other primary sources never previously utilized, or indeed, available to scholars, represent a unique contribution to an understanding of the complex problems faced by an ancient culture engaged in the critical task of economic modernization. All

too often, attempts to reform or reorganize the land tenure and taxation structures in the developing nations have foundered because of an inadequate knowledge and comprehension of existing systems. There has been a general tendency to dismiss some forms of obstruction to or disinterest in land reforms as a consequence of the political immaturity of the small land-owning or landless classes. It is being increasingly recognized, however, that these attitudes are, at least in part, a reflection of the haste and carelessness with which government officials and foreign aid advisors have pressed for land reforms, without considering the total effect of these measures on the existing systems, whose complexities have usually been seriously underestimated. This general conclusion has been vividly documented by the author in his analysis of Nepal's experience with land tenure and revenue reforms since the overthrow of the autocratic Rana regime.

Indeed, one of the more instructive aspects of this study to officials, social scientists, and historians alike, lies in the capacity displayed by essentially ancient tenure systems to absorb the pressure of changing circumstances, increasing their complexity while retaining their basic character. In some respects, Nepal's contemporary tenure systems constitute a remarkable museum of practices prevalent in ages past throughout a much wider area of Asia, and preserved in Nepal because of its comparative isolation and its freedom from colonial domination. It is often possible to discern even within a single district in Nepal tenure systems of a diverse and widely varied origin. Some forms of tenure can be traced directly back to ancient Indo-Aryan practices once prevalent in the Gangetic plain. Others reflect the influence of the Central Asian Islamic conquerors of India, who dominated the northern stretches of this vast sub-continent from the 12th to the 18th centuries. Again others constitute variations on the tenure innovations introduced by the British rulers of India in the 19th century. Finally, and perhaps basically, some tenure forms would appear to pre-date all these others, at least in Nepal, and may be indigenous to the large segment of Nepal's population that is either Indo-Mongoloid or Tibetan in origin. What a fruitful field for investigation by an historian interested, for instance, in the tenure and revenue systems of the Moghul Empire or the more ancient Hindu and Buddhist Kingdoms of northern India.

The bewildering complexity of tenure systems in Nepal, which the author so graphically and carefully describes, obviously constitutes a major obstacle to the modernization of the agrarian and revenue structures in that country. Nevertheless, as this study also demonstrates, these tenure forms are still far from moribund or totally obsolete. Proposals for their complete and immediate abolition must be

carefully considered, and must be framed with due care to avoid the simultaneous abolition of certain positive functions that they do perform and which are essential to any effective land use program. It is on the basis of such studies as this that modernization programs rising above the level of meaningless cliches can be based in the future.

The Himalayan Border Countries Project of the Institute of International Studies at the University of California has been fortunate in obtaining the services of Mr. Mahesh C. Regmi, who is unusually qualified to carry through studies of Nepal's economic development. Mr. Regmi served the Government of Nepal from 1951 to 1955 as Acting Director of Industries and, concurrently for a time, as Acting Director of the Cottage Industries Department and of the Central Purchase Department. In 1961, he was appointed to the Royal Land Reform Commission and to the Royal Taxation Commission, in which bodies he served as member-secretary for several months.

With the cooperation of the relevant Departments and Ministries of His Majesty's Government, Mr. Regmi was enabled to utilize land and taxation registers, both on the national and district level, as well as unpublished official reports, which contributed significantly to the value of this study. It is our hope that these series of studies will in part repay His Majesty's Government for the kind assistance proffered to the Himalayan Border Countries Project's research staff.

Berkeley, California
April 15, 1963

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I. THE BACKGROUND OF THE LAND SYSTEM

The kingdom of Nepal is situated along the southern slopes of the Himalayan ranges for approximately 500 miles between latitudes 26.20 and 30.10 north and longitudes 80 and 88.15 east. Roughly rectangular in shape along an east-west diagonal, it separates India from Tibet by an average breadth of 110 miles. To the west and south the kingdom is bordered by India, and on the east by Sikkim. Encompassing an area of 54,362 square miles, Nepal is a completely land-locked country.

MOUNTAINS AND RIVERS

For the most part, Nepal consists of rugged and mountainous terrain, with three principal mountain systems. The Himalayan ranges, comprising some of the highest mountains in the world, including Mt. Everest (29,028 feet), Kanchenjunga (28,216 feet), Makalu (27,824 feet), and Dhaulagiri (26,975 feet), adjoin the northern border. Parallel and to the south of the Himalayan range runs the Mahabharat range with altitudes varying from 5,000 to 12,000 feet above sea level, and covering the entire length of the country. To the south of the Mahabharat range, the Sindhuli range--known locally in Nepal as the Churia--extends from the western boundary up to the Koshi river in the east. Thus, approximately 80 per cent of the total land area of the kingdom is mountainous terrain.

The entire country is drained by three river systems, the Karnali in the west, the Koshi in the east, and the Gandaki in central Nepal. The region between the Himalayan and Mahabharat ranges is interspersed by innumerable rills and streams, most of which join one of these principal river systems when they meet the Sindhuli range. Each river system has a catchment area of about 12,500 square miles, and flows through the Tarai to the northern Indian plain to join the Ganges with almost equal intermediate distances of about 180 miles.

PHYSICAL DIVISIONS

Topographically, the kingdom may be divided into three major regions, the Tarai, the inner Tarai, and the hill region.

The Tarai region is a narrow strip of plain, adjoining the entire Indian border, and forming 17 per cent of the total area. Approximately 200 feet above sea level in its southern sector, the Tarai rises gradually to about 1,000 feet at the point where it meets the foothills of the Sindhuli range. The term is of Persian origin, meaning

damp, and is an appropriate one in view of the hot and humid climate. The region comprises a dense forest belt, which constitutes one of the kingdom's most important natural resources. The soil is generally alluvial and quite fertile, but at places is sandy or gravelly as a result of recurrent floods and erosion. This region includes the administrative districts of Birganj, Mahottari, Saptari, Biratnagar, and Jhapa in the east; and Palhi-Majhkhand, Sheoraj-Khajahani, Banke-Bardiya, and Kailali-Kanchanpur in the west.

Between the Mahabharat and the Sindhuli ranges is situated the inner Tarai region, consisting of several broad valleys running west to east, and forming about 9.1 per cent of the total area of the country. This region includes parts of Birganj and Palhi-Majhkhand districts, as well as Udayapur and Dang Deukhuri. Swamps and jungles, inhabited by tigers, elephants, and other forms of wild life, including the rhinoceros, predominate here. The climate is subtropical and dangerously malarial. In general, the soil is described as a mixture of gravel and shingle, though in some places, such as Hetaunda, it is said to be fine-grained and free from gravel.¹ This region possesses great potentialities from the agricultural point of view, as is proved by the selection of the site for the American-aided Rapti Valley Multipurpose Development Project at Chitoun.

The hill region is situated between the Mahabharat range and the main Himalayan ranges. It covers 73.8 per cent of the total area, and includes long and narrow valleys running principally from north to south. The snowline varies from 10,000 to 16,000 feet above sea level. This region is mainly characterized by rugged terrain and poor soils, thus necessitating the use of terraces for cultivation. The climate is similar to that of an alpine tundra above 15,000 feet. This region includes the administrative districts of East No. 1, East No. 2, East No. 3, East No. 4, Dhankuta, and West No. 1, West No. 2, West No. 3, West No. 4, Palpa, Gulmi, Baglung, Pyuthan, Salyan, Dailekh, Jumla, Doti, Baitadi, and Dandeldhura in the west. Centrally located in the country is Kathmandu valley, where the capital is located, and which contains the administrative districts of Bhaktapur [Bhatgaon], Lalitpur [Patan], and Kathmandu.

POPULATION

According to the 1961 census, Nepal has a total population of 9,385,468. Of these, 63.3 per cent live in the hill region, and 36.7 per cent in the Tarai. The average density of population for the entire country is 172 per square mile, with an average of 150 in the hills and 250 in the Tarai. However, density varies from 10,755 in Kathmandu city to approximately 30 per square mile in the far western district

of Kanchanpur. The following table gives the area, present population, and density by region for the entire country.

TABLE 12

Area, Population, and Density

<u>Region</u>	<u>Area</u> (Sq. miles)	<u>Population</u> (total)	<u>Urban</u>	<u>Rural</u>	<u>Average</u> <u>Density</u> (per sq. mile)
<u>Nepal</u>	<u>54,362</u>	<u>9,387,661</u>	<u>264,028</u>	<u>9,123,633</u>	<u>173</u>
Eastern hills	10,362	1,882,925	X	1,882,925	186
Eastern inner Tarai	1,829	175,909	X	175,909	94
Eastern Tarai	5,115	2,210,034	44,052	2,165,982	432
Kathmandu valley	218	456,804	204,159	252,645	2,096
Western hills	11,076	1,952,530	X	1,952,530	176
Far western hills	18,879	1,698,319	X	1,698,319	89
Central inner Tarai	2,267	240,824	X	240,824	107
Western inner Tarai	714	98,765	X	98,765	138
Western Tarai	1,307	400,017	X	400,017	306
Far western Tarai	2,843	271,534	15,817	255,717	96

According to the 1952-54 census, 56 per cent of the total population was in the age group 15-59.³ The proportion of the male population 15 years or older who were economically active (i.e., either working, temporarily absent from a job, or looking for work at the time of the census) was 95 per cent. Though the percentage of the working population varied according to sex and age, the average was 60.7 per cent for males and 40.5 per cent for females of all ages. In addition

There appears to be a significant difference between the hills and the Tarai in the proportion of persons active, particularly among women. Fifty-nine per cent

of all males present in the hills were active, as against sixty-four per cent of those in the Tarai. Among females, forty-six per cent of those in the hills were active, as against twenty-seven per cent of those in the Tarai.⁴

Out of a total working population of 4,153,155 in 1952-54, 3,888,609 were engaged in the primary occupations of agriculture, forestry, and fishing. Thus over 90 per cent of the working population were engaged in such occupations throughout the kingdom. The one important exception is Kathmandu valley, where the proportion was 65 per cent, because of the commercial and industrial importance of this region and the concentration of government employees.

Seventy-eight per cent of the active male workers were either self-employed or unpaid family workers, but only one per cent were employers of labor. The prevailing family enterprise system provides employment to all members of the family, regardless of whether or not they are actually needed, thus reducing agriculture to the subsistence level and disguising unemployment.

HISTORY

In 1769, King Prithvi Narayan Shah of Gorkha (in the present district of West No. 2) laid the foundations of the present kingdom of Nepal by conquering Kathmandu valley. Within the next two decades, more than 60 petty kingdoms and principalities in the hill region came under the authority of the new power. Expansion towards the plains of northern India was checked only after the Anglo-Nepal War of 1814-16. Most of the territory in the plains that had been annexed by Nepal was ceded to the British in the Treaty of Sugauli, 1816. These frontiers were maintained for nearly half a century until 1858, when the western Tarai area was restored to Nepal as compensation for the assistance Kathmandu extended to the British in the Indian revolt of 1857.

The Shah dynasty has occupied the throne of Nepal since 1769. From 1846 to 1951, however, effective power was in the hands of the Rana family, in which the eldest member of this family succeeded as hereditary Prime Minister and de facto ruler. In 1950-51, a revolution organized by the Nepali Congress and actively supported by King Tribhuvan Bir Bikram Shah Dev, succeeded in overthrowing the Rana autocracy and restoring political power to the King. A number of interim governments were formed subsequently, but the period 1951-59 was characterized by recurrent political and administrative instability. General elections, the first in Nepal's history, put the Nepali Congress Party in power in 1959 with an overwhelming majority. Under a constitution granted by King Mahendra Bir Bikram Shah Dev, who succeeded

his father, King Tribhuvan Bir Bikram Shah Dev, in 1955, the kingdom assumed the form of a constitutional monarchy and parliamentary democracy. In December, 1960, however, King Mahendra dismissed the Nepali Congress Government on charges of corruption, misuse of power, and adoption of crude economic policies, dissolved parliament, suspended some sections of the Constitution, and assumed personal rule with the help of a nominated Council of Ministers.

ADMINISTRATION

Nepal has a unitary system of government. The central government is located at Kathmandu. For convenience of administration, the kingdom is divided into 32 districts, each under an administrator--known as the Badahakim--by the government. In addition, Kathmandu valley comprises the three districts of Kathmandu, Bhaktapur, and Lalitpur, each under a magistrate functioning under the general administrative supervision of a commissioner for the whole of the valley. The boundaries of the present districts are to a certain extent the results of historical factors, and were not drawn with a view to achieving efficiency of administration, or uniformity in size. Thus they vary in size from about 573 square miles and a population of 119,752 in Jhapa, to over 5,662 square miles in Jumla and a population of 558,167 in Dhankuta. In 1961 the entire country was reorganized into 14 zones with 75 constituent districts for purposes of development and, ultimately, of administration.⁵

After the dismissal of the Nepali Congress Government on December 15, 1960, the Panchayat system was adopted as the basis of the political and administrative framework of the country. Under this scheme, a four-tier structure is projected. Popularly elected Panchayats (councils) were established in every village and town during 1962. Superimposed upon these primary units will be 75 district, 14 zonal and a national Panchayat, all indirectly elected. The national Panchayat will function as the legislature under the modified parliamentary system provided in the constitution presented to the country on December 16, 1962, by King Mahendra. Decentralization of authority and increasing participation of the people in local administration have been declared to be the principal objectives of the new governmental institutions.⁶

AGRICULTURAL REGIONS

In view of the diversity of climatic and topographical conditions, cropping patterns, yields, and agricultural methods vary from region to region. The kingdom can be divided roughly into six typical agricultural regions, the eastern and western Tarai, the inner Tarai, and the eastern, central, and western hill regions.⁷

The eastern Tarai comprises the districts of Birganj, Mahottari, Saptari, Biratnagar, and Jhapa. This region has a hot and humid climate, an extended monsoon, with an annual rainfall exceeding 80 inches, a fertile, alluvial soil, and proximity to Indian markets. Three and sometimes even four crops per year can be grown under favorable conditions, and a significant proportion of the total acreage produces cash crops such as jute, sugarcane, tobacco, hemp, and oilseeds. The approximation of transport facilities in India and the availability of raw materials has made this region more advanced industrially than the rest of the country.

The western Tarai comprises the districts of Sheoraj-Khajahani, Palhi-Majhkhand, Kailali-Kanchanpur, and Banke-Bardiya. From the agricultural point of view, this region is less productive than the eastern Tarai. Although soils are fertile and marketing facilities are available, lack of adequate rainfall makes agriculture a precarious occupation. The density of population is among the lowest in the kingdom, and the area of cultivated land per capita is the highest. Cultivation is extensive rather than intensive. Over large areas of this region, paddy seeds are scattered by hand over the fields rather than having the seedlings transplanted separately, as is usual in areas under intensive cultivation.

The inner Tarai consists of the forest region of the foothills (Sindhuli and Mahabharat), with mostly young and undeveloped soils that are often very shallow. This region, besides being thickly forested, is highly malarial and lacks transportation facilities. As a result, only a small proportion of this area is cultivated.

The eastern hill region comprises the districts of East Nos. 1, 2, 3, and 4, Dhankuta, and Ilam. This region has steep and narrow valleys with rough and stony soils, the productivity of which has frequently been undermined by erosion. The central hill region comprises Kathmandu valley and the districts of West Nos. 1, 2, 3, and 4. It has broad, well-watered valleys, such as Kathmandu and Pokhara, with some deep alluvial soils. Next to the eastern Tarai, this is the most important agricultural region in Nepal, and therefore supports a relatively dense population.

The western hill region, comprising the districts of Palpa, Gulmi, Baglung, Salyan, Dailekh, Jumla, Baitadi, and Dandeldhura, is "dry, thinly populated and undeveloped."⁸ Though the soil is in general fertile, steep slopes, inadequate rainfall, and excessive erosion have resulted in the lowest proportion of cultivated land to the total area in the kingdom.

The hill region may also be classified on the basis of altitude into the besi regions (i.e., valleys), the mid-hill regions extending from 3,000 feet to 5-6,000 feet above sea level, and the lekh or alpine pasture regions above 6,000 feet.⁹ The besi regions, comprising the valleys of mountain streams and rivers, possesses fertile alluvial soils, but are at the same time highly malarial. These are inhabited mainly by aboriginal tribes such as the Danuwar, the Kumhale, and the Majhi. The lekh regions, because of the cold and snowy climate and meager rainfall, are not important from the viewpoint of agriculture. They possess, however, extensive pasture grounds. Therefore, stock breeding and various types of cottage industries, such as wool spinning and weaving, paper making, and basket making are important occupations.¹⁰ The mid-hill regions are the most important from the agricultural point of view, as they grow various types of crops, including paddy, wheat, and maize.

RAINFALL AND IRRIGATION

Rainfall decreases as one proceeds west. Thus the annual rainfall is about 70-75 inches in the eastern Tarai, but 30-35 inches in Kanchanpur in the western Tarai. Similarly, precipitation increases as one goes north, to about 90 inches in the mountains immediately north of Kathmandu valley. However, most of the rainfall is concentrated within a few months of the year. Approximately 80 per cent of the total annual precipitation falls within the period June through September. In East No. 2 and Dhankuta "the rainfall is restricted to a period of five months, i.e., Baisakh to Aswin (April-May to September-October). Winter rains are almost absent."¹¹ The need for irrigation facilities is therefore great all over the country. According to one study,

Extremely unfavorable for irrigation conditions is the fact that the rather short monsoon (2-1/2 - 3 months) falls during the Summer (June to September) and, combined with melting snow, causes excessive river discharge, while the "dry season" (September to June) coincides with the winter season (December to March), when there is almost no glacial water. . . . As for example, the Saptkoshi River has a top discharge of 450,000 cusecs and a minimum discharge of only 9,000 cusecs, a decrease to 2 per cent.¹²

The cultivated area is irrigated either by means of gravity flood or inundation systems. In the former, the water is tapped from the river by means of a dam and conveyed to the fields through canals. In the inundation system, rain water is stored in terraced fields. These systems are applied only to paddy crops during the monsoon. Secondary crops are seldom irrigated because of the short monsoon period and lack of water.¹³ Until recently, the

irrigation facilities provided by government-operated projects were meager, and limited to approximately 30,000 acres in the hill districts and 32,000 acres in Saptari district in the eastern Tarai.¹⁴ In addition,

. . . a large number of smaller irrigation systems developed cooperatively by cultivators themselves, in some cases with government help, are overdependent on steady rainfall supply and tend to be wasteful in the use of water.¹⁵

A number of irrigation projects implemented by the government under the Five Year Plan (1956-61) have made a significant accretion to the total irrigated area, amounting to 12,700 acres in Kathmanu valley, 36,000 acres in the Tarai, and 10,720 acres in the hill region. When an additional 5,780 acres, irrigated by minor projects in different areas, is included, the total additional irrigated area under the first plan amounted to 65,200 acres.¹⁶ The total area irrigated by government-operated projects all over the country thus comes to 127,200 acres or 2.1 per cent of the total estimated area under crops. It is, however, not yet ascertained to what extent the new irrigation facilities have been fully utilized by the cultivators.

LAND USE

No scientific survey has ever been held of the total cultivated area in the country or of the area under different crops. Thus, all estimates of land use, while possibly a correct reflection of the general situation, should be accepted with caution.

Government of Nepal statistics on land use are as follows:

TABLE 2¹⁷

Land Use in Nepal

Land under forest	31.3%
Land under perpetual snow	15.2%
Alpine meadows	7.1%
Rivers, villages, and towns	12.5%
Waste and reclaimable land	16.2%
Land under crops	17.7%

However, according to another official estimate, the total cultivated area amounts approximately to 9,200 square miles (about 5.9 million acres) or 16.9 per cent of the total land area of the kingdom, distributed as follows:

TABLE 3¹⁸Distribution of Cultivated Area

Tarai	4,600	square	miles
Inner Tarai	4,400	"	"
Hills	200	"	"

TABLE 4¹⁹Total Area Under Different Crops

Paddy	6,584,000	acres
Maize and millet	2,920,000	"
Wheat	768,000	"
Potatoes	576,000	"
Oilseeds	408,000	"
Tobacco	288,000	"
Jute	77,000	"
Other crops	190,000	"

Although the Tarai region (including the inner Tarai region) contains only 26.1 per cent of the total land area, 97.8 per cent of the total cultivated area is situated there, while the hill region, with 73.81 per cent of the total land area contains only 2.1 per cent.²⁰ Soil characteristics, topography, climate, irrigation facilities, and location were the main factors that determined the use of land for agricultural purposes. With its hot and humid climate, level terrain and generally alluvial soils, abundance of streams and rivers, and its proximity to India, the cultivated area has tended to be concentrated in the Tarai region for the most part. The development of irrigation facilities will probably intensify such concentration in the future. Technological backwardness has probably hindered the further extension of the cultivated area, for available evidence indicates that the pressure of population in relation to cultivated land is as acute in Nepal as in some of its South Asian neighbors. The following table will make this clear:

TABLE 5

Relation of Population to Land in Some South Asian Countries²¹

<u>Country</u>	<u>Year</u>	<u>Total Population</u> (in 000's)	<u>Cultivated Area</u> (in 000 hectares)	<u>Per Capita</u> (in hectares)
Burma	1947	18,489 (1948)	1,150	0.47
Ceylon	1950	7,539	1,315	0.17
India	1947	346,000 (1949)	98,696	0.29
Nepal	1952-	9,385 ²²	2,458 ²³	0.26
Pakistan	1948 ⁵⁴	74,437 (1949)	21,100	0.28

CROPS

As the figures in Table 4 show, paddy is the most important crop. It is generally cultivated in the beds of the valleys and hillsides of the hill region, and almost everywhere in the Tarai. Where irrigation facilities are available, two paddy crops a year are not unknown even in the hill region.²⁴ Paddy can sometimes be found growing at altitudes higher than 5-6,000 feet,²⁵ although in such cases yields are reported to be low because of insufficient grain formation due to the cold climate.²⁶

Maize and millets are "dry" crops grown on unirrigated land. Maize, in particular, is grown in all agricultural areas in Nepal from the lowest valleys of the Tarai to the plant production limit at high altitudes,²⁷ where the average yields of maize and millets are said to be higher.²⁸ Since maize is the staple food of a majority of the people in the hill region, it is the most important crop grown there.²⁹ Several varieties of millets are cultivated also in the lekh and mid-hill areas on relatively poor and unirrigated land.

Wheat is generally a winter crop. The practice of letting cattle loose on the fields after harvesting the paddy crop tends, however, to discourage wheat cultivation, particularly in densely populated areas in the hill districts and Kathmandu valley.

The production of commercial crops (i.e., jute, tobacco, and oil seeds) for export is limited to the Tarai. In the hill region sugarcane is the main cash crop cultivated in the besi and sometimes also in the mid-hill areas.

Beans and legumes are grown almost everywhere in the country, other than at high altitudes. However, except in the Tarai, production is never on a significant scale. In areas such as Ilam and Dhankuta, proximity to Indian markets has encouraged an extensive form of potato cultivation on pasture lands at relatively high altitudes. The production of vegetables is not very common in the hill districts, mainly because of the nonavailability of irrigation facilities and the importance attached to cereal crops. It is in Kathmandu valley, with its rich soil, abundance of water and good markets, that vegetables are grown on a commercial scale.

Multicropping is common in the Tarai. Under favorable conditions three and sometimes even four crops are grown throughout the year. These crops are respectively known as jethuwa (summer), bhadaiya (monsoon), agahani (autumn), and rabi (winter).³⁰

SIZE OF HOLDINGS

Although there have been indications of a progressive concentration of land ownership in recent years, the size of the unit of cultivation has probably been subject to a downward trend. Since the costs of cultivation are financed ultimately by the tenant, the prevalent small-scale and primitive methods of agriculture hardly permit a relatively large unit of cultivation. In addition, the landlord can best foster competition among prospective tenants by parceling out land to them in small amounts. Thus, like rents, the size of farms depends on the pressure of population rather than on the fertility of the soil or on the full utilization of labor. Accordingly, in the densely populated Kathmandu valley, the average size of the family farm is estimated at 1.0 to 1.5 acres with a family unit of seven members.³¹ A survey conducted by an FAO expert in 1953-54 in nine villages in this area yielded the following figures:

TABLE 6

Size of Farms in Kathmandu Valley
(in ropanis-i.e., .13 of an acre)

<u>Village</u>	<u>Below 10 ropanis</u>	<u>10-20 ropanis</u>	<u>20-40 ropanis</u>
Raniban	35 farms	11 farms	X
Halchok	27 "	1 farm	X
Sundarijal	17 "	3 farms	1 farm
Sanothimi	8 "	9 "	3 farms
Nakadesh	32 "	3 "	X
Bansbari	15 "	11 "	3 farms
Budanilkantha	12 "	8 "	1 farm
Pharping	16 "	3 "	X
Sattungal	15 "	9 "	X

Thus the average size of the arable area in a farm was about 1.8 acres. But the figures indicate a high preponderance of the small farm and, in fact, only 22 out of the 268 farms surveyed had a surplus production. In other words, most of the farms were submarginal. The same expert estimated that a farm of between 1.7 and 3.5 acres would be of adequate size to support an average family under normal conditions of production.³²

In the hill districts, where agricultural conditions are less favorable than in the Tarai, the cultivated area in an average farm has been estimated at approximately 1.5 acres. In the Tarai, with a much lower man-land ratio, bigger farms are prevalent, averaging between 5 and 10 acres.³³ In the western Tarai the average farm varies from 7.5 to 15 acres. But because of less intensive methods of cultivation, the economic condition of cultivators on these larger units is not necessarily better.

THE AGRARIAN STRUCTURE

In recent years there has been a significant appreciation in land values consequent to a rise in the market value of agricultural produce. This development has been reinforced by the disparity between tax assessments and the value of agricultural produce. Since, for the most part, the general level of land tax assessments had been determined some decades ago, rising prices have considerably diminished the real value of the land revenue accruing to the government. A rigid tax structure combined with soaring market prices not only increased the profits of cultivation, partly to the detriment of the state, but also enabled the cultivator to transfer a portion of these increased profits in return for their capitalized value. The people who paid this capitalized value to utilize the alienated portion of the profits of the cultivator, came to represent an intermediary class between the state and the actual cultivators. This class was usually composed of the former cultivators in so far as they sublet their holdings and rested content with the margin of profits over and above the customary share of the actual cultivator, or of new persons to whom the cultivators sold this margin at its capitalized value and themselves continued as cultivators. Thus, from a two-tier hierarchy, composed of the state and the cultivator, the system became a three-tier one, with an intermediary class between the two. According to one study,

With an appreciable margin between the gross produce and the revenue payable to the Government, the tenant appointed by the Government to work on the land found that he could sublet the land to a tenant-at-will and enjoy the margin, without himself working on the land. In other words, a Government tenant in possession of one ropani of Abal land in the Valley of

Kathmandu found that with a gross produce worth Rs. 120. per ropani and a government revenue of Rs. 4.71, he could sublet the holding to a tenant-at-will. Even if the latter appropriated Rs. 60. as half of the gross produce, the former could still be left with a margin of Rs. 55.29 without working on the land himself . . . Thus the tenant appointed by the Government became simply an intermediary between the tenant-at-will who cultivated the land and the Government.³⁴

Statistics are not available to indicate the extent of the tenancy problem, although estimates put the figure as high as 80 per cent.³⁵ The problem is probably not as acute in the hills and Kathmandu valley as in the Tarai, where a large part of the cultivated area is said to consist of holdings of considerable size. Several holdings in this region are reported to be one to ten thousand acres in size.³⁶

Available information suggests that the trend is towards a progressive concentration of land ownership. Aided by institutional factors which, for example, enable the non-official revenue collecting agency to juggle with land records and squeeze out the small holder, this trend appears to have gained considerable momentum, particularly in the Tarai districts. The existing rural credit system, with the village moneylender as its pivot, has aggravated this problem.

In 1946, the distribution of land ownership in the Tanahun subdivision of West No. 3 district in the western hill region was estimated as follows:

TABLE 7³⁷Land Ownership Distribution in Tanahun (West No. 2)

<u>No. of Families</u>	<u>Percentage of Total Families</u>	<u>Land Owned (in muris)</u>	<u>Percentage of Total Cultivated Land</u>
2,266	9.73	0- 5	1.54
6,194	26.62	5- 20	15.96
5,228	22.47	20- 50	32.99
1,826	7.84	50- 100	25.56
691	2.97	100- 500	23.04
8	0.03	500-1,000	0.90
7,053	30.1	landless	

Thus, while 36.35 per cent of the total families in that area owned only 17.5 per cent of the cultivated land, 33.31 per cent owned as much as 82.49 per cent, while 30.1 per cent were landless. Similarly, in the Hanumannagar revenue

division of Saptari district, 75.3 per cent of the total number of families owned 82.3 per cent of the land. In the Bhalabhaleni and Haripur subdivisions of Biratnagar district, 50.45 per cent of the total number of families were landless, while 23.1 per cent possessed less than one bigha each.³⁸ Similar and more up-to-date figures for other areas are not available, but in view of the basic similarity in agrarian conditions and institutions all over the country, there is nothing to suggest that there have been any significant developments in subsequent years to reverse this general trend. Rather, available evidence, although of doubtful exact statistical accuracy, nevertheless indicates that it may well have been accelerated. For example, a commission deputed by the Government of Nepal to Bardiya district in 1952 found that while in 1910 the land owned by large landlords amounted to 24,000 bighas and that held by small holders to 52,000 bighas, the position had been reversed in 1952. A similar commission sent to study the tenancy problem in Palhi-Majhkhand district in the same year found that:

. . . in 1893 peasants owned 75-80% of the cultivated land. In 1908 their share came down to 20-25%. By 1952 it had shrunk to a still lower figure.³⁹

The general picture of the agrarian structure in the kingdom is therefore characterized by a landlord-tenant relationship. Since the tenants are ultimately responsible for financing the costs of cultivation, without at the same time having any clearly-defined rights on the land they cultivate, tenancy at best provides a precarious and often undependable means of livelihood. The tax records contain only the names of the landlords and not of the actual cultivators. In addition, the reluctance of most landlords to provide peasants with receipts for rent payment has deprived the latter of any documentary evidence of their rights to the land cultivated by them. On the other hand, having no direct function in the processes of agricultural production, the landlord is able to concentrate his activities on money-lending. This has also given rise to the evils of absentee landlordism.

Such a situation has contributed to insecurity of tenancy rights and exorbitant rents. Rents are determined primarily by economic factors such as density of population and the consequent pressure on available land, rather than by productivity. The proportion of the rent to the total yield thus varies from two-thirds in Mahottari, which is the second most densely populated area in the kingdom, to one-third in Kailali and Kanchanpur districts, which are among the most sparsely populated. Even in the hill region, there are many cases in which the best land in the village fetches a rent amounting to two-thirds of the crop. Rents thus vary directly with the quality of the land. Since rent levels

also vary according to the degree of competition for cultivable land, it is of course to the interest of the landlord to keep the field as open as possible or, in other words, to eject tenants as frequently as possible or profitable.

The 1957 Lands Act sought to remedy the twin evils of insecure tenancy rights and unregulated rents. It fixed either one half of the gross produce or the usual rent, whichever was lower, as the maximum amount payable by the tenant. Tenancy rights were secured to any tenant who cultivated a holding for one year. Eviction of a tenant was prohibited as long as he regularly paid the rent and only by process of law could eviction be effected. The Act further stipulated that tenancy rights should be inheritable, although not transferable, without the consent of the owner.⁴⁰ An amendment enacted in 1959 has made such rights salable even without the consent of the owner.⁴¹ A recent measure seeks to reduce rents to about one-third of the crop on certain classes of land in Kathmandu valley. According to the 1961-62 budget speech by the Finance Minister, Rishikesh Shah:

. . . The Birtawal [i.e., the Birta owner] will not be permitted to exact from the tiller of the soil a payment in excess of 1 muri 3 pathis of paddy. This is little less than the former exactions and amounts to about one-third of the crop. Pro rata changes will be made in respect of other classes of land.⁴²

However, administrative lethargy and the absence of effective machinery at the village level have proved to be serious obstacles to the effective implementation of these measures.

THE STATE AND THE LAND

Land reform has been a pressing issue in Nepal since 1951. Reforms undertaken in this field have so far concentrated on the relationship between the landowner and the cultivator and have primarily assumed the forms of regulation of rents and security of tenancy rights. This is undoubtedly an important aspect of the land reform problem. Nevertheless, this relationship is to a large extent determined by the form and conditions of the tenure under which the landowner is able to obtain the land from the state. Accordingly, in the absence of a proper knowledge of existing systems of land tenure and taxation, tenant-landlord relationships tend to be divorced from their proper origin and context and viewed solely against physical backgrounds and ideals of social justice. There is considerable evidence to indicate that in Nepal tenant-landlord relationships are unsatisfactory primarily because the official policy has long been to make the peasantry bear the burden of the financial and administrative system of the country.

A study of the various conditions under which the state provides land for private use, the nature and extent of the various claims it makes thereon, and the character of the administrative system that has been created to safeguard the hierarchy of interest in the land and collect the taxes should, therefore, form a prelude to the understanding of the origin and nature of many of the problems of the peasant. It is to these aspects of Nepal's land system that the present study seeks to devote itself.

II. FORMS OF LAND TENURE

State ownership has been the traditional form of land tenure in Nepal.* However, the extensive use of the land by individuals acting in their private capacity and the emergence of intermediaries between the state and the cultivator have tended to obscure the character of this basic relationship in recent years. This system, which is known as Raikar, may be regarded as a form of state landlordism. Variations in the character of this basic structure occur because the state divests itself of ownership in favor of private individuals or institutions, in a number of ways and under a wide variety of conditions. Where the beneficiary is a private individual, the system that emerges is called Birta. In essence, the Birta form of land tenure implies that the land has passed on to private, as distinct from state ownership, although such ownership rights are seldom absolute. Certain other forms of conditional assignments, which require the performance of specific services of various types, are known as Rakam and Jagir tenures. Where the beneficiary is an institution, and the divestiture or assignment is made to assist the financing of religious, educational, charitable, or philanthropic activities, the tenure form that results is known as Guthi. Another form of land tenure, most widely prevalent in the eastern districts, is called Kipat. This is, essentially, a form of communal tenure, inasmuch as the right to own land under this system is restricted to members of particular ethnic groups.

RAIKAR

The term Raikar is probably derived from the Sanskrit words Rajya (state) and kara (tax), thereby denoting land on which the state levies taxes. Raikar is, therefore, land which the state retains under its ownership and taxes the private individuals who operate it. According to one writer, it means land "on which taxes are payable to the Government

*It is interesting to note that although widespread private operation of the land has to some extent veiled this essentially legalistic interpretation of the land tenure system, the principle of state ownership has been emphasized very often. According to William Kirkpatrick, an English official who visited Nepal towards the end of the 18th century, "The sovereign is deemed to be originally the proprietor of all lands . . ." (William Kirkpatrick, An Account of the Kingdom of Nepal, p. 86.) Approximately a century and a half later, another English observer wrote, "All land in Nepal is ultimately the property of the State." (Perceval Landon, Nepal, Vol. II, p. 207.)

and which is listed in the official records."¹ This distinguishes Raikar from the other forms of land tenure, Birta, Guthi, and Kipat, which do not necessarily pay taxes and, for the most part, are not listed in official records.

Ancient Sanskrit writings are sometimes interpreted to imply that state ownership of the land is an ancient Hindu institution,² though there are differences of opinion between scholars on this question. Vincent A. Smith, for example, noted that "the native law of India has ordinarily recognized agricultural land as being Crown property."³ K. P. Jayaswal, on the other hand, maintained that "nothing is so distant from Hindu law as this theory."⁴ But in Nepal there exists a considerable body of evidence to support the view that state ownership of the land is an institution which has been sanctified both by law and by tradition.

The very fact of the existence of different forms of tenure, such as Raikar and Birta, supports the argument that the state has traditionally considered itself the owner of all the land within its domain. Birta, as a form of private right, emerged only when the state divested itself of ownership by means of a specific grant. One of the many forms of Birta, known as Suna Birta, came into existence when the King sold his land to his subjects in return for gold. But the question of the sale and purchase would not have arisen if the state had not been regarded as the owner of the land.

In Nepal, the character of the land system was previously determined primarily by the relative abundance of cultivable land in proportion to the demand for it, as pressure on available land resources is a phenomenon of only comparatively recent origin. Accordingly, the law visualizes land as a free commodity to be distributed among the local inhabitants on the basis of their need and the availability of land.* Thus the Nepal Muluki Ain (Legal Code) states:

Those who possess inadequate land shall be given a proportionate share of the waste land available in that district, in such a way that each share includes land of both inferior and superior quality. But if land brought under cultivation by the strength of one's body exceeds this proportionate share, no deduction shall be made therefrom.⁵

However, Mafi (tax-exempt) lands are not subject to such distribution⁶ under the provision of the legal code since

*This practice appears to have prevailed in India also under similar conditions. Cf. Kishori Mohan Gupta, The Land System in South India, p. 71.

the state has, in effect, divested itself of ownership rights on this category of land. Obviously, therefore, Mafi land cannot be treated on the same basis as Raikar land for the purposes of proportionate distribution.

There is evidence to prove that during the countrywide settlements of 1868, waste land was distributed in proportion to the number of persons in the family in several areas. Even as late as 1895, land under Rakam tenure appears to have been similarly distributed. Such a system was feasible in a situation where population was below the optimum level, as determined by the amount of cultivable land and the prevalent techniques of cultivation. Naturally, in these conditions, the price of cultivated land must have been determined by the value of human labor already incorporated into it or, occasionally, the higher marginal value of land due to location or production qualities. After human labor and investment were incorporated on the land, occupancy right emerged with the result that land is inheritable and transferable, but may be resumed by the state on nonpayment of taxes. In other words, the right to the land is recognized for purposes of utilization so long as taxes are paid regularly, but in case of default, the state reserves the right of foreclosure. Thus:

. . . the rights . . . to the land comprise only two of the three constituents of ownership of immovable property, according to Roman law, that is to say, the right to its use and its fruits.⁷

Rights on Raikar land are limited to occupancy rights vis-a-vis the state.⁸ In the event of default, tax arrears are not realizable out of the value of the landed property. The underlying assumption is obviously that where dealings with the state are concerned, land has no value as such, and that the rights of the cultivator are secure only so long as he pays the taxes regularly.

Relations between the state and the cultivator are thus essentially similar to those between a landlord and his tenant. Regularity in the payment of the land tax is the prime condition for holding land. In cases of default, "eviction is made after recovering the arrears from the new occupant or otherwise, if necessary."⁹ In case there is a brick building on a Raikar holding on which taxes are in arrears, "eviction shall be made only from the land and not from the house."¹⁰ Provision is made for auctioning the house for realization of the arrears, but since the land in itself does not constitute a form of private property, it is not auctioned,* and is transferred to any person who offers

*The Muluki Ain also provided for compensation to be paid for "land belonging to the people" or Birta land, if

to pay up the arrears as well as the annual taxes.* The legal position is explained in very clear terms in the Muluki Ain, according to which "Raikar land belongs to the Government, even if it is assigned as emoluments of office to Government employees."¹¹ Administrative practices conform closely to this legal position. The landholder is listed as "Mohi" (tenant) in the assessment records.¹² Transactions of Raikar land involve a transfer of occupancy rights only and not of the land itself. In contradistinction, in the case of Birta, such transactions involve the land, and not necessarily occupancy rights.† Cultivators working Raikar land are therefore merely tenants, and have no ownership rights over the land as such. Raikar tenure may accordingly be described as a form of state landlordism which originally involved a direct relationship between the state and the cultivator.

required for governmental use. On the other hand, if Raikar land was to be acquired, compensation was payable only for any buildings thereon, thereby implying that the land itself was not to be compensated. (Government of Nepal, "Jagga Jamin Goshwara ko" (On Miscellaneous Land Matters), Muluki Ain (Legal Code), Part III, Section 5, p. 63.) In recent years, however, payment of such compensation, particularly in respect of land acquired for the implementation of development projects, has been usual. The practice has been regularized by the promulgation of the Land Acquisition Act, 1961, which makes no distinction between Raikar, Birta, or any category of land for purposes of such acquisition and compensation. This Act repeals Section 5 of the "Jagga Jamin Goshwara ko" in the Muluki Ain as quoted above. (Government of Nepal, Ministry of Law, "Jagga Prapti Ain, 2018" (Land Acquisition Act, 1961), Nepal Gazette (Extraordinary), Vol. XI, No. 18, Bhadra 25, 2018 (August 25, 1961).)

*The situation is somewhat different in the Tarai. There defaults in the payment of land tax are not punished by outright eviction, but rather the holding concerned, or the necessary portion thereof, is put to auction and the proceeds are utilized to settle the arrears. In other words, there is an indication that the Raikar land possessed by the landholder is considered to be a form of property. Probably such a practice, different from that prevailing in the rest of the country, was introduced to encourage settlement in this region.

†The term used for Raikar transactions is "Rajinama," literally "resignation," presumably from the status of an occupant. Transactions of Birta land were called "Farse" ("settlement" or "clearance").

In recent years, low and static taxes together with unrestricted rents and the increasing prices of agricultural produce, have been responsible for considerable subinfeudation. This point will be elaborated elsewhere, but it should be noted in this context that such subinfeudation, by creating an intermediary class of landed interests, has tended to obscure the basic relationship between the state and the cultivator and the institution of state ownership. For example, the 1959 Lands (Amendment) Act defines "landowner" as

. . . the tenant on Nambari land [i.e., land listed in the assessment records] or the person in whose name the holding or the homestead is registered according to the custom prevailing in different areas. . . . This term shall also include any person in possession of legal rights to utilize the land in the capacity of a registered tenant or Jimidar.

Similarly, a "peasant" has been defined as "the person cultivating the land who pays the stipulated rents to the landowner."¹³ The legal tenant is thus confused with the landowner, while the subtenant is regarded as the tenant. Thus, in recent years, the rights of the intermediary class have acquired security and importance to such an extent that the principle of state ownership of the land and the limitation of such rights to occupancy tenure and not to ownership of the land itself has become largely an academic issue. Since these intermediary rights have undergone a basic change of character in recent decades, they also may now be considered as constituting a form of private property. In these circumstances, it may be unrealistic to set as the goal of land reform policy the re-establishment of a system of state ownership in conformity with the traditional concepts of state landlordism. Beyond the state's "paramount ownership," which has been limited in practice to the imposition of the land taxes, such rights have in recent years seldom been expressed or exercised, and recent legislation attaching considerable sanctity to the "ownership" rights of the intermediary class, is a good reflection of the trend towards the recognition of private ownership interests on the land.

Nevertheless, there are occasional indications that a direct state-cultivator relationship is still considered desirable. It has been suggested, for example, that land obtained for reclamation by private individuals should not be rented out.¹⁴ Under the 1956 Rapti Valley Land Distribution Rules, tenancy, subdivision, and fragmentation of holdings sold to settlers in the Rapti valley are prohibited.¹⁵ At least in the case of newly reclaimed lands, such a direct relationship can be effected easily without involving the structural changes in the hierarchy of land interests that similar measures on land already under cultivation will necessitate.

JAGIR

A common practice followed by the government until 1951 was to assign Raikar land as emoluments of office to government employees, which led to the emergence of Jagir tenure.* Land other than Jagir, on which the government collected taxes directly or indirectly for its own use, are known as Jagera.† For a long time it was the policy of the government to pay the salaries of civil and military employees in the form of Jagir assignments as far as possible. Prior to 1948, the law specified,

While assigning land for the Khangri [i.e., rents on Jagir land], civil and military employees, except when there is a specific order to retain any land as Jagera, no employee shall be given a cash salary as long as there is any vacant or Jagera land available, without an order from the Prime Minister. If a cash salary has been paid in any case, it shall be withdrawn and replaced by a land assignment.§

The assignments were made until the death or termination of employment of the employee concerned. According to the then existing law, once an assignment was made and rents were collected by the recipient in full for one year, it

*The Jagiri system was well known in India where it "originated and continued as rewards for military service." (G. D. Patel, Land Problems of the Reorganized Bombay State, p. 76.) This system, as it prevailed in India, had much in common with the Birta system in Nepal, where "rewards for military service" were generally given in the form of Birta grants.

†Harilal, Pahad Mal Bishaya (On Revenue Offices in the Hills), p. 8. The term Khalisa also appears to have been borrowed from India to denote similar land in the Tarai. The system of Jagir and Jagera appears to be in conformity with the Indian practice during the medieval period. According to one study, "Throughout the Muslim period the great bulk of the cultivated land was ordinarily in the hands of Assignees, but certain tracts, described as Khalisa, were reserved to provide the treasury with cash and were managed by the Revenue Ministry." (Sir Richard Burn, ed., The Cambridge History of India, Vol. IV, p. 456.)

§Government of Nepal, "Jagga Pajani ko" (On Land Evictions), Muluki Ain (Legal Code), Part III (1935 ed.), Section 27, p. 31. This section does not appear in the next edition of the Muluki Ain, published in 1952, which incorporated all amendments made up to 1948. It must, therefore, have been repealed sometime between 1935 and 1948.

could not be replaced by a cash salary or exchanged for another holding.¹⁶ Under the existing system (Pajani) of renewing the appointment of every government employee from year to year, however, the assignments had naturally to be confirmed periodically.

Since the assignment was made on the basis of a fixed income, in cash or in kind, depending upon the nature of assessments in the area, arbitrary enhancements of rents were not permitted.¹⁷ For example, when a complaint from landholders in the district of Syangja was submitted to the government in September, 1900, charging that the Jagirdar had arbitrarily enhanced the rents on his Jagiri holding, an order was issued directing that the original figure should be restored.¹⁸ Probably such restrictions were absent in the case of assignments of Pakho holdings, known as Khuwa, with the result that the Jagirdar was able to impose thereon various types of levies which were later incorporated into the land tax when the land reverted to the state as Raikar.*

Nevertheless, there is evidence to show that this statutory policy of withholding cash emoluments as far as possible was ignored long before it was actually repealed. According to an English observer:

No Jagirs, or lands given as a reward for military service, are now granted in the Tarai. This custom lent itself to certain abuses which were partially put an end to by Jung Bahadur, but his reforms still admitted of hardship upon the tenants, for which, however, the middleman between the original grantee and the worker on the actual land were chiefly responsible. The present Maharaja† began to substitute cash payments for Jagirs given for military service.¹⁹

The Jagiri system was finally abolished in 1951 after the downfall of the Rana regime.²⁰ All Jagiri holdings then reverted to the state, as a result of which the distinction between Jagir and Jagera lands has become obsolete.

*Harilal, op. cit., p. 25. This system, by and large, appears to be different from that prevailing in medieval India where "the Assignee or Jagirdar thus was left free to administer the area, and assess and collect the revenue of the peasant, like a State within a State, by his own agents or servants, or through the village Headman, or through farmers." (Radha Kumud Mookerji, "Indian Land System--Ancient, Mediaeval and Modern," Report of the Land Revenue Commission, Bengal, Vol. II, p. 100.)

†The Maharaja referred to here is Chandra Shumshere Jung Bahadur Rana, who was Prime Minister from 1901 to 1929.

RAKAM

Another form of land tenure, similar in some respects to the Jagiri system, is known as Rakam. This system originated from the assignment of land as remuneration for the performance of specific functions, mostly of a manual character. Rakam differs from the Jagiri system in that the former usually constituted a permanent and inheritable assignment of land subject, of course, to the continued performance of the stipulated function, while the latter was a temporary assignment that lasted only until the death or termination of service of the civil or military official concerned.

Land under Rakam tenure has been assigned to carpenters, masons, bricklayers, stonecutters, mail carriers, mine workers, caretakers of religious places, hostels, and forests, players of windpipe instruments (Kushle), and similar other categories of manual workers and artisans. Sometimes, such assignments are also made as compensation for the supply of various commodities such as charcoal and fodder. In general, Rakam holdings seem to have been granted for the supply of goods and performance of services required by the royal palace or various government offices and undertakings, and thus appear to be concentrated for the most part in Kathmandu valley. Until 1853, any class of land could be assigned as Rakam. Since that year, however, only Raikar land can be thus alienated. Rakam land, on the other hand, can be reconverted into Raikar only with special government permission.²¹

Various facilities have been provided to Rakam holders, primarily with the object of ensuring that the services performed by them are not dislocated. Eviction is not permitted even in case of default in providing the services up to one year, on payment of a penalty of Rs. 0.16 each time.²² Minors are exempted from service until they attain the age of 16 years. Even if Rakam holdings are subdivided, coparceners have prior claim to any vacant portion. Ordinarily, except when there is a stipulation in writing to the contrary, "the land shall belong to the person who operates the service."

In recent years several of these services have become defunct, and steps have been taken from time to time to abolish a few categories of this form of land tenure. The Kagate Hulaki Rakam, under which land was assigned to mail carriers, was abolished as early as 1914.²³ Similar steps taken more recently have attempted to bring the land affected by such abolition into the ambit of Raikar taxation. In 1955, the government decided in principle that all Rakams should be abolished and converted into Raikar, but implementation of this policy has so far not been comprehensive.

BIRTA

Divesture by the state of its ownership rights in land in favor of private individuals resulted in the emergence of the Birta system. The term was probably derived from the Sanskrit word "Vritti," meaning livelihood. The state, in other words, granted land to individuals to enable them to make a living.*

Since a Birta comes into existence only after the state divests itself of ownership, private ownership of land in Nepal, which Birta implies, is not an original right, but is the result of a specific grant by the state. Nevertheless, the law provides that where land has been utilized as Birta for a period exceeding 16 years, it may be retained as such on the basis of possession, even in the absence of documentary evidence.²⁴ At the same time, however, if a Birta holding includes land for part of which documentary evidence is available, any part for which the owner is unable to furnish such evidence is converted into Raikar, and the 16 year rule does not apply.²⁵ This ensures that the land possessed as Birta in no case exceeds the quantity specified in the grant concerned.

Birta has sometimes been defined as "an assessment of land revenue to the Birta landholder (Birtawala) and not to the Government."²⁶ But there is evidence to prove that the system actually involved a grant of the land itself rather than a mere assignment of land revenue. In several cases Birta has emerged as the result of a financial transaction between the state and a private citizen.²⁷ The following Sanskrit lines, which appear in numerous Birta grants, would appear to substantiate this conclusion:

Anybody who confiscates land granted by himself or by others, shall in his next life be a worm living in human excrement for 60,000 years.²⁸

Confusion has arisen, apparently, because Birta grants did not generally affect the occupancy rights of the cultivator. Prior to Bhadra 17, 1963, Vikram Sambat (September 2, 1907), there was no restriction on the rents which a Birta

*The Birta system in Nepal appears to resemble the "Birt" system of India very closely. In India "Birt involves sale or gift or proprietary rights within definite limits . . . Birt sometimes was a grant made by a Hindu raja or governor in favor of Brahmins and it was originally of a religious character. Such Birts conferred by favor were liable to resumption at the will of the rajah." (B. R. Mishra, Land Revenue Policy in the United Provinces, p. 205.)

holder could exact from his tenants. A law enacted on that date, however, prohibited Birta holders from charging more than the assessments prevailing on adjoining holdings of Raikar land.²⁹ In this legislation Birta holdings appear to be considered more in the character of revenue assignments than grants of land. In fact, however, the measure merely constituted a restriction on rents on all Birta lands that had not been assigned for direct and personal use. In conditions where tenancy rights are secure, land ownership naturally is limited to rent receiving rights and statutory controls over such rights can hardly be interpreted as an infringement of ownership.

Nevertheless, it will be incorrect to conclude from the above that Birta implies absolute ownership rights. Provisions in many Birta grants impose restrictions on transferability or inheritability and sometimes even entail the performance of specific functions, such as the maintenance of rest houses or the recitation of religious prayers. Several forms of Birta enjoin on the recipient the obligation to remain in attendance at court or to supply men and materials in times of war. To be sure, there existed numerous forms of Birta which did not involve any such specific conditions, but even in these instances, loyalty to the King remained the prime condition for continued possession. Several grants prescribed that possession should continue "until some offence is committed."³⁰

According to the Muluki Ain, Birta land

. . . may be utilized according to the terms and conditions prescribed in the grant, if the land has been under possession. It shall not be confiscated unless some offence is committed.³¹

The terms and conditions attached to Birta grants are so widely varied in character that it is difficult to systematize this form of land tenure into a few basic patterns.

Contrary to general belief, Birta does not necessarily imply exemption from taxation, for several forms of Birta have been liable to taxation, although largely nominal, for a long time past. The practice appears to have been started by King Prithvi Narayan Shah in 1772 with the imposition of the "Pota" tax on several forms of Birta tenure.³² Only in 1957³³ did Birta taxation become universal, though on a much lower level than taxation on Raikar land.

The abolition of the Birta system and the conversion of all Birta holdings into Raikar so as to end their privileged status and bring them into the orbit of normal taxation has been the declared policy of the government since 1951. However, it was only in 1959, after the formation of the Nepali Congress Government, that this policy was given

legislative effect in the form of the Birta Abolition Act.³⁴
According to Section 3 of the Act:

- (1) With effect from the date of the commencement of this Act the Birta system existing in the Kingdom of Nepal has been terminated and all Birta holdings existing up to the day prior to the commencement of this Act have been abolished.
- (2) All Birta lands existing in the Kingdom of Nepal, which have been abolished under Sub-section (1) above, shall be converted into Raikar, and land ownership rights therein shall vest in His Majesty's Government. Land ownership rights and powers possessed by Birta holders on such Birta lands prior to the commencement of this Act shall be regarded to have ipso facto, lapsed.
- (3) Any law, regulation, order or other document providing for the emergence or continuation of ownership rights and powers on Birta land in favor of any individual have been repealed or nullified with effect from the date of commencement of this Act.³⁵

Provision was made for compensation only for cultivated land on which the imposition of taxes was expected to absorb the entire revenue accruing to the Birta holder. This policy has been substantially retained by the Council of Ministers formed after the dismissal of the Nepali Congress Government in December, 1960.³⁶

GUTHI

Lands assigned for the use of charitable, religious, or philanthropic institutions come under Guthi tenure. The term Guthi is probably derived from the Sanskrit word "Gosthi" or council. The Guthi tenure therefore signifies institutional land held under trust for specific objectives such as those mentioned above.

Forms of Guthi tenure vary according to the type of institution in favor of which ownership has been divested by the state. In the majority of cases, the institutions come directly under state administration, thus giving rise to Raj Guthi lands. Sometimes the Guthi lands are privately operated, but the grants are registered in the official records. Such holdings are known as Darta Guthi. There are also numerous cases in which Birta land is privately utilized as Guthi for the performance of religious functions or family ceremonies. Such lands are but rarely registered as Guthi in official records, and are known as Duniya Guthi.

For the purposes of the Birta Abolition Act, 1959, these last named Guthi holdings are in no way different from Birta holdings.

Guthi land may also be owned by monasteries. In this case any income remaining after monastic expenses have been met accrue to the head of the monastery, who is usually appointed by the government.³⁷

Generally, in the past, no restrictions were imposed on the conversion of Birta holdings into Guthi, presumably because the rights of the state were in no way affected thereby. The use of Raikar land for such a purpose, however, necessitated official sanction. Rights of transfer and inheritance of Guthi lands are subject to a number of statutory restrictions, which are mainly designed to ensure the continuance of the Guthi functions, and to penalize such of the trustees as are guilty of evasion of duty or of malfeasance of the Guthi income.³⁸

The Guthi system, in general, has been regarded as sacrosanct by the government. Land found in excess of the figure mentioned in the original grant in the course of subsequent measurement has generally been considered as part of the Guthi holding in contrast to the existing practice in similar circumstances in respect to Birta holdings. Guthi land, if acquired for any governmental purpose, has always been replaced by land of similar category of equivalent area or yield elsewhere. As a result of occasional grants of Birta and Raikar land as Guthi, and also of the fact that such land cannot revert to the original form of tenure, the extent of Guthi land has tended to increase steadily. The income from Raj Guthi lands, which is collected through offices directly under governmental control, was kept separate from general revenues until the introduction of modern financing and budgetary practices in 1951 deprived this distinction of all practical significance.³⁹

In recent years there has been some demand for modifications in the Guthi system, primarily aimed at the reduction of rents. The level of rents on Guthi land is, in general, considerably higher than taxes prevailing on similar categories of Raikar land, and payment has sometimes to be made partly in kind. In view of the religious susceptibilities involved, however, demands for the outright abolition of Guthi tenure have seldom been voiced. In 1953 the Land Reform Commission stated that the abolition of the Guthi system would be "anti-social and anti-religious."⁴⁰ In 1955, a Royal Proclamation on land reform declared:

Since the Guthi system involves the performances of religious functions and represents an act of devotion to God, the traditional system shall be continued.⁴¹

Even the Lands (Amendment) Act of 1959, while guaranteeing security of tenancy rights to cultivators in general, provided that in respect of Guthi lands owned or administered by the Government of Nepal, rents usually paid by the cultivators should continue to be paid, until other arrangements were made to operate the Guthi, or until another order was issued by the government.⁴²

KIPAT

As mentioned previously, Kipat is essentially a form of communal tenure, as only members of certain ethnic groups are permitted to own land under this system. The most prominent of these groups is that of the Limbus of Dhankuta and Ilam in eastern Nepal, including several subgroups such as the Yakha, the Athapriya, the Bhote, and the Majhiya. In addition, the Tamangs of East Nos. 1 and 2 districts also own land under this system. Kipat land owned by various other small groups is also found in Palpa, Achham, and Dailekh.

In Dhankuta and Ilam, the origin of this system can be traced back to the 1770's when the area was incorporated into Prithvi Narayan Shah's rapidly expanding empire. The Limbu areas were brought under the general suzerainty of the Gorkha dynasty through a negotiated settlement between Prithvi Narayan Shah and local Limbu chieftains rather than by outright conquest. Thus, the Gorkha rulers found it more expedient to recognize the local chiefs and guarantee the security of their traditional rights and privileges, which apparently included exemption from land taxation. According to a Royal Order to the local chiefs of this region issued in July, 1774:

We hereby confirm all the customs and traditions, rights and privileges, of your country. Join our nobles and help them. Take care of the country as you did when it was being ruled over by your own chieftains. Enjoy it from generation to generation, as long as the land remains in existence.⁴³

Later kings, including King Tribhuvan in 1951, and King Mahendra in 1961, have reiterated this guarantee.

Elsewhere, too, the Kipat system appears to have had an ancient and probably similar origin. In Dailekh, for instance, certain Kipat tenures appear to have been confirmed as early as 1749.⁴⁴

Since Kipat is a form of communal tenure

Land is held on a tribal, village, kindred or family basis, and individuals have definite rights in this land by virtue of their membership in the relevant social unit. Hence, title to land has a communal

character and it is usufructuary, rather than absolute. A chief, for example, may be the custodian of the land, but he is not its owner. The normal unit of land ownership is generally the extended family or kindred group, and once the land is granted to such a group it remains its property. In theory land may be pledged and redeemed, but only in such manner that it shall not be permanently lost.⁴⁵

Accordingly, Kipat land cannot be alienated to individuals outside the community. Regulations promulgated at least as early as 1799 prohibited such alienation.⁴⁶ In the case of the Limbus of eastern Nepal, this condition was confirmed in an official order issued in July, 1901, although there were no restrictions on the alienation of unirrigated land for use as paddy fields by means of artificial irrigation facilities. At the same time, land already alienated prior to this date was allowed to revert as Raikar.⁴⁷ In the district of Ilam, however, an order issued in August, 1917, directed Kipat holders to redeem all their alienated land within a period of six months, failing which the land would be converted into Raikar.⁴⁸ Though the latter order in particular appears to have paid a rather perfunctory deference to the principle of nonalienability of Kipat land, yet the purpose underlying all such orders have been vitiated by the lack of restriction on the mortgaging of Kipat land. It has been alleged that land once mortgaged can seldom be redeemed, since the ordinary Kipat holder has few alternative sources of income. According to one study, "Limbus other than the big Subbas [headmen] have not a single plot of land left. Whatever they had has all been given out on mortgage."⁴⁹

Even in the case of the Limbus, however, nonalienability does not mean necessarily that people of other ethnic groups cannot settle on Kipat land. Thus, if Kipat holders settle people of other tribes on their Kipat land, the land given away in this manner becomes Raikar. But it continues as Kipat if it is given to other Limbus.⁵⁰ However, since 1946, Limbus have been prohibited from occupying such Raikar as Kipat land.⁵¹

From very early days efforts appear to have been made from time to time by the government to bring Kipat holdings within the ambit of the land taxation. One of the methods employed towards this end was to require new headmen to surrender a specified quantity of Kipat land as Raikar.⁵² In addition, although the land is free from taxation, a fixed tax of Rs. 6.50 per Limbu family, irrespective of the land owned, has been imposed.⁵³ Considering the generally low level of land taxation in this area, it is possible that poorer Limbus at least might have paid less had they been under obligation to pay land taxes at the rates prevailing

on Raikar land. Accordingly, in 1938, an option was provided to them to surrender their land as Raikar in case this would reduce their tax liability,⁵⁴ but not many Limbus appear to have taken advantage of this provision.

In the case of other tribes, an obligation to perform specific functions has often compensated the government for the loss of land revenue. Kipat holders of the Majhi tribes in Achham, Dailekh, and East No. 2, for example, are required to provide ferry services. In several districts, including Ilam and East No. 1, the obligation to provide certain services such as charcoal manufacture or the transport of government stores, has been placed on the Kipat holders. Often they are under obligation to provide such services in addition to the payment of various forms of land tax.⁵⁵

EFFORTS TOWARDS UNIFORMITY

Recent government policies appear to have been directed at achieving uniformity in the land tenure system. The abolition of the Birta and Jagiri systems, and the policy commitment to the abolition of Rakam assignments, justify this conclusion. The religious factors inherent in the Guthi system, as well as the tribal considerations involved in the Kipat system, particularly in respect of the Limbus, at the same time preclude the political and administrative expediency of any measure aimed at their abolition. Although it is unreasonable to suggest that traditional considerations should be given importance to the extent of exempting any part of the land from taxation, it must also be questioned whether, in a country with such diversity of ethnic, social, and economic conditions, uniformity of the land system as a whole is an objective worth striving for. Uniformity may be desirable only to the extent of ensuring to the state payment of equitable taxation on the land, and of providing to the cultivator a fair and just return for his labor. From this point of view, it is only an effort aimed at achieving equitable taxation on land that may be feasible and desirable in the long run.

Since Rakam, Jagir, and Birta lands are being converted into Raikar, it is clear that the objective of the government is to mold the entire land tenure system on the Raikar pattern, as far as practicable. The Raikar system at present has a very wide connotation which is not confined to any specific type of relationship between the state and the landowner. It only implies the liability to pay taxes. It is indeed significant that Nepal's legal and administrative terminology lacks any term to denote peasant proprietorship. Accordingly, although the Jagiri, Rakam, and Birta systems are being converted into Raikar, these steps do not constitute a complete policy in so far as land tenure reform is

concerned. These are essentially fiscal measures designed to bring nontaxable or undertaxed lands within the ambit of the land taxation system. From the viewpoint of land tenure reform, therefore, the absence of a specific goal behind these measures is easily apparent.

Examples may be cited to illustrate how the lack of awareness of the need to reform the land tenure system from this standpoint has led to adverse results from some of the reformative measures. When the Jagiri system was abolished in 1951, it was provided that cultivators of such land, who had previously paid revenue in kind to the Jagirdar, should now make payments to the Mal (Revenue) office after commuting them into cash at the scheduled conversion rates.⁵⁶ Accordingly, the cultivator on a Jagiri holding at Nagarkot in Kathmandu division, who used to pay revenue in kind to the Jagirdar in the form of one muri of rice,⁵⁷ could now meet his tax liability by paying only Rs. 9.10. Three consequences followed from this step. In the first place, the total value of the payment made by the cultivator went down from approximately Rs. 60.00 (the approximate value of one muri of rice in 1951) to Rs. 9.10, i.e., about 15 per cent of the original figure. Moreover, since the Jagirdar had to be replaced by a government employee who was paid a cash salary, this meant that the government assumed a liability of at least Rs. 60.00 (representing part of his salary), while claiming only Rs. 9.10 from the land which so far had been meeting this liability. Finally, the cultivator enjoyed an increase of Rs. 50.90 on his normal annual income from the land. Since the land was already providing him with sufficient income to warrant continued cultivation, this surplus income could be transferred on payment of the capital value thereof. In other words, he could sell the right to this extra income. At 10 per cent interest, this would fetch him a price of approximately Rs. 500.00, while he himself would continue as cultivator. Alternatively, he might prefer to appropriate this extra income of Rs. 50.90 himself and let out the land on the terms under which he himself cultivated it formerly. Thus, the cultivator has been able to derive little benefit from this "reform" measure, while at the same time it has widened the area of subinfeudation on the land, and deprived the government of much potential revenue.

It is unnecessary in this context to elaborate on the desirability of eliminating the intermediary class and bringing about a direct relationship between the state and the cultivator. Evidence has been quoted above to show that this has been recognized by the government. The difficulties that stand in the way of implementing a similar policy in respect to existing land, in which the hierarchy of land rights has already grown into a complicated patchwork, are no doubt real, but at least the government should make a

direct state-cultivator relationship the basis of all its land tenure reform measures, and ensure strict adherence to this policy in all land development programs.

Traditionally, the tax demands of the state have been limited to lands over which it affirmed paramount ownership. Until recently, therefore, taxable land was for the most part limited to Raikar tenure. Although a few forms of Birta were also liable to taxation at nominal rates, recent legislation has aimed at terminating the Birta system, and converting all Birta lands into Raikar. Therefore, a study of the land taxation system should primarily be confined to Raikar. Accordingly, the present study will devote itself to an analysis of the systems of tax assessment and collection on Raikar land alone.

III. FORMS OF TAXABLE LAND

Land, as the basic natural resource, can be utilized in various ways. Although physical factors often determine the ways in which a particular plot of land can be best put to use, in Nepal other empirical considerations, such as tradition or the maximization of revenue, have also influenced the way in which land use is determined. For example, according to one study, the cultivated area in Nepal

. . . includes land which, from an ecological and topographical viewpoint, would be more appropriately under grass or forest. On the other hand, vast areas in the Tarai are left uncultivated for climatic reasons, although topographically and by virtue of the quality of their soils they are well suited for cultivation.¹

A study of the various forms of land use, therefore, provides a background to the study of land tenure and taxation systems. In Nepal, the problem is relatively simple because of the comparatively backward stage of economic development and the consequent lack of diversification of the land use pattern. In the absence of an official system of land classification for taxation purposes, in the present chapter we shall study the various categories of land on the basis of present use, and then deal with the system of tax assessment thereon. Since land tax, in its simplest definition, is a payment made to the state for the private use of land resources, systems of land tenure and taxation emerge only when land is used by individuals acting in a private capacity. In Nepal, important categories of land use, such as forest land, are directly owned and managed by the state, and, therefore, categories of taxable lands are restricted to agricultural land, pasture land, rural homesites, and urban land. However, in view of the comparative importance of agricultural land in Nepal's national economy, we shall commence with an analysis of the assessment and taxation systems on agricultural land, and then consider the much less complicated question of the taxation systems on the other categories of taxable land--namely, pasture land, rural homesites, and urban land.

AGRICULTURAL LAND

Agriculture constitutes the mainspring of economic activity in Nepal. Almost 94 per cent of the total population depends directly or indirectly on agriculture for its livelihood. From the standpoint of employment, primary occupations such as agriculture, forestry, and fishing employ about 90 per cent of the working population over the major part of the country. The cultivated area covers an estimated 9,200 square miles (about 5.9 million acres), or 16.9

per cent of the total land area and, as such, agriculture is the most extensive economic activity. Agricultural land, therefore, constitutes the most important category of land use in Nepal.

For purposes of tax assessment, agricultural land includes land that is cultivable, though not necessarily under cultivation. It may include, for instance, land once under cultivation, but subsequently turned to waste, gardens with nonbearing fruit trees, bushes, and thickets (bamboo, for example), flower gardens, small forests, threshing grounds, and barns and waste land adjoining cultivated areas.² The regulations enumerating these categories of agricultural land do not include orchard land as such. As a matter of fact, however, for purposes of tax assessment in the Tarai districts, lands with jack-fruit, citrus, fig, tamarind, and other fruit trees are generally treated as agricultural. Land owners in this section of the country are required to plant mango, jack-fruit, and other fruit trees on two out of every hundred bighas of land in their possession,³ without in any way affecting the existing tax assessment. The regulations strictly forbid the use of orchard land for agricultural purposes.⁴

The classification of land as either agricultural or forest is determined primarily by the amount of revenue accruing to the state in either case. That is, if the total land taxes on the land amount to less than the expected income to the state from the sale of forest produce, the land is not permitted to be utilized for agricultural purposes. Stray trees growing on agricultural land may be felled with the permission of the government without any change in the existing law liability, but in cases where such trees grow on plots of agricultural land entirely surrounded by forests, provision is made for remission of taxes.⁵

Tax assessment does not depend upon the actual cultivation of any cultivable land. As the apparent intention of the government is to make nonutilization of the land a burden on the owner, no cultivable land in any holding is exempt from taxes on the ground that it is not brought under cultivation. For example, any cultivable land retained as waste for personal convenience is treated as cultivated land and taxed accordingly.⁶ If any portion of a cultivated plot of land is left uncultivated even though it is cultivable, the owner is under obligation to forgo his rights on the cultivated portion also, if he is not inclined to pay taxes on the entire plot.⁷ At the same time, land which is left uncultivated for one year or less is not treated as waste.⁸ Moreover, the law stipulates that owners must bring uncultivated land under cultivation even though they are actually paying taxes on the land equal to that

which would be paid if the land was under cultivation. Thus they are required either to cultivate the land themselves or permit others to do so. The Muluki Ain (Legal Code) states: No person shall, except in the case of land the cultivation of which would affect other people adversely . . . or of land adjoining his homestead and garden, stop, or cause to be stopped, the cultivation of other waste land, neither cultivating it himself, nor allowing others to do so, on the ground that it is included in the area for which he is paying tax, or that its cultivation will affect him adversely. He shall either himself bring it into cultivation, or let other persons, who come forward for this purpose, do so. In case he does not act according to this law, the land shall be given away for reclamation to the person who comes forward to take it up.⁹

Similarly, in the case of Jimidari holdings, noncultivation of waste land renders it liable to forfeiture.¹⁰ At Bhaktapur, in Kathmandu valley, the regulations state that: No person shall cultivate only the superior part of the holding and leave the inferior part uncultivated. He shall be allowed to retain possession of the uncultivated plot on payment of the usual revenue if he so desires; otherwise his entire holding shall be passed on by the Talukdars to other persons who are prepared to cultivate it.

But in practice breaches of these provisions of the law appear to be more common than compliance. The Land Reform Commission Report (1953) noted that in Kunchha revenue division of West No. 3 district:

Practically all over the district, rich and important people paying a few pice as land revenue control entire mountains and big highland plots. They do not bring the land under cultivation themselves, nor allow others to do so. At the same time, millions of people with the strength to work are leading a wretched life because they have no land.

There have been similar reports from almost every district. Since land suitable for cultivation is taxed irrespective of whether it is brought under cultivation or not, there is, presumably, little incentive for the government to enforce the law making cultivation obligatory for continued ownership.*

*It is interesting to note that this law appears to have been applicable in the same form in India too, under the Mauryas, where "non-cultivation of land will render it liable to forfeiture. The land thus released shall be given

Certain types of land are prohibited for agricultural use. They are roads and paths used by the people from ancient times, courtyards and land adjoining houses, land used in transit by village cattle, water sources, land adjoining lakes and ponds, meadows and pasture lands, main roads and highways, and land that is left or rendered waste by order of the government.¹³ The cultivation of pasture lands and forest land adjoining inhabited areas is expressly prohibited by the regulations.¹⁴ A similar prohibition applies to residential sites in urban areas.¹⁵

The policy of prohibiting the use of forest land for agricultural purposes is primarily designed to conserve wild life and forest resources. The need for such a policy appears to have been realized for a long time past. In Makbanpur, for example, the regulations note that stray and haphazard cultivation of forest land only leads to the destruction of the forest resources, without adding much to the area under cultivation, for usually the land thus reclaimed eventually relapses into its original condition.¹⁶ The reclamation of forest land inhabited by elephants, tigers, and rhinoceros, or used as hunting camps, is also prohibited.¹⁷ The regulations prescribe that in the Makbanpur district waste land should be reclaimed only if such reclamation does not lead to the destruction of wild life or of forest resources.¹⁸ In recent years, realization of the importance of soil conservation and the hydrographical effects of deforestation has given added significance to this policy, thereby leading to more comprehensive and ambitious measures. In 1957, privately-owned forest land as well as all waste land surrounded on all sides by forests, was nationalized. This measure, however, did not affect cultivated plots with stray trees, orchards, or plots of land not exceeding 25 ropanis in the hill districts and Kathmandu valley planted with trees.¹⁹ The 1961 Forest Act provides for the acquisition by the government of waste or cultivated lands within or around forest areas for purposes of forest preservation.

Agricultural land has been traditionally classified on the basis of irrigation facilities, soils, or type of crops cultivated. In the hill districts and Kathmandu valley, the terms Khet and Pakho are used to distinguish between irrigated and unirrigated land. In the majority of the Tarai districts, particularly in the eastern region, a similar

to other cultivators in the village in the first instance. Failing that, the state is to settle it with more resourceful people who can make it profitable and pay rent for it." (Radha Kumud Mookerji, Chandragupta Maurya and His Times, p. 125.)

distinction is made between Dhanahar and Bhith, while in some of the western Tarai districts, the corresponding terminology is Abal and Dhushi.* The use of these terms, however, is not very clear-cut. Occasionally the terms Khet and Pakho are found to be in use in some inner Tarai areas, while reference to Dhushi land appear in a few districts in the eastern Tarai region, thus further complicating the land classification system.

Khet land is generally defined as irrigated land situated on the lower reaches of the valleys where paddy and wheat can be grown. Pakho land, on the other hand, is unirrigated highland or hillside land where only dry crops, such as maize and millet, can be grown. But since human ingenuity can often provide for the construction of artificial irrigation facilities or terraced fields, thus making the retention of water feasible, this classification is based more on pragmatic criteria than on any precise examination of the physical qualities of the soil. Accordingly, some writers have attempted to apply a more practical distinction between the interpretation of these two terms by defining Khet as land on which taxes are assessed in the form of paddy, rice, wheat, and cash, and Pakho as land on which the assessment takes the form of maize, millet, and a cash payment known as Serma.²¹ But even this definition is not entirely satisfying, for it is not uncommon to find taxes assessed on Pakho land in the form of paddy, wheat, and cash.

Along with physical factors, such as irrigability and soil conditions, present use also sometimes constitutes a criterion to distinguish between Khet and Pakho land. Thus, in Kathmandu, if land previously assessed as Khet is subsequently used as Pakho land and, on examination, is found to be no longer suitable for the cultivation of paddy, the classification may be reversed from Khet to Pakho, along with necessary tax remissions. But no such facility is granted if the Khet land appears to have been used as Pakho only to suit the personal requirements of the owner, and not because of any physical alterations in the quality of the land which make the cultivation of paddy thereon no longer possible.²² If, on the other hand, arrangements are made for irrigation facilities so that Pakho land becomes suitable for the cultivation of paddy, it is upgraded as Khet. But assessment on the basis of the new grade is made only after a period of five or ten years, depending upon whether the irrigation facilities are financed by the government or

*Abal in this sense should be distinguished from Abal as one of the four grades indicating the quality of the land.

by the landowner himself. At the end of this period, the tax is assessed at the rate of Rs. 0.10 per muri of land. Until 1940, however, assessments on Pakho land thus converted into Khet were revised only during the next district-wide settlement, when they were fixed on the basis of rates prevailing on adjoining holdings of Khet land.*

The distinction between Dhanahar and Bhith and between Abal and Dhushi lands in the Tarai districts is based exclusively on the type of crops grown at the time of the settlement. Crops grown on Dhanahar land include vegetables, mustard, tobacco, ginger, sugarcane, paddy, jute, poppy, oil-seeds, and sesame. Bhith land includes waste and pasture land, as well as land on which crops such as jute, maize, lentils, and winter crops are grown.²³ The type of crops grown on Abal and Dhushi land is also more or less similar,²⁴ although in neither case is there any uniformity in the number and nature of the crops cultivated on each category of land. But classification as Dhanahar and Bhith does not depend only on present use. For example, if land on which superior (i.e., higher tax paying) crops could be grown are used for the cultivation of inferior crops, the land is classified on the basis of the superior crops which could be, but are not, grown.²⁵

Generally, the downgrading of land from Dhanahar to Bhith is not permitted during subsequent settlements. Moreover, any landholder who refused to accept the classification imposed by the survey officer, is liable to replacement. As the Bardiya Survey Regulations state:

If any person is dissatisfied with the classification determined by the Survey Officer, the position shall be explained to him and he shall be persuaded to agree. In case he remains intransigent, he shall be replaced by another Jimidar . . . and preference in such appointment shall be given to his coparceners, owners of adjoining holdings or other well-to-do Jimidars, in that order.²⁶

Under the Cadastral Survey program initiated in 1956, as part of the first Five Year Plan (1956-61), an attempt has been made to achieve uniformity in the system of land classification in the Tarai region, a de novo classification being one of the primary objectives of the program. The

*Government of Nepal, Law Ministry Records, Addendum to Hill Mal Regulations, 1947. According to the Muluki Ain, however, tax exemption is granted for four years only if Pakho land is converted into Khet. (Government of Nepal, "Jagga Biraune ko" (On Reclamation of Waste Land), Muluki Ain (Legal Code), Part III, Section 5(2), p. 23.)

program does not make any reference to the classification system prevailing in the hill districts and Kathmandu valley, apparently because it was decided to retain the existing classification as Khet and Pakho. In the Tarai region it abolishes the Abal and Dhushi system of classification, and provides for the exclusive use of the Dhanahar-Bhith terminology. Although the program has not progressed according to schedule, the new system sought to be introduced is important inasmuch as ultimately it will affect the entire kingdom. The Cadastral Survey Regulations define Dhanahar as land on which agahani (autumn) paddy can be sown or transplanted. Similarly, Bhith land is defined as suitable for the cultivation of bhadaiya (monsoon) and rabi (winter) crops.²⁷ But no provision is made to take into account alterations in the cropping pattern from year to year. It is clear that the government will lose revenue if the landowner is able to effect improvements on the land in such a way that Bhith crops are replaced by Dhanahar crops. The program there inherits the rigidity which was one of the most important defects of the existing system. It is also incomprehensible why the classification formulae do not attempt to define the distinction between Khet and Pakho land in the hill districts and Kathmandu valley as well.

PASTURE LAND

In some areas of Nepal, particularly at high altitudes in the hill districts and in the western Tarai, pasture land is sometimes found as a separate category of taxable land.* The total acreage of pasture lands, including alpine meadows and some waste lands, has been estimated at approximately four to four and a half million acres.²⁸ But this does not mean, necessarily, that all this land is classified as pasture in the assessment records. Tradition, present usage, or maximization of revenue primarily determines whether the land is classified under this category. In Surkhet, for example, land is treated as pasture or agricultural, whichever yields the government more revenue.²⁹ Sometimes the classification is determined on a purely arbitrary basis. According to the Kathmandu Assessment Order of 1950, for example, a holding in Kathmandu valley which, according to law, should have been converted into Raikar because of the failure of the owner to prove that it was Birta, was classified as pasture land and assessed accordingly, on the ground

*In the eastern Tarai districts, which are more densely populated than the west Tarai, pasture land is not treated separately for purposes of tax assessment. In the majority of cases, it is treated as agricultural and classified as Bhith. (Cf. Government of Nepal, Law Ministry Records, Morang Survey Regulations, 1913, Section 27.)

that it was being used as such.³⁰ With increasing pressure on the land, it was perhaps inevitable that most land classified as pasture has been utilized increasingly for agricultural purposes. In the course of settlements conducted between 1934 and 1948 a considerable proportion of pasture land was actually classified as agricultural.³¹ It should also be noted that potatoes, wheat, or barley are sometimes cultivated on pasture land during summer, when grass is plentiful elsewhere.

Pasture land has never been measured or graded, and a cadastral survey and classification have therefore been recommended.³²

In the absence of measurement, taxes on pasture land are assessed on the basis of the number of cattle grazed, or the size of the pasture land estimated in a rough and ready fashion or, in a few cases, on the number of graziers using it.

The tax on pasture land assessed on the basis of the number of cattle grazed is called Chari Rakam in the Tarai districts. But only foreign graziers* and local people living at least half a mile away from the pasture grounds are liable to pay it. It is interesting to note that this tax is remitted in the case of cows, bulls, and calves, possibly out of religious considerations. The rates in the case of other animals such as buffaloes, asses, mules, sheep, and goats are different for foreign and local graziers, as the following figures indicate:

*The pasture grounds of Nepal have always attracted graziers from the Indian plains. According to an English traveler who visited eastern Nepal during the mid-19th century, "The old and new Mechi rivers are several miles apart, but flow in the same depression, a low swamp many miles broad, which is grazed at this season and cultivated during the rains. The grass is very rich, partly owing to the moisture of the climate, and partly to the retiring waters of the rivers; both circumstances, being the effect of proximity to the Himalaya. Hence cattle (buffaloes and common humped cow of India) are driven from the banks of the Ganges 300 miles to these feeding grounds, for the use of which a trifling tax is levied on each animal." (Joseph Dalton Hooker, Himalayan Journals, pp. 269-70.)

TABLE 8³³Taxes on Pasture Land in the Tarai

	<u>Foreign Graziers</u>	<u>Local Graziers</u>
Buffaloes, asses, and mules, per head	Rs. 2.25	Rs. 0.75
Sheep and goats, per head	Rs. 0.14	Rs. 0.09

In Surkhet district, a distinction is made between foreign graziers and those who come from the hill region. The assessments are as follows:

TABLE 9³⁴Taxes on Pasture Land in Surkhet Division

	<u>Foreign Graziers</u>	<u>Local Graziers</u>
Buffaloes, per head	Rs. 10.12	Rs. 1.50
Horses, per head	Rs. 0.69	Rs. 0.69
Sheep and goats, per head	Rs. 0.14	Rs. 0.08

In all cases, the taxes are collected before the animals are allowed to graze, in order to prevent evasion.

In the hill districts and parts of Kathmandu valley, a corresponding tax, known as the Charai Rakam, was abolished in 1929.³⁵ Presumably this was due to the widespread extension of cultivation to what were previously pasture lands. In these areas the taxes on pasture land is limited to the Kharchari assessment which appears to be based on a rough and ready estimate of the size of the pasture ground. The assessment sometimes takes the form of butter, potatoes, and ghum (rain covers made of bamboo peel and leaves), all of which are at present converted into cash for purposes of collection. Assessment in cash, however, seems to be more common and the rates vary widely. At Roula in Gulmi district, for example, some holdings of pasture land are assessed at Rs. 1.66, Rs. 1.67, Rs. 2.00, or Rs. 4.50.³⁶ The estimated size of the holding was probably one of the underlying considerations for purposes of assessment, but information on the method of assessment is not available.

In Gorkha district, according to an order issued in March, 1941, the existing taxes on pasture lands were

retained "for the time being." In all cases the boundaries of the pasture lands are demarcated. The assessments are often unduly low, varying from as little as Rs. 0.01 to about Rs. 4.00 per holding. In a few cases, assessments are based on the number of graziers using a demarcated pasture ground. The assessment per grazier rarely goes above Rs. 0.06.³⁷ This method of assessment appears to treat the pasture ground as a communal possession held under usufructuary, rather than absolute title. But the usufruct has probably tended to veer towards an absolute title, because the tax records have not been kept up-to-date.

Measures were taken in 1949 to conduct a systematic survey of pasture lands in the hill districts and provide for a uniform system of taxation. The communal character of the system was sought to be safeguarded by registering such land in the name of the Talukdar (tax collector), although it is difficult to see how this could have safeguarded the rights of the common people.³⁸ But these arrangements appear to have been largely ineffective. Standardization of the method of assessment and uniformity in rates appear to be an urgent need, particularly in view of the importance, both present and potential, of animal husbandry and dairy farming in the kingdom. However, no measures in this direction have been taken in recent years.

RURAL HOMESITES

The enumeration of rural homesites as a separate category of land use is confusing at times because, in the absence of measurement and accurate surveys, a homesite can hardly be distinct from the agricultural land surrounding it. In the rural areas of Nepal, a homestead normally comprises not only the site on which it is built, but also some land around it used as a courtyard or gardens. According to existing regulations:

Every homestead shall pay taxes at the prevailing rates in proportion to the land covered by it. If a Sukumbasi (i.e., a homestead which does not include agricultural land) includes any land, taxes shall be assessed thereon at the rates prevailing in the village.³⁹

In other words, the homestead, for purposes of tax assessment, includes the site, and the number and extent of taxes imposed thereon depend on the amount of land occupied by it. In West No. 1, for example, even a "landless" person may own some land around his homestead which is not taxed as agricultural land but is regarded as part of his homestead.⁴⁰

In certain cases the law provides for tax exemption on homesites. For example:

If a brick house is constructed on Raikar waste land anywhere in the Kingdom of Gorkha* land within the line of the roof and 15 feet in the front shall be granted as Birta land.⁴¹

While primarily intended to encourage settled habitation, this law does not appear to have had wide application. Tax exemption is extended only to "brick buildings," a rarity in most parts of the country. Moreover, the site must previously have been Raikar waste land, a condition not always possible of fulfillment. Finally, the difficulties involved in implementing the administrative requirements before the government would exempt the site from taxation must have constituted another complicating factor.

For the most part, therefore, rural homesites as a separate category of taxable land are limited to the hill districts and certain parts of Kathmandu valley.† In the Tarai districts too, there is evidence indicating that homestead taxes (Ghargandi) were prevalent at one time.⁴² Even at present, in Udayapur district, a Sukumbasi tax of Rs. 1.50 is levied on all homesteads owned by landless persons.⁴³ A similar tax is imposed in certain areas of Palhi-Majhkhand district also.⁴⁴ However, in these two cases the homestead tax appears to be limited to landless persons, while homesteads owned by persons possessing agricultural land appear to be exempt from taxation. In recent years, homestead exemption appears to have been the trend of tax policy as far as the Tarai districts are concerned. For example, in the course of the 1946 settlement in Saptari district, it was decided to exempt homestead lands from taxation, and a considerable amount accruing to the government as homestead tax was actually remitted.⁴⁵ Apparently this policy has not been extended to other districts in the Tarai as revenue settlements have not been revised in most of them in recent years.

In the majority of the hill districts and certain rural areas of Kathmandu valley, homesites are generally liable to

*I.e., the kingdom of Nepal. Prior to the revolution of 1950, the kingdom was so called after the ruling dynasty, which originally came from the district of Gorkha in the western hills. The term Nepal was primarily used to denote Kathmandu valley only. (Cf. Government of Nepal, "Jagga Pajani ko" (On Land Evictions), Muluki Ain (Legal Code), Part III, Section 20(1), p. 33.)

†In the Bhaktapur district in Kathmandu valley, however, homestead taxes appear to have been abolished after Pakho lands were measured and graded in 1930.

pay either the Saune Fagu tax or the Sukumbasi tax, depending on the amount of land covered by the site. This appears to be mainly a difference in terminology, for there is no evidence to indicate that the rates of these taxes differ. According to one story, the Saune Fagu tax originally constituted a levy on the revelry indulged in during the sowing season in the month of Saun (July-August), and during the Fagu festival in the month of Falgun (February-March).⁴⁶ According to another interpretation, it symbolizes the presents made by a tenant to his landlord from out of the monsoon and autumn produce. There is evidence to show that originally Saune and Fagu were two separate taxes, payable in the form of butter and oil respectively, but which were sometimes converted into cash payments.⁴⁷

The prevailing rates of the Saune Fagu or Sukumbasi tax on homesteads in different parts of the hill districts vary from Rs. 0.04 in Kathmandu valley, Pokhara, Kunchha, and Salyan to Rs. 0.16 in Nuwakot.⁴⁸ In general, in the areas indicated above, the Saune Fagu is levied either alone or in combination with a multitude of other taxes. It is difficult to compile an exhaustive list of such taxes since their number and nature differ from place to place, or to explain their origin and significance. Frequently it is even impossible to distinguish between direct taxes and levies connected with the land, since the assessment records include taxes of all categories. A few typical examples of assessments on homestead land in some of the above-mentioned areas will illustrate the obscure and complex nature of the system or, rather, the absence of any system. Since it is not possible in the absence of measurement to distinguish between a homesite and the surrounding agricultural land, in all these cases it is assumed that the Serma is the tax on the agricultural land, and that the other taxes concern either the homestead or the caste, occupation, or social status of the occupant.

At Thamlia, in Salyan district, a homestead is liable to pay the following taxes:

Asmani	Rs. 0.13
Saune Fagu	Rs. 0.04
Walak	Rs. 0.16
Chhalai	Rs. 0.13
Tiledhupe	Rs. 0.09
Toana	Rs. 0.02
Dole	Rs. 0.03 ⁴⁹

At Maidi, in Dhading district, a homestead is assessed as follows:

Saune Fagu	Rs. 0.04
Bethi	Rs. 0.04
Walak	Rs. 0.04
Hasil	Rs. 0.12 ⁵⁰

In Terhathum, an area populated chiefly by Limbus, assessments on a non-Limbu homestead are generally of the following character:

Saune Fagu	Rs. 0.04
Jhara	Rs. 1.00
Bethi	Rs. 1.12
Megjin	Rs. 0.08
Sarbachandrayan	Rs. 0.06

In general, homestead taxes have been considerably simplified in the course of recent revenue settlements. In the majority of cases the only tax retained was the Saune Fagu, but occasionally a few other taxes, such as Walak at five per cent of the Serma tax, and Megjin at Rs. 0.32 per homestead (in Kunchha and Pokhara), and the Mijhari tax (in Bajhang), have been continued. It is only in Jajarkot that all the existing taxes, such as Bethi, Chhalahi, Megjin, Futkar, and Asmani, were retained. The rates of the Saune Fagu tax itself, however, are far from uniform, inasmuch as they vary from Rs. 0.04 in Kunchha and Pokhara, to Rs. 0.12 in Baitadi and Bajhand.

In Kathmandu valley, taxes on homesteads include, in addition to the Saune Fagu, a multitude of payments based on the farm produce even in cases where the homesteads do not comprise agricultural land. Such payments include maize-pods, fish, chickens, fuel wood, rain-covers, tobacco, milk-cakes, liver, mats, mutton, bananas, curds, and earthen plates. A few examples will make this system clear.

At Mudkhu, a homestead which apparently does not include agricultural land is liable to pay the following assessments, which are converted into cash for purposes of collection:⁵¹

Saune Fagu	Rs. 0.04
Curd	Rs. 0.02
Bananas	Rs. 0.04

At Syudeni, a similar homestead pays taxes as follows:

Saune Fagu	Rs. 0.04 /
Bethi	Rs. 0.04
Bananas	Rs. 0.04
Walak	Rs. 0.04
Mutton	Rs. 0.01
Sabai grass	4 bundles*

Frequently caste considerations appear to be the underlying consideration for the determination of assessments on homesteads. Homesteads which belong to members of untouch-

*The conversion rate for this item is not clear.

able castes, such as cobblers (Sarki) and blacksmiths (Kami), are exempted from the Saune Fagu tax but are assessed the Chhalahi* and Tal taxes instead, as well as the Tip. At Belkot in Dhading, for example, a homestead owned by a cobbler is liable to pay Rs. 0.08 as Chhalahi and Rs. 0.01 as Tip, while a blacksmith pays Rs. 0.32 as Tal and Rs. 0.01 as Tip. Needless to say, the rates of these taxes are not uniform, and at the same time there appear to be occasional exceptions. At Sanga Chok in Kathmandu, for example, a homestead owned by a member of the Khatri caste is liable to pay both the Chhalahi and Tip, although Khatri is not an untouchable caste.⁵² Presumably this is due to an administrative lapse in adjusting the records, as the homestead might have belonged to a cobbler previously.

In general, the Saune Fagu tax and other taxes based on caste and other social considerations are levied at the rate prevailing in the village. According to the regulations:

The Saune Fagu tax, which is levied on the roof, shall be assessed on new homesteads at the rate prevailing in the village. Even in the case of existing homesteads, with regard to impositions other than those levies on the land, like the Saune Fagu on the roof and other taxes in personam like those based on caste, if the rate prevailing in the village is not applicable, so that some are paying less and some none at all, every homestead shall pay at the prevailing rates in proportion to the land covered by it. If a Sukumbasi homestead includes any land, revenue shall be assessed at the rate prevailing in the village. If no land is involved, only the Saune Fagu, and no other imposition, shall be payable.⁵³

Exceptional cases in which the Saune Fagu is replaced by one or more taxes of other categories in the form of cash, kind, or labor are also numerous. Sometimes, instead of the Saune Fagu, we find the Sarbachandrayan tax. This tax, where applicable, seems to be levied at a uniform rate

*Probably this tax had its origin in the levy collected in the form of skins from "members of the Bhote tribe and hunting and beef-eating castes." In an order to the Amalis (village headmen) in the region west of the Trishuli and east of the Madi, which now comprises part of the West No. 1 district, a levy of one buffalo, deer, bear, or tiger-skin was imposed on each such family. Cobblers (Sarki) were required to pay two such skins per homestead. This levy was, however, allowed to be converted into a cash payment at Rs. 0.08 per skin. (Government of Nepal, Revenue Department Records, Order to the Village Headmen of Western Nepal, 1794.)

of Rs. 0.06 per homestead.* In certain areas in Dailekh district also, the Sarbachandrayan tax is imposed on every homestead except that of a Sukumbasi or of untouchables, such as cobblers (Sarki) and tailors (Damai).⁵⁴ At Tupyak, in Kathmandu district, there are a few homesteads which pay the Sarbachandrayan instead of the Saune Fagu, though in some cases in this area, the Sarbachandrayan is levied in addition to other levies such as fuel wood.⁵⁵ It is only in Terhathum that the Sarbachandrayan is levied in addition to the Saune Fagu. Occasionally, as in Nuwakot, the Saune Fagu tax is replaced by levies such as the Walak and the Chardam Theki. This is rather unusual, however, for Chardam Theki is generally levied only on Khet land. In certain cases in this district, the Saune Fagu is not levied and, instead, every homestead is obliged to provide one laborer for public work.⁵⁶ In some cases, as in Sankhu⁵⁷ and Ilam,⁵⁸ the Saune Fagu tax is integrated with the Serma tax on the holding, apparently with the intention of simplifying the taxation system.

In Kathmandu valley, the levies which replaced the Saune Fagu consisted mostly of assessments on various kinds of agricultural produce. At Mudkhu in Kathmandu district, in one case, a homestead pays only in the form of mutton.⁵⁹ In Lalitpur, at Lubhu subdivision, some homesteads pay only in the form of oil or vermilion.⁶⁰

URBAN LAND

The predominantly rural character of the population has made urban land less important than other land uses from the viewpoint of land taxation. According to the 1952-54 census, nearly three-fourths of the population lived in settlements with fewer than 1,000 inhabitants, and only 10 settlements, five of which are situated in Kathmandu valley, had a population exceeding 5,000, comprising three per cent of the total population.

In spite of the fact that homesites in rural areas have long been subject to taxation, residential sites in urban areas appear to have remained exempt. This policy was motivated, apparently, by the desire to attract people to the

*There is evidence that, prior to 1911, this tax was levied on all homesteads in the hill districts and Kathmandu valley, with the proceeds accruing to the Dharmadhikar (religious authority). In that year the government abolished this tax and bestowed a cash emolument to the Dharmadhikar. (Government of Nepal, Law Ministry Records, Sindhupalchok Revenue Regulations, 1934, Section 98.) The Sarbachandrayan tax, as it exists at present, seems to be a different levy.

towns, since it would tend to increase the desirability and selling value of urban property. The Kathmandu Survey Regulations, for example, prescribe that In Kathmandu town and a few suburban areas, residential sites are only to be enumerated and not measured, and that taxes are to be paid only if such sites are situated on taxpaying Raikar land.⁶¹ Similarly, in Sankhu (Kathmandu valley),

Residential sites and Birta lands within the urban area need not be measured or assessed for taxes. But if anybody offers to enter such land in the assessment records . . . necessary directions shall be sent to the Pota (Tax) Office.⁶²

Thus, in effect, the principle of homestead exemption was given recognition, though the government did not go to the extreme of forgoing taxes due on Raikar land.

Taxes on land situated in market areas or commercial sites, which do not take into consideration the value of the property, have a long history in Nepal. The Bal Bithauri tax, for example, is levied on market area lands in the Tarai districts.⁶³ In the urban areas of Kathmandu valley, special taxes appear to have been levied on commercial sites, in some instances even in the absence of a general system of nonagricultural assessments. These taxes are not based on the value of the site, however. For example, in Kirtipur a site consisting of 0.2 ropani of land is liable to pay a tax amounting to only Rs. 0.37.⁶⁴ Occasionally, such assessments may also take the form of grain as, for instance, a site of 0.04 ropani in Kathmandu town is liable to pay 2.6 pathi of maize.⁶⁵ In the majority of such cases, however, the area occupied by the site is not mentioned, and the assessment takes the form of a fixed payment in cash (Thek Tiro). Assessments on such sites vary from Rs. 1.25 in Kirtipur to Rs. 75.00 in Kathmandu, presumably on the basis of estimated size.

The generally accepted principle with regard to the taxation of land used for nonagricultural purposes is that the state is entitled to a share of the unearned increment which is the result of state or public expenditure or other social factors. Taxation of such unearned increment must, therefore, be based on an evaluation of the extent to which the land has appreciated in value. This process of tax assessment is fundamentally different from that on agricultural land where productivity is, directly or indirectly, the main criterion determining the level of taxation. This principle was initiated in Nepal in 1958 during the personal rule of King Mahendra,⁶⁶ but was subsequently repealed as a result of strong public opposition. It was revived in 1959 by the first elected government formed by the Nepali Congress. According to the Finance Act, 1959, houses and compounds in urban areas specified by the government would

be taxed on the basis of their value.⁶⁷ For purposes of such tax assessment, a "compound" was defined as land within the premises of the houses on which the cultivator was not entitled to acquire tenancy rights.⁶⁸ The urban areas where the new measure was to be enforced were specified subsequently as Kathmandu, Lalitpur, and Bhaktapur in Kathmandu valley, Birganj, Rajbiraj, Janakpur, Biratnagar, and Bhadrapur in the eastern Tarai, Butaul and Nepalgunj in the western Tarai, Bhojpur, Ilam, Dharan, and Dhankuta in the eastern hill region, and Pokhara and Tansen (Palpa) in the western hill region.⁶⁹ Legislation was enacted to provide for progressive taxes on all urban property in excess of a minimum figure of Rs. 25,000.00. In 1961, the Council of Ministers (formed after the dismissal of the Nepali Congress Government) not only raised the exemption limit to Rs. 50,000.00, but also sharply reduced the progressive character of the measure. The new schedule is as follows:

TABLE 10⁷⁰Property Tax Schedule, 1961Rate of tax per Rs. 1,000.

Rs. 50,000	nil
Rs. 50,000 - 60,000	Rs. 1.
Rs. 60,000 - 70,000	Rs. 2.
Rs. 70,000 - 80,000	Rs. 3.
Rs. 80,000 - 90,000	Rs. 4.
Rs. 90,000 - 100,000	Rs. 5.
Rs. 100,000 - 110,000	Rs. 6.
Above Rs. 110,000	Rs. 7.

These rates are subject to an increase of 50 per cent in cases of rented houses and compounds. Since such taxation involves a valuation of both the compound and the building, the assessment procedure is very complex. Costs of construction, availability of civic amenities, the importance of the site, and depreciation are the underlying considerations for purposes of tax assessment.⁷¹

THE NEED FOR A PROPER CLASSIFICATION SYSTEM

We have noted that the present use of land resources which is the basis of the foregoing classification, seldom indicates the suitability of the land for the particular use for which it is presently being utilized. Accordingly, a strong case can be made out for a proper classification of land use on the basis of physical factors such as topography, soil texture, rainfall, location, and altitude. Such a classification would not only assist in the formulation of sound land reform and development measures, but also contribute to an efficient and equitable system of land taxation.

Where classification is determined without reference to objective factors, much is left to the discretion of settlement officers, and a category which is treated as pasture in East No. 1 may be subject to agricultural tax assessments in Kathmandu valley. In view of the fact that with enhanced economic development, the land use pattern will be increasingly diversified, a proper land classification system appears indispensable to enable the government to augment its income from land categories devoted to uses more profitable than agricultural.

The existing system of land classification for taxation purposes is grossly inequitable as between different regions of the country. Until recently, as mentioned above, residential sites in urban areas were exempted, wholly or partially, from taxation, although in the hill districts such exemption is seldom the case. Moreover, in the Tarai, with one or two exceptions, homesites are not treated at all as a separate category of taxable land. A uniform basis and system of classification would, in these circumstances, not only make the overall taxation system more equitable as between different regions, but also result in increased revenues to the state. The 1960 Property Taxation Act does little to ensure equity as between urban and rural areas. Every homestead in the hill districts and in parts of Kathmandu valley is liable to pay the Saune Fagu and other taxes, but there is hardly any justification for exempting residential sites assessed at less than Rs. 50,000.00 in value from taxation in urban areas. In other words, if houses and compounds below this limit are to be exempted from taxation in urban areas, a better case can be made out for providing exemption to all homesteads in rural areas, since houses and compounds worth more than Rs. 50,000.00 are a rarity in these areas. Moreover, although this measure introduces the welcome principle of land taxation on the basis of value in the case of urban land, it makes no attempt to strike such land off the agricultural land tax assessment records. The result might be, in many cases, that the same land is subject to both types of taxation. This is obviously unfair, and is the inevitable consequence of attempting to introduce a differential system of land taxation without simultaneously reforming the land classification system.

The Cadastral Survey program initiated under the Five Year Plan makes no attempt to introduce a proper land classification system and devotes itself solely to agricultural land, even though one of the objectives of the program is declared to be the classification of lands.⁷² Rural homesites or urban residential sites are only demarcated without being measured. But at the same time the program fails to provide proper criteria for determining such land use and distinguishing it from agricultural land. This defect is

aggravated by the vague concept of the homesite as a taxable unit under the existing system. As a matter of fact, the house and compound on which it has been decided to impose property taxes under the 1960 Property Taxation Act is an equally vague unit. It might therefore be advisable to define the maximum area that the homesite or house and compound might comprise, in order to ensure uniformity and tax equity. In addition to a proper system of classification of lands devoted to various uses for purposes of taxation, uniform principles of tax assessment also appear to be essential, not only to ensure equitable taxation as between different parts of the country, but also to maximize government income.

IV. THE BASIS OF TAX ASSESSMENT

The general practice in determining agricultural land tax assessments is to treat productivity per unit of area as the basic criterion. In Nepal, however, a very complex assessment system exists because of the prevalence of several methods of assessment irrespective of the area of the land, the use of different methods in different parts of the country and, in general, the absence of any specific basis of assessment or relationship between estimated yields and assessments. Methods of assessment have differed with time, the distance of the area from the capital, and the quality of the land. Where conditions are unfavorable for determining assessments on the basis of the estimated yield per unit of area, haphazard and less complex systems such as the number of plough teams required to farm the holding, or the amount of seeds expected to be needed for sowing, are used as bases of assessment. So far, assessments based on the value of land, or on the income derived from it, have been unknown, although value sometimes constitutes one of the criteria to determine gradation of land for the purpose of estimating productivity. A discussion of the various bases of agricultural land tax assessment will therefore form the subject matter of the present chapter.

ASSESSMENT ON THE BASIS OF PRODUCTIVITY

In several cases attempts appear to have been made to establish a direct correlation between assessments and the actual produce of the land. Sharing of the produce at the harvest and assessment on the basis of one-sixth of the gross produce have been the main methods employed under this system.

The Adhiyan (Sharing) System

Sharing (Adhiyan) constitutes the most direct method of correlating assessment to productivity. Assessment on the basis of sharing involves an equal division of the produce at the harvest between the state and the cultivator. There is evidence to indicate that this system was frequently used in former times. For example, an order issued in Kartik, 1859 (November, 1802), confirmed the grant of certain lands at Kisipidi village in Lalitpur district on a crop-sharing basis. Since the lands were assigned as Jagir to the army, the order strictly prohibited exaction in excess of this figure.¹ Occasionally such orders mentioned the specific amount that was to be paid as revenue on a crop-sharing basis, thus implying the existence of a system of sharing by estimation also. For example, an order issued in Poush, 1842 (December, 1785), confirmed a grant of land to a Brahmin on a crop-sharing basis, but specified the revenue payable

thereon as 105 muris of paddy on 240 muris of land.² Usually this system involved only a division of the grains and not of the straw. For instance, the Bhaktapur Talukdar Regulations state that:

If the tax on the land on which rice-straw or wheat-straw also has been assessed is to be realized on the basis of half of the produce, collections shall be made accordingly. If, however, on land on which the crop is to be shared and the assessment does not include rice-straw or wheat-straw, this shall not be shared.³

As a division of the crop in the field could not mean payment of dry grains, "Collections shall be made at the rate of 24 pathis for every muri of paddy."⁴ Again in the same area:

On plots of land situated at the high level, if crops suitable to the land are cultivated but do not ripen in time . . . half of the produce shall be paid as revenue.⁵

With the increasing use of surveys and measurement for purposes of revenue assessment, sharing as a method of assessment appears to have been discarded gradually. Steps were taken to replace such assessments on the basis of the area. For example, in a number of hill districts:

If the tax has been fixed at half of the produce or if the revenue is specified but the quantity of land is not mentioned, the system of realising half of the produce as revenue shall be abolished. The amount being obtained as revenue, or the rate prevailing on adjoining holdings, whichever is higher, shall be fixed as revenue. Where the quantity of land has not been mentioned, surveys shall be made if necessary, and the land shall be entered in the Assessment Lists with the area duly noted . . .⁶

Assessment at One-Sixth of the Gross Produce

According to ancient Sanskrit literature, the land tax should represent eight to 16 per cent of the gross produce.⁷ In Nepal, according to a government proclamation issued on Chaitra 12, 1976 (March 25, 1920), it was prescribed that taxes on newly cultivated land should be remitted for the first four years, and then assessed on the basis of one-sixth of the gross produce with effect from the fifth year. Subsequently, it was prescribed that the same formula should be applied on excess land when the actual area was found to be larger than the registered area, as well as on certain types of Rakam land which were converted into Raikar.⁸ This order was effective both inside and outside Kathmandu valley. Probably it applied only to Khet land, for it is

recognized that application of the same basis of assessment to Pakho land would involve hardship on the people.⁹

A similar principle was also adopted in fixing assessments on newly cultivated lands in the Tarai areas. In 1923 a program was formulated to reclaim waste land on a large scale in Hetaunda district. As a special facility, taxes were to be remitted for a period of seven years and, at the end of this period, assessment was to be made at one-seventh of the gross produce. After the 11th year, it was to be increased to one-sixth, and payment was to be made in kind.¹⁰ But existing assessments in this area do not provide any evidence that these provisions were ever actually enforced.

References to this system are found as recently as 1950,¹¹ but in no case do assessments appear to be based on this system at present. In 1934 assessments on newly cultivated land were fixed at specific rates in some hill districts and Kathmandu valley, thus finally discarding the one-sixth principle. These rates vary from 14.2 to 20 per cent of the estimated yield in the hill districts, and from 22.8 to 42.14 per cent in Bhaktapur. Obviously the government was unwilling to commit its tax demands to a definite share of the produce in this way, and had also to make allowances for agricultural and other conditions in different areas. Nevertheless, the system of converting assessments in kind into cash for purposes of tax collections and the discrepancy between the conversion rates and the actual rates prevailing in the market have reduced the proportion accruing to the state as tax considerably below one-sixth of the gross produce.

AD HOC AND CONTRACTUAL ASSESSMENTS

Assessments bearing no definite relationship to productivity, either actual or estimated, have long been known in Nepal. Such assessments may be classified as ad hoc and contractual. As we shall see later, existing methods of classification and gradation of land prior to the introduction of new formulae in some areas under the Cadastral Survey program involve estimates of yields on each grade. But the assessments in themselves bear no definite relationship with such estimates irrespective of whether they are in kind or in cash. Thus, with identical estimates of yields, assessments vary in the hill districts and Kathmandu valley. The same is also true in the case of the Tarai districts.

According to the contractual method of assessment, the cultivator undertakes to pay a fixed charge, usually in cash, per unit of area. This tax is known as Thek Tiro, and is generally levied at a low rate as compared to other types of land assessments, probably because it is a contractual

payment on which no remissions are allowed on any account. It thus ensures the government against risks of fluctuations in the land revenue. At present the Thek Tiro is generally levied on the basis of land area in the Thekka Thiti districts* as well as in a few cases in various other hill districts, parts of Kathmandu valley and, formerly, in Palpa district. But there is evidence that previously contractual assessments were made for an entire village without reference to the area. For example, in the course of the revenue settlement made in Baitadi in 1938, the Byas Gorkha subdivision was assessed a contractual payment (Thek) of Rs. 181.18 but the area of the taxable land therein was not specified in the existing assessment records. This area was left unmeasured even in the 1938 survey as "it consists mostly of Pakho land and Himalayan terrain."¹² The Khurpa Thek tax levied at one time in some Tarai districts was probably a variation on this system. For example, in Bara, Parsa, Rautahat, and Sarlahi districts, survey officials were directed to measure the land wherever the Khurpa Thek tax was prevalent and then abolish it.¹³ Another variation was the Mahasule system, under which assessments were fixed, usually in cash, on a contractual basis, at specially low rates such as Rs. 0.04 or Rs. 0.16 per ropani on both Khet and Pakho land. Probably this system was applicable in the case of local chieftains (Umrao) and authorities as a special token of official favor.¹⁴ Sometimes assessments under this system also took the form of the Saune Fagu tax on the basis of the homestead, without involving any measurement of the land, although the land itself was classified as Khet.¹⁵ In 1961 the government decided to abolish the Mahasule system,¹⁶ although it is doubtful that the measure has been implemented satisfactorily. The gradual abolition of this system appears to have been decided upon as early as 1911, when people who owned land under this system in Kathmandu valley were directed to have it registered as Raikar.¹⁷

GRADATION OF AGRICULTURAL LAND

Even in cases where there is no direct correlation between assessments and estimates of yield, attempts have been made to take variations in productivity into account while determining assessments. This has been done by dividing agricultural land into several grades, such as Abal,

*The Thekka Thiti districts comprise the revenue divisions of Doti, Jumla, Achham, Dailekh, Baitadi, Dandeldhura, Bajhang, Chhathum, Terhathum, and Ilam where land taxes are collected under the contract system. This system will be discussed in Chapter VII.

Doyam, Sim, and Chahar,* on the basis of the physical properties of the soil, irrigation facilities available and, on occasion, estimated productivity per unit of area. This system was reportedly introduced during the reign of King Pratap Simha Shah (1775-1777).¹⁸ But no evidence is furnished by the assessment records of any area indicating that gradation as Abal, Doyam, Sim, and Chahar formed an integral part of the settlement process at that time. Nor did the countrywide settlements of 1854 and 1868 appear to have provided for such gradation. The first time gradation on the basis of these four categories was introduced on a district-wide level seems to have been during the settlements in Dailekh and Jumla in 1889. No such system was followed however, when settlements were made in Terhathum in 1893 and in Salyan in 1932, thus indicating that the system had not acquired general applicability. The basis of gradation as Abal, Doyam, Sim, and Chahar during this early period is not clear, and it may be assumed that it differed from one area to another. In 1934, therefore, standard formulae for determining these grades of agricultural land were devised for application on newly cultivated land in Kathmandu valley and the hill districts of Kabhrepalanchok, Sindhupalchok, Ramechhap, Dolakha, Okhaldhunga, Palpa, Achham, Nuwakot, Dhading, Syangja, Bandipur, Baglung, Salyan, and Pyuthan, where assessments are wholly or partly in kind. But since

*Probably these terms were originally used to denote the status of the cultivator and not the grade of the land. An 18th century British observer, William Kirkpatrick, writes: "The Purbettie or the peasantry of the mountainous country, are divided into four classes, denominated Owal, Doem, Seoom and Chaurem, which are Persian terms, denoting first, second, third and fourth; this is the more remarkable as no such division of the order of husbandmen would appear to have been made at any time by the Mogal Government. The Owals are those peasants who possess five ploughs and upwards; the Doems such as have from one to five; the Seoom are those who, without being proprietors of ploughs are considered to be at the head of a few or more laborers; the Chaurems are the mere laborers, the price of their labor, whether received in money or grain, being called Nemaik. (William Kirkpatrick, An Account of the Kingdom of Nepaul, p. 101.) We find evidence of such gradation also as late as 1845 when the Goddhuwa tax was assessed on different classes of people in the Jumla, Bajhang, and Bajura areas to pay for the dowry of the eldest daughter of King Rajendra Bikram Shah Dev (Itihas Prakash Mandal, Itihas Prakash (Light on History), Vol. II, Book 2, p. 247.) The conversion of the system to denote the gradation of the land instead of the status of the peasant marked a significant stage in the development of the land tax as a tax in rem.

these formulae were applicable only on newly cultivated land, in areas where surveys have not been revised in subsequent years the assessment registers still include numerous entries that do not specify grade.

The 1934 formulae* were not made applicable to the hill districts of Dailekh, Jumla, Bajhang, Doti, Baitadi, and Dandeldhura in western Nepal, and Chhathum, Terhathum, and Ilam in eastern Nepal, where the land tax is collected under the contract system, as well as in Gorkha, Pokhara, Kunchha, and Majhkirat, where assessments are exclusively in cash.¹⁹ They have been introduced in Ilam, Chhathum, Baitadi, Bajhang, Gorkha, Kunchha, and Pokhara, however, in the course of settlements made since 1934, and have affected all agricultural land in these areas rather than being limited to newly cultivated land. The 1934 gradation formulae devised for determining the grade of Khet land were as follows:

Abal

1. The entire plot can be irrigated by means of irrigation channels or otherwise, and water once used stays on the land for three or four days.
2. The soil is good and moist.
3. The yield is at least 3.5 muris per ropani, either with two crops or one paddy crop.

Doyam

1. Only three-fourths of the plot can be irrigated by means of irrigation channels or otherwise, and water once used stays on the land for two or three days.
2. The soil is good and moist, although the level of the land may be somewhat high.
3. The yield is less than 3.5 muris but more than 2.5 muris per ropani, either with two crops or one paddy crop.

Sim

1. Half of the plot can be irrigated by means of irrigation channels or otherwise, and water once used stays on the land for only one day.
2. The soil is fertile, even though sandy to some extent.

*For the sake of convenience, the following formulae for determining the grade of Khet land and Pakho land may be referred to as the 1934 formulae, since they were applied on a standard basis in several districts in this year, as mentioned above, although there is evidence that they were devised much earlier. For the earliest available reference to these formulae, see Government of Nepal, Law Ministry Records, Sankhu Survey Regulations, 1919, Section 9.

3. The yield is less than 2.5 muris but more than 1.75 muris per ropani, either with two crops or one paddy crop.

Chahar

1. Very little land can be irrigated, or the entire plot is dependent upon rainfall.
2. The land is dry, sandy or stony, and water does not stay on it.
3. There is only one crop in the year, and the yield is less than 1.75 muri per ropani.*

Thus, in most of the hill districts and Kathmandu valley, irrigation facilities, the nature of the soil, and estimated yields are the three underlying considerations for purposes of gradation of Khet land.

In the hill districts, land taxes on Pakho land are determined, by and large, on the basis of the number of ox teams required to cultivate the holding or on an estimate of the amount of seeds required for sowing. It is primarily in Kathmandu valley, where Pakho land has been measured, that assessments have been determined on the basis of area. Accordingly, the 1934 gradation formulae in respect of Pakho land do not apply to the hill districts, with the exception of Baitadi. In this district, according to the Baitadi Survey Regulations:

Although Pakho land has not been measured and assessments are determined on the basis of seeds, gradation shall be made according to these formulae on the basis of the estimated yield on one ropani or four muris of land, in such a way that the Government is not involved in any loss.²⁰

It is obviously a complicated process to determine the yield on a specified unit of area even though the land is not measured and the estimate of seeds expected to be used do not take productivity into consideration.

According to the 1934 gradation formulae, Pakho land belongs to the Abal grade if the soil is good and fertile, Ghaiya paddy and other crops can be cultivated, and the

*If, on land which otherwise would be of Chahar grade, the assessment included a payment in the form of wheat, it was provided that it should be graded as Sim. According to existing regulations: "Even though wheat may not be cultivated on the land at present, if the assessment has been including a payment in the form of wheat, the land shall not be graded as Chahar on the basis of other factors only. Such land shall be graded as Sim." This rule, however, was abolished on December 7, 1941.

yield is not less than 1.25 muri per ropani. If the yield per ropani varies from 1.25 to 0.75 muri per ropani, the land is considered to be in the Doyam grade. On Sim land the soil is sandy or stony, and the yield is at least 0.5 muri per ropani. On the lowest grade, Chahar, the soil is of inferior quality, sandy, stony, steeply inclined, or damaged by washouts, while the yield is less than 0.5 muri per ropani.²¹

A slightly different system is followed in the area under the jurisdiction of the Bhaktapur Mal Office in the valley of Kathmandu. Pakho land is divided into two grades known as Hale Pakho and Kodale Pakho. In this case the terms Hale and Kodale are used exclusively to determine the grade and have no relationship whatsoever with the number of plough teams used. Hale Pakho is land with good and fertile soil, on which Ghaiya paddy can be cultivated, or in any case the yield is not less than 15 pathis per ropani. Kodale Pakho, on the other hand, consists of inferior, sandy, or stony land, which is damaged by washouts and which yield less than 15 pathis of grains per ropani.

In 1950 a proposal was made to introduce the "Circle" system in Kathmandu, under which the land area would be divided into three circular zones with the urban area of Kathmandu as the center. This was rejected on the ground that under this system, the assessment on superior land in the outlying zone would be subject to a lower assessment than inferior land in the inner zone. In other words, more importance was attached to the intrinsic properties of the soil than to an external factor such as location.

In the Tarai districts, the method of gradation appears to be more complex. Pragmatic considerations such as location and the type of crops cultivated are given equal importance along with physical factors such as irrigability and the level of the land.²⁴ Sometimes land values and salability were also employed as criteria for determining the grade of the land. For example, in Morang district, the regulations prescribe that if three-fourths of the total land in the village can be sold at a price not below Rs. 52.50 per bigha, it should be graded as Abal. If two-thirds of the land is valued at a minimum price of Rs. 45.00 per bigha, it is classified as Doyam; while half of the land in a Sim gradation is valued at a minimum of Rs. 30.00 per bigha, and in the case of Chahar land, at least 15-20 per cent of the land in the village should be unable to find buyers.²⁵ In Bara, Parsa, Rautahat, and Sarlahi districts, similar criteria are used with slight variations. The regulations in these areas fix the minimum value of land of Abal grade at Rs. 60.00 per bigha, while in respect to Chahar land they provide that 20-25 per cent of the total land in the village should be valued below Rs. 30.00 per bigha.²⁶

Although in terms of current land values these figures are wholly out of proportion, no attempt appears to have been made to revise the regulations in accordance with existing conditions.

It should be noted that in the hill districts and Kathmandu valley the grade is determined separately for each plot of land, while in the Tarai it is the usual practice to grade each village or even each revenue subdivision (Tappa) separately. According to one report:

Formerly, in the course of land surveys in the Tarai districts, the grade was fixed for entire revenue subdivisions (tappas) and not for individual holdings. This meant injustice and great hardship to the people. Ninety-five per cent of the land was graded as Abal. Downgrading in the course of subsequent settlements was prohibited, although upgrading was permitted.²⁷

The practice of grading entire subdivisions as Abal was sometimes carried to extreme limits, as when all the nine Tappas in Bardiya district were thus graded in the course of a survey conducted in 1946-47. Such practices conformed to the prevailing policy of the government under which the main interest of the settlement officer was to increase land revenue as much as possible. There is evidence to show that such practices were not limited to the Tarai region. For example, during the survey conducted in Kathmandu in 1950, the total taxable land was graded as follows:

TABLE 11²⁸Taxable Land in Kathmandu

Total tax paying land	51,262 ropanis
Abal	11,695 ropanis
Doyam	13,831 ropanis
Sim	20,699 ropanis
Chahar	5,035 ropanis

Thus nearly 90 per cent of the total tax paying land was represented as belonging to the three higher grades.

The Cadastral Survey program takes the position that "such unfair regulations are contrary to civilized procedure," and therefore prescribes that each holding shall be graded separately. These regulations have been modelled on those prevalent in Bihar, an adjoining state in India.²⁹ With respect to Khet land in the hill districts and Kathmandu valley, the Cadastral Survey program does not make any change in the 1934 gradation formulae. On Pakho land the 1936 formula introduced in Bhaktapur, which used only a two-grade classification was adopted, with the terms Hale

Pakho and Kodale Pakho replaced by Grade I and Grade II. An attempt is thus made to apply a uniform method of assessment on Pakho land all over the hill region and Kathmandu valley.

With regard to the Tarai region, the new formulae for determining the grade of Dhanahar and Bhith land are as follows:

Dhanahar

Abal

Paddy is sown or transplanted, and the produce is of good quality. Irrigation facilities are easily available and the land is situated at a low level.

Doyam

Irrigation facilities are not readily available, and the land is situated at a higher level than Abal land.

Sim

No irrigation facilities are available and cultivation is therefore entirely dependent on rainfall. The land is situated at a high level and Bhadaiya crops too can be grown.

Chahar

Most Chahar land is waterlogged and cultivation is possible only in intermittent years.³⁰

The formulae for determining the grade of Bhith land omit the Chahar grade and run as follows:

Bhith

Abal

Enclosed land adjoining villages, where two crops, including maize and oilseeds, can be grown every year.

Doyam

Land situated on the same level as the village. Maize, millets and sometimes Bhadaiya paddy too can be grown with the help of fertilizers and artificial irrigation.

Sim

Land situated at some distance from the village. The land is stony and uneven and cultivation is possible only at intervals of one or two years.³¹

It may be noted that the above formulae take into account only the level of the land and irrigation facilities. No consideration is given to the physical properties of the soil, productivity, or location.

ASSESSMENTS ON THE BASIS OF RATES PREVAILING ON ADJOINING LAND HOLDINGS

Another widely followed system of assessment is based on the rate prevailing on adjoining holdings. Such a practice not only enabled the government to fix assessments on

the basis of practices already prevailing in the area concerned, but also tended to insure a certain degree of uniformity. In the Thekka Thiti districts as well as in all hill districts where assessments are exclusively in cash, existing regulations prescribe that:

For assessing taxes on newly cultivated agricultural land a survey shall first be made according to local customs and traditions and rates shall be determined according to law in accordance with those prevailing on adjoining holdings.³²

The law prescribes that:

While surveying the land and determining the assessment, the grade shall first be fixed after ascertaining the opinion of local people whether it is Abal, Doyam, Sim or Chahar, and then the tax shall be assessed on the basis of the rate prevailing on adjoining holdings.³³

But the principle of fixing assessments on the basis of the rates prevailing on adjoining holdings seldom results in uniformity because the existing rates themselves are unequal and arbitrary. At Sankhu in Kathmandu district, for example:

In the course of previous surveys, as the assessment records show, taxes on Chahar basis were assessed on Abal land and vice versa . . . Since in this way accurate assessments are not possible, in future the grade of each field shall be ascertained after discussions with the Talukdar concerned, other knowledgeable persons and owners of adjoining fields. In addition, the land shall be properly examined and the yields accruing to both the owner and the tenant shall be estimated.³⁴

The regulations therefore prescribe that information about the existing minimum and maximum rates for different grades and the aggregate revenue should be provided to the government for the purpose of fixing assessments on a de novo basis.³⁵ Similarly, in 1901, an order was issued to the revenue officials of Majhkirat district to ascertain the grade of newly cultivated land or land found in the course of subsequent measurement to exceed the area specified in the assessment records, and to fix the assessments on the basis of the rates prevailing on adjoining holdings. But it was pointed out that assessments made after 1868 on newly cultivated land varied from Rs. 0.25 to Rs. 0.37 per muri on a haphazard basis, without any attempt at gradation, thus making uniformity of assessment and gradation difficult if the rates prevailing on adjoining holdings were accepted as the basis.³⁶

ASSESSMENTS AND LAND MEASUREMENT

In general, assessments are based on a specific unit of area, which may be the bigha, the ropani, or the muri. But there are several systems which do not involve any measurement of the land and have no relationship with productivity. Such systems--and, in particular, the Hale and Bijan systems --are more common on Pakho land than on Khet land, presumably because of the difficulties of measuring Pakho land.

The Hale System

In some instances, Pakho land is assessed on the basis of the number of ox teams (hal) required to plough it, rather than on land measurement. Under the Hale system, as it may be called, Pakho holdings are classified into Hale, Pate, Kodale, and Kute. A holding which can be ploughed by a yoke of oxen in one day is classified as Hale; half of that is Pate, while the holding which a man can dig in one day with a spade (kodale) is called Kodale.³⁷ If a holding is of insignificant size and can be cultivated only with a hoe (kute) it is called Kute.*

According to the formula used for the assessment of the 1959 land surcharges, a Hale holding is equal to 1.5 Pate and 2 Kodale holdings and represents an area of 13.25 ropanis or one bigha.³⁸

The assessment of the land tax on the basis of the plough team used was a common practice in several Asian countries besides Nepal. The Hol Narwa tax levied in certain parts of India was probably a similar system, under which:

A stated charge was made on each plough and team, the unit of a productive power, and the owner of the team was free to cultivate as much land as he could, and in whatever way he chose.³⁹

*According to one study, "Maize lands, or lands situated on the hill-side, enjoy a special assessment. They are divided into three kinds, namely 'hal,' 'patay,' and 'kodalay.' Hal is the area cultivated by a tenant with a pair or pairs of bullocks. This pays one nepali rupee only for the whole area thus cultivated. A tenant owning only one bullock and with the help of another bullock borrowed from his neighbor is a patay tenant and pays three-fourths of a nepali rupee. The kodalay tenant uses the spade only and pays half a nepali rupee as rent for his land." (Perceval Landon, Nepal, Vol. II, p. 206.)

In Persia too, a peasant holding can be based on the amount of land cultivated by a yoke of oxen.⁴⁰ The bovate or ox-gang of medieval England was probably a similar system.⁴¹ In Nepal this system at one time appears to have been prevalent over a wider area than at present. At Chitaur, an order issued in 1803 reduced the tax on a plough team (hal) from Rs. 13.50 to Rs. 9.75 as the former rate was considered to be too inequitable.⁴² In recent years the general policy appears to have been to replace this system by land measurement provided the government's income was not affected thereby. In Kailali-Kanchanpur district, the regulations prescribed that:

In the course of the survey, if any Pakho lands are discovered on which taxes are assessed on the basis of the plough team (Bardgandi) the usual system shall be retained or land taxes shall be assessed on the basis of the area, depending on which system maximizes the income to the Government.⁴³

Similar regulations had been framed for Mahottari district also.⁴⁴

However, the Hale system at present prevalent in several hill districts as well as certain parts of Kathmandu valley, appears to be somewhat different, inasmuch as it is used to grade Pakho holdings in a rough and ready manner according to the estimated size. Therefore, while the plough tax, as described above, takes into account only the number of yoke of oxen needed to plough each holding, the Hale system is sometimes used for the gradation of holdings where no oxen can be used, and the productive power used is limited to human labor, working with a spade.

Even though the Hale system is intended to involve a rough and ready estimate of the size of the holding, since the assessment is based on the unit of productive power used and not on the area or the productivity of the holding, the amount of land varies greatly from Hale to Hale, from Pate to Pate, and so on. Thus:

A Hale pays a revenue of Rs. 1.04 only and actually possesses about 10 or 12 bighas of land, out of which he personally cultivates as much as he is capable of and gives away the rest on rent. . . . The same is the case with a Pate and a Kodale.⁴⁵

In other words, the Hale system lacks an objective basis for the assessment of land tax, thereby giving rise to various difficulties. As the regulations state:

So far, on Pakho land in the district of Chhathum, Serma (i.e., the assessment on Pakho land) was imposed on the basis of Hale, Pate and Kodale. But this did not define how much land was contained in each of them. Consequently, some Hale holdings con-

tained more land than others, while in some cases a Kodale holding was actually larger than a Hale holding. Uniformity was therefore lacking. This meant higher assessments for smaller holdings and vice versa. If any complaint was ever made that a holding encroached upon additional land or had suppressed any, since the amount of land in any Hale, Pate or Kodale is unascertainable, it could not be determined whether the amount of land contained therein had been increased or reduced. Clever persons could therefore encroach upon other persons' holdings, while the simple minded were put to hardship as they could not even utilize land within their rights.⁴⁶

The Bijan System

The defects of the Hale system led to the gradual adoption of the Bijan system in a number of hill districts between 1933 and 1948. According to this system, taxes on Pakho land are assessed on the basis of the seeds (bi) expected to be needed for sowing. Naturally this system also has no direct correlations with land area, though in some cases land on which one pathi of seeds was expected to be used for sowing purposes was considered to be the equivalent of one ropani.^{*} As a rule, the amount of seeds expected to be needed for sowing on such holdings was ascertained from the landowners themselves, though subsequently this had to be corroborated by the Talukdars (i.e., nonofficial tax collectors).⁴⁷ Since maize is the staple crop on Pakho land in the districts of the kingdom of Nepal, the standard unit was a cubic measure of maize seeds, usually the mana.

However, the Bijan system does not appear to have been an innovation in 1933. We find a reference to it as early as 1814 when the assessment on land with a capacity of seven pathis of seeds is mentioned at the rate of Rs. 1.75 per pathi.⁴⁸ An even earlier reference dated 1801 mentions that the tax on Khet land with a capacity of one muri of seeds amounted to a fixed payment (Theki) of Rs. 1.00.⁴⁹ This shows that assessments were made on the basis of the seed even on Khet land in former times. Assessments made on Pakho

^{*}Government of Nepal, Survey Department Records, Kathmandu Survey Regulations, 1940, Section 50. But according to the formula used for the assessment of the 1959 land surcharges, an area on which 3.5 pathis of seeds are required for sowing represents 13.25 ropanis. Thus an area on which only 0.26 pathis of seeds can be sown represents one ropani. (Government of Nepal, "Notification of the Ministry of Finance," Nepal Gazette, Vol. IX, No. 46, Falgun 24, 2016 (March 6, 1960).)

land in Bajura on this basis in 1896 and in Dandeldhura around the same date are still in force.

The seed system constitutes a significant attempt to develop the land revenue on Pakho land on a more objective basis than that of the Hale system. In view of administrative and technical difficulties impeding assessments on the basis of measurement and gradation as in respect to Khet land, it is obvious that the seed system was an ingenious device that taxed land on a basis other than the tax paying capacity of the owner. However, the subjective element is not altogether absent, for the ascertainment of the precise quantity of seeds expected to be needed for sowing may give rise to bargaining and thus leave much to the discretion of the settlement officer.

FACTORS DETERMINING THE ASSESSMENT SYSTEM

In general, the level of assessments appear to have been based on several considerations of an empirical nature, such as the general economic condition of the district, accessibility to markets and transport and communications, climate and other geographical features and, not the least important, the aggregate amount of assessment during the previous settlement in proportion to the amount of taxable land. Recommendations for adjusting the existing assessments on the basis of these considerations were obtained from the survey officers, and in the majority of cases, the final decision was left to the discretion of the government. As the regulations state:

According to the usual practice, rates of assessment were determined in the very beginning (of the survey operation), and thus accurate local opinion could not be ascertained. The rates accordingly became exorbitant for some persons, and low for others. Although persons in whose cases the assessments were fixed at a low level did not complain, those in whose cases they were exorbitant were put to hardship. . . . The Survey Officers shall therefore hold consultations with the local Government officials and prominent persons of the locality, as well as Jimidars and landholders . . . and recommend rates which will neither involve loss to the Government nor put the people to hardship. The matter shall then be referred to us and the assessments shall be fixed as directed.*

*Government of Nepal, Law Ministry Records, Morang Survey Regulations, 1913, Section 28. This system appears to be substantially the same as that followed in British India in the latter half of the 19th century, where the

The Cadastral Survey program continues the same system in essence. For example, according to the new regulations, assessments in the Tarai districts are to be fixed on the basis of such factors as the total area of waste land and uncultivable land and forests, as well as the views of the local authorities, Jimidars, and landholders on the subject of assessments.⁵⁰ However, there is no such provision with regard to the hill districts and Kathmandu valley.

NEED FOR AN ADEQUATE BASIS OF ASSESSMENT

Experimentation with various bases of tax assessment appears to have been one of the aspects of the land taxation policy for many years. The principle under which assessments are determined on the basis of area, class, and grade, although of widespread application in Nepal, has been of limited significance in view of technical and administrative difficulties, and the defective procedures applied for this purpose. The Cadastral Survey has adopted the existing principle in essence, although it has failed to introduce more accurate methods of ascertaining quality or estimating productivity. There is little ground for assuming, therefore, that assessments determined under the Cadastral Survey program will improve the existing assessments from the standpoint of accurate correlation with estimated productivity.

The system of gradation prevailing prior to the initiation of the Cadastral Survey program has tended to be rigid over a period of time, taking no account of recurrent physical changes or alterations in the cropping pattern. This defect would have been remedied if settlements had been conducted regularly, but in many areas the last survey was held approximately a century ago. In addition, it is clear that little attention was paid to scientific studies of yields and soil properties. The settlement officer had, conse-

settlement officer, to arrive at the current net produce for making tax assessment, was required to take the following factors into consideration: "(i) the return to the cultivated and cultivable area or the village or irrigated land and the different kinds of soils; (ii) the past experience of Settlement Officers and collectors, or the price realized, if the village was brought to sale; (iii) the gross rentals of the village under settlement as compared with other villages in the same tract; (iv) the character of the people, style of cultivation, possibility of improvements and the state of market for produce; lastly, (v) the opinion of the Parganna Officers, and the estimate of the neighboring Zamindars." (B. R. Mishra, Land Revenue Policy in the United Provinces, p. 7.)

quently, a wide degree of latitude within which to exercise discretion. Moreover, since settlements in two areas may have been held several decades apart, there is a striking lack of uniformity in gradation from district to district. Finally, much land in the country, especially Pakho land, has never been graded at all.

In these circumstances, it would not have been too much to expect the Cadastral Survey program to devise gradation formulae on more scientific and objective lines, thereby contributing to countrywide or at least regional uniformity. The Cadastral Survey program has recognized that:

Without knowledge of the quality of the land--as indicated by its market values, or slope, or erosion evidence, or suitability for producing certain crops--it is difficult to develop an equitable land tax . . . Cadastral surveys are important in clearing up confusion as to titles and boundaries, in developing dependable agricultural statistics, and in providing a basis for equitable land taxation.⁵¹

But the formulae adopted for this purpose, which take into account only irrigation facilities and the level of the land in the Tarai, and soil properties and estimated yields in the hill districts and Kathmandu valley, provide a very unsatisfactory and unnecessarily empirical basis for gradation. They leave so much to the discretion of the settlement officer that the existing lack of uniformity in the sphere of land classification and gradation in the kingdom may actually be rendered more acute.

Nor is there any reason why the program should have adopted different bases of gradation as between the Tarai and the rest of the country. The precise formulae may no doubt have to vary according to regional differences, but the principle underlying the gradation system need not differ. If the quality of the land can be accurately graded without taking into consideration soil properties and estimated yields in the Tarai, it is beyond comprehension why these additional factors should have been introduced in the formulae adopted for application elsewhere. Moreover, there is very little justification in attempting to grade lands in the highly fertile region of Kathmandu valley on the same basis as lands in the poorer agricultural areas of the hills further north. A gradation system which fails to attach proper significance to factors such as location and altitude in the conditions prevalent in Nepal can hardly be expected to provide a satisfactory basis for "equitable land taxation."

The Cadastral Survey program no doubt effects certain improvements in the gradation procedure, such as prescribing that plots of land should be graded separately instead of

entire villages or groups of villages being treated on the same footing. But this in no way contributes to a reliable and objective system of gradation.

If countrywide or, at least, regional uniformity in the system of land gradation is admitted to be indispensable for an equitable system of land taxation as between different areas of the country, it is clear that the Cadastral Survey formulae have fallen far short of the goal. From this point of view, the program has hardly signified any improvement in the existing situation if, in fact, it has not made matters worse. Factors, such as "availability of irrigation facilities," "level of the land," "inferior land," and "estimates of yields" can be interpreted in a wide variety of ways under the inevitable impact of local conditions. Thus, the entire program is actually a continuation of the existing system under which the land tax policy of the state was to avoid any sudden increases in the land tax, while at the same time taking care to ensure that every possible means was used to raise the revenue to as high a level as possible. Such a policy might well have guaranteed the government a stable income during a period in which such considerations meant more than national economic development for the benefit of the common man. But at present, when efforts are being made to mobilize national resources by means of new taxation measures, the drawbacks of so conservative a policy are obvious.

V. THE NATURE OF THE AGRICULTURAL LAND TAX

The most conspicuous feature about the system of land tax assessments in Nepal is its motley character. In general, the form and level of assessments differ not only from district to district, but often even from holding to holding. In a country with striking diversity of topographical and other physical conditions, such lack of uniformity is to be expected to some extent. One can hardly expect either the form or the level of assessments to be the same on the plains of the Tarai as on the hillside lands in the northern districts. Similarly, it is natural that assessments in the densely populated valley of Kathmandu, where productivity is perhaps the highest per unit of area in the entire kingdom, should be higher than either in the hill or the Tarai areas.

Historical factors also have contributed much to the lack of uniformity. The foundations of the present kingdom were laid some 200 years ago, but the customs, usages, systems, and traditions dating back to the time when the country was divided into a congerie of petty principalities continue more or less unchanged. Unless a direct political clash was involved, the government appears to have been disinclined to make drastic changes in existing institutions. It tended, as a rule, to follow the line of least resistance, and to refrain from making any sweeping changes that might disrupt existing customs and traditions. In particular, the imposition of new taxes or the abolition of existing ones, was avoided as far as possible.¹ There is little wonder, then, that the kingdom has preserved a large number of systems and institutions dating back to various periods in history.

Uniformity of assessments on a countrywide basis never appears to have been an objective of land tax policy. Only rarely have settlements been made over the entire kingdom simultaneously. Probably the last time this was even attempted was in 1868, but even then efforts seem to have been concentrated more on updating the lists of holdings and tenants than achieving uniformity of assessments. In some hill districts, settlements made after 1933 have brought about uniformity within the district concerned, but until recently, no attempt was ever made to establish uniformity of assessments on a countrywide or even on a regional basis. The formation early in 1961 of the Royal Land Reform Commission to study various aspects of Nepal's land system and submit recommendations for reforming the tenure system and achieving uniformity of assessments all over the country is thus the first indication that the Government of Nepal intends to take measures to achieve these ends.²

The lack of uniformity of land tax assessments is most striking in the hill districts and Kathmandu valley, where systems may differ even from holding to holding, depending on the date of settlement and other factors. In the Tarai the rates are fairly uniform within a single revenue subdivision in the majority of cases, although the date of settlement is no doubt a relevant factor in determining the form and very often also the level of assessments. In the country as a whole, lack of uniformity in the form of the assessment is characterized by assessments in cash or in kind, the imposition of numerous supplementary levies in addition to the main assessment, and in the prevalence of different currency systems.³

ASSESSMENT IN CASH AND IN KIND

Assessments on agricultural land may be in cash or in kind or, occasionally, in both forms. It is not clear what factors have determined the form of assessment made. According to one interpretation, taxes in the hill districts are assessed in kind if the land is of good quality and in cash if it is of inferior quality.⁴ But this hardly provides a satisfactory explanation. Even in districts where assessments are predominantly in kind, holdings which are liable to pay only the Thek Tiro tax (i.e., in cash) also exist.⁵ Holdings paying this form of tax are found even in the fertile Kathmandu valley. A more plausible explanation may be indicated by the fact that areas in which assessments are exclusively in cash are situated in the far eastern and far western reaches of the country where administrative problems may have made assessments in kind an excessively complicated process.

In the Thekka Thiti districts as well as in Majhkirat, assessments are exclusively in cash and take the form of the Thek Tiro. This is a contractual payment per unit of area, on which no remissions are allowed. In Gorkha, Kunchha, and Pokhara districts also, assessments in kind have been replaced by those in cash in the course of settlements conducted after 1932, but these do not take the form of the Thek Tiro. In these comparatively recent settlements, the general policy appears to have been not only to abolish assessments in kind, but also to consolidate them into a single form of payment. But the process of revising earlier settlements has proceeded very slowly and has only affected the assessment system in the three revenue divisions mentioned above.

In Kathmandu valley and the hill districts other than those mentioned above, assessments are exclusively or partly in kind. The principal payment is in the form of paddy or wheat, though also occasionally in maize and millets. In Kathmandu valley they often take the form of rice or semi-

milled paddy instead of, although in a very few cases in addition to, paddy. Assessments in kind are never made only in the form of wheat, and it would appear that the payment of wheat is a tax on winter crops. But there is also evidence to show that the tax on winter crops, such as wheat, maize and millets, was levied on Khet land in cash. Until 1935 a tax of Rs. 0.50 per 20 muris of Khet land was levied in this way, and a separate assessment list was required to be maintained for this purpose. There was, however, some difficulty in collecting these taxes, and the regulations indicate that they actually proved to be a deterrent to winter-cropping in some cases.⁶ In 1935 it was stipulated that such assessments should be withheld until the next settlement.⁷ This amendment was not retroactive, and existing assessments have therefore been retained. Probably this measure was never adequately publicized, for in the eastern hill districts "a sense of fear prevails that by growing rabi [winter] crops they may have to pay more revenue to the Government."⁸ The tax on winter crops is usually payable in the form of Thek Tiro.⁹

In some hill districts in which mines are found (such as Pyuthan, Okhaldhunga, and Makbanpur), assessments often take the form of iron, copper, or lead. In certain areas of Makbanpur, provision was made in 1940 that while land taxes were ordinarily to be paid in cash, they should take the form of iron whenever the government so required.¹⁰ Probably such assessments were made wherever taxable lands were primarily used for purposes of mining rather than agriculture. With the gradual exhaustion of the surface deposits, however, assessments in cash appear to have been substituted or made optional in lieu of such payments. In the Tarai districts, assessments are exclusively in cash, possibly as a result of the influence of systems prevailing in India.

The Serma Tax

In virtually all cases concerning Pakho land in the hill districts in which the area of the landholding is not the determinant, assessments are almost invariably in cash, and are called Serma. This tax is also found in Kathmandu valley, though in instances where Pakho holdings have been measured, assessments take the form of payments in kind.*

The Serma tax is levied with immediate effect on new holdings created as a result of the reclamation of waste land,¹¹ but if new holdings are the result of subdivision of existing holdings within a joint family, it is imposed only

*In 1934 standard rates, which are still in force, were prescribed in kind for newly cultivated Pakho land.

during the next settlement. The existing tax is then divided among the new holdings in proportion to the total area covered by each, since the net taxable area has not increased, thus justifying an increase in the total volume of taxation. Talukdars who collect taxes on such holdings during the interim period are compelled to surrender to the government whatever they have thus appropriated.¹² According to law:

If a holding, which was registered during a Settlement in the name of any person, is subsequently subdivided among his sons or brothers, who then build new homesteads and settle on the same, with effect from 1868, the Serma tax shall not be imposed on each holding but on only one. However, since homesteads are separate, the Saune Fagu tax shall be imposed on each one.*

For the purpose of assessment, these two categories of holdings are listed separately in the records.¹³

Additional Levies

In the majority of cases in the hill districts and Kathmandu valley where assessments are wholly or predominantly in kind on Khet land, a large number of levies are payable in addition to the main assessment in the form of paddy and/or wheat. This is also true of Pakho land in these regions, except in a few cases. In Kathmandu valley, where assessments are based on the rates fixed in 1934 on newly cultivated land, as discussed above.

Additional levies are even more numerous on Pakho land than on Khet land. According to one interpretation, this is one result of the system under which land was assigned as emoluments of office to government employees, who were entitled to levy charges on the tenants working the land. Generally, these levies were retained even when the land reverted to the state as Raikar.¹⁴ It is also the case that miscellaneous payments in the forms of goods and services collected by the rulers of petty principalities prior to the

*Government of Nepal, "Jagga Pajani ko" (On Land Evictions), Muluki Ain (Legal Code), Part III, Section 24, p. 39. But this legal provision was overridden by regulations enforced during the settlement of 1938 providing for the imposition of full rates even on such subdivided holdings. These regulations were repealed in 1948, but the assessments that had been made thereunder were retained. (Government of Nepal, Law Ministry Records, Ghardar Order, 1948, Section 5.)

political unification of Nepal under the Gorkha dynasty continue to be collected even today.

Such payments include the Ghiu or Ghiukhane and the Char Dam Theki on Khet land. Ghiu or Ghiukhane, as the name suggests, was probably payable in the form of ghee (clarified butter) originally, and was commuted into a cash payment later when the establishment of a centralized administration made collection in this form no longer feasible. Probably the Ghiu or Ghiukhane represents a tax on the dairy products of the farm. The origin of Char Dam Theki is obscure, though it appears to have been introduced by Prithvi Narayan Shah after his conquest of Kathmandu valley in 1769.¹⁵ From one point of view at least this tax is very interesting, for it appears to be assessed at a uniform rate of Rs. 0.05 per plot of Khet land.¹⁶ However, there are numerous cases in which this tax is not applicable; such uniformity would, in fact, be incongruous in the complicated mosaic of the kingdom's land taxation system. It may be noted that the standard assessments fixed on newly cultivated land in Kathmandu valley and some hill districts in 1934 retained the Ghiukhane but omitted the Char Dam Theki.

Additional levies on Khet land and Pakho land in the hill districts and Kathmandu valley generally take the form of one or more types of produce, and usually vary with the pattern of agricultural or other production from the land. For example, in Pyuthan, which was an important mining district, such levies include copper, lead, iron axes, leather, and iron.¹⁷

In contrast to the situation in the hills and Kathmandu valley, assessments in the Tarai region usually consist of a single payment and additional levies are very rare. One such levy, however, is the Charsa Rakam* imposed in Nabalpur at Rs. 0.16 per bigha. This levy was introduced to compensate the government for the loss of revenue attendant upon the abolition of the monopoly on hides and skins. In Makbanpur, also, a levy amounting to five per cent of the assessments in cash, and one pathi for every five muris in kind was collected to meet the loss of fodder for state elephants conse-

*A similar levy in the hill districts consists of the Charsa Singh Rakam, which was introduced to compensate the government for the loss in revenue consequent to the abolition of the monopoly on hides, skins, and horns of dead animals. It is levied at the rate of Rs. 0.01 on every rupee of tax on both Khet and Pakho land. (Government of Nepal, Law Ministry Records, Hides, Skins and Horns Levy Order, 1945.)

quent to the cultivation of new land.* In Udayapur the rate for the same supplementary levy is Rs. 0.04 per bigha on Khet land and Rs. 0.01 on Pakho land.¹⁸ Occasionally, as in certain areas of Mahottari district, this levy was integrated into the regular assessment¹⁹ and the regulations prescribe that it should be imposed even on newly cultivated lands.²⁰ Occasionally a special levy known as the Bigahatti tax has been collected for specific purposes in the Tarai. In 1950 this levy amounted to approximately one-fifth of the total revenue from the land, but was abolished in 1951.²¹ Even at present, however, this tax is collected occasionally to finance specific local development projects as, for example, to raise funds for the construction of an east-west national highway.

CONVERSION INTO CASH

Although in the majority of hill districts and in Kathmandu valley assessments are wholly or partly in kind, collections for a long time past almost invariably have been made in cash. Probably the increasing trend towards a centralized administration necessitated such a policy, since the financial requirements of the government could hardly be met by collection of land taxes in kind. Moreover, the administrative and storage difficulties must have proved formidable. Even in the case of areas adjoining the capital, such as Bhaktapur, the regulations prescribe that:

Except when the regulations specifically prescribe collections in kind or when the Government is in need of payments in kind . . . Collections shall not be made in kind even if the landowners so desire.†

Thus, collections in cash have become almost universal. Even the assessments on Jagiri holdings which once were paid in kind were, with certain exceptions, collected in cash when the Jagiri system was finally abolished in 1951.²² In those

*Government of Nepal, Madhesh Mal ko Sawal (Tarai Revenue Regulations), Section 386, p. 166. But all assessments in kind in this district were abolished during the settlement of 1935. (Government of Nepal, Audit Department Records, Assessment Register for Makbanpur, 1935.)

†Government of Nepal, Bhaktapur Mal Office Records, Bhaktapur Talukdari Regulations, 1935, Section 16. The policy was not followed so strictly in the hill districts, where the regulations provided that "people who choose to pay taxes in kind shall not be compelled to pay in cash." (Government of Nepal, Law Ministry Records, Sindhupalchok Revenue Regulations, 1934, Section 31.)

few cases in which an exception was made to this rule, landowners were allowed to make the payments half in kind and half in cash.²³

But even while permitting payments in cash against assessments in kind, the government has reserved the right to make collections in kind in times of need. For example, the regulations prescribe that in Palpa one-third of the total assessments should be collected in the form of paddy for the use of the local army units.²⁴ A similar provision also existed with respect to Salyan district. In 1952, in accordance with this policy, the government admitted that liability to pay assessments in different forms meant inequity as between landowners cultivating lands of similar productive capacity, but at the same time recognized that it was not proper to abolish entirely the system of land tax assessments in kind, since it was essential to maintain stocks of foodgrains in order to control prices in the event of famines and other emergencies. It therefore prescribed that four per cent of all assessments should be paid in the form of paddy or rice. An official notification issued in this connection declared:

Since investment on land under the jurisdiction of the four Mal offices [in Kathmandu valley] bring in a maximum return of four per cent, a payment of this proportion of the assessment in the form of paddy or rice will not mean any particular hardship [to the tax payers].

However, assessments in the form of commodities other than paddy or rice were to continue to be paid in cash.²⁵ Subsequently it was provided that tax payers living outside Kathmandu valley but within the jurisdiction of the valley Mal offices, should be exempted from this obligation inasmuch as they would otherwise have to travel 18 or 20 miles to pay a small quantity of paddy or rice.²⁶ The provision, thus, was applicable only to areas within Kathmandu valley. Subsequently, the Nepal Peasants' Association, in a memorandum submitted to the Land Reform Commission, pointed out that the government should have explained the "emergency" to justify such a step, and purchased the required quantity of foodgrains at scheduled rates, instead of treating the obligation as a tax liability. The Association also maintained that such a step should have been taken on a countrywide basis and not in Kathmandu valley alone.²⁷ But these objections have not affected government policy as yet.

For the purpose of collection in cash, assessments in kind are converted into cash at scheduled rates²⁸ which vary from district to district, presumably because the rates were based on local prices prevalent at the time they were fixed. Until 1910, such rates were fixed annually. Subsequently it was realized that this practice was inconvenient since land-

owners were obliged to postpone paying taxes until the rates were fixed. The government therefore prescribed rates on a long term basis "on the basis of the prices prevailing in December-January, 1907 and 1908, as well as the existing schedule." At the same time it was prescribed that the schedule was to be utilized for the sole purpose of payment of land taxes, while rents on Jagir land were to be paid and other public transactions were to be conducted, at current prices.²⁹ It is thus clear that even several decades ago taxpayers enjoyed the price advantage which is still very much a part of the tax system and has, in fact, been widened as a result of further price increases. These schedules appear to have been used until 1934 when regulations for Mal offices for all hill districts and Kathmandu valley, as consolidated in 1934, contained new schedules which are still in use. The new schedules represented an increase in prices ranging from 25 to 33 per cent in almost all cases, but in Kathmandu and Kirtipur no change appears to have been made, at least in the price of paddy. As a result of subsequent price increases, even the 1934 schedules are now considerably outdated, and the real value of the land tax has thus fallen in proportion to the extent of the increase. For instance, the total assessment on one ropani of Abal grade land in Kathmandu was fixed at 16 pathis of paddy, three pathis of wheat, and Rs. 0.12 as Ghiukhane tax in 1934. At the scheduled rates of conversion into cash, this means a total cash payment of Rs. 4.28, but the present market value of the assessments would be at least Rs. 30.00. In other words, had the schedules been tied to the price index, the land revenue of the government would have increased approximately seven times.

Formerly the losses consequent to this discrepancy were mitigated to some extent because the government did not refrain from exercising its right to purchase foodgrains at the scheduled rates in case of need. These schedules were used not only to convert assessments in kind into cash, but also to ensure a cheap supply of foodgrain to the government in times of famine or other emergencies. Even in districts where land taxes are assessed and collected wholly in cash, it was customary for the government to purchase foodgrains at specially low rates for the maintenance of emergency stocks. For example, in 1927, orders were issued to the Mal offices of Terhathum, Ilam, Dailekh, Jumla, Baitadi, and Doti (where assessments are wholly in cash) to maintain stocks of paddy and millet purchased at prices ranging from five to eight pathis per Rs. 1.00.³⁰ Obviously, similar orders were not necessary in the case of districts where assessments are wholly or partly in kind, because of the existence of the schedule of rates for converting assessments in kind into cash payments.

STANDARDIZATION OF THE CONVERSION RATES

Two conspicuous characteristics of the commutation system were thus the discrepancy in the rates in different districts and their outdated nature in relation to the current prices of agricultural produce. Recent official policy has tended to attach greater importance to the first characteristic than to the need to remodel these rates on the basis of current prices. According to the 1962-63 Budget Speech:

It is the Government's policy to equalise as far as possible the land revenue rates. At present there is a great difference in official conversion rates of kind for the purpose of the payment of land tax and the market price. There are also substantial differences in the official conversion rates prevailing in different districts. In order to remove this inequality, the conversion rate of paddy into cash has been fixed at the rate of 5 pathis per rupee throughout the whole kingdom.³¹

However, since the standard rate of five pathis per rupee is itself unrealistic when compared to current prices, it is clear, as mentioned above, that only one aspect of the problem has received official attention. Moreover, there is little reason to believe that standardization of the commutation rates will in itself contribute to uniformity of assessments. Even with identical estimates of productivity per unit of land, wide differences exist in different areas in land tax assessments, because of poorer agricultural conditions and other factors. Commutation of unequal assessments in kind at standard rates will in no way make them uniform. Nor does this measure contribute to equity. Variations in these rates merely constitute a reflection of the variation in prices and other economic conditions in different parts of the country. Since in the existing situation there is no particular sanctity in the new commutation rate, this measure treats Kathmandu valley, where this rate has been effective since 1910, with special consideration as compared to the other areas in the hill region where assessments are in kind.

Perhaps the most ambitious measure to raise the level of land taxation on a progressive basis is the surcharges imposed in accordance with the 1959 Finance Act. According to this Act, progressive surcharges were levied on the total land owned or the total tax paid in excess of 25 bighas or Rs. 250.00, whichever was higher. The rates were to be half in cases where taxes were payable in kind.³² According to a clarification of this measure issued subsequently by the Department of Land Revenue:

1. It shall depend upon the choice of the tax payers whether to obtain exemption for 25 bighas or for a land tax payment of Rs. 250.00.

2. In the case of those who choose to obtain exemption for 25 bighas, the surcharge shall not be payable even if the land tax is Rs. 16.50 per bigha, and thus Rs. 412.50 or more per 25 bighas.
3. In the case of those who choose to obtain exemption for Rs. 250.00 of land tax, the surcharge shall not be payable on 83 bighas or more if the land tax per bigha is Rs. 3.00. Exemption shall be made for Rs. 250.00 and the tax shall be paid on the excess amount only.³³

In other words, in actual fact the exemption limit was Rs. 412.50 of the land tax, or 83 bighas, whichever basis the taxpayer preferred.

This surcharge appears to have been aimed more at breaking up big estates than bringing in additional revenue. It was argued that the progressive character of the surcharge would force landowners to transfer part of their holdings to their tenants. The surcharge was expected to have the greatest effect in the western Tarai districts, since the prevalence of low rates of rent and preponderance of large estates in these areas were expected to make such disposal the sole alternative left to the landed classes.³⁴

There was considerable criticism of this surcharge measure. Reflecting this attitude, the Royal Proclamation of January 5, 1961, which laid down the policy of the Council of Ministers formed after the dismissal of the Nepali Congress Government, based its criticism of the land policy of the former government largely on this issue. In the words of the Royal Proclamation:

. . . surcharges on land tax were imposed in order to ensure distribution of land among peasants, although this measure was not expected to yield much revenue. But it produced just the opposite effect. Since there were no records of cultivators, peasants who could acquire the rights of protected peasants began to be evicted. The result was that the problem of eviction assumed an acute form. Although there was distribution of land, very little went to the cultivators. Even those peasants, who had already acquired the rights of protected peasants were harassed because all assistance normally provided by the landowners for their maintenance and cultivation of the land, were stopped.³⁵

Apparently these considerations did not prove to be of sufficient force to the new government to justify abolition of the surcharge, for we find it substantially retained in the budget proposals for the year 1961-62. However, the exemption limit has been raised from Rs. 250.00 to Rs. 500.00 and there has, in addition, been a marked reduc-

tion in the progressive character of the surcharge. Thus, whereas the old schedule provided for a surcharge of Rs. 4.00 per rupee of land tax paid in excess of Rs. 3,000.00, the present schedule provides for Rs. 1.00 only. Nevertheless, the change is not so significant as would appear at first sight. It may be noted that according to the new schedule, the taxpayer has no right to choose the form of exemption--on the basis of the land owned or on the total land tax paid, whichever was higher. A person who would pay a tax of Rs. 412.50 under the previous system will now have to pay Rs. 515.13, since land taxes have been increased by 25 per cent in the Tarai region. But, according to the new schedule, the limit of exemption is only Rs. 500.00. In other words, the new schedule actually lowers the exemption limit for the purpose of the surcharge. According to the 1962-63 budget proposals, this surcharge has been abolished with retroactive effect since the date of its imposition. During the fiscal years 1959-60 and 1960-61, it fetched only Rs. 50,000.00. According to the Budget Speech:

In order to simplify the law and to facilitate administration, it has been considered that the better way is to impose one tax on all kinds of income.³⁶

Apparently the government intends to include agricultural incomes for the purposes of the comprehensive income tax which it is now planned to levy "on all kinds of income."³⁷

Under the Panchayat system which has now replaced parliamentary democracy as the political framework of the country, village assemblies have been empowered to levy a surcharge not exceeding 10 per cent of the total land tax payable by any landowner residing within the area under their jurisdiction.* This surcharge, however, may be remitted wholly or in part in the case of persons who are unable to pay.³⁸ This means that along with the increase in the level of land taxation and surcharges, the existing land tax has been increased to a considerable extent. For example, a landowner in the Tarai who has so far been paying Rs. 500.00

*According to the 1956 Village Panchayat Act, which the present measure repeals, panchayats were empowered to establish joint funds for village development purposes, to which landowners were to contribute five per cent of the net yield of their lands in kind, and tenants one-fourth of this payment. (Government of Nepal, Ministry of Law and Parliamentary Affairs, "Gaun Panchayat Ain, 2013" (Village Panchayat Act, 1956), Nepal Gazette, Vol. VI, No. 40, Magh 29, 2013 (January 11, 1957), Section 17(i). However, this provision was never enforced.

as land tax will now have to make the following additional payments:

Rs. 125.00	25 per cent increase in the existing land tax.
Rs. 31.25	Surcharge on the amount exceeding Rs. 500.00.
Rs. 65.62	Panchayat tax payable on the basis of the total land tax.

Thus the total payment to be made by the landowner goes up from Rs. 500.00 to Rs. 721.87, representing an increase of 44.4 per cent.

But because rates of assessment all over the country are characterized by an extreme lack of uniformity, and are thus inequitable as between different classes of landowners possessing lands of similar grade, such increases in the existing level of land taxation tend to make the disparity more marked. Since all these additional payments are assessed solely on the basis of the amount of the existing land tax instead of the grade of the land, this means that the burden on lands which were already more highly taxed as compared to others of similar qualities is further enhanced. Measures to eliminate such lack of uniformity are therefore a concomitant need.

TAXES ON FORMER BIRTA LANDS

We have noted that in order to achieve uniformity in the land tenure system, the government has determined upon the abolition of such systems as Jagir, Rakam, and Birta. In general, lands which have been converted into Raikar in this way have been assessed for taxation purposes at rates prevailing on adjoining holdings of Raikar lands. Under the 1959 Birta Abolition Act, in cases where Birtas had been granted in the form of assignments of land tax, the assignment has reverted to the state; where the grant involved rent receiving rights, the Act provided for the assessment of taxes at rates prevailing on adjoining holdings of Raikar land.³⁹ An amendment made in 1962 has confirmed these measures with regard to the hill districts and the Tarai, but in Kathmandu valley provision has been made to levy taxes at specified rates as follows:

TABLE 12⁴⁰

Assessment Schedule on Former Birta Lands

<u>Grade</u>	<u>Unit</u>	<u>Khet</u>	<u>Pakho</u>
Abal	per ropani	Rs. 3.00	Rs. 1.14
Doyam	"	Rs. 2.44	Rs. 0.94
Sim	"	Rs. 1.69	Rs. 0.56
Chahar	"	Rs. 1.12	Rs. 0.37

These rates are lower than the general level of assessments on existing Raikar land. It is significant that different bases were employed in determining such assessments in different parts of the country. Moreover, the 10 per cent increase in the general level of the land tax, made in the 1961-62 Budget, was not applicable in the case of Birta holdings of this class which were to be converted into Raikar.⁴¹ Probably the concentration of opposition to the Birta abolition program (for the most part in Kathmandu valley) was a factor that influenced such a policy. However, the increases provided for in the 1962-63 Budget do not make any such discrimination.

RATIONALIZATION OF THE LAND TAX

Lack of uniformity in the land tax assessment system, as well as the causes contributing to it, exemplify clearly the tendency of the government to avoid interference in the existing land taxation system even where reform is long overdue. It requires little elaboration to show that the existing land tax system is complicated and inconvenient, and that very little has been done to keep records in conformity with changing administrative practice. For example, the abolition of assessments in kind would considerably simplify the tax records without any adverse consequences on revenue. Assessments in this form were no doubt indispensable during the period when agricultural land taxes were actually paid in the form of various kinds of goods and services. But today land tax collections are largely in cash and tax records should be revised to conform with current administrative practices and policies. Particularly since the abolition of Jagiri holdings in 1951, assessments on the basis of kind have had little justification.

The consolidation of the land tax, which now consists of a multitude of payments, into a single cash payment is another long overdue measure which also would help considerably to simplify the tax records, thereby making collections a less complicated procedure. Efforts in this direction have been made in certain areas as, for example, in Gorkha, Kunchha, and Pokhara. Presumably the process of this reform was halted only because there have been no further revisions of the settlement in any other districts having assessments wholly or partly in kind since 1938, when the settlement in Gorkha was completed. In 1953 the All Nepal Peasants' Association submitted a memorandum to the Land Reform Commission demanding the abolition of all levies payable in addition to the land tax. The commission agreed to this demand, and further suggested that where such levies replaced the land tax, they should be adjusted to the rates of payments prevailing on adjoining holdings.⁴² Eventually the government accepted the commission's recommendation and decided that all levies which were not being paid in return

for land or other privileges should be abolished, while those based on the enjoyment of such facilities should be made payable in cash at rates prevailing on adjoining holdings.⁴³ There were difficulties involved in implementing this policy, however, other than the basic lack of knowledge about the nature of various kinds of levies. The policy was actually based on the misconception that the land tax consisted of a single item of payment. Since in fact the land tax is a multiple payment, there is not much significance in trying to decide which levies are additions to it. It is hardly surprising that in these circumstances the decision to abolish such levies has never been implemented. The conversion of existing levies into cash and their consolidation into a single item of payment at standard rates per unit of land would have been a more sensible and practicable measure.

VI. AGRICULTURAL LAND TAXES IN DIFFERENT REGIONS

We shall now commence a discussion of the nature of agricultural land taxation in different regions of the country. The character of the tax system employed in each region is generally determined by factors such as agricultural and topographical conditions, availability of transport and communicational facilities, and distance from the capital. We shall therefore describe separately the main systems prevalent on both Khet and Pakho land in the hill districts and Kathmandu valley, and in the eastern, western, and inner Tarai. In view of the bewildering variety of tax systems that have been used in different parts of the country at different times, an attempt to resolve such lack of uniformity into a few general patterns constitutes a formidable task. Accordingly, lest this discussion should convey the false impression that uniformity rather than variety is the rule, it should be noted at the very beginning that its main objective is to illustrate broadly the nature of the principal systems, and avoid a detailed discussion of exceptional cases which, needless to say, are numerous. This discussion therefore merely attempts to single out the more prominent strands in the motley pattern of Nepal's land taxation systems.

A. HILL DISTRICTS

PAKHO LAND IN HILL DISTRICTS

Two systems are mainly followed in the hill districts for the assessment of taxes on Pakho land, the Hale system and the Bijan system, neither of which involves the measurement of the land. The Hale system is used in Terhathum and Ilam in the eastern hill region, and in Nuwakot, Dhading, Syangja, Bandipur, Palpa, Gulmi, Baglung, Salyan, Dailekh, Jumla, Doti, and Achham in the western hill region. The Bijan system is employed in Kabhrepalanchok, Sindhupalchok, Ramechhap, Dolakha, Okhaldhunga, Majhkirat, and Chhathum in the eastern hill region, and in Gorkha, Pokhara, Kunchha, Baitadi, Dandeldhura, Bajhang, Bajura, and Jajarkot in the western hill region.

The Hale System

Taxes on the basis of the Hale system are conspicuous by lack of uniformity. This may be illustrated by the following rates applicable in two revenue subdivisions in Dhading:

TABLE 13¹Taxes on Hale Holdings in Dhading Division

<u>Area</u>	<u>Hale</u>	<u>Pate</u>	<u>Kodale</u>
Pusaltar	Rs. 1.96	Rs. 1.46	Rs. 0.96
Farakchour	Rs. 3.54	Rs. 2.65	Rs. 1.77

Such discrepancies are found in practically all areas where the Hale system is in force. An attempt to standardize the rates appears to have been made only as late as 1934. According to the regulations:

Although the law prescribes the imposition of taxes at the usual rates on new holdings created out of existing ones of which neither the area nor classification as Hale, Pate, etc., was specified, and on which rates of assessment were unequal, since the total land has remained unaltered and only the number of holdings has increased, assessment at the usual rate will mean harassment to the people. The rates of the Serma tax on such new holdings shall therefore be Rs. 1.00 on Hale, Rs. 0.75 on Pate and Rs. 0.50 on Kodale.²

These rates are, therefore, the most common ones over large areas in revenue divisions such as Dhading, Nuwakot, Syangja, Palpa, Gulmi, Salyan, and Bandipur. When assessments are made at these rates, the Saune Fagu tax on the homestead and other taxes based on caste or occupation are charged separately. But frequently, all these taxes are consolidated into a single payment. For example, in Ilam the Serma tax is levied after consolidating all other payments at Rs. 2.50 on Hale, Rs. 2.00 on Pate, and Rs. 1.50 on Kodale. These rates appear to have been effective since 1912,³ and to have been retained during the settlement of 1937.⁴ It is interesting to note that this move towards the simplification and standardization of the Serma tax was taken as early as 1912.

In general, under the Hale system, holdings are classified as Hale, Pate, and Kodale. In some cases, as in Terhathum, however, there are only two grades, Hale and Kodale.⁵ Kute holdings appear to be restricted to the districts of Dailekh, Doti, and Achham. The Thingo holdings in Dailekh are probably synonymous with Kute. Rates of assessment in this district are usually Rs. 0.49 on Hale, Rs. 0.43 on Pate, Rs. 0.29 on Kodale, and Rs. 0.13 on Thingo.⁶

The Serma is usually a cash assessment, but there are numerous cases in which it is levied in kind. In a few cases at Besardanda in Bandipur, for example, assessments take the form of black gram at 9 pathis on Hale, 7.5 pathis on Pate,

and 3.7 pathis on Kodale land.⁷ Sometimes the tax is payable in the form of iron. At Kebari in the mining area of Pyuthan district, for example, four to nine dharnis of iron per holding are payable in certain cases. There is no classification as Hale, Pate, or Kodale in this instance.⁸

Very often the Serma is based on consideration of caste or social status. In Dailekh, holdings owned by members of untouchable castes (Pauni) are liable to pay Serma at rates prevalent on Thingo holdings.⁹ Members of the tailor (Damai) caste in Achham had been exempted from payment of the Serma tax since 1830 and probably even earlier.¹⁰ In 1928, however, an order was issued fixing the rates for cobblers (Sarki) and blacksmiths (Kami) at Rs. 1.00 and for tailors (Damai) at Rs. 0.50 per holding, and forbidding the imposition of other taxes on members of these castes in Doti and Achham districts.¹¹ In Terhathum a member of the Khambu tribe pays only Rs. 1.00 on a Hale holding, whereas members of other castes are liable to pay Rs. 2.00.¹² By an order issued in 1863 members of the Thakuri caste also obtained relief from this assessment, up to a limit of Rs. 1.00 per holding.¹³ However, in Doti and Achham this exemption was granted only on holdings existing at the time of the 1868 settlements. In the case of subdivision, the new holdings thus created were subject to taxation like others.¹⁴ But in Chhathum, this facility was continued even in respect to such subdivided holdings, although it was denied to persons belonging to this caste who had settled in the district after the previous settlement.¹⁵ Talukdars also are free from this obligation.¹⁶ Adjustment on the basis of such considerations, if necessary, can be made only in the course of settlements. But even then, the existing level of taxation in respect to each holding can on no account be reduced.¹⁷

Similarly, the rates of the Fadke tax, levied on plots of Pakho land without any homestead, lack uniformity. In Salyan, for example, rates vary from Rs. 0.04 to Rs. 1.54 per plot.¹⁸ Apparently the estimated size is the underlying consideration for assessment.

The Bijan System

The Bijan system, in the districts of Bajura and Dandeldhura, under which assessments are based on the estimated quantity of seeds needed for sowing, appears to have been prevalent from traditional times. As is the case with such early assessments elsewhere in Nepal, rates are seldom uniform, but the lack of uniformity is more marked in Dandeldhura than in Bajura. In Bajura, where the last settlement was made in 1896, holdings are classified as Abal, Doya, Sim, and Chahar, but information on the basis of such classification is not available. The approximate rates

per pathi of seeds in general are Rs. 0.37 on Abal, Rs. 0.31 on Doyam, Rs. 0.25 on Sim, and Rs. 0.18 on Chahar grade.¹⁹ In Dandeldhura district, in the majority of cases, rates are not specified nor are holdings graded. The rates vary approximately from Rs. 0.18 to Rs. 0.37 per pathi of seeds.²⁰ Some assessments made in 1938 take the following form:

TABLE 14

Seed Taxes in Dandeldhura
(per pathi of seeds)

<u>Area</u>	<u>Abal</u>	<u>Doyam</u>	<u>Sim</u>	<u>Chahar</u>
Chhangna	Rs. 0.23	Rs. 0.21	Rs. 0.18	Rs. 0.16
Dinnu and Lugada	Rs. 0.27	Rs. 0.22	Rs. 0.17	Rs. 0.12
Other areas	Rs. 0.30	Rs. 0.20	Rs. 0.20	Rs. 0.15

But similar assessments made in 1946 correspond to the rates introduced in Baitadi in 1938, which will be described later. Even in these cases the assessments on the Chahar grade are occasionally not uniform, and reach Rs. 0.25 or even Rs. 0.50 per pathi, thus considerably exceeding the rates on Abal grade in other cases. Occasionally, the grade is not specified even in the case of assessments made in 1947, although, as mentioned above, earlier assessments have been made on the basis of gradation. Thus in some areas the rate per pathi varies from Rs. 0.21 to Rs. 0.26 without gradation.*

Between 1933 and 1948 the seed system was introduced in several other districts in the eastern and western hill regions. Such later assessments are invariably uniform, although the nature of gradation of holdings for purposes of assessments vary in different areas.

In Sindhupalchok, Kabhrepalanchok, Dolakha, and Ramechhap, holdings were classified as Halebij and Kodalebij, the former referring to land capable of being ploughed by an ox team and the latter to land which had to be dug with a spade. Two zones were recognized for purposes of assessment, Lekh (mountainous land) and Besi (land situated in the river valleys). Under the assumption that land in the Besi zone was more productive than in the Lekh zone, higher rates of taxes were imposed on land in the former zone. The rates per pathi of seeds are as follows:

*It must be noted, however, that as in the case of Bajura, information on the basis of gradation is not available.

TABLE 15

Seed Taxes in Lekh and Besi Zones
(per pathi of seeds)

<u>District</u>	<u>Year of Settlement</u>	<u>Lekh Zone</u>	
		<u>Halebij</u>	<u>Kodalebij</u>
Dolakha and Ramechhap ²¹	1947	Rs. 0.72	Rs. 0.48
Kabhrepalanchok and Sindhupalchok ²²	1948	Rs. 0.64	Rs. 0.32
		<u>Besi Zone</u>	
		<u>Halebij</u>	<u>Kodalebij</u>
Dolakha and Ramechhap	1947	Rs. 0.96	Rs. 0.72
Kabhrepalanchok and Sindhupalchok	1948	Rs. 1.04	Rs. 0.56

Elsewhere holdings were classified as Halebij and Kodalebij only, without reference to the zone, as the following table will show:

TABLE 16

Seed Taxes in Various Districts
(per pathi of seeds)

<u>District</u>	<u>Year of Settlement</u>	<u>Halebij</u>	<u>Kodalebij</u>
Kunchha, Pokhara ²³	1933	Rs. 0.60	Rs. 0.30
Gorkha ²⁴	1938	Rs. 0.72	Rs. 0.36
Jajarkot ²⁵	1938	Rs. 0.40	Rs. 0.20
Chhathum ²⁶	1940	Rs. 0.80	Rs. 0.40
Majhkirat ²⁷	1945	Rs. 1.12	Rs. 0.98
Okhaldhunga ²⁸	1946	Rs. 1.04	Rs. 0.48

In Bajhang and Baitadi, holdings were graded as Abal, Doyam, Sim, and Chahar. The basis of the gradation in Baitadi has already been explained, and apparently the same system was applied in Bajhang, too. The assessments are as follows:

TABLE 17

Seed Taxes in Bajhang and Baitadi
(per pathi of seeds)

<u>District</u>	<u>Year of Settlement</u>	<u>Abal</u>	<u>Doyam</u>	<u>Sim</u>	<u>Chahar</u>
Bajhang ²⁹	1938	Rs. 0.25	Rs. 0.22	Rs. 0.20	Rs. 0.17
Baitadi ³⁰	1938	Rs. 0.36	Rs. 0.32	Rs. 0.27	Rs. 0.21

The assessments, it may be noted, are higher in the eastern districts than in the western. In general, they appear to have been fixed on the basis of pragmatic considerations such as the existing aggregate assessment. In Pokhara, for example, during the settlement on Pakho land made in 1935, it was noted that the existing aggregate assessment, including taxes on newly cultivated holdings calculated at usual rates, would amount to Rs. 19,847.82, and that this would mean an average rate of Rs. 0.60 per pathi of seeds on Halebij and Rs. 0.30 on Kodalebij land. The assessments were fixed accordingly.³¹

In certain areas of Sindhupalchok, where Pakho holdings had been given as compensation for work in mines, assessments take the form of iron. The rates are as follows:

TABLE 18³²

Seed Assessments in Iron

<u>Zone</u>	<u>Class of Holding</u>	<u>Total Amount of Maize Seeds</u>	<u>Assessment in Iron</u>
Lekh	Halebij	1.03 pathis	12 dharnis
Besi	Halebij	1.06 pathis	20 dharnis

In Okhaldhunga, however, all such holdings were made liable to pay the usual assessments in cash, and it was provided that necessary arrangements for compensating labor would be made as and when work was resumed on the iron and copper mines of that district.³³

In general, assessments under the seed system appear to have been made on Pakho land in all hill districts where settlements were made after 1868.* This was occasionally

*Harilal, Pahad Mal Bishaya (On Revenue Offices in the Hills), pp. 5-6. The sole exception appears to be Ilam, where a proposal to introduce the seed system was abandoned in 1937 as a result of strong public opposition. (Government

true also in the case of newly cultivated Pakho lands in districts where, in the absence of fresh districtwide settlements, assessments continued under the Hale system. At Sakaura in Dhading district, for example, in one case assessments were fixed at approximately Rs. 0.10 per pathi of seeds without any classification.³⁴ However, existing assessments under the Hale system continued in the rest of the district. The government had adopted the policy of replacing the Bijan system for the Hale system gradually all over the hill region,³⁵ but because of administrative difficulties this reform was implemented in only 15 of the 30 revenue districts during the course of a decade and a half.

The introduction of the Bijan system considerably simplified the land tax assessment system because it involved the abolition of the numerous levies that are characteristic of the Hale system. As a rule, the seed system appears to have put an end to the various discrepancies in assessments under the Hale system that had been based on caste considerations. However, there were occasional exceptions, as when the Thakuris of Jajarkot in 1947 succeeded in retaining the concessions traditionally enjoyed by them with respect to the Serma tax. In Chhathum too, the concession enjoyed by the caste was ignored in the course of a survey conducted in 1939 but was later restored.³⁶

Other Assessment Systems

Assessments on Pakho land in the hill districts are sometimes made without consideration as Hale, Pate, or Kodale. Such assessments are to be found in several districts including Dhading and Palpa, and are characterized by an extreme lack of uniformity. For example, in Dhading, they vary from Rs. 0.25 to Rs. 1.55 per holding.³⁷ In Pyuthan, classification under the Hale system is entirely absent.³⁸ In some cases "excess" land in this district has been assessed an additional tax at rates varying from Rs. 0.04 to Rs. 1.06.³⁹ Apparently there was some criterion to determine the excess, but information with regard to this is not available.

In a very few cases in the hill districts, assessments are found to be made on the basis of the area of the Pakho holding. At Sedhainchok in Dhading district, for example, we find assessments such as the following:

of Nepal, Law Ministry Records, Ilam Assessment Order, 1937.)

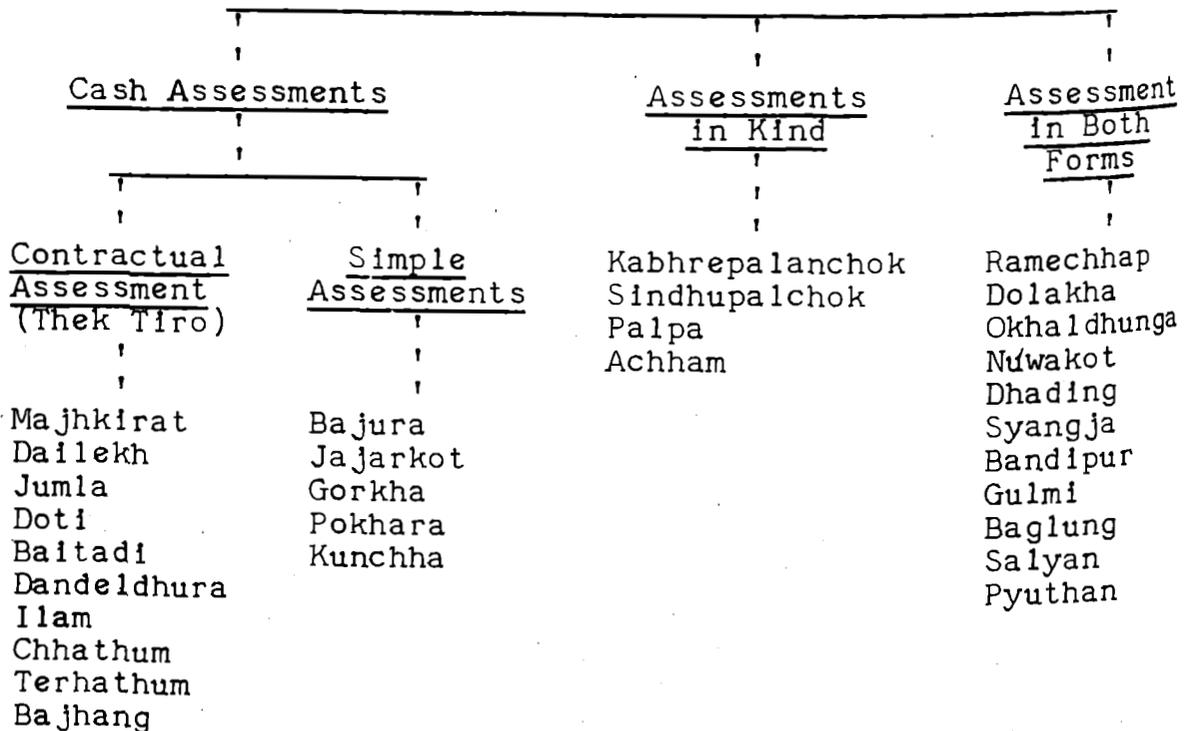
TABLE 19⁴⁰Assessments on Pakho Land on the Basis of Area in Dhading

<u>Area of Holding</u>	<u>Assessment</u>
13.3 ropanis	Rs. 2.00
7.5 ropanis	Rs. 1.00
8.3 ropanis	Rs. 1.00

At Kabilas in Nuwakot, a few Pakho holdings which were converted from Birta into Raikar in 1935 were measured and then graded on the basis of whether or not they could be ploughed by an ox team. The rate of assessment defined was Rs. 0.16 per ropani if an ox team can be used, and Rs. 0.12 in other cases.⁴¹

KHET LAND IN HILL DISTRICTS

Taxes on Khet land in the hill districts may be wholly or partly in cash or in kind. In some cases cash assessments contain a contractual element not permitting remissions in case of failure of crops. The tax systems on Khet land for different districts in this region may therefore be classified as follows:

Assessments on Khet Land

Contractual Assessments in Cash

A contractual assessment in cash, known as the Thek Tiro, was imposed in the far western and far eastern districts which have been mentioned in the above chart. All the districts where taxes are collected under the contract system (Thekka Thiti), with the exception of Achham, fall within this category.

In Dailekh, Doti, Jumla, Dandeldhura, Majhkirat, and Terhathum, assessments were fixed a fairly long time ago. As with all such early assessments, specific rates are absent, although gradation is a common feature everywhere except Majhkirat and Terhathum. The following assessments prevailing in Dailekh may be regarded as fairly representative of the general level of assessments in these districts:

TABLE 20⁴²

Assessments on Khet Land in Dailekh

<u>Size of Holding</u> (in muris)	<u>Grade</u>	<u>Assessment</u>	<u>Approximate Rate</u> (per muri)
11.2	Abal	Rs. 2.82	Rs. 0.25
4.7	Doyam	Rs. 1.13	Rs. 0.24
8.0	Sim	Rs. 1.81	Rs. 0.22
25.0	Chahar	Rs. 5.06	Rs. 0.20

These figures show that the difference in assessments between the various grades is not very wide. It should be noted, however, that assessments are seldom uniform. Frequently, as in some areas of Dandeldhura, there are specific rates of assessments, although uniformity is lacking. For example:

TABLE 21⁴³

Assessments on Khet Land in Dandeldhura

<u>Grade</u>	<u>Rate (per muri of land)</u>
Abal	Rs. 0.14 or Rs. 0.15
Doyam	Rs. 0.14
Sim	Rs. 0.13 or Rs. 0.14
Chahar	Rs. 0.10, Rs. 0.12, Rs. 0.13 or Rs. 0.14

The rates thus not only lack uniformity, but also make the gradation meaningless. There can hardly be any difference between Chahar grade and Abal grade, when both are liable to pay an assessment of Rs. 0.14 per muri. Even in the absence of districtwide revision of settlements, examples of recent

assessments on newly cultivated land in these districts indicate a trend towards uniformity. In Terhathum,⁴⁴ where there is no gradation, the majority of assessments run about Rs. 0.25 per muri and seldom move above Rs. 0.31. In Majhkirat⁴⁵ the range is wider, and rates vary from Rs. 0.12 to Rs. 0.44 per muri.

In a few cases even in these districts, assessments are in kind. For example, in Dailekh, in 1939, assessments in a few cases were made in kind in the form of paddy and the Ghu tax.⁴⁶ Needless to say, uniformity is lacking, and often even the grade is not specified. Similarly, in Jumla, assessments made on some land which had been converted into Raikar in 1938 were fixed in kind as follows:

TABLE 22⁴⁷

Assessments in Kind in Jumla
(per muri of land)

<u>Grade</u>	<u>Assessments</u>	
	<u>Paddy</u>	<u>Wheat</u>
Abal	6 pathis	0.6 pathis
Doyam	5 pathis	0.5 pathis
Sim	4 pathis	0.3 pathis
Chahar	3 pathis	0.2 pathis

Between 1936 and 1941, settlements were revised in the districts of Ilam, Baitadi, Bajhang, and Chhathum, and the new assessments are, in general, uniform all over these districts. The rates fixed in these districts are as follows:

TABLE 23

Recent Assessments on Khet Land in Thekka Thiti Districts

<u>District</u>	<u>Year of Settlement</u>	<u>Assessment</u>			
		<u>Abal</u>	<u>Doyam</u>	<u>Sim</u>	<u>Chahar</u>
Ilam ⁴⁸	1937	Rs. 0.50	Rs. 0.44	Rs. 0.38	Rs. 0.32
Baitadi ⁴⁹	1938	Rs. 0.15	Rs. 0.13	Rs. 0.12	Rs. 0.10
Bajhang ⁵⁰	1938	Rs. 0.11	Rs. 0.10	Rs. 0.09	Rs. 0.08

In certain areas in Phak and Maipar subdivisions of Ilam, a uniform rate of Rs. 0.32 per muri was prescribed irrespective of the grade. This was done because of the malarial conditions prevalent in these areas which had contributed to considerable depopulation, and the realization that people would not settle there unless they were attracted by low

assessments.⁵¹ The settlement in Bajhang in 1938 took cognizance of the fact that the old rates had not drawn a distinction between inferior land in areas with a snowy climate and better land elsewhere. It was decided that the rates should be reduced by Rs. 1.00 in the former area and by Rs. 0.50 in the latter.⁵² The rates mentioned in the above table related to the snowy region. For other regions Rs. 0.50 should be added in each case.

The 1938 settlement retained any special rates that had been in force since 1910 on Khet land owned by Brahmins in Bajhang. We have seen that assessments based on caste considerations are not uncommon on Pakho land in the hill districts and Kathmandu valley, but Bajhang probably constitutes the sole example where a similar system is prevalent also on Khet land. These assessments are comparatively low, and start at Rs. 0.02 per muri of Chahar grade, with a progressive increase of Rs. 0.01 for each of the three higher grades.⁵³

Simple Cash Assessments

In Bajura assessments are exclusively in cash, but do not take the form of the Thek Tiro. Although a system of gradation appears to be prevalent, most of the land is graded as Abal, but the assessment thereon varies from Rs. 0.06 to Rs. 0.10 per muri.⁵⁴ In all districts where settlements on Khet land were revised after 1933, assessments in kind were replaced by similar assessments which do not contain any contractual element. Moreover, the new assessments consist of only one item, as all extra levies were abolished.* This system was introduced in Pokhara, Kunchha, Jajarkot, and Gorkha between 1933 and 1938. Assessments in these districts take the following form:

TABLE 24

Simple Cash Assessments on Khet Land

<u>District</u>	<u>Year of Settlement</u>	<u>Assessment</u>			
		<u>Abal</u>	<u>Doyam</u>	<u>Sim</u>	<u>Chahar</u>
Pokhara,					
Kunchha ⁵⁵	1933	Rs. 0.40	Rs. 0.24	Rs. 0.14	Rs. 0.08
Gorkha ⁵⁶	1938	Rs. 0.75	Rs. 0.60	Rs. 0.40	Rs. 0.30

*The sole exception is provided by assessments in Ilam, which retain the Chardam Theki tax.

The rates are uniform all over the district. The disparity in rates between Gorkha on the one hand and Pokhara and Kunchha on the other is striking.

In Jajarkot, in 1938, land in certain areas was divided into the cold zone and the warm zone. The rates were slightly higher for the warm zone, probably because it was considered to be more productive. The rates per muri of land are as follows:

TABLE 25

Assessments on Khet Land in Jajarkot

<u>Grade</u>	<u>Cold Zone</u>	<u>Warm Zone</u>
Abal	Rs. 0.27	Rs. 0.28
Doyam	Rs. 0.21	Rs. 0.22
Sim	Rs. 0.12	Rs. 0.13
Chahar	Rs. 0.09	Rs. 0.13

We have noted that a similar principle was introduced in Bajhang also. But this policy was not followed in respect to other areas with similar climatic conditions, such as Dailekh and Jumla, possibly because no settlement has been made there in recent years.

Assessments in Both Forms

In all areas where assessments are sometimes in cash and sometimes in kind, the settlement has not been revised since 1868. Gradation of the land and uniformity of assessments are therefore conspicuous by their absence. The assessment, when it is in cash, takes the form of the Thek Tiro, without any other levy. In general, assessments in this form are low, although, as in other cases, there is no uniformity. For example, in Pyuthan district, rates vary from Rs. 0.03 to Rs. 0.19 per muri.⁵⁸ Elsewhere rates ranging between Rs. 0.12 and Rs. 0.31 per muri are fairly common. It is only in a few cases in Nuwakot district that they are as high as Rs. 0.50 per muri.⁵⁹

Where assessments are in kind, they usually take the form of paddy, often along with the Ghiu tax. Salyan appears to be the only district in this category where wheat also constitutes an item of payment. In Pyuthan and Gulmi, the rates vary from about 2 to 6 pathis of paddy per muri of land.⁶⁰ In Nuwakot they range from 4 manas to 10 or at times even 12 pathis per muri.⁶¹ But the highest rates are found in Bandipur, where in some cases 5 or even 7.5 muris of paddy are payable on one muri of land. The rates of the Ghiu tax display a similar lack of uniformity.⁶² Later assessments in these districts, as in other areas, indicate a

trend towards both gradation and specific rates. Some assessments made in 1932 in Salyan, for example, are as follows:

TABLE 26⁶³

Assessments on Khet Land in Salyan

<u>Grade</u>	<u>Assessment (in paddy)</u>
Abal	3.7 pathis
Doyam	3.0 pathis
Sim	2.0 pathis
Chahar	1.2 pathis

Assessments in Kind

In all those districts where assessments are wholly in kind, settlements were revised only once after 1868. Accordingly, land is invariably graded as Abal, Doyam, Sim, and Chahar, although specific rates are absent. The lack of uniformity is so confusing that at times even gradation is rendered meaningless. For example, a holding of Doyam grade in Sindhupalchok pays an assessment of approximately 8 pathis of grain per muri of land, whereas another holding of Chahar grade pays about 9.5 pathis.^{*} However, Chahar land does not appear to be liable to pay part of the assessment in the form of wheat.⁶⁴ In Palpa and Kabhrepalanchok also, the assessment system is equally confusing.

Achham is the only Thekka Thiti district which has assessments in kind. In this case too, uniformity and specific rates appear to be absent, even though holdings are graded. The basis of gradation is the same as indicated in the case of Kathmandu valley and some hill districts.⁶⁵ The assessment usually takes the form of paddy and the Ghiu tax. In general, the rates are approximately 3.5 pathis of paddy per muri of Abal grade, 2.5 pathis on Doyam grade, 1.5 pathis on Sim grade, and 1.2 pathis on Chahar grade. The rate of the Ghiu tax appears to be uniform at Rs. 0.02 per muri.⁶⁶

^{*}For the purpose of this comparison, paddy and wheat have been treated as homogeneous, while the Ghiu tax has been ignored.

B. KATHMANDU VALLEY

PAKHO LAND IN KATHMANDU VALLEY

Tax systems on Pakho land in Kathmandu valley are more varied than in the hill districts, primarily because a considerable proportion of such land in this region has been measured, and different methods have therefore been employed to determine the form and level of assessments. Therefore, in addition to the Serma tax on the basis of the Hale system, we find assessments also in the form of the Thek Tiro tax, simple cash payments, and various forms of agricultural produce. In addition, a different system is followed in Bhaktapur, where the assessment system was standardized in the course of the 1930 revenue settlement.

The Serma Tax

Assessments on the basis of the Hale system are mostly found in outlying villages some distance from urban centers. Typical of these cases are the rates applicable at Sangachok in Kathmandu district--Rs. 2.00 on Hale, Rs. 1.50 on Pate, and Rs. 1.00 on Kodale. These rates appear to have been fixed in 1921, when it was decided to consolidate the various taxes on Pakho holdings (including homesteads), particularly in the Sankhu area.⁶⁷ Elsewhere the rates lack uniformity. In some areas of Kirtipur, for example, the rates are Rs. 1.00, Rs. 0.75, and Rs. 0.50 respectively for the three classes of holdings, as prescribed for new holdings in the hill districts.

In some cases holdings have been classified as Hale and Kodale after measurement of the area. For example, at Mudkhu in Kathmandu division, a holding of about 1.1 muri is liable to pay a tax of Rs. 0.12, while another containing 25 muris is liable to pay Rs. 3.42. In both cases the holdings are classified as Hale. Sometimes additional taxes, such as the Bethi, are also levied. Occasionally the assessment is in kind, as at Sangla, where a Hale holding consisting of 0.7 ropanis is liable to pay tax in the form of 10 pathis of millet. However, such assessments on the basis of the Hale system in which the area of the holding has been measured are not very common.

Occasionally the Serma tax is levied without any attempt at classifying holdings as Hale and Kodale, as happened also in a few cases in the hill districts. Rates of assessment on the basis of this system vary widely. At Itakhel in Kirtipur division, there are holdings that pay between Rs. 0.04 and Rs. 0.68 under this system. Such assessments are probably the result of subdivision and fragmentation of existing holdings, since the total amount of the tax was not increased and there was no extension of the

net taxable area. Sometimes the rates are as high as Rs. 1.00, Rs. 1.50, or even Rs. 2.00 per holding, as at Labse in Kathmandu division. There are also numerous cases in which the Serma tax is imposed based on the area of the holding, although specific rates of assessment are absent. For example, at Changu in Kathmandu division, three holdings consisting of 8.8, 12, and 34.3 muris of land respectively, each pay Rs. 0.39. Often in such cases, other taxes such as Saune Fagu, Walak, and Bethi, as well as agricultural produce in the form of paddy and wheat, are levied in addition to the Serma. At Bisankhu in Lalitpur division, for example, the tax on a holding containing approximately 19.7 muris of land is levied in the form of approximately one muri and 11 pathis of paddy, six pathis and three manas of wheat, and Rs. 0.04 per muri as Serma.

Thek Tiro Assessments

Sometimes the main assessment on an unmeasured Pakho holding takes the form of the Thek Tiro in cash, often in addition to the Saune Fagu tax. Thus at Baleju in Kathmandu district, one holding pays a Thek Tiro of Rs. 0.32 along with Saune Fagu of Rs. 0.04, while another pays Rs. 20.00 without any Saune Fagu. While such disparities may be due to differences in size, the rates of the Thek Tiro tax are not uniform even when it is levied on Pakho holdings on the basis of area. The following examples of assessments made in two revenue subdivisions of Kathmandu will illustrate this lack of uniformity:

TABLE 27

Thek Tiro Taxes on Pakho Land in Kathmandu

<u>Revenue Subdivision</u>	<u>Size of Holding</u>	<u>Total Assessment</u>	<u>Approximate Rate per Muri</u>
Tilangatar	11 ropanis	Rs. 0.68	Rs. 0.01
Sangla	43.3 muris	Rs. 2.75	Rs. 0.06
Sangla	32.3 ropanis	Rs. 65.50	Rs. 0.51

Numerous examples of Thek Tiro assessments similar to the above are found also in Kirtipur and Lalitpur. Sometimes Thek Tiro levied in this way on the basis of area is payable along with other assessments. For example, in Kirtipur, a holding consisting of 0.8 muris of land is assessed at approximately two pathis of paddy, seven manas of wheat, and Rs. 0.01 as Thek Tiro.

Specific Cash Assessments

In some cases a flat assessment is paid per unit of area. This system is characterized by low rates and lack of

gradation. In some revenue divisions of Sankhu, Labse and Sangachok for example, a flat rate of Rs. 0.08 per ropani is payable. This system appears to have been used in cases where Kipat land was converted into Raikar because of defective title deeds.⁶⁸

Assessments in Kind

In several cases, assessments on Pakho holdings are made in the form of grains and other agricultural produce rather than cash assessments such as the Serma. At Mudkhu in Kathmandu division, for example, the taxes on one holding take the form of five pathis of maize, three pathis of millets, and Rs. 0.02 (as payment in lieu of fuelwood), in addition to the Saune Fagu on the homestead. Sometimes even paddy is thus assessed, as in Changu in Kathmandu district, where in one case a holding is liable to pay 1.5 muris of paddy. At Tokha in Kathmandu district, there are numerous cases of assessment in the form of brown sugar cakes, often in addition to the Serma tax. Such a system prevails even in cases where holdings have been measured. At Sankhu in Kathmandu district, for example, a holding consisting of 52 muris of land pays a tax in the form of 1.5 muris of paddy. Sometimes the level of such assessments is almost equal to that prevailing on Khet land. Thus at Balaju in Kathmandu district, the tax on a holding consisting of 0.5 ropani takes the forms of 11.2 pathis of paddy and the Chardam Theki levy amounting to Rs. 0.05. These rates, it may be noted, are almost equal to the rates prescribed in 1934 for newly cultivated Khet land of Sim grade. Often the tax includes mustard seeds, Walak, and labor, in addition to paddy, as at Bisankhu in Kathmandu district.

The most common form of tax assessments on Pakho land in the revenue districts of Kathmandu, Lalitpur, and Kirtipur in Kathmandu valley consists of maize, millets, or both, along with miscellaneous other payments mostly representing the produce of the soil per unit of area. The rates, as well as the number of payments, however, vary widely. Assessments in the form of millet vary from about 0.5 pathi in one case at Bhare to about 1.2 muris of millet per muri of land in another case at Tokha, both in Kathmandu district. Assessments in the form of maize vary from about 0.3 pathi at Bisankhu in Lalitpur district in one case to five pathis in another case at Handigaun in Kathmandu district. But there are innumerable cases in which both maize and millet are assessed simultaneously.

The following examples will illustrate the variety of systems of tax assessments on Pakho land in Kathmandu valley.

Kathmandu (Kathmandu Division)

Size of holding	0.1 ropani
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Assessments:

Paddy	5.3 pathis
Wheat	4.6 pathis
Maize	0.2 pathi
Straw	10 loads

Kirtipur (Kirtipur Division)

Size of holding	15.3 ropanis
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Assessments:

Walak	Rs. 0.16
Millets	12.8 pathis
Maize pods	Rs. 0.13
Mutton	Rs. 0.13
Tika	Rs. 0.04
Saune Fagu	Rs. 0.04

Bisankhu (Lalitpur Division)

Size of holding	3.8 ropanis
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Assessments:

Paddy	34.6 pathis
Mustard seeds	1.5 pathis
Walak	Rs. 0.04
Laborers	2*

Assessments on Pakho Land in Bhaktapur

In Bhaktapur division, where Pakho land was measured and graded as Hale Pakho and Kodale Pakho in 1930, assessments were standardized at 3.1 pathis and 1.6 pathis of maize respectively on the two grades. At scheduled conversion rates, this represented a cash payment of Rs. 0.98 and Rs. 0.52 respectively.⁶⁹ It should be noted that these assessments are considerably lower than those introduced in respect to newly cultivated land in Kathmandu valley in 1934. This situation may be contrasted with the higher

*This involves the services of two laborers per year for government service. In practice, these services are remitted on cash payments.

rates of assessments on Khet land in Bhaktapur as compared to the other districts of this region.

KHET LAND IN KATHMANDU VALLEY

In general assessments on Khet land in Kathmandu valley assume various forms of the agricultural produce. Sometimes even dry crops such as maize or millets which, in theory, are cultivated only on Pakho land, are payable on Khet land. Frequently the assessment is made in cash in the form of the Thek Tiro, with or without other payments in kind. Another factor which complicates the assessment system is the lack of measurement even on Khet land in certain areas.

Assessments in Paddy and Wheat

The most common form of assessment on Khet land in Kathmandu valley is in paddy with or without additional levies, such as wheat and the Ghiukhane tax. Such assessments may be illustrated by the following examples:

TABLE 28

Assessments in Kind on Khet Land in Kathmandu

<u>Area</u>	<u>Size of Holding</u> (in muris)	<u>Assessment</u>			<u>Approximate Rate per Muri of Land</u> (in pathis)
		<u>Paddy</u> (in pathis)	<u>Wheat</u> (in pathis)	<u>Ghiukhane</u>	
<u>Kathmandu Division</u>					
Ghumari-chok	5	7.5	X	Rs. 0.15	1.5
Palubari	2	8.0	X	Rs. 0.06	4.0
Saranchok	10	41.7	4.0	Rs. 0.01	4.5
Bode	2	4.0	0.3	Rs. 0.04	2.0

In addition, along with paddy and wheat, one or more forms of agricultural produce, such as straw, fuelwood, soybeans, curd, oil, sugar, and vegetables, may be included in the assessment.⁷¹ These combinations may also be present with rice or semi-milled paddy instead, and sometimes also in addition to paddy.

*For the purpose of such comparisons, the Ghiukhane tax has been ignored, and all types of grains have been treated as homogeneous.

Assessment in the Form of Dry Crops

Khet land, by definition, grows only "wet" crops such as paddy and wheat. But in Kathmandu valley there are numerous cases in which assessments on Khet land take the form of "dry" crops such as maize and millets, which are generally associated with Pakho land. For example:

TABLE 29

Assessments in Maize and Millets on Khet Land in Kathmandu

<u>Area</u>	<u>Size of Holding</u>	<u>Assessment</u>		<u>Approximate Rate per Muri of Land</u>
		<u>Maize</u>	<u>Millet</u>	
Kathmandu	16 muris	32 pathis	X	2.0 pathis
Kathmandu	2 muris	X	5 pathis	2.5 pathis
Syundeni	40 muris	10 pathis	5 pathis	0.3 pathi

Thus, the assessment may consist of maize and millet, either separately or jointly. Occasionally it is composed of millets plus any additional levies such as the Chardam Theki, the Ghiukhane, and the Tiko. In some cases mustard oil is paid solely or along with other forms of assessment. At Balaju in Kathmandu, a holding of 15.2 muris of land is taxed in the form of four manas of oil and one broom. At Dev Patan in the same area, a holding of eight muris of land pays an assessment in the form of 3.7 pathis of black gram. It is indeed a task of considerable complexity to attempt to unravel the diversity in the forms of assessment on Khet land in Kathmandu valley.

The Thek Tiro Tax

The Thek Tiro tax, as prevalent in some hill districts, is common in several areas of Kathmandu valley. The level of this assessment may be illustrated by the following examples:

TABLE 30

Thek Tiro Assessments on Khet Land in Kathmandu

<u>Area</u>	<u>Size of Holding</u>	<u>Thek Tiro</u>	<u>Approximate Rate per Muri of Land</u>
<u>Kathmandu District</u>			
Sangachok	4 muris	Rs. 1.00	Rs. 0.25
Thimi	14 muris	Rs. 13.00	Rs. 0.92
<u>Lalitpur District</u>			
Patan	1 muri	Rs. 0.50	Rs. 0.50
Pyutar	3 muris	Rs. 0.75	Rs. 0.25
<u>Kirtipur District</u>			
Agra	1 muri	Rs. 0.51	Rs. 0.25
Chitlang	1 muri	Rs. 5.62	Rs. 5.62
Thankot	12 muris	Rs. 1.50	Rs. 0.12

Uniformity is thus conspicuous by its absence, but the more common rate appears to be Rs. 0.25 pice per muri. Sometimes the Thek Tiro tax is levied along with several other levies such as paddy or the Ghiukhane tax, as the following examples will show:

TABLE 31

Miscellaneous Assessments on Khet Land in Kathmandu

<u>Area</u>	<u>Size of Holding</u>	<u>Assessment</u>			<u>Approximate</u>
		<u>Paddy</u>	<u>Ghiukhane</u>	<u>Thek Tiro</u>	<u>Rate per Muri of Land</u>
<u>Kathmandu District</u>					
Thimi	24 muris	12 muris	X	Rs. 4.00	Rs. 2.16
Changu	16 muris	6 muris	X	Rs. 0.25	Rs. 1.51
Syandeni	6 muris	X	Rs. 0.12	11.25 pathis	Rs. 0.20

These rates, it may be noted, even exceed the rates prescribed in 1934 for newly cultivated Khet land of Abal grade. For example, at Sankhu in Kathmandu district, a Khet holding is subject to an assessment in the form of Rs. 211.80 as Thek Tiro, 12 pathis of oil, and eight oil cakes. Similar holdings are found occasionally in Kirtipur and Lalitpur also.

Lack of Gradation and Uniformity

These examples will prove that the system of land taxation of Khet land in Kathmandu valley is conspicuous by a lack of uniformity as regards both the form and level of assessment. At the same time, a system of gradation also appears to be absent. Since the last settlement in Kathmandu, Lalitpur, and Kirtipur was held in 1868, reforms

introduced in some hill districts to ensure uniformity of assessments and gradation are still unknown in Kathmandu valley. It is indeed surprising that the government chose to revise settlements in such distant areas as Baitadi and Ilam in recent years, while the area around the capital has continued under assessment systems devised more than a century ago. A possible factor contributing to this situation was the government's desire to avoid interference in the existing arrangements in the area in which the central government was located and the majority of the members of the ruling family lived.

The Assessment System in Bhaktapur

Bhaktapur was the only area in Kathmandu valley where the settlement of 1868 was revised on a districtwide basis in comparatively recent times. Assessments fixed after a survey in 1930 in that district not only introduced a system of gradation, but also ensured uniformity, as the following table will show:

TABLE 32⁷²

Assessments on Khet Land in Bhaktapur

Grade	<u>Rates per Ropani</u>			Total Payment In Cash (at scheduled conversion rates)
	<u>Paddy</u>	<u>Wheat</u>	<u>Ghiukhane</u>	
Abal	25 pathis	4.5 pathis	Rs. 0.18	Rs. 6.62
Doyam	18 pathis	2.7 pathis	Rs. 0.17	Rs. 4.65
Sim	12.5 pathis	1.3 pathis	Rs. 0.16	Rs. 3.10
Chahar	8 pathis	X	Rs. 0.14	Rs. 1.74

Thus, Bhaktapur is the only district in Kathmandu valley which possesses uniformity of assessments. It should be noted, however, that while estimates of yields for purposes of gradation are identical for both Bhaktapur and the other areas of Kathmandu valley, assessments in Bhaktapur are higher than elsewhere.

Uniformity of Assessments in Kathmandu Valley and Hill Districts

In 1934, regulations were promulgated to prescribe standard rates of assessments on Khet land in a number of hill districts and on both Khet and Pakho land in Kathmandu valley with the exception of Bhaktapur. These rates were applicable to all hill districts except those where cash assessments are prevalent all over the district and where land taxes are collected under the contract system. They

were thus applicable only in Kabhrepalanchok, Sindhupalchok, Ramechhap, Dolakha, Okhaldhunga, Nuwakot, Dhading, Syangja, Bandipur, Palpa, Gulmi, Baglung, Salyan, and Pyuthan. But since this measure applied only to newly cultivated land, existing assessments have remained unaffected. These rates are as follows:*

TABLE 33

Assessments on Newly Cultivated Land in Hill Districts

A. Hill Districts

(where assessments are wholly or partly in kind)

<u>Khet land</u>	<u>Paddy</u>	<u>Ghiukhane tax</u>
Abal	14 pathis	Rs. 0.08
Doyam	11 pathis	Rs. 0.08
Sim	7 pathis	Rs. 0.08
Chahar	5 pathis	Rs. 0.08

Since these assessments in kind are converted into cash for purposes of collection at rates which vary in different areas, uniformity of assessments in this case have not meant uniformity of payments. Similar steps with regard to Pakho land were not adopted, apparently because of the absence of a system of measurement of such land in the hill districts.

*Government of Nepal, Law Ministry Records, Sindhupalchok Revenue Regulations, 1934, Section 40. The rates of conversion are slightly lower for some areas under the jurisdiction of the Kathmandu valley Mal office which are situated outside Kathmandu valley. See Appendix G.

TABLE 34⁷³
Assessments on Newly Cultivated Land in Kathmandu Valley

 B. Kathmandu Valley

(Kathmandu, Lalitpur, and Kirtipur districts only)

Total Cash Value
(at scheduled
conversion rates)

Khet land

<u>Grade</u>	<u>Paddy</u>	<u>Wheat</u>	<u>Ghiukhane</u>	<u>Inside Valley</u>	<u>Outside Valley</u>
Abal	16 pathis	3 pathis	Rs. 0.12	Rs. 4.28	Rs. 3.53
Doyam	13 pathis	2 pathis	Rs. 0.12	Rs. 3.36	Rs. 2.78
Sim	9 pathis	1 pathi	Rs. 0.12	Rs. 2.24	Rs. 1.87
Chahar	6 pathis	X	Rs. 0.12	Rs. 1.32	Rs. 1.00

Total Cash Value
(at scheduled conversion rates)

Pakho land

<u>Grade</u>	<u>Assessment</u> (in maize)	<u>Inside Valley</u>	<u>Outside Valley</u>
Abal	7 pathis	Rs. 1.75	Rs. 1.40
Doyam	5 pathis	Rs. 1.25	Rs. 1.00
Sim	3 pathis	Rs. 0.75	Rs. 0.60
Chahar	2 pathis	Rs. 0.50	Rs. 0.40

C. TARAI DISTRICTS

As mentioned above, the tax systems in the Tarai region will be discussed separately for the eastern Tarai, the western Tarai, and the inner Tarai, because the form and level of assessments and the method of land classification differ in many respects in these three areas.

EASTERN TARAI

Since the eastern Tarai region is agriculturally richer and is more densely populated than the western Tarai, assessments tend to be at a higher level. In general, land is classified as Dhanahar and Bhith for purposes of tax assessment in the eastern Tarai districts. This system appears to have replaced the practice of classifying the land on the basis of the crops with different assessment rates for each grade of land under each crop. Settlements made subsequent to 1909 appear to have followed the new system, though with some exceptions in the case of a few villages, as in Bara, Parsa, Rautahat, Sarlahi, and Jhapa. The regulations, referring to the reasons for the adoption of the Dhanahar system of classification, note:

Previously, land was classified as under different crops and then graded as Abal, Doyam, Sim and Chahar. There were separate rates for each different crop. Accordingly, tax records were highly complicated. Since land taxes were assessed on the basis of the crop irrespective of productivity, crops involving low taxes were cultivated even on Abal land. Such a practice was harmful both to the people and to the Government.⁷⁴

It may be noted that this criticism fails to consider another inherent defect in the old system--the failure to make adjustments in tax rates from time to time if and when crops paying low rates were replaced by those paying higher ones. In Morang district, the regulations also noted that the introduction of the Dhanahar-Bhith system of classification would reduce taxes on highly profitable crops such as tobacco, and unduly increase them on less profitable crops including Khar grass and bamboo. They therefore provided for another class of agricultural land, known as Kirana, on which six crops, including vegetables, sugarcane, tobacco, and poppy, could be grown.⁷⁵ The assessments made on the basis of these regulations, however, do not appear to have treated Kirana as a separate class of agricultural land for purposes of tax assessments.⁷⁶ Kirana, in fact, appears to have been one of the six classes of agricultural land according to the practice followed prior to the Dhanahar-Bhith system of classification in districts such as Saptari.⁷⁷

In the few cases where assessments on the basis of crops have not as yet been replaced by the Dhanahar-Bhith system of classification, assessments per bigha often take the following form, as at Chandrapur village in Jhapa district:

TABLE 35⁷⁸Crop Assessments in Jhapa

<u>Crop</u>	<u>Abal</u>	<u>Doyam</u>	<u>Sim</u>	<u>Chahar</u>
Mustard	X	Rs. 6.86	Rs. 5.36	Rs. 4.57
Maize	X	Rs. 3.82	Rs. 3.02	Rs. 2.38
Millet	X	Rs. 4.94	Rs. 4.16	Rs. 2.66
Lentils	X	Rs. 6.09	X	X
Ginger	X	Rs. 6.09	X	X

Uniformity with regard to the number of crops selected for purposes of such assessment appears to be absent, obviously because the assessment system had to take note of different cropping patterns in different areas. In certain areas of Sarlahi district, for example, land is classified as Bhith

or under mustard, tobacco, or bushes. The rates are highest on land under tobacco, Rs. 14.15 per bigha on Abal grade, whereas in the other cases they do not exceed Rs. 4.81. The lowest assessment is on land under bushes, which lacks gradation and is liable to pay tax at a uniform rate of Rs. 1.12 per bigha. Occasionally assessments made under this system ignore the grade of the land, as in Parsa and Bara.⁷⁹

In some eastern Tarai districts, for the purpose of tax assessments, agricultural land is first divided into three east-west zones. According to one writer:

Three longitudinal areas are recognized in the Terai -- "Seir" [Sir], the upper portion of the forest land, "Majha", the middle; and "Bhatha", the lowest strip. The depredations of the wild animals for which Nepal is famous are taken into consideration, and the assessment is easier in the upper zone than in that of the central strip, which, in turn, is lighter than that in that of the land adjoining the frontier.⁸⁰

This system appears to be limited to Sarlahi, Bara, Parsa, and Rautahat districts in the eastern Tarai region.* But the three zones are not always clearly defined. In Sarlahi and Rautahat districts, for example, Majha and Bhatha strips are consolidated into a single zone for purposes of tax assessment. In Bara and Parsa the Majha zone appears to have been ignored. Since the Sir zone adjoins forest areas and, because of its elevation, has scarcer irrigation facilities, rates of assessments are comparatively low, and frequently classification or gradation appear to have been ignored. For example, the Dhanahar-Bhith system of classification has not been introduced on land in the Sir zone in Sarlahi, and the rate of assessment is uniform at Rs. 8.25 per bigha all over the zone.⁸¹ Even in cases where land in the Sir zone is classified as Dhanahar and Bhith, gradation as Abal, Doyam, Sim, and Chahar has been ignored. For example, in Parsa the assessment on Dhanahar land in the Sir zone is a uniform one of Rs. 8.25 per bigha, while in Bara it is Rs. 8.00.⁸²

In general, the introduction of the Dhanahar-Bhith system of classification also involved gradation into Abal,

*This system appears to have been long in existence, especially in the context of distribution of irrigation water. But there is no evidence that it was used as a basis for tax assessment in early days. Cf. Government of Nepal, Revenue Department Records, Administrative Regulations for Saptari and Mahottari, 1802, Section 10. See also Government of Nepal, Madhesh Mai ko Sawal (Tarai Revenue Regulations), Section 103, p. 45.

Doyam, Sim, and Chahar, but there are several exceptions to this rule. In Koradi and Asibhou (Mahottari district) there is no gradation of Dhanahar land, and assessments thereon vary from Rs. 2.34 to Rs. 8.88 per bigha.⁸³ The lack of gradation is more common on Bhith land. In Siraha and Parsa a uniform rate of Rs. 4.50 per bigha is levied on all Bhith land irrespective of the zone, while the figures in the case of Bara are Rs. 4.50 in the Sir zone and Rs. 4.87 in the other zones. In Rautahat the rate is Rs. 5.62 per bigha in the Majh-Bhatha zone. In Mahottari, rates vary from Rs. 4.59 to Rs. 8.84 per bigha.

The rates of assessments on Dhanahar land on the basis of gradation as Abal, Doyam, Sim, and Chahar in different districts of the eastern Tarai region are as follows:

TABLE 36

Assessments on Dhanahar Land in Eastern Tarai Districts

<u>District</u>	<u>Abal</u> (Rs.)	<u>Doyam</u> (Rs.)	<u>Sim</u> (Rs.)	<u>Chahar</u> (Rs.)	<u>Kamchahar*</u> (Rs.)
Morang ⁸⁴	9.00	8.00	6.00	4.50	
Jhapa ⁸⁵	9.09	8.09	6.09	4.59	
Siraha ⁸⁶	11.44	10.26	9.51	6.00	
Hanumannagar ⁸⁷	11.81	11.44	10.28	6.47	4.66
Mahottari ⁸⁸	15.00	14.25	13.50		
Sarlahi ⁸⁹	12.00	10.87	9.75		
Parsa ⁹⁰	10.50	9.75	8.75		
Rautahat ⁹¹	11.25	9.75	8.75		
Bara ⁹²	10.50	9.75	9.37		

The rates are, in general, uniform all over the district, except in certain areas where the old system of crop assessments were retained. In Mahottari, however, they vary from one revenue division to another. It may be noted that the tax records do not classify any land as Chahar grade in Mahottari, Bara, Parsa, Sarlahi, and Rautahat. While agricultural land in these districts is considered to be the most fertile in the entire country, it is also probable that the general tendency on the part of settlement officers to upgrade lands may have constituted the main contributing factor in this situation.

*Kamchahar is another grade, in addition to the usual four, in the Siraha and Hanumannagar revenue divisions of Saptari district. Information on the basis of such gradation is, however, not available.

Bhith land has been graded for the purposes of tax assessments only in Morang, Jhapa, Siraha, and Hanumannagar. The assessments per bigha are as follows:

TABLE 37

Assessments on Bhith Land in Eastern Tarai Districts

<u>District</u>	<u>Abal</u> (Rs.)	<u>Doyam</u> (Rs.)	<u>Sim</u> (Rs.)	<u>Chahar</u> (Rs.)	<u>Kamchahar</u> (Rs.)
Morang ⁹³	7.12	6.37	4.87	3.75	
Jhapa ⁹⁴	7.21	6.46	4.96	3.83 ⁹⁵	
Hanumannagar ⁹⁶	5.34	4.73	4.19	3.42	2.67
Siraha ⁹⁷	6.09	5.72	5.34	4.57	

WESTERN TARAI

In the western Tarai districts, where agricultural land is usually classified for purposes of tax assessments as Abal and Dhushi rather than Dhanahar and Bhith, gradation as Abal, Doyam, Sim, and Chahar is generally unknown. For example, both Abal and Dhushi land in Kailali and Kanchanpur districts were formerly graded as owned by "gentlemen" or "common people," with higher rates of assessment for the latter.⁹⁸ This measure was probably adopted in order to attract "gentlemen" settlers to areas which were once famous as refuges for dacoits. Gradation as Abal, Doyam, Sim, and Chahar was, after classification as Dhanahar and Bhith, first introduced in 1957 and 1958.

Although a survey was held as recently as 1947 in Bardiya, agricultural land is neither classified as Abal and Dhushi, nor graded as Abal, Doyam, Sim, and Chahar, for purposes of tax assessment. Assessments per bigha vary between Rs. 5.62 and Rs. 8.62 in different revenue subdivisions.⁹⁹ In Sheoraj, Khajahani, and Palhi-Majhkhand districts, gradation is limited to Abal land, while Dhushi land invariably is subject to a uniform tax. The rates per bigha in the majority of cases are as follows:

TABLE 38

Assessments in Western Tarai Districts

<u>District</u>	<u>Abal land</u>				<u>Dhushi</u> <u>land</u>
	<u>Abal</u>	<u>Doyam</u>	<u>Sim</u>	<u>Chahar</u>	
Sheoraj ¹⁰⁰	Rs. 9.28	Rs. 0.03	Rs. 8.28	Rs. 5.43	Rs. 4.31
Khajahani ¹⁰¹	Rs. 10.59	Rs. 9.34	Rs. 9.09	Rs. 8.09	Rs. 5.81
Palhi- Majhkhand ¹⁰²	Rs. 10.12	Rs. 9.37	Rs. 8.62	Rs. 7.12	Rs. 5.25

In Palhi-Majhkhand, in a few cases, the rate on Abal grade is as high as Rs. 11.25. Assessments on Dhushi land range from Rs. 5.25 and Rs. 6.00 per bigha. In one case in Sheoraj, the assessment on a bigha of Abal land of Chahar grade is as low as Rs. 0.75. Kailali and Kanchanpur are the only two districts in the western Tarai region where the settlement has been revised in recent years. The new rates are as follows:

TABLE 39

Assessments in Kailali and Kanchanpur

	<u>Abal</u>	<u>Doyam</u>	<u>Sim</u>	<u>Chahar</u>
<u>Kailali</u> ¹⁰³				
Dhanahar	Rs. 8.25	Rs. 7.12	Rs. 5.25	Rs. 3.75
Bhith	Rs. 7.12	Rs. 5.25	Rs. 3.75	X
<u>Kanchanpur</u> ¹⁰⁴				
Dhanahar	Rs. 7.50	Rs. 6.37	Rs. 4.50	Rs. 3.00
Bhith	Rs. 6.37	Rs. 4.50	Rs. 3.00	X

INNER TARAI

In the inner Tarai districts the level of assessments is comparatively low, and gradation of agricultural land is the exception rather than the rule, probably because of the general backwardness of this region. For example, until 1936 in Makbanpur district, the assessment was at a standard rate of Rs. 1.25 per bigha irrespective of the class or the grade of the land. These rates were considerably increased in the course of the 1936 settlement, but were reduced again as a result of public opposition. The local people complained that:

In the three revenue sub-divisions of Ghairang, Barkichaur and Puranugaun in Makbanpur district which consist for the most part of virgin forest and hill-side land, so steep that a man has to catch hold of a bush by one hand, use a spade with the other, and plant seeds with his mouth, the tax had been fixed at Rs. 1.25 per bigha. The survey of 1936 ignored such conditions, including the steep and stony character of the land, and even measured the borders of terraces. It increased the assessment in Ghairang to Rs. 3.75 per bigha, and in Barkichaur to Rs. 2.50 . . . Since such a step is leading to depopulation, let the previous rates be restored or let the land which the people have been unable to bring under cultivation be struck off the assessment records.¹⁰⁵

The government was apparently satisfied with these objections, for it restored the original rate of Rs. 1.25 per bigha in these areas and remitted the extra amount levied

with retroactive effect since 1940.¹⁰⁶ Elsewhere the rates were fixed as follows:

TABLE 40

Assessments in Makbanpur*

	<u>Abal</u>	<u>Doyam</u>	<u>Sim</u>	<u>Chahar</u>
Dhanahar	Rs. 8.00	Rs. 7.00	Rs. 6.00	Rs. 5.00
Bhith	Rs. 4.75	Rs. 3.75	Rs. 2.50	Rs. 1.50

Since the inner Tarai districts comprise land of both plain and mountainous terrain, for purposes of tax assessment agricultural land is sometimes divided into the hill zone and the plain zone. This is the case, for example, in Dang and Deukhuri districts. Assessments made on this basis are lower in the hill zone than in the plain zone even though the climate in the hill zone is more healthful and nonmalarial. This policy was followed, apparently, because similar land in other hill districts was subject to low assessments under the Hale system. Moreover, when maize lands were upgraded from Dhushi to Abal in the course of the 1913 survey, the government recognized that it would be inequitable to assess land in the hill zone at rates prevalent in the plain zone. Accordingly, the new rates provided for only minor increases in the existing assessment.

TABLE 41

Assessments in Dang-Deukhuri

	<u>Abal</u>	<u>Dhushi</u>
<u>Hill Zone</u>		
Dang	Rs. 2.50	Rs. 1.50
Deukhuri	Rs. 3.00	Rs. 2.25
<u>Plain Zone</u>		
Dang	Rs. 4.00	Rs. 2.00
Deukhuri	Rs. 3.75	Rs. 2.25

The assessments, however, vary slightly in different revenue subdivisions depending on fertility and the availability of irrigation facilities. In some areas of Deukhuri, for

*Government of Nepal, Law Ministry Records, Makbanpur Assessment Order, 1937. In two revenue subdivisions these rates were applicable only in respect to holdings in excess of two bighas. In smaller holdings a uniform rate of Rs. 1.25 per bigha was imposed, without any classification or gradation.

example, which were considered more fertile than elsewhere in the region, the rates were fixed at Rs. 4.50 and Rs. 3.00 respectively for Abal and Dhushi land in the plain zone.¹⁰⁷ In Sunar also, there is no gradation. Assessments range from Rs. 1.50 on a bigha of Abal and Rs. 0.93 to Rs. 1.50 on Dhushi land.¹⁰⁸ This policy of dividing the inner Tarai region into a hill zone and plain zone for the purpose of tax assessments has been continued even in recent years. In 1958 assessments on agricultural land in the plain zone of Surkhet were fixed as follows:

TABLE 42

Assessments in Surkhet

	<u>Abal</u>	<u>Doyam</u>	<u>Sim</u>	<u>Chahar</u>
<u>Surkhet (Plain Zone)</u>				
Dhanahar	Rs. 5.00	Rs. 4.00	Rs. 3.00	Rs. 2.00
Bhith	Rs. 3.00	Rs. 2.50	Rs. 2.00	X

The government decided to postpone the revision of assessments on land in the hill zone until a survey was completed in the adjoining hill district of Dailekh, so as to make assessments uniform in both cases.¹⁰⁹

In Nabalpur, a considerable amount of agricultural land is yet unclassified and ungraded. Even where there is gradation, it is limited to Abal land. The level of assessments may be illustrated by the following figures:

TABLE 43

Assessments in Nabalpur

	<u>Abal land</u>	<u>Dhushi land</u>
Abal	Rs. 3.08	Rs. 1.58
Doyam	Rs. 2.58	
Sim	Rs. 2.33	
Chahar	Rs. 2.08	

Where there is classification and gradation, the rates per bigha amount to Rs. 3.50, Rs. 5.00, or sometimes as much as Rs. 6.00. In one case the rate is as low as Rs. 0.44. In 1922, when the last survey was conducted in this area, a proposal to increase the rates was rejected on the ground that "this area is thickly forested and elephants, rhinoceros, and other wild animals destroy crops," even though the landholders had agreed to an increase of Rs. 0.08 and the village headman to Rs. 0.16 per bigha.¹¹⁰

Udayapur is the only division in this region where there is districtwide classification and gradation of agricultural land, although rates of assessment lack uniformity. The more common rate is as follows:

TABLE 44¹¹¹

Assessments in Udayapur

	<u>Abal</u>	<u>Doyam</u>	<u>Sim</u>	<u>Chahar</u>
<u>Udayapur</u>				
Dhanahar	Rs. 7.97	Rs. 6.84	Rs. 5.34	Rs. 3.84
Bhith	Rs. 3.82	Rs. 3.61	Rs. 3.04	Rs. 2.29

THE LEVEL OF ASSESSMENTS

The above study reveals that assessments in the Tarai districts are generally low as compared to those prevailing in the hill districts, and even more so to those in Kathmandu valley. The highest rate in the Tarai districts appears to be Rs. 15.75 per bigha in the Kheshrana subdivision in Mahottari, whereas if the rates prevailing on Abal grade or Khet land at Bhaktapur in Kathmandu valley were applied, the assessment would exceed Rs. 86.00 per bigha. Such low assessments in the Tarai districts are probably explained by the prevalence of extensive methods of cultivation, the need to attract settlers in the predominantly underpopulated areas of that region and the influence of systems prevailing in British India when the settlements were made. But at present, when assessments fixed in the major part of this region are more than a quarter of a century old, most of these factors have lost their importance.

The significance attached to general geographical and economic conditions in the determination of the level of assessments is well illustrated by the difference in rates of assessments in Kathmandu valley and some hill districts as applied to newly cultivated land. Even though the estimates of productivity per ropani of each grade of land are identical in both cases, assessments differ, as indicated in the following table:

TABLE 45

Percentage of Assessment to Estimated Yield

<u>Grade</u>	<u>Estimated Productivity per Ropani</u>	<u>Assessment In Hill Areas</u>	<u>Per- cent- age of Total Yield</u>	<u>Assessment In Bhaktapur</u>	<u>Per- cent- age of Total Yield</u>
Abal	70 pathis of grains (minimum)	14 pathis	20.0	20.00 pathis	42.14
Doyal	50 pathis (minimum)	11 pathis	22.0	20.75 pathis	51.50
Sim	35 pathis (minimum)	6 pathis	17.1	13.12 pathis	37.85
Chahar*	35 pathis (maximum)	5 pathis	14.2	8.00 pathis	22.8

Since the estimated yields per ropani take into account all types of grain, the assessments, though both in the form of wheat and paddy in Bhaktapur, are treated as homogeneous for purposes of comparison. The cash levy in the form of the Ghiukhane tax, amounting to Rs. 0.08 per ropani in the hill districts, and Rs. 0.14 to 0.18 in Bhaktapur, is also ignored for convenience in calculation. It will be clear that even though the estimates of productivity are identical, assessments differ in the two regions mentioned above. In fact, the difference is greater than the above table suggests, since the schedule of rates for converting assessments in kind into cash for purposes of collection is very low when compared to current market prices. This point has been elaborated elsewhere, but it may be noted that the scheduled rate is five pathis of paddy in Bhaktapur, and nine pathis in Okhaldhunga in the eastern hills, per Rs. 1.00. This means that Chahar land in Bhaktapur is taxed at a higher rate than Abal in Okhaldhunga. Such a wide difference probably reflects the poorer agricultural condition in the hill areas, the relative unimportance of subsidiary or cash crops, and the lack of markets.

Since Pakho (or Bhith or Dhushi) land is by definition poorer than Khet (or Dhanahar or Abal) land, it is natural

*Since the estimated yields on Chahar grade indicated the maximum and not the minimum as in the case of other grades, the percentage of the assessment to the total yield on this grade will, on the average, obviously be much lower than these figures.

that it should be taxed at a lower rate. But in the hill districts, the discrepancy sometimes amounts to disproportionate limits, partly because of the absence of systematic measurement of the land in these areas. A more important reason, however, was the necessity of encouraging settled habitations in the hill districts. As one writer has remarked, the low rent for hillside land has been a great factor in facilitating the extension of the cultivation of land of poor quality and difficult of access, whereas in some instances the rent on the rich, rice-growing lands of Nepal is about half the actual production.¹¹² Even this would seem to be an understatement. At Gaunsuli in Kathmandu, for example, a holding of two muris of Khet land is liable to pay a tax of 35 pathis of paddy and Rs. 1.00 in cash.¹¹³ Even ignoring the cash payment, the total amount of tax comes to 70 pathis per ropani, which is the total estimated yield of the highest grade of agricultural land in this area. In other words, the tax absorbs the entire estimated yield of the holding. On the other hand, at Bojhani in the same area, the tax on the holding of eight muris of land is one pathi of paddy and a cash payment of Rs. 0.13. Ignoring the latter payment in this case too, the assessment comes to four manas of paddy per ropani, or a little more than eight per cent of the total estimated yield of Chahar land. Such discrepancies are perhaps inevitable in view of the varying practices and consideration adopted in the course of tax assessments at different periods of Nepal's history.

But since assessments have failed to take note of the rising value of agricultural produce or of land, the tax burden has been considerably lightened. For example, basing our calculations on the rather conservative assumption that the current price of one muri of paddy is approximately Rs. 30.00, the total payment on one ropani of land at Bhaktapur in Kathmandu valley would be as follows:

TABLE 46

Percentage of Total Payment to Value of Estimated Yield

<u>Grade</u>	<u>Value of Total Estimated Yield per Ropani</u>	<u>Total Tax Payable per Ropani at Scheduled Conversion Rates</u>	<u>Percentage of Total Value</u>
Abal	Rs. 105.00 (minimum)	Rs. 6.62	6.3
Doyam	Rs. 75.00 (minimum)	Rs. 4.65	6.2
Sim	Rs. 52.00 (minimum)	Rs. 3.10	5.9
Chahar	Rs. 52.00 (maximum)	Rs. 1.74	3.3

Thus assessments which vary from 37 to 42 per cent of the total estimated yield in kind are reduced to three to six per cent because the demand of the state (as converted into cash at rates which no longer bear any semblance of relationship with current market prices) has lagged behind the rising value of agricultural produce. A similar analysis would hold good also in respect to assessments which have all along been fixed in cash, since usually these assessments were determined at a fixed level on the basis of prevailing prices of agricultural produce at the time the settlement was made.

One of the main reasons for the lack of uniformity in land taxation in different parts of the country is the absence of objective bases to determine the level of taxation. Since the final decision of the government with regard to the determination of levels of assessments is based on the views of the local authorities, Jimidars, and land-owners, it is natural that the decision will differ in most cases. Although previously political exigencies may have impelled the government to attach considerable importance to the willingness rather than the ability of the people to pay taxes, in the present situation the needs of economic development require that the basis of land taxation should be more objective. An analysis of the profits made from the land by the taxpaying classes, and the percentage thereof that they could be reasonably called upon to pay in the form of land taxation, could therefore constitute a prelude to an equitable and scientific system of land taxation. By ignoring this line of approach, the Cadastral Survey program has spotlighted its failure to effect any changes in the haphazard methods of assessments which, for the most part, constitute relics of the systems followed in medieval and early 19th century India. In the case of the hill districts and Kathmandu valley, it is surprising that the Cadastral Survey regulations do not make any provision for fixing the assessments. The old estimates of yields per unit of area, which they retain in respect to these areas, accordingly prove to be of little meaning. Nor does the program make any provision for establishing some relationship between the level of assessments and the price level of agricultural produce. One of the main reasons why land taxes at present are only a negligible percentage of the total agricultural production is the failure to establish such a relationship. The Cadastral Survey program does nothing to eliminate this maladjustment in terms of existing prices. This means, in effect, that it does not provide for changes in the existing land taxation system that might enable the government to utilize fully the potentialities of land taxation for the financing of development programs.

ENHANCEMENT OF THE LEVEL OF LAND TAX ASSESSMENTS

Although there had been isolated instances of increase in the land tax in the past, these could hardly be regarded as a serious effort to eliminate the outdated character of the land tax structure. As mentioned elsewhere, an intermediary class in the land hierarchy emerged partly because of the lightening of the tax burden, and this class was powerful enough to effectively resist such increases. Sporadic attempts at a general increase in the level of the land tax had to be abandoned ultimately. For example, a decision to levy a surcharge of 10 per cent on the land tax from January, 1955, was later rescinded.¹¹⁴ In 1961 the Royal Commission on taxation recommended the imposition of a "Development Tax" at 10 per cent of the land tax on an ad hoc basis, and a minimum assessment of Rs. 4.00 per bigha or the equivalent area all over the country.¹¹⁵ The proposal, however, remained unimplemented.

Attempts to raise land tax rates are part and parcel of the present government's revenue policy. According to the Budget proposals for the fiscal year 1961-62, the land tax was increased by 25 per cent in the Tarai and 10 per cent in Kathmandu valley and the hill districts.¹¹⁶ Notwithstanding the increase, it has been claimed that land taxes were fully collected for the first time since 1950 during the fiscal year 1961-62.¹¹⁷

The 1962-63 Budget proposals provide for a more ambitious increase in the level of land taxation throughout the country. Justifying the increase, the Budget Speech states: The rates of land revenue which were fixed fifty years ago were without doubt very low having regard to the price of the produce from the land and the value of land. In comparison with the rates of other underdeveloped countries, our rates are extremely low, and the rates of tax on the same type of land are not the same.¹¹⁸

The increases proposed in the Budget are therefore intended to "remove these inequalities and increase Government revenue." In the Tarai, the rate of the land tax has been increased to Rs. 15.00 per bigha on all lands on which the tax assessments were lower than Rs. 10.00 in 1961-62, and to Rs. 20.00 on all lands on which they exceeded Rs. 10.00. For the purpose of such increase, the level of taxation prevailing in 1961-62 has been accepted as the basis. In other words, the present increase is in addition to the 25 per cent increase in the level of land taxation in the Tarai introduced by the 1961-62 Budget. In Kathmandu valley and the hill districts, assessments have been increased by 40 per cent over the level prevailing in 1960-61. Thus, the 10 per cent increase envisaged in the

1961-62 Budget is not included in the present measure. However, the percentage of the increase in tax assessments in these areas is, in general, higher than only 40 per cent, because the rates for the commutation into cash of assessments in kind for purposes of land tax collections have also been standardized at the rate prevailing in Kathmandu valley, that is, five pathis of paddy per Rs. 1.00. The extent of the increase, in fact, depends upon the former level of the commutation rates. In Dolakha town in East No. 2, for example, where the rate was one muri of paddy per Rs. 1.00, the assessments have gone up four times, in addition to the 40 per cent increase.

The effect of these increases in land tax assessments in a few districts in different regions will be clear from the following figures:

TABLE 47

Land Tax Increase in the 1962-63 Budget

Mahottari District (Eastern Tarai)
Dhanahar Land

<u>Grade</u>	<u>1960-61</u>	<u>1961-62</u>	<u>1962-63</u>	<u>Percentage of Increase Over 1960-61 Level</u>
Abal	Rs. 15.00	Rs. 18.75	Rs. 20.00	33.3
Doyam	Rs. 14.25	Rs. 17.17	Rs. 20.00	41.4
Sim	Rs. 13.50	Rs. 16.87	Rs. 20.00	48.1

Dang District (Inner Tarai)

<u>Land Category</u>	<u>1960-61</u>	<u>1961-62</u>	<u>1962-63</u>	<u>Percentage of Increase Over 1960-61 Level</u>
Dhanahar	Rs. 4.00	Rs. 5.00	Rs. 15.00	275.0
Bhith	Rs. 2.00	Rs. 2.50	Rs. 15.00	650.0

Kailali District (Western Tarai)
Dhanahar Land

<u>Grade</u>	<u>1960-61</u>	<u>1961-62</u>	<u>1962-63</u>	<u>Percentage of Increase Over 1960-61 Level</u>
Abal	Rs. 8.25	Rs. 10.31	Rs. 20.00	142.4
Doyam	Rs. 7.12	Rs. 8.78	Rs. 15.00	110.6
Sim	Rs. 5.25	Rs. 6.51	Rs. 15.00	185.7
Chahar	Rs. 3.75	Rs. 4.69	Rs. 15.00	300.0

Bhith Land

<u>Grade</u>	<u>1960-61</u>	<u>1961-62</u>	<u>1962-63</u>	<u>Percentage of Increase Over 1960-61 Level</u>
Abal	Rs. 7.12	Rs. 8.78	Rs. 15.00	110.6
Doyam	Rs. 5.25	Rs. 6.51	Rs. 15.00	185.7
Sim	Rs. 3.75	Rs. 4.69	Rs. 15.00	300.0

Achham District (Western Hills)

<u>Grade</u>	<u>Size of Holding (muris)</u>	<u>1961-62 (at 16 pathis of paddy per Rs. 1.00)</u>	<u>1962-63 (at 5 pathis per Rs. 1.00 and 40% increase)</u>	<u>Percentage of Increase Over 1961-62 Level</u>
Abal	28.12	Rs. 7.27	Rs. 20.46	181.4
Doyam	25.5	Rs. 4.89	Rs. 14.73	201.2
Sim	4.5	Rs. 0.56	Rs. 2.31	312.5
Chahar	36.0	Rs. 3.53	Rs. 9.91	180.7

Salyan District (Western Hills)

<u>Size of Holding (muris)</u>	<u>1960-61 (Assessment in kind commuted into 10 pathis of paddy per Rs. 1.00)</u>	<u>1961-62 (Assessment in cash)</u>	<u>1962-63</u>	<u>Percentage of Increase Over 1961-62 Level</u>
10	X	Rs. 2.68	Rs. 3.07	40.0
3	Rs. 0.60	X	Rs. 1.68	180.0

It will be clear from these figures that considerations of equity have been sacrificed in the interests of revenue. In Nepal, land tax assessments have traditionally been made after classifying and grading agricultural land on the basis of such factors as soil characteristics, irrigation facilities, productivity, and location. It was recognized that equal assessments on lands and areas with unequal productivity and other advantages and disadvantages would not be conducive to equity. It was for these reasons that the level of assessments was higher in the eastern Tarai than in the western Tarai, and higher in the western Tarai than in the inner Tarai. However, the new measure provides for only two rates in its schedule, with the result that the existing

classification and gradation of lands in the Tarai for purposes of tax assessment have been abolished. Thus the increase affects poorer lands and areas more adversely than the more fertile ones. It remains to be seen whether the land classification and gradation formulae under which the Cadastral Survey program is being implemented are adjusted accordingly.

Since the system of assessments in kind does not exist everywhere in Kathmandu valley and the hill districts, the extent of the increase will be less on lands or areas with assessments in cash, as these will not be affected by the increase in the commutation rates. This will be clear from the figures given above for Salyan district. Even on lands situated in the same place, the percentage of increase will therefore depend on what method of assessment was followed in the past. Moreover, the pro rata increases made in this area do not contribute to uniformity of assessments, when the existing assessments themselves lacked uniformity, although uniformity in land tax assessments is said to be one of the objectives of the present program. The basic difference in the system applied in the case of the two regions, the Tarai and the hill areas, including Kathmandu valley, is too conspicuous to pass unnoticed.

THE NEED FOR A MORE SCIENTIFIC APPROACH

It should be noted that these measures are essentially pragmatic in their approach and eschew consideration of the need for determining objective bases to fix land tax assessments. Irrespective of the desirability of enhancing tax rates in keeping with the existing economic situation, considerations of equity as between different categories of agricultural lands in a country like Nepal, possessing wide variations of economic conditions, should hardly be sacrificed in the interests of apparent uniformity in the land taxation system. At the same time, even these measures may fail to satisfactorily absorb the surplus income accruing to the taxpaying classes as a result of the rise in the prices of agricultural produce. In fact, it is only the elimination of the intermediary class that can ensure a direct state-cultivator relationship and thus enable the government to maximize its land revenue earnings by appropriating part of the income from the land, which at present is being paid in the form of rent.

VII. THE TAX COLLECTION MACHINERY

The nature of the land tax collection systems in different areas of Nepal appears to have been determined primarily by considerations of the relative convenience with which each could be administered from the capital. Close and regular administrative supervision by the central government has proven difficult to implement because of inadequate means of transport and communication. The system of collection through nonofficial agents, such as Talukdars and Jimidars, was itself the product of a situation in which administrative machinery at the village level was virtually nonexistent. Land taxes are therefore collected over the major part of the country through various nonofficial agencies possessing varying degrees of rights and authority. The only strictly governmental institution employed for this purpose is the Mal office.

THE MAL OFFICE

The assessment and collection of land taxes, together with all functions in respect to land administration in general, come under the jurisdiction of the Department of Land Revenue in the Ministry of Finance. Under this department, there are one or more Mal (tax collection) offices in each district. In their day-to-day functions these offices are subject to the general control and supervision of the Badahakim (i.e., governor) in the districts,¹ and of the magistrates in Kathmandu valley.² These authorities are required to ensure that Mal offices within their jurisdiction submit accounts and other reports regularly to the relevant government departments at Kathmandu, and that land tax collections are made smoothly and punctually. Orders and directions from the Department of Land Revenue to the Mal offices are therefore channelled through the district authorities. However, this procedure is seldom rigid, for frequently orders and decisions are issued, or sought, directly.

The area under the jurisdiction of a Mal office, which may be described as a revenue division, consists of several subdivisions variously known as Tappa or Parganna in the Tarai, and Mouja or Thum in the hill districts.* Each revenue division consists of several villages, known as

*It should be noted that the term Mouja is used in two senses--to denote the village as the primary unit of revenue administration in the Tarai, and as a revenue subdivision in Kathmandu valley and some hill districts.

Moujas in the Tarai, which constitute the primary unit of revenue administration.

In recent years the abolition of the Birta and Rajya systems has led to an appreciable increase in the total number of Mal offices in the country.³ But a study of their location and distribution reveals the need for further reorganization. Often the boundaries of a Mal office do not coincide with those of the district as an administrative unit. For example, some areas of East No. 1 district come under the jurisdiction of the Bhaktapur Mal office and vice versa. The need is more apparent when we take into consideration the distribution of Mal offices on the basis of area and population. Baglung, with an area of 4,640 square miles and a population of 23,778, has one Mal office, as does Jumla with an area of 5,662 square miles and a population of 181,346. On the other hand, Dandeldhura, with an area of 566 square miles and a population of 82,261 also has one. The Salyan Mal office has the largest population in any Mal office area, 365,340, whereas the Kanchanpur Mal office area has a population of 18,869 only. All this points to the need for reorganizing Mal offices on the basis of area, population, and revenue collection prospects. It may be feasible to plan such reorganization on the basis of the 75 development districts presently being formed under the district reorganization scheme.

The primary function of the Mal office is to collect land taxes. However, because of the relatively backward condition of the administrative machinery, it has been saddled with numerous other functions which vary in different regions. In Kathmandu valley, the seat of the central government, the Mal offices have been able to devote themselves solely to the task of land tax collection. But in the hill districts and the Tarai, the Mal offices have been handling such widely varied functions as supplying information on local conditions to the government, supervision of hospitals and dispensaries, and maintenance of elephant pens. Indeed, the number of functions delegated to the Mal office is so large that it is doubtful whether they have ever been performed satisfactorily, since even the primary task of land tax collection has overextended the resources of the Mal offices to a considerable extent. In addition, the Mal offices have been functioning as government treasuries and registration offices in the hill districts and the Tarai. They have thus constituted the pivot of such economic administrative machinery as existed at the district level. In recent years the development of central banking and the expansion of government departments connected with forests, agriculture, village development, and cooperation have to some extent lessened the traditional importance of the Mal office. At present Mal offices in Kathmandu valley, in some

cases, have salaried officials bearing the same designation to assist in the collection of land taxes.⁴

The tax collection functions of the Mal office are usually limited to Raikar land. Such, for example, is the case in Kathmandu valley. But elsewhere the absence of adequate machinery has led to the concentration of collection functions for Birta and Guthi lands as well in the Mal offices. In the hill districts, the regulations prescribe that the Mal office should undertake collection functions on all categories of Guthi land,* while in the Tarai, with only a few exceptions, the Mal offices are required to make collections on Guthi lands in the same way as on Raikar land.⁵ Frequently, as in Jhapa district, collection on Birta land on behalf of the Birta owner was made in the same way.⁶ Similar provisions exist with regard to collection of contract revenues as well on both Birta and Guthi lands on behalf of the Birta owner of the Guthi concerned.⁷

In the hill districts, the Mal offices also have exercised judicial powers in matters concerning payment of taxes and double entry or omission of lands in the tax records.⁸ Under the 1959 Revenue and Taxation Judicial Administration Act, all Mal offices in the country have been vested with original jurisdiction in respect to cases involving suppression of information relating to land or land taxes, vacant holdings, reclamation of waste land, and the appointment and dismissal of Jimidars, Talukdars, and Patuwaris.⁹

The Mal office constitutes the sole official machinery in the network of contractual and nonofficial tax collection arrangements which determine the nature and extent of its powers and functions. In the past Mal offices often possessed contractual obligations themselves, as was the case in Doti and Achham districts. According to regulations enforced on Jestha 28, 1965 (June 10, 1908), in case full collections of the land tax were not made, the chief revenue official and other officials in these two districts were under obligation to forgo a proportionate amount of their salaries to compensate for the shortage.¹⁰ In Surkhet, until 1927, the chief of the Mal office was obliged to guarantee that he would arrange for the cultivation of 200 bighas of waste land every year. Failure to do so involved an obligation to return a portion of his salary equivalent to the loss of revenue sustained by the government.¹¹ In several

*Government of Nepal, Law Ministry Records, Okhaldhunga Revenue Regulations, 1934, Sections 22 and 126. In a few categories of Guthi lands such arrangements appear to have been commenced in 1920. Until then, collection was made through contractors.

hill districts, regulations were promulgated in 1930 providing for increases in the pay scales of the chiefs of Mal offices and promotion in case they were able to make collections on land taxes in full, but at the same time prescribing deductions in their salaries in proportion to the amount of the arrears, if any.¹² In Kathmandu valley the regulations provided for similar deductions.¹³

Mal offices appear to have had a comparatively recent origin. Until 1902, land collections were handled by an office called the Bakyauta Tahasil Adda.¹⁴ A representation made in 1900 by some taxpayers of Pouwe village in West No. 4 district in which they maintained that they had paid Serma taxes on their holdings to the Bakyauta Tahasil Adda until 1875 according to the assessment records of 1868, indicates that this office may have been created after the countrywide revenue settlements of 1868.¹⁵ In view of the widespread practice of granting land as emoluments of office to government employees in preference to cash salaries, probably such offices had not much taxable land within their jurisdiction. Moreover, their administrative powers seem to have been limited. For example, only in 1900 were regulations framed empowering them to take action against defaulting Talukdars, and if the arrears remained uncollected even after auctioning his assets, the matter had to be referred to the central government.¹⁶ These offices were finally converted into Mal offices in 1902.¹⁷

VILLAGE FUNCTIONARIES

At the village level, in most parts of the country, the actual task of collecting land taxes has been entrusted to nonofficial functionaries known as Talukdars* in the hill districts, and Jimidars† in the Tarai. These officials have

*The term Talukdar is a generic one, denoting functionaries such as Jimmawals (collectors on Khet land), and Mukhiyas (collectors on Pakho land). This distinction is not uniform, for in some districts, such as Baitadi, Talukdars on both Khet and Pakho land are known as Mukhiyas. (Harilal, Pahad Mal Bishaya (On Revenue Offices in the Hills), p. 3.) In recent land legislation, the term Talukdar has been used in a very wide sense to include the Jimidar and the Patuwari in the Tarai. However, in the present study it is used to denote tax collection functionaries only in the hill districts and certain areas in Kathmandu valley, in accordance with popular usage, so as to avoid unnecessary confusion.

†The term Jimidar is often confused with the Zamindar in India. But the Indian Zamindar was a landowner, whereas

functioned for a considerable length of time, although the extent of their obligations and the nature of their functions have varied from time to time. The pattern of village administration appears to have remained more or less the same irrespective of whether the land was retained by the state as Jagera, or assigned as Jagir, or whether tax collections were made directly by the government, or through contractors. However, there is considerable evidence to indicate that previously village administration was better organized than it is now. The highest functionary in the hill districts was the Amali who presided over a village council,* which included the Thani, the Thari, the Budhyauli, the Mukhiya, and the Jimawal, and enjoyed a position equivalent to that of the former chieftains.¹⁸ While information is not available about the functions of these respective officials, an appointment letter issued to a Thani at Mugu in Jumla district in 1907 directed that official to collect specific taxes and deposit the proceeds with the Amali.¹⁹ He was also directed to collect contractual and other dues and deposit the proceeds with the chief administrative officer of the district (Subba).²⁰ The functions of the Mukhiya, according to this source, included "looking after military stores, collecting the land taxes, paying the proceeds thereof to the Army, and bringing waste land under cultivation."²¹ Probably this village council also enjoyed judicial powers similar to those exercised by Amals in the Limbu area even today.

Another functionary with an equally ancient origin appears to be the Mohinaike. According to an order issued in Baisakh, 1863 (April, 1807), a Mohinaike at Dullu in Dailekh district was directed "to take care of military stores . . . bring land under cultivation, and function as taxcollector on Khet land along with the Amali."²² In Kathmandu valley, Mohinaikes helped to identify individual land taxpayers in the absence of a system of registering land mutations in respect to both Jagir and Jagera land.²³ This system was finally abolished after Talukdars were appointed in 1936 to collect land taxes.²⁴

In the Tarai districts, the village functionaries included the Chaudhari, the Kanugoye, the Mahaldar, the Mokaddam, and the Jethraiyat.²⁵ In this case, too, it is not possible to ascertain precisely the nature of their

the Jimidar in Nepal is only a tax collecting functionary. Nepali laws and regulations invariably spell the term as Jimidar.

*Such a village council, or Amal, is in existence even at present in the Limbu areas.

respective functions. The Chaudharis appear to have constituted the highest echelon,* but probably they were not responsible in the beginning for insuring the government against risks of loss in revenue. According to one writer:

In former times it was always a difficult task to realise rents from the cultivators, who usually held lands for fixed periods, and evaded the payment of rent by escaping into British territory immediately after reaping the harvest. This gave rise to much confusion and considerable pecuniary loss to the Government which now devised a plan for checking these runaways. Jung Bahadur† divided the land among Choudhuries or headmen, who were held responsible for the payment of the revenue into the Government Treasury; the cultivators were given a kind of proprietary right in the land they tilled, and by this means were restrained from defrauding the Government of its dues.²⁶

In keeping with this policy of making the "headmen" responsible for the payment of land taxes, "a new form of Jimidari" was devised and regulations were framed accordingly in or about 1909.²⁷ We can presume that these regulations constituted the basis for the Jimidari system, as it exists at present. In many cases the existing Chaudharis and Kanugoyes were converted into Jimidars and Patuwaris.²⁸ This measure appears to have been enforced in the seven districts west of the Arun, as well as Butaul, that is, the entire eastern Tarai, Palhi, and Majhkhand, as they were defined at that time. However, there were exceptions, as in the case of Chitaur district, where Jimidars and Patuwaris were created in addition to the existing Chaudharis and Kanugoyes.²⁹ The system appears to have been introduced in the western Tarai districts of Banke, Bardiya, Kailali, and Kanchanpur some time later.

The Talukdar

At present the village serves as the revenue unit to which the Talukdar is generally appointed. The regulations prescribe that he should be appointed in such a way that villages and revenue subdivisions do not overlap.³⁰ However, a Talukdar is not barred from working for several villages,

*In medieval India the "Chaudhri" was responsible for the administration of the Parganna. The system used in the Tarai in Nepal appears to be, by and large, an imitation of the Indian system. (Cf. Sir Richard Burn, ed., The Cambridge History of India, Vol. IV, pp. 451-52.)

†Prime Minister, 1846-1879.

and it is also permissible for a number of Talukdars to divide a single village between them. Large Talukdari holdings were avoided as much as possible, since these tended to make it difficult for the Talukdar to fulfill his obligations properly. In 1925, therefore, orders were issued to split Talukdari holdings in such a way that none exceeded a collection figure of Rs. 2,500.00. The new units thus created were to be allotted to the coparceners of the existing Talukdars if they were capable of handling the job efficiently, or else to qualified persons chosen by the landholders themselves. Apparently this measure was not enforced strictly, for nine years later an amendment was introduced in which only new Talukdari holdings were declared subject to this limit, leaving the existing ones intact even if the collection figure exceeded the limit of Rs. 2,500.00. This measure related primarily to Jimmawals who collected taxes on Khet land.³¹ In 1946, orders were issued to separate the jurisdiction of several Talukdars functioning in a single village, or to retain only one Talukdar where several were functioning jointly or in rotation.³²

The post of the Talukdar is hereditary. When a new Talukdar is to be appointed, either because a new Talukdari holding is created or the post falls vacant for some reason, the person chosen by the majority of the landholders in the area concerned is appointed. But such a procedure is not necessary in cases where the post is inherited.³³ Until 1911, a Talukdari holding was transferable by process of sale, but regulations promulgated in that year prohibited such transfers and prescribed that persons chosen by the landholders of the village should be appointed in this post, according to the laws and regulations.³⁴ Possibly this measure was intended to guarantee that only local persons became Talukdars. No person who is not a citizen of Nepal, or is insolvent, or is held guilty of theft or defalcation of government funds, is entitled to be appointed as a Talukdar.³⁵

In the districts of Ilam and Dhankuta, where the predominant form of land tenureship is Kipat (i.e., ownership on a communal basis by Limbus), only a Limbu can become a Talukdar, or Subba, as he is called in these areas. The function of the Subba is to collect taxes on Kipat homesteads as well as on agricultural land which has been converted from Kipat into Raikar. In addition, he exercises judicial authority within the area under his jurisdiction. In these functions he is assisted by a village council consisting of five other functionaries known as Rai, Karobari, Karta, Pagari, and Budhyanli. The members of the village council, including the Subba, are entitled to a partial remission of taxes, along with miscellaneous traditional privileges. The position of the Subba is hereditary, but Kipat holders who convert 60 muris of Kipat Khet land into

Raikar and pay a fee of Rs. 52.00 may be newly enrolled in this position by the government. If they surrender only 30 muris of land and pay a fee of Rs. 26.00, they become Rais. On land converted into Raikar in this way a tax of Rs. 0.50 per muri is payable.³⁶ This arrangement was apparently intended to gradually bring Kipat land within the ambit of the land taxation system.*

Ordinarily, the Talukdar is secure from arbitrary dismissal. The law provides that Talukdars of the hill districts and Kathmandu valley should not be dismissed unless they commit some offence.³⁷ Dismissal is generally possible only if the Talukdar fails to make collections of land taxes properly or misappropriates the proceeds,³⁸ if he suppresses information about any person living in the area under his jurisdiction who has a warrant of arrest pending against him or has been sentenced to any form of punishment,³⁹ or if there is widespread dissatisfaction against him. The law prescribes that:

If the people of the villages come to the capital and complain that any Talukdar or other person has harassed them and that they were not willing to have him, inquiries shall be instituted from the capital to find out whether or not their complaint is true. If it is proved that the people were indeed harassed, the matter shall be referred to the Prime Minister (the Talukdar or other person), along with his wives and sons living in an undivided family shall be removed from that place, and his lands shall be registered in the name of (such of his other relatives) in the joint family.⁴⁰

A Talukdar who is dismissed in one village automatically loses his Talukdarship in all other villages in which he has functioned in this post. Moreover, a Talukdar is never allowed to resign from only one village, but must resign from all villages under his jurisdiction. In no case is he allowed to relinquish his post between the Shri Panchami and the Dashain festivals (approximately October 1 to January 21).⁴¹ This provision is intended, apparently, to ensure that the work of tax collection, which must be completed by the middle of April, is not affected. No doubt for the same reason, Talukdars are required to appoint agents to act on their behalf whenever they leave the village, and failure to do so makes them liable to dismissal.⁴² For his services in collecting the land tax, the Talukdar receives a commission of Rs. 5.00 on every Rs. 105.00 col-

*Talukdars of other similar communal groups are the Rais of Majhkirat, the Mijhars of some western hill districts, and the Gowas of northern Dhankuta.

lected on Khet land,⁴³ with the exception of Majhkirat district where this figure is Rs. 3.00 on every Rs. 103.00.⁴⁴ The regulations prescribe that commissions are to be paid only on such part of the collections as are deposited at the Mal office within the time limit provided for this purpose.⁴⁵ In the Thekka Thiti districts, on the other hand, since the total assessment forms a contractual payment on the part of the Talukdar, the rate of commission is only 2.5 per cent of the total assessment, irrespective of the actual amount of collections.⁴⁶ In certain cases the Talukdars did not receive any such remuneration, even on Khet land. For example, until 1875 in Pokhara district land was given in lieu or remuneration, while from 1875 to 1942 the Talukdars were not remunerated in any form. This anomaly was removed in 1942 when the government provided the Talukdars with a commission of Rs. 5.00 on every Rs. 105.00 collected, as was the case elsewhere in the hill districts and Kathmandu valley.⁴⁷

Formerly commissions were not paid for land tax collections on Pakho land though the Talukdar was entitled to exact unpaid labor from the landholders in the area under his jurisdiction. The government considered amending this policy in 1935, as was indicated in regulations issued in that year:

As regards Pakho land, orders have been issued to all Mal Offices to ascertain from the Talukdars of different districts whether they would prefer to receive a remuneration of Rs. 5.00 on every Rs. 105.00 of collections, as in the case of Khet land, or are willing to continue to exact unpaid labor. Action will be taken on the reports as and when they are received. For the time being, remuneration shall be paid for making collections on Pakho land.⁴⁸

But no further action appears to have been taken in this regard. Obviously it was of greater advantage to the government to make the landholders pay the cost of collections themselves by providing free labor to the Talukdars rather than forgoing part of the collections as remuneration.

In 1951 unpaid labor in all forms was declared illegal.⁴⁹ This created a legal anomaly in compensating Talukdars for land tax collections on Pakho land. However, available evidence indicates that the measure has had only limited impact upon the traditional system as yet. Nevertheless, to remove this legal anomaly, it was later prescribed that all Talukdars who were compensated solely in the form of unpaid labor should now receive five per cent of the actual collections on Pakho land as on Khet land.⁵⁰

The Jimidar

In the Tarai, a Jimidari holding usually covers one mouja (village), but there is no restriction on one Jimidar working in several moujas, or for several persons to own fractions of one holding separately. Indeed, a Jimidar holding may be divided into any number of fragments,⁵¹ and sometimes this process appears to have been carried to excessive limits. In Butaul (Palhi-Majhkhand) for example, some Jimidaris have been divided into as many as 64 pieces, and only 10-15 per cent of Jimidari holdings are still intact.⁵² In the Rapti valley, some Jimidars are said to have only five or six landholders in the area under their jurisdiction, and in a few cases only one.⁵³ Usually the Jimidars of any one mouja are jointly responsible for arrears of revenue for a period of five years after the date of fragmentation.⁵⁴

The post of the Jimidar is inheritable.⁵⁵ A Jimidari holding may be transferred by process of sale or gift, in contradistinction to the system prevailing in respect to Talukdari holdings.⁵⁶ When it is necessary to appoint a new Jimidar, either because the previous Jimidar was dismissed on the ground of his inability to make full collections, or because the Jimidari holding is a new one, an auction is held and the highest bidder is appointed to that position.⁵⁷ On Poush 27, 1978 (January 10, 1922), the appointment of a foreigner as Jimidar was prohibited.⁵⁸ Since there are no limitations on the number of moujas a Jimidar can manage, and as Jimidari holdings are transferrable, the Jimidar is not usually a local resident as is the case with the Talukdar. He is, therefore, permitted to appoint agents to function on his behalf, although this does not free him from the obligations attached to that position.⁵⁹

The Jimidar's position is secure as long as he is able to make full collections, unless he commits an offence for which he is liable to be punished by confiscation of property.⁶⁰ In addition, he is liable to dismissal on all grounds applicable in the case of Talukdars. According to the preamble to the Jimidari and Patuwari regulations:

Jimidars shall remain true and honest. They shall keep the landholders satisfied. If they cause losses to the Government or harass the landholders, action shall be taken according to law where there is any provision to this effect, or else punishment shall be meted out at our discretion.⁶¹

The Jimidar receives a commission of Rs. 0.025 on every rupee of land revenue collected and deposited by him at the Mal office. An exception to this general practice is Chitaur district, where the Jimidar receives Rs. 5.00 on every Rs. 105.00 of collections, like the Talukdars in the hill

districts.⁶² But payment is made only after the collections have been made in full. Moreover, the Jimidar is responsible for any arrears in the tax collection, which must be deducted from his commission. If the arrears exceed the total amount of the commission, the balance is regarded as a debt the Jimidar owes to the state.⁶³ Such commissions are paid only on the proceeds of the land taxes and not on other miscellaneous income, such as the levy on monasteries.⁶⁴

In addition, the Jimidar is allowed personal use of a plot of land attached to the Jimidari holding, known as a Jirayat.* Jirayat land is taxable like agricultural land of any other category. The facility to the Jimidar exists only in that it constitutes his personal demesne on which he can appropriate rents.† There is no precise rule to determine the extent of Jirayat land in proportion to the size of the Jimidari holding. Jirayat farms are said to be larger in the western Tarai districts, where units of cultivation are relatively larger and the pressure of population on the land lower than in the eastern Tarai districts. Since Jirayat land represents part of the remuneration provided to the Jimidar for his services in collecting the land tax, it can not be detached from the Jimidari holding.⁶⁵ Conversely, any attachment of agricultural land owned by landlords in the Jimidari holding is prohibited.⁶⁶ The Jirayat system was probably originally established as part of the government's policy of encouraging the extension of the area under cultivation in the Tarai. In certain cases in Saptari district, for example, the regulations specified that only waste land should thus be allotted to the Jimidar, and that the Jimidar should be deprived of his cash remuneration if, in the

*In the western Tarai districts, the term Sir is also used to denote land.

†In Palhi-Majhkhand and Sheoraj-Khajahani districts in the western Tarai region, a part of the Sir land attached to Jimidari holdings may be alienated as Ukhada to tenants. Such tenants are required to pay rents in cash at rates a little more than the land tax. They cannot be evicted as long as they pay their rents regularly. Eviction and attachment of Ukhada land to the Sir lands are permitted only with the permission of the Mal office concerned. But such land cannot again be alienated as Ukhada within a period of 10 years. (Government of Nepal, Madhesh Mal ko Sawal (Tarai Revenue Regulations), Sections 357-58, pp. 158-59.) Thus the rent on a bigha of Ukhada land may vary from Rs. 18.00 to Rs. 22.50, with the land tax at approximately Rs. 9.75 or Rs. 11.25 per bigha. (Government of Nepal, Land Tenure Conditions in the Western Tarai, p. 4.)

course of the next settlement, he was not found to have brought such land under cultivation.⁶⁷

Until 1951, the Jimidar was entitled to exact unpaid labor from every family of landholders in the area under his jurisdiction, though legally he could not transfer people from one village to another for the performance of such services. The inhabitants of a Jimidari holding divided among Jimidars were not obliged to work for all of them. In this instance, the Jimidars had to divide the landholders among themselves for this purpose. In certain cases, exemption from unpaid labor obligations could be obtained on payment of a small fine. Usually, such labor was utilized to plough the land and provide other services in cultivating the Jimidar's Jirayat holding. In 1951 the use of unpaid labor for porterage purposes was declared illegal⁶⁸ but, as in the hill districts, it is doubtful that the measure has been enforced strictly.

The Patuwari

In the exercise of his functions, the Jimidar is assisted by a village functionary known as the Patuwari. The main functions of the Patuwari are to help the Jimidar in collecting land taxes and to maintain assessment records and accounts.

Unlike the Jimidar, the Patuwari must be a local resident as well as a Nepali citizen.⁶⁹ The general practice is to give preference to a coparcener of the outgoing Patuwari who is also a resident of the village concerned, but if a suitable person is not available the new Patuwari may be chosen from a neighboring village,⁷¹ if he has the proper qualifications.⁷²

If the Patuwari's sphere of jurisdiction extends to several villages, the regulations prescribe that he should remain in constant attendance on the villages under his jurisdiction throughout the year and perform the work himself.⁷³ When the work of collection starts, the Mal office is required to make necessary arrangements to ensure that the Patuwari visits each village under his jurisdiction to carry out his functions.⁷⁴ Moreover, he is liable to dismissal if he does not present himself at the Mal office once a month and can leave his jurisdiction only after obtaining "necessary and reasonable" leave from the Badahakim of the district or the chief of the Mal office. In contrast to the Jimidar, the Patuwari is not permitted to appoint an agent to work on his behalf.

The Patuwari may be dismissed on the grounds of physical incapacity or inability to discharge his functions efficiently and to maintain records and accounts clearly and

accurately. If he is dismissed for any offence, a coparcener who is a member of the same (joint) undivided family is not eligible to succeed him in the post.⁷⁵ The regulations also prescribe that the Jimidar and the Patuwari should not be the same person, and that the Patuwari should not be a near relative of the Jimidar, "so as to ensure correct and accurate work and prevent confusion and embezzlement of funds."⁷⁶

Since the Patuwari is required to work with the Jimidar in the collection of the land tax, they share responsibility in this sphere. If action to collect the land tax is not taken in time, both the Jimidar and the Patuwari are liable to dismissal from that particular village. But in the event of any defalcation of the proceeds of tax collection by the Jimidar, both officials are dismissed in all the villages where they worked together in their respective capacities. The regulations state that in cases where a Jimidar is dismissed because the land taxes are not collected in full, either because action to collect them in time has not been taken according to the regulations or because the proceeds of the taxes are not deposited at the Mal office, the Patuwari also should be held responsible.⁷⁷ However, in such circumstances, the Patuwaris are not held personally liable for the arrears of revenue owed the government.

The position of the Patuwari cannot be sold or transferred. His remuneration consists of a commission at the rate of Rs. 0.015 for every rupee of land revenue collected and deposited at the Mal office, except in Chitaur district where the commission of the Patuwari amounts to Rs. 3.00 on every Rs. 103.00 of actual collections.⁷⁸ There is no other compensation of any kind for his services.

Other Village Functionaries in the Tarai

In addition to the Jimidars and the Patuwaris, a few districts in the Tarai have another functionary called the Godayat, who is a peon appointed to assist the Jimidar and the Patuwari in serving notices to landholders in the course of tax collections.* He is entitled to a remuneration amounting to one per cent of the total collections.

*Cf. Government of Nepal, Madhesh Jilla Jilla ko Jimidar Patuwari Ka Naun Sawal (Regulations for Jimidars and Patuwaris in the Tarai Districts), Section 3, p. 2. The Gumasta is another functionary which the Jimidar is entitled to appoint to assist him in collecting the land taxes. However, information is not available as to the nature of the Gumasta's functions and the remuneration payable to him.

FUNCTIONS OF TALUKDARS AND JIMIDARS

While the main function of the Talukdars and Jimidars is to collect land tax, they are also expected to perform miscellaneous functions as village headmen and provide the main channel for governmental contact with the village. In the hill districts, the Talukdar is required to ensure that law and order is maintained, and to provide information on any criminal activity in his area.* In the Tarai districts, the Jimidar is required to take proper care of forests in his area and to prevent the smuggling of timber. He has to keep records of tanks and wells, and ensure that wells are fenced properly, and to collect statistics on horses, elephants, and livestock. He is responsible for making proper arrangements for irrigation facilities. Other responsibilities of the Jimidar include assistance in the event of a breakdown in the postal service, maintenance of law and order, the removal of undesirable aliens, and submission of confidential information to the government about the working of the customs offices.

GENERAL FEATURES OF THE TALUKDARI AND JIMIDARI SYSTEMS

The Talukdari and Jimidari systems owe their origin primarily to the fact that the administrative machinery in Nepal was ill-equipped for the task of collecting taxes from a large body of landholders.⁷⁹ Talukdars and Jimidars are not only responsible for the collection of the land taxes, but also provide insurance to the government against risks of loss in the revenue for, as we shall see later, liability for arrears in revenue left unpaid by landholders at the end of the prescribed period devolves directly on the Talukdar or the Jimidar. Tax liability on vacant or unclaimed holdings of both Khet and Pakho land is undertaken by the Talukdar, but he is under statutory obligation to settle other persons on the land at the first available opportunity.⁸⁰ The law prescribes that:

In case any holding becomes vacant, landless persons of the locality, if any, shall get it on condition that they pay the taxes thereon regularly . . . If local persons are not available, the holding may be given to outsiders. If no person is available (to take up the holding) . . . the Talukdar may use it himself. But he shall give it away when any person subsequently comes forward to take it up.⁸¹

*Harilal, Pahad Mal Bishaya (On Revenue Offices in the Hills), p. 4. He is responsible for looking after poor and orphaned children. (Government of Nepal, "Garib Kangal ko" (On Poverty and Indigency), Muluki Ain (Legal Code), Part III, Section 4, p. 6.)

The Talukdar and Jimidar are responsible for the cultivation of waste land in his area.⁸² If the Jimidar is unable to settle new people on vacant holdings, or to cultivate them himself and pay the usual taxes, he must relinquish eventually his rights on the entire Jimidari holding or else be personally liable for the arrears in revenue.⁸³ He is liable to eviction if he does not agree to pay taxes on waste land in his area.⁸⁴ This means, in effect, that the government is insured against loss of revenue consequent to the noncultivation of land. Moreover, according to one study:

If any person comes forward to take up the land after the Jimidar has invested money on it for two or three years and brought it into cultivation, the latter has to relinquish it . . . It is a strange regulation that compels the Jimidar to do so even after he has undergone risks and improved the land.⁸⁵

Apparently this provision of the regulations reflects the interest of the government in encouraging land settlement as well as in guarding against any losses in revenue. Thus the Jimidar not only guarantees full revenue collections but also serves as an agricultural entrepreneur. It is his obligation to ensure that land within his jurisdiction is cultivated and fully settled. According to the law, the Jimidar is under obligation to take good care of the landholders living in the area under his jurisdiction, to maintain them by purchasing foodgrains from his own pocket if necessary, and to provide seeds and agricultural equipment to those who require them.⁸⁶

In view of these obligations, the remuneration provided to the Talukdar or the Jimidar for his services would appear to be quite inadequate, particularly when we take into consideration the unsatisfactory location and distribution of Mal offices, difficulties of transport and communications, and low level of taxation in general. Since the Jirayat land given to the Jimidar in addition to commissions on collection is taxable like any other category of land, it constitutes an inadequate form of compensation, because taxable land is available for purchase even free of the obligations of Jimidarship. As one study points out, the Jimidar is saddled with innumerable obligations and responsibilities, but his remuneration consists of just Rs. 0.025 on every rupee collected.⁸⁷

In the hill districts the time and effort involved in visiting villages where people seldom live in compact settlements constitutes an additional difficulty. For example, in 1938, when the last settlement was conducted in Baitadi, 97 Talukdars collected a total of Rs. 7,055.⁸⁸ on 59,039.5 muris of Khet land in the Purchaudi revenue subdivision.⁸⁸ At a rate of Rs. 2.50 on every Rs. 102.50 of actual collections, the income of each Talukdar amounted to

a little less than Rs. 2.00. Naturally such inadequate remuneration compels the Talukdar or the Jimidar to have recourse to various questionable practices, such as the exaction of unpaid labor, in an attempt to make his position profitable. One study concludes that it is difficult to believe that Talukdars really restrict themselves to a commission of five per cent of the collections, and notes that in the Kunchha area:

The existing system is causing worry and hardship to Talukdars. On Pakho land, it takes two or three months for them to collect Rs. 200.00 or Rs. 300.00. Sometimes it takes two or three days to deposit the collections at the Mal Office. With so much trouble, no person can work honestly on a commission of five per cent only.⁸⁹

In these circumstances it is easily understood why repeated official efforts to abolish unpaid labor since 1951 have proved abortive. In Palpa, for example, many Talukdars were said to be prepared to relinquish their position rather than surrender the right to exact unpaid labor.⁹⁰

Some of the regulations provide interesting insights into the various questionable practices resorted to by Talukdars and Jimidars. For instance, they are penalized if they refuse to accept payment of taxes from landholders,⁹¹ and the Mal office is required to ensure that Jimidars issue proper receipts to the landlords for the payment of taxes.⁹² In both cases, the apparent intention is to prevent Talukdars and Jimidars from taking undue advantage of landholders by exacting illegal levies from them, or else dispossess them of their lands. The regulations also prohibit the exaction of fees while registering land mutations,⁹³ thus implying possibly the existence of such a practice.

In 1951, after the downfall of the Rana regime, the Rana-Nepali Congress coalition government deputed commissions to Banke, Bardiya, Kailali, and Butaul districts, to inquire into disputes between Jimidars and landholders. The commission for Banke and Bardiya was specifically directed by the Ministry of Food and Land Administration to inquire into allegations that Jimidars were appropriating rents even on land which had been registered in the names of individual landholders during the settlement of 1947.⁹⁴ The findings of these commissions throw much light on this problem.⁹⁵

In Bardiya, the commission found that the Jimidars and Patuwaris had maintained the revenue records in such a confused state that it was not possible to identify individual holdings. Thus the Jimidars made it difficult to ascertain ownership and, in the resulting confusion, appropriated rents on land belonging to other persons for themselves. Such land which had been owned by private landholders in

1910 had passed on to the Jimidars by 1947, and the commission came across evidence that not all such transfers were legitimate in character. For example, in Kailali the commission discovered that out of a total of 531 bighas that had been transferred to the Jimidars, legal evidence of the transactions in respect to 454 bighas could not be provided. The commission uncovered several cases in which Jimidars had illegally retained possession of vacant land, which they should have distributed to new settlers. In some cases even fictitious names were created, or else lands were registered in the names of friends and relatives. With the connivance of the revenue authorities, the Jimidars had been able to absorb as much as 14,781 bighas of vacant land into their Sir holdings. It was found that landholders were moved frequently from one village to another in an effort to represent their land as vacant. As a result, while in 1910 Sir land totalled approximately 24,000 bighas and private landholdings approximately 52,000 bighas, in 1947 the position was almost exactly reversed. In certain areas of Butaul, the commission found that as much as half of the total taxable land was owned by friends and relatives of the Jimidar. Another study on this district notes that:

Although according to law vacant lands should be distributed among local landless peasants, the Jimidars register them in the names of their friends and relatives with the assistance of the Patuwaris and appropriate rents thereon.⁹⁶

In Bardiya the commission found that the Jimidars were freely exacting unpaid labor. In addition, several illegal levies were collected from the peasants over and above the rents. According to another study in Mahottari district, the Jimidar exacted extra levies while receiving payments of land taxes from landholders, for himself as well as for the other functionaries such as the Patuwari, the Godayat, and the Chaukidar.⁹⁷

In the hill districts, too, the problem appears to be substantially the same. In Syangja, for example:

Talukdars evade the payment of taxes by landholders and land transfers in the case of persons whom they do not like. They also charge illegal levies from the landholders.⁹⁸

An additional problem appears to have been created in the hill districts by widespread illiteracy. In Bandipur district:

Entries of revenue and mutations are made carelessly, with the result that land records are all jumbled up. This increases the number of disputes over land ownership.⁹⁹

In Pokhara also, "Talukdars are illiterate, with the result that land records are not well-kept," according to one report.¹⁰⁰

The position of Talukdar and Jimidar is valuable, therefore, more for the privileged status it ensures than for the direct pecuniary advantages it confers. But the onus falls heavily on the ordinary landholder. He has to suffer the consequences of ill-kept records, pay arbitrary levies, and provide unpaid labor. The Talukdar or Jimidar provides insurance to the government against loss of revenue, but it is the landholder who pays the premium.

VIII. SYSTEMS OF LAND TAX COLLECTION

Since the powers and functions of the Mal office differ in accordance with the nature of the contractual and nonofficial arrangements employed to collect the land tax, various systems of land tax collection have emerged in different areas of the country. Such diversity is for the most part confined to the hill districts and Kathmandu valley, possibly because of the less advanced stage of transport and communications than in the Tarai.

In the hill districts and Kathmandu valley, existing systems may be classified broadly as Amanati and Thekka Thiti, with several variations of each. The Jimidari system is prevalent throughout the entire Tarai region.

The Amanati system of tax collection is operative in the revenue divisions of Kabhrepalanchok, Sindhupalchok, Dolakha, Ramechhap, Okhaldhunga, and Majhkirat in the eastern hill region, Nuwakot, Dhading, Gorkha, Pokhara, Kunchha, Syangja, Bandipur, Palpa, Gulmi, Baglung, Salyan, Pyuthan, Bajura, and Jajarkot in the western hill region, and Kathmandu, Bhaktapur, Lalitpur, and Kirtipur in Kathmandu valley. Under this system, the government risks the loss of revenue every year due to damage to the land which renders it uncultivable temporarily or otherwise, as well as of crop failure. At the same time, it claims immediate benefit from the reclamation of waste lands after the statutory period of exemption.

Under the Thekka Thiti system, adjustments in revenue necessitated by failure of crops or damage to the land itself, on account of hail, drought, riverine action, or washouts, are made only in the course of the next revenue settlements. The Talukdar is committed in all circumstances to pay the amount fixed in the previous settlement. At the same time, however, he is not obliged to register newly cultivated lands for taxation purposes. The Thekka Thiti system of tax collection prevails only in the revenue divisions of Ilam, Chhathum, and Terhathum in the far eastern hill region and in Baitadi, Dandeldhura, Doti, Achham, Bajhang, Dailekh, and Jumla in the far western. It should be noted that in all these areas the land tax assumes the exclusive form of the Thek Tiro, on which no remissions are allowed for any reason whatsoever, and therefore part of the liability undergone by the Talukdar is shared by the landowners as well. The taxes to be paid by each holding and each village are clearly determined in the course of a revenue settlement. These are valid until the next settlement provides for tax remissions for land rendered uncultivable for any reason and enters all newly cultivated lands in the tax records. In the majority of these districts the last revenue

settlement was held towards the end of the 19th century, and therefore no adjustments in the tax records have been made since then. The government is thus deprived of the income from newly cultivated lands. There is no restriction, of course, on the voluntary registration of newly cultivated lands in the tax records. This practice, though not obligatory, appears to be resorted to frequently since this is one way in which legal evidence of the ownership of land can be obtained. But such voluntary assumption of the tax liability does not entitle the tax payers to remissions in case of damage to the land or failure of crops.¹

The Thekka Thiti system not only insures the government against all risks of fluctuations in revenue, but also relieves it of administrative responsibilities to a considerable extent. Even in the Amanati districts, the difficulty in registering newly cultivated lands for purposes of tax assessment has always proven to be a perplexing problem for the government, and in 1934 Talukdars in all Amanati districts were directed to submit information relating to lands which had been reclaimed after the surveys of 1837, 1854, and 1868.² In view of the difficulties involved, one can easily understand why the government was unwilling to establish a similar system in the Thekka Thiti districts which are even less accessible than the Amanti districts and, accordingly, more difficult to administer.*

THE AMANATI SYSTEM: RAITAN TAHASIL AND TALUKDARI

The Amanati system can be divided into the Talukdari and Raitan Tahasil systems. We have already noted that the Talukdari system owes its origin primarily to the fact that the administration was ill-equipped for the task of collecting taxes from a large body of landholders. Accordingly, this system is prevalent all over the hill region. However, proximity to the central government and relative ease of transport and communications have made direct collections by

*The Thekka Thiti system roughly corresponds to the system of revenue collection through village headmen in medieval India. As in India, "The assessed revenue was to be paid by the headman of the village, with the individual holdings of which the State had no direct collection." But in India, on the other hand, "A village was assessed as a whole on the basis of its productive capacity . . . It was for the headman to distribute the collective burden of the village among the individual peasants, take the liability for their default, and make his own profit." (Radha Kumud Mookerji, "Indian Land System--Ancient, Mediaeval and Modern," Report of the Land Revenue Commission, Bengal, Vol. II, p. 160.)

Mal offices feasible in Kathmandu, Kirtipur, and Lalitpur in Kathmandu valley, which is the procedure under the Raitan Tahasil system. In the hill districts also, Talukdari holdings which remain vacant for any reason are operated under the Raitan Tahasil system.³ The chief of the Mal office is then empowered to make necessary administrative arrangements at an expenditure not exceeding the commissions which would otherwise have been paid to the Talukdar.⁴ However, this arrangement is regarded as a temporary expedient until prospective Talukdars are available.

In Kathmandu valley, the Raitan Tahasil system appears to have undergone many vicissitudes. In Bhaktapur, the Talukdari system was restored in 1935. The Bhaktapur Survey Regulations, under which a survey was completed in this area in 1930, called for the abolition of the Raitan Tahasil system and the appointment of Talukdars, presumably because of the heavy tax arrears that had accumulated. The new Talukdars were appointed on condition that they would clear off the arrears that had accumulated by 1935, and a time limit of two years was provided for this purpose.⁵ In Kathmandu and Kirtipur, the heavy accumulation of arrears and the difficulty in maintaining up-to-date assessment records by registering land mutations finally led the government to create Jimmawals and Patuwaris in 1938 with functions corresponding to those of Jimidars and Patuwaris in the Tarai.* The regulations provided for remuneration to the Jimmawals and Patuwaris at the rates of Rs. 4.00 and Rs. 1.00 respectively on every Rs. 105.00 of actual collections on Khet land.⁶ But in 1949 complaints were made to the government that these Jimmawals and Patuwaris were harassing the people and, in addition, had not improved the collection system, while in Lalitpur the Raitan Tahasil system was functioning satisfactorily. It was therefore decided to abolish these functionaries and restore the Raitan Tahasil system,⁷ but the implementation of this order was postponed on the grounds that it would complicate the records even further.⁸

*Apparently it was the intention of the government to extend the Patuwari system in the hill districts also. In 1944 orders were issued to all Mal offices in the hill districts, directing them to submit reports along with the amount of revenue collections in their respective areas, and the number of Patuwaris sought to be appointed, if necessary. (Government of Nepal, Law Ministry Records, Patuwari Appointment Order, 1944.) But this order does not appear to have resulted in any concrete action, as is indicated by the fact that the order was reissued in 1949, again without any discernible effect. (Government of Nepal, Law Ministry Records, Land Mutation Order, 1949.)

Land Tax Collections Under the Raitan Tahasil System

Under the Raitan Tahasil system used in Kathmandu, Lalitpur, and Kirtipur, landowners are required to complete payment of the land tax by April 12 of each year. In case of failure to complete payment within this time limit, the period is extended by seven days and the defaulting landowners are allowed to make payment within the first three days of the extended time limit. In case they do not come forward at this time, coparceners may submit offers within the next two days, while the final two days are allotted to owners of adjoining holdings or other persons for the same purpose. If no offer is received, the arrears of tax are realized through an auction of the assets of the defaulting landowners. However, they are allowed to retain their holdings on payment of the arrears along with fines, until the time action is initiated to hold the auction. If competition among bidders forces up the price to an amount higher than the arrears, the surplus is returned to the defaulting landowners.⁹

Land Tax Collections Under the Talukdari System

In the hill districts, where paddy is ready for harvesting after the month of Aswin (ending October 16), the time limit for the payment of land taxes extends from Aswin 1 to Chaitra 30 (September 17 to April 12). As the regulations state:

If the landholders do not pay the taxes when they are in possession of the crops, they will have nothing left at the end of the year. In case of default, however, they must be evicted . . . and the arrears realized from the sale of their assets. This means harassment of the landholders and nonrealization of the taxes.

Talukdars are therefore directed to issue frequent orders and reminders about land taxes to the landowners as soon as the month of Aswin has commenced.¹⁰

Landowners are required to complete payment by April 12. If they fail to do so, another seven day time limit is granted, after the expiry of which Talukdars are empowered to evict them and distribute the land to any person who is prepared to pay the arrears. But if no such person appears, the landowners are allowed to continue in possession on payment of the arrears along with a small fine. This facility is not available to them once the time for auctioning his assets is due.* If, in spite of these steps, collections

*The procedure is somewhat different in Bhaktapur. If payment is not completed by April 12, Talukdars issue a con-

are not completed, the Mal office, on the representation of the Talukdar, auctions the assets of the defaulting landowners, and adjusts the proceeds against the arrears. Any surplus is returned to them, and in case of a deficit the defaulters may be imprisoned.

The final date by which the Talukdar must complete payments to the Mal office is May 13. In case he is unable to do so, the Mal office issues a consolidated time limit of 22 days. The defaulting Talukdar is allowed to continue in office if he completes payment within the first 15 days, after which any other person who is acceptable to the villagers may offer to pay up the arrears and become Talukdar. But if no such person is available, or the applicant is willing to accept responsibility only for current revenues and is not prepared to be burdened with the arrears, these are realized from the auction of the assets of the defaulting Talukdar. However, such action is not taken if it is proved that the latter had not embezzled the tax proceeds or had refused to accept payments from landholders. In case the auction results in a deficit, the Talukdar may be imprisoned, while any surplus is returned to him. However, he is allowed to continue in his post if he completes the payment along with the necessary fines within a further period of three months.* Thus the Talukdar loses only his post, and not his property, if he has been unable to make full collections. But none of these formalities need be observed if the amount is less than five per cent of the total assessment.¹¹ Since this amount accrues to the Talukdar as his remuneration, a deficit in collection to this extent obviously does not mean a loss to the government.

solidated time limit of 15 days. The defaulting landholders are allowed to continue in possession if they make payment within the first seven days. Coparceners are required to file their claim within the next three days and, in the event of their absence or unwillingness, owners of adjoining holdings or other persons, in this order, may offer to pay up the arrears and obtain the land. On all payments made after April 12 by defaulting landholders, interest is charged at 10 per cent. (Government of Nepal, Bhaktapur Mal Office Records, Bhaktapur Talukdari Regulations, 1935, Section 1(ii) and (iii).

*In Bhaktapur, this period is 15 days only provided the Talukdari holding has remained vacant in the meantime. (Ibid., Section 1(iv).)

THE THEKKA THITI SYSTEM

In contradistinction to the practice followed under the Amanati system, land taxes are collected in installments under the Thekka Thiti system. For example, in Achham and Doti divisions, the regulations prescribe that payment should be made in four installments between the months of Falgun and Jesthal² (February 15 to June 15). The time schedule for payment is thus two months later than that of the Amanati districts. One reason for this is that Talukdars and landowners leave for the plains in search of work as soon as winter sets in and come back only after April to pay their taxes.¹³ Because of the long winter in the majority of the Thekka Thiti districts, which are situated at altitudes above 7,000 feet in the Himalayan terrain, wheat is the staple crop and a time schedule appropriate for areas in which paddy is grown would be unsuitable for these areas. Nevertheless, the practice is not uniform throughout the Thekka Thiti area. In Jumla, for example, payment is made in three installments between Shraavan and Chaitra (July 16 to April 12).¹⁴ In Chhathum division, the regulations prescribe that payment on Khet lands should start from Marga (November 16), and on Pakho lands from Baisakh (April 13), and be completed in both cases by the end of Chaitra (April 12).¹⁵ The actual process of collection is the same as in the Amanati districts, after making allowance for the difference in time schedules and rates of commissions.

THE JIMIDARI SYSTEM

We have seen that the Jimidari system of land tax collection in the Tarai, as it exists at present, is of comparatively recent origin. Following the political unification of the country and the acquisition of territory in the Tarai, the revenue system introduced was similar to the British Indian system of revenue farming through "Ijaradars,"¹⁶ though with some important differences. As under the Thekka Thiti system, the revenues were determined in the course of settlements made by the government. Contracts were then given, apparently, to any person who could somehow secure the favor or confidence of the government, since there is no evidence to indicate that bids were invited for this purpose. Such contracts were triennial or quinquennial, and payment was allowed to be made in installments.¹⁷ The contract system was not replaced by the Jimidari system until about 1908-09. The terms Amanati and Thekka Thiti are not used in the Tarai, although similar systems are in existence. As in the case with the Amanati system, in most parts of the Tarai the government risks loss of revenue due to crop failure or damage to the land, but derives immediate revenue from the reclamation of waste lands subject, of course, to the statutory period of exemption. It is only in a few districts that such adjustments

are deferred until the next settlement is conducted, as under the Thekka Thiti system. Two examples are Kailali and Kanchanpur revenue divisions; where:

No remission shall be made for taxable land which is damaged by riverine action . . . At the same time no taxes shall be imposed on waste lands reclaimed within the Jimidari holding until the next settlement is held.¹⁸

As under the Raitan Tahasil system, collections may be made directly by the government if the Mal office is unable to find persons willing to cultivate Jimidari holdings. In such cases the Mal office is required to make the necessary administrative arrangements at an expenditure generally not exceeding the commissions which would otherwise have been paid to the Jimidar.¹⁹ Landowners are required to pay their taxes within the prescribed time limit, failing which their property may be auctioned and they themselves sentenced to imprisonment.²⁰ But, as in similar circumstances in the hill districts, this arrangement is regarded as a temporary expedient until prospective Jimidars are available. This system is called Amanat in the Tarai.*

LAND TAX COLLECTIONS IN THE TARAI

In the Tarai districts, the land tax is paid in installments between December 15 and April 12. Fifty per cent of the total amount is paid at the first installment, and 25 per cent each at the subsequent installments. If any installment is in default, the Jimidar may freeze the assets of the defaulting landholder within three days.²¹ By April 27, the Jimidar is required to submit a list of defaulting landholders to the Mal office.²² The landholders are then given until May 13²³ to pay their tax. Upon the expiry of this time limit, the requisite amount of land owned by the defaulting landholder is auctioned off for realization of the arrears.† If no bid is registered, a

*The Amanat system is thus synonymous with the Raitan Tahasil system as prevalent in Kathmandu valley, and should not be confused with the Amanati system.

†Government of Nepal, Madhesh Mal ko Sawal (Tarai Revenue Regulations), Section 14, pp. 5-6. This provision was enacted in 1942 as it was recognized that auctioning the entire holding for a small amount of arrears would involve much hardship for the landholders. (Government of Nepal, Madhesh Jilla Jilla ko Jimidar Patuwari Ka Naun Sawal (Regulations for Jimidars and Patuwaris in the Tarai Districts), Section 10, p. 9.)

fresh auction is held by the Mal office. But the Jimidar may, at his discretion, retain the former landholder if the latter pays up the arrears before the auction is completed or, if no bid had been made, even after it is completed.²⁴

So far as the Jimidar is concerned, the time schedule for the deposition of the proceeds of the collections in installments at the Mal office is not rigid. For example, he may pay only 37.5 per cent instead of 50 per cent at the first installment, and thus continue the arrears until payment is completed by April 12. In other words, any Jimidar who proves that he is making the collections reasonably well is treated with leniency. The dates of payment, however, are expected to be strictly adhered to. The Badahakim of the district is authorized to grant up to a 10 day extension of the time limit for the payment of each installment, other than the last, provided the Jimidar is able to show reasonable cause for delay. Although payment may be deferred until May 13, such delays constitute an adverse factor in the record of the Jimidar. If the Jimidar is unable to complete payment by May 13, he is obliged to furnish security for the arrears; otherwise he is arrested and kept under detention, and such of his lands as are necessary to meet the arrears are frozen.²⁵ Thus, like the Talukdars of the Thekka Thiti districts, the Jimidar is personally liable for the arrears of land revenue, even if he has not embezzled the proceeds of collection. If lands within the Jimidari holding prove insufficient to meet the arrears, other assets of the Jimidar may be confiscated. The Mal office then invites bids for their auction, but the former Jimidar may retain his post if he completes payment by May 28. In case arrears cannot be realized in full through this procedure, they are remitted and the defaulting Jimidar is imprisoned. But if a surplus results, this is refunded to the Jimidar within a period of three years.²⁶

Thus the process of tax collection in the Tarai districts is expected to operate on a tight schedule. Until 1961, all extensions of the time limit were granted by executive authority. Recent legislation has empowered the government to extend the time limit for the payment of land taxes in any district or subdistrict in the Tarai as is deemed proper. In case landholders and Jimidars fail to complete payment of the arrears even within the extended time limit, the government is empowered to auction their holdings within five or seven days respectively after the expiry of the time limit, or within such period as it may extend by notification in the official Gazette.²⁷

OTHER SYSTEMS OF LAND TAX COLLECTION

In addition to the above-mentioned systems, which are mainly operated through the Mal offices, there are several

other systems which have been operative, but which are of lesser importance either because they are concerned with nonagricultural taxes or have been abolished in recent times. Such systems can be classified as collection through governmental machinery (other than the Mal office), contractual collections, and the Rajya system.

Collection Through Other Governmental Machinery

Until recently, the Mal office usually constituted the sole land tax collection machinery in the country, particularly in the district areas. But exceptions to this rule are found occasionally. For example, the Bal Bithauri tax, which is levied on land situated in the urban areas of the Tarai, is collected by the local customs office.* In recent years, the introduction of new taxes has led to the creation of separate collection machinery in some cases. In 1960, tax offices were established in Kathmandu valley, Birgunj, Mahottari, Biratnagar, Bhairahawa, and Nepalganj for the assessment and collection of various taxes imposed by the Nepali Congress Government, including those on houses and compounds in urban areas.²⁸ Indeed, a differential system of land taxation based on a proper study of land use and classification will require more varied collection arrangements than are at present provided by the Mal office.

Contractual Collections

In many cases the lack of a satisfactory collection machinery led to a dependence on contractual systems of collection. For example, in the Tarai, the Chari Rakam tax imposed on animals grazed on pasture lands is collected through contracts which are issued by the forest department.²⁹ In some cases the Sukumbasi tax on the homesteads of landless persons is collected similarly by the Mal office.³⁰ Such systems will undoubtedly continue until Mal offices are reorganized to ensure greater administrative efficiency and supervision than at present.

The Rajya System

The Rajya system was a relic from the period when the Shah dynasty united Nepal politically. Until recently, under this system, 15 vassal states (Rajyas) scattered over the western hill districts of Salyan, Doti, Jumla, Syangja, Gulmi, Baglung, and Pyuthan retained certain privileges under royal charters which limited the collection of revenue

*However, in Makbanpur, this tax is collected by the Mal office. (Government of Nepal, Madhesh Mal ko Sawal (Tarai Revenue Regulations), Section 287, p. 166.)

and the exercise of judicial authority by the central government within their boundaries. The government has conducted surveys from time to time to determine the aggregate assessment on Raikar land, but then the chiefs of these vassal states were permitted to collect the land taxes at arbitrary rates.

There were three types of Rajyas: Thekka, Sirto, and Sarbangamafi. In the case of Thekka Rajyas (Garhunkot Rajya in West No. 4 district and Gulmi Rajya in Gulmi district) the government granted remissions in the aggregate revenues to provide for the expenses of collection and demanded the payment of the balance in installments as under the Thekka Thiti system. In case of default even after the final installment fell due, the regulations prescribed that the Thekka (contract) might be terminated.³¹ Ordinarily, interest was charged on all payments not made within the prescribed time limit.³² Thekka Rajyas might be regarded as a variation of the Thekka Thiti system of land tax collection.

The chiefs of Sirto Rajyas were permitted to pay an annual tribute (Sirto) to the government, and appropriate the remaining land revenues for themselves. The government might fix either the Sirto or the amount assigned to the Rajya. Such Rajyas differed from Thekka Rajyas inasmuch as the government assigned a fixed income to them in addition to making provision for the expenses of collection. Bajhang, Darna, and Thalahara in Doti district, Dullu in Dailekh district, Khumrikot in Pyuthan district, Salyan and Malueta in Salyan district, and Mustang and Galkot in Baglung district were Rajyas of this category.

Sarbangamafi Rajyas were similar to Birtas, since the chiefs of these vassal states were permitted to enjoy all land revenues within their boundaries, which did not include any Raikar land. Bhirkot in West No. 4 district, Parbat in Baglung district, and Bajura in Doti district were Sarbangamafi Rajyas. In addition, the chiefs of these vassal states were also entitled to appropriate the income from tax-exempt demesne lands (Sera) which were attached to the Rajya. The extent of such lands was not fixed, and the Raja was permitted to increase it without forcibly expropriating existing landowners.³³

Owners of Raikar lands within the area under the jurisdiction of the Rajya were required to complete payment of land taxes by April 12 of every year. Talukdars were required to deposit the full collections by May 13 in the Rajya Mal office or Tahasil (collection) office. If they failed to do so, their property was auctioned, while they themselves were sentenced to imprisonment. The Raja then submitted a report about the arrears and also handed over

the defaulting Talukdar to the nearest Mal office. No action was taken against the Raja in such cases. But if he failed to deposit the amount actually collected to the Mal office by May 28, the regulations prescribed that action might be taken to abolish his privileges.³⁴

The royal charters providing for these privileges were renewed whenever the Rajya was inherited, although such confirmation was regarded as a routine affair. At times, however, the government took advantage of this formality to increase the amount of the Sirto or to modify existing privileges. For example, the Sirto payable by the Darna Rajya in Doti amounted to Rs. 450.00 in 1847, but had increased to Rs. 2,607.48 by 1945 when a new charter was issued. A charter issued in 1880 had waived the government's claim to taxes on newly cultivated land, but the new charter permitted the Raja to appropriate only 10 per cent of such additional income. It was probably considered necessary to renew charters in this way in order to take into consideration the increased income resulting from an extension of the cultivated area.

From time to time demands had been voiced for the abolition of the Rajya system which was characterized as a relic of an outdated feudal system. In 1959 the Rajya Courts Abolition Act was enacted which deprives the Rajyas of their judicial authority, but did nothing to abolish their revenue collection powers. It was in early 1961, after the dismissal of the Nepali Congress Government, that the Council of Ministers promulgated the Rajya Act which abolished the Rajya system in order to further promote "national unity and integration." Under this Act, all Mal or Tahasil offices in the Rajyas were nationalized, and provision was made for the payment of allowances to the displaced chiefs under certain conditions.³⁵

TAX DELINQUENCY AND THE COLLECTION SYSTEM

The most conspicuous feature of the various systems of land tax collection described above is their obsolete character. Most of them were devised at a time when economic and administrative conditions, such as pressure on land, transport and communications systems, and the system of district administration, were very different from what they are now. In view of the increasing value of land and agricultural produce, such tax delinquency as exists can be due only to the defective system of collection and the slackness of the administrative machinery. The chronic difficulty met in making tax collections in full, even under such circumstances, is evidence of the ineptness of the existing administrative machinery. In 1910 land tax arrears had accumulated from as far back as 1865, and the government was compelled to remit all arrears between 1865 and 1901,

apparently because the burden proved to be too heavy for its administrative resources.³⁶ Even at present such arrears have been a regular feature of tax collection, and the government has been compelled to grant time limit extensions from year to year. For example, in 1960, it was decided to remit all arrears up to 1957, and to permit subsequent payments other than current ones to be made in cash, thus penalizing honest and scrupulous tax payers and further encouraging tax delinquency.³⁷ All this points up the need for overhauling the tax collection system.

In recent times demands for the abolition of the Jimidari and Talukdari systems have been made frequently. In 1953 the Nepal Peasants' Association pleaded before the Land Reform Commission:

. . . the Talukdars have oppressed the people by laying pretension to authority which they do not possess. . . . It will be more convenient for the landholders to spend two or three days every year to visit the Mal office for paying their taxes.

The association therefore suggested that land taxes should be collected by Panchayats. The commission, however, rejected the suggestion on the ground that Panchayats had not been formed everywhere, and those that had been formed were still not functioning properly.³⁸ At the same time, the commission approved a proposal to abolish the Jimidari system and arranged for collections of land taxes through salaried officials.³⁹ The government subsequently decided to have land taxes collected through Panchayats on an experimental basis, but no action has been taken so far on these lines.⁴⁰ However, since the dismissal of the Nepali Congress Government on December 15, 1960, the political and administrative framework of the country is being remodelled on the Panchayat pattern. Village Panchayats are being formed all over the country, and empowered to impose and collect various types of taxes, including a surcharge on the land tax. In these circumstances, it is likely that the proposal to hand over land tax collection functions to these bodies will be revived. However, such a proposal betrays a basic misconception of the nature and functions of Panchayats, which are intended primarily to assist in the decentralization of administrative authority and to enable the people to take an increasing share in local administration. It would hardly be consistent with these objectives to channel their energies towards a routine and specialized administrative function such as land tax collection.

IX. LAND SURVEYS AND TAX RECORDS

A system of land survey and records appears to have existed in Nepal from early times. Under the Jagir system employed by the Gorkha dynasty until the 20th century, assignments of land had to be made to various categories of government officials on an annual basis. An accurate register of land records was indispensable to the efficient and equitable operation of such a system. Indeed, according to Brian H. Hodgson, the scholarly British Resident who carried on researches in Kathmandu for nearly two decades in the early 19th century, the Malla dynasty* had handed down to the Gorkhas a system of land registration which could compare favorably to those in effect in areas of India under British rule.

Probably this system fulfilled the needs of the new regime established in 1769, for not until 1792 does a fresh settlement appear to have been held. That such surveys were unpopular is indicated by the fact that the subsequent downfall of the Regent, Bahadur Shah (1785-1794) was attributed to the sin he had committed in "finding out the secrets of the earth" by means of land measurement, on the advice of "evil-minded ministers."² The expansion of the kingdom in subsequent years probably necessitated a more regular system of land surveys. The next survey was conducted in 1827 and then in 1847, 1854, and 1868. In many districts, particularly in the hill region and Kathmandu valley, the survey of 1868 is the last one that has ever been held.

It is thus due more to the absence of a regular system of revision of settlements than to the lack of a basic system that Nepal owes the present state of land and assessment records. The antiquated nature of such records, in the majority of cases, will be clear from a study of the dates at which the last settlement was conducted in different districts.³ There is evidence to indicate that land surveys were conducted as a matter of expediency and not on a routine basis. For example, the 1949 survey in Surkhet district was conducted at the request of some landowners who complained that the survey of 1913 had not determined boundaries properly and that, with increasing land values, litigation had increased and people had been dispossessed of the lands they had been cultivating.⁴ This is obvious also from the fact that surveys have been conducted on several occasions in some districts during the last half century but only once in others. For example, the last time a survey

*I.e., the royal dynasty which was in power in various principalities of Kathmandu valley prior to the Gorkha conquest in 1769.

was held in Bara, Parsa, and Rautahat was in 1909, but in Palhi-Majhkhand, two or three surveys have been held in recent years. Probably the comparatively low level of assessment in the latter district provided an inducement to revise the settlement more often. Moreover, the policy of centralizing the survey operation* without commensurate administrative and technical resources must also have made land surveys an arduous and haphazard task.

LAND MEASUREMENT SYSTEMS

The systems usually employed in measuring the area of land, estimating the size of the agricultural holding, or the quantity of seeds needed for sowing are the Dekhajanch and the Sarpat. Under the Dekhajanch system, the requisite information about the land for purposes of tax assessment is ascertained from Talukdars and landowners.⁵ Under the Sarpat system the area of the land is measured by means of a chain in accordance with a prevailing unit of measurement, which may be the bigha, the muri, or the ropani.⁶

Although a system of land measurement has been in existence in Nepal for many years, and the area of Khet land is generally specified in all assessment records, available evidence indicates that in most cases such specifications were ascertained by means of rough estimates on the basis of the Dekhajanch system without actual measurement of the land area. Such a procedure might have been the inevitable consequence of administrative difficulties and the technical problems involved in land measurement in the rugged terrain of the hill districts. But even in the Tarai where the land is relatively level, a similar system appears to have been used in the course of the early revenue settlements. For example, an order issued to the authorities of Saptari and Mahottari by the Government of Nepal in 1781 directed them to measure the land for the purpose of compiling assessment records only if no loss was likely to be involved in the state income.⁷ With respect to Pakho land, the Dekhajanch system has usually been employed in estimating the size of the holding for gradation as Hale, Pate, or Kodale, or for ascertaining the amount of seeds needed for sowing in order to determine assessments on the basis of the Bijan system. Under the Hale system, admittedly, the total quantity of the

*In 1872, local revenue officials were prohibited from demarcating land boundaries until surveyors and officials were sent from the capital with chains to measure the land. (Government of Nepal, "Jagga Pajani ko" (On Land Evictions), Muluki Ain (Legal Code), (1st ed.), Part III, Section 28, p. 31.)

land contained in the holding cannot be ascertained.⁸ Under the seed system:

. . . the exact amount of maize seeds needed (on the holding) shall be ascertained from the landowners themselves. Talukdars shall then be required to express their opinion thereon in accordance with the specimen form.⁹

The first attempt at chain measurement of Khet land under the Sarpat system appears to have been made in Kabhrepalanchok and Sindhupalchok revenue divisions in 1895 and at Palpa district in 1896. This did not mean that the Dekhajanch system for surveying Khet land had been discarded entirely, however, for the old system was used in the course of the revenue settlement held in Majhkirat in 1899. The next survey on Khet land in the hill region under the Sarpat system was held in 1928 in Achham. Since then, the Sarpat system has been used in all surveys of Khet land held in the hill districts, and the regulations generally prescribe strict accuracy of measurement. For example, in Achham:

In the course of the survey, no cultivated land shall be omitted. If the length of any side falls short of one full chain,* it shall be specified in terms of cubits. While calculating the area in terms of the muri unit, a fraction amounting to at least half a chain shall be represented as one full chain. If the fraction amounts to less than half a chain, it shall be ignored.¹⁰

In Kathmandu valley, orders were issued in 1923 to conduct Sarpat surveys in Lalitpur, Bhaktapur, Kathmandu, and Kirtipur districts.¹¹ Accordingly, a survey of Bhaktapur district was completed in 1930, and assessments were standardized all over the area. However, in the other areas, the project appears to have been abandoned for some reason. In 1939 regulations were framed for conducting a cadastral survey in Kathmandu district, and the survey was actually completed in 1950, but probably because of the administrative confusion that followed in the wake of the 1950 revolution, the survey reports have never been utilized. Since Sarpat surveys on Khet land have been conducted only in the revenue divisions of Chhathum, Ilam, Gorkha, Pokhara, Kunchha, Palpa, East No. 1, Achham, Baitadi, Bhaktapur, and Sankhu (Kathmandu district), land in the major part of the hill region and even in Kathmandu valley still remains unmeasured.

In the Tarai districts, in Bara, Parsa, Rautahat, and Sarlahi districts, regulations framed in 1909 prescribed

*One chain is equal to 6-1/6 cubits or 9-1/4 feet.

that the entire cultivated land, not omitting Pakho land or fields adjoining villages which might have been ignored during the previous survey, should be surveyed under the Sarpat system.¹² In fact, the Sarpat system was probably introduced in the Tarai districts even earlier than elsewhere in the country because of the level terrain and the importance of this region from the viewpoint of land revenue.

ASSESSMENT RECORDS

At the end of each survey, assessment records specifying the name of the taxpayer, the quantity and grade of the lands owned by him, and the total tax payable thereon were prepared and maintained at the Mal office for purposes of tax collection. Such records were maintained in different parts of the country under a variety of systems. In the hill districts, prior to 1901, land taxes were collected on the basis of assessment orders sent separately for each field annually by the government. In 1902 assessment records, known as Moth, were compiled, and Mal offices were established to make collections on the basis of these lists. After 1903, separate records began to be compiled for Khet and Pakho lands.¹³

On Khet land in districts other than the Thekka Thiti, after Moth records were compiled in this way, remissions of land revenue on account of riverine action or washouts, and increments on account of the cultivation of new land were registered in another record which was compiled separately every year. This record was known as the Nambari. From time to time, the original Moth records and the annual Nambari records were amalgamated in order to bring them up-to-date. This was done in 1902, 1930, and 1941 in several hill districts and Kathmandu valley.¹⁴ Such amalgamated records were prepared separately for each revenue subdivision rather than for the entire area under the jurisdiction of the Mal office.¹⁵ The regulations prescribe that the Moth records should be amalgamated with the annual Nambari records every 10 years,¹⁶ but there is no evidence that this has been done since 1941.

On Pakho land, where assessment had been made under the Bijan system, new holdings are required to be registered for purposes of tax assessment immediately after they are created.¹⁷ In all other districts where assessments are determined under the Hale system, other than the Thekka Thiti districts, the enumeration of holdings for the purpose of making the assessment records up-to-date under what is known as the Ghar Dar system is to be conducted every 10 years, according to the regulations.¹⁸ If any holding is uncultivated during the interim period, no tax remission is granted. The Talukdar has to resettle landless persons on such holdings, failing which he is under statutory obliga-

tion to assume personally the normal tax liability.¹⁹ But if the holding has been rendered uncultivable owing to wash-outs or other causes, the tax liability is not transferred in this way.²⁰ New holdings created as a result of subdivisions of existing holdings among sons and brothers are liable to pay the Serma tax on the Pakho contained therein only when the settlement is revised. However, taxes levied on the homestead, or on the basis of caste or occupation, are imposed with immediate effect. A similar rule is applicable in regard to holdings created as a result of the cultivation of new land.²¹ The first such enumeration of Pakho holdings was conducted in 1907, and thereafter in 1917, 1927, and 1938.²² The Ghar Dar system has since become defunct and, accordingly, the assessment records have remained outdated. A recent measure seeks to remove this anomaly partly by requiring owners of new homesteads, created as a result of subdivision among sons or brothers or otherwise, in all districts other than the Thekka Thiti districts where assessments on Pakho land were determined under the Hale system or the Bijan system, to register these homesteads at the Mal office within a period of three months from the date of publication of the notification.²³ Thus this measure in effect abolished the decennial enumeration (the Ghar Dar system), but only for the limited purpose of revising the assessment records of the Saune Fagu tax. No attempt is made to take similar action in respect to the Serma tax and other taxes based on caste and occupation. Even within this limited objective, since this measure has been only inadequately publicized, it is doubtful whether it has contributed much towards the updating of the land records.

In the Thekka Thiti districts, there is no provision for the periodic amalgamation of the assessment records or the decennial enumeration of holdings for purposes of tax assessment directly by the government. Instead, the Talukdars are required to submit decennial reports on newly cultivated Khet and Pakho lands to enable the government to make the necessary adjustments in the records.²⁴ There is no evidence that the provision is followed in practice.

In the Tarai districts, assessment records were simpler and more or less uniform. The Napi Khesra record, prepared at the end of a survey, furnished details regarding area, grade and ownership, while the Athsattha and the Jammabandi records showed the amount of assessment payable by each landowner for all fields held by him in each village. Remissions and increments of revenue were compiled in separate records, and no attempt was made to maintain the Jammabandi records on a current basis.

Since the actual function of land tax collection has been entrusted to nonofficial agents over a large part of

the country, it has been necessary to maintain revenue records at the village level also. In general the village records constitute original compilations of information relating to land mutations, reclamation of waste land, and land affected by washouts or riverine action.

In the Tarai, it is the responsibility of the Patuwari to prepare annual records of taxpayers and taxable lands for purposes of collection, after making adjustments for increments or depletions in the total taxable area during the previous year.²⁵ In the hill districts and Bhaktapur, the Talukdar is given a list of the land holdings on which he is required to make collections at the end of each survey.²⁶ The Talukdars are themselves expected to make necessary adjustments therein from time to time and to inform the Mal office accordingly.²⁷ The regulations make provision for keeping these assessments up-to-date by requiring adjustments for newly cultivated lands or land rendered uncultivable as a result of washouts or riverine action. In the hill districts, the problem of such adjustments arises only in areas where land taxes are collected under the Amanati system. Adjustments for land rendered uncultivable on account of washouts and riverine action has to be submitted to the Mal office by November 16, and remissions are granted only after on-the-spot investigations are conducted by the Mal office directly.²⁸ When new land is brought under cultivation, the increment is included in the annual Nambari records, and the Talukdars concerned are required to affix their signatures thereon.²⁹ The administrative procedure is necessarily simpler in the major part of Kathmandu valley where collections and functions relating to remissions and increments in revenue are handled directly by the Mal office. In the Tarai, information about newly cultivated land has to be submitted to the Mal office by February 12, and about land rendered uncultivable by November 16. The Jimidar and the Patuwari are held jointly responsible for any discrepancy resulting from failure to submit such information to the Mal office in time.³⁰ Despite all these precautions, the assessment records maintained at the Mal offices are defective because of the neglect in registering land mutations over a large part of the country, and because the records fail to mention the name of the actual cultivator.

A system of registering land mutations is in existence only in the Tarai districts and Kathmandu valley. In the Tarai, land mutations are registered by Jimidars and Patuwaris in the first instance, and the assessment records maintained at the Mal offices are then adjusted accordingly. Regulations enforced on Bhadra 6, 1998 (August 22, 1941) recognized that the absence of such a system gave rise to difficulties in the collection of land taxes and reduced the volume of litigation, and therefore provide for the

registration of mutations, within specified time limits.³² In Kathmandu valley, a similar system appears to have been introduced as early as 1925.³³ The 1935 Bhaktapur Talukdari Regulations noted that if the name of the former landowner was not changed in the assessment records, tax collections would be difficult and arrears would result. Land transactions registered at the registration office were therefore required to be duly adjusted in the assessment records maintained by both the Mal office and the Talukdar.³⁴ In Kathmandu, Lalitpur, and Kirtipur, information with regard to such transactions is sent directly by the registration offices to the office concerned and the necessary adjustment is made directly by the Mal office.

Until recently, a system of registering land mutations was conspicuous by its absence in the hill districts. The names of landowners were entered in the tax records only when the annual Nambari records were amalgamated into the Moth records prepared at the end of the survey. Talukdars were expected to take note of changes in the landownership in order to make collections through personal contact with the landowners, but as landownership has been passing to persons residing outside the village, this arrangement could hardly prove satisfactory. Accordingly, in 1949, orders were issued to Mal offices in hill districts to register land mutations within prescribed time limits.³⁵ But there are indications that this order has remained unimplemented for the most part. According to a recent notification of the Syangja Mal office, for example, no mutation has been recorded there since 1950.³⁶ In Doti district, according to a recent report:

The records maintained by Mal offices and Talukdars are all jumbled up. It is difficult to identify any holding. Land is registered in the name of one person but is being utilized by several others, who have often no documentary evidence entitling them to such possession. Litigation is the invariable result.³⁷

Such a situation has made it impossible to compile statistics of landownership. In particular, it has obstructed the assessment of surcharges on the land tax imposed in 1959. When it is impossible to determine ownership, it is obvious that taxes based on the total land owned or taxes paid can hardly be assessed properly.

As noted before, the Mal office assessment records never contain the names of the actual cultivator, but specify only the area of the land, the grade, the assessment payable thereon, and the name of the taxpayer, that is, the landowner. Since the sole objective in compiling these records was to enable the government to collect taxes on agricultural land, it was natural that they should contain only the names of the landowners liable to pay taxes.

Moreover, in recent years the landowning hierarchy has undergone a substantial change in character as a result of the growing importance of the intermediary class, and the administrative records appear to have failed to keep pace with this development. It has already been mentioned that the Mal office records refer to this intermediary class as "tenant" (Mohi) and not as "landowner," as the term is commonly understood now.

In 1956 the government, realizing the need to maintain accurate records of agricultural lands and cultivators in order to "strengthen land tax administration, and facilitate land reform," passed the Lands and Cultivators' Records Compilation Act. This Act provided for the compilation of records of the various rights and interests in the land, the total rent or land tax payable thereon, and such other details as would be prescribed by official order from time to time. For this purpose, the Badahakim in each district was directed to form three-member village councils, consisting of representatives of the landowners and cultivators and one member nominated by the government. In this work the Patuwari was to function as a government employee under the supervision of the Mal office.³⁸ Action under this Act was commenced in Saptari and Butaul (Palhi-Majhkhand) districts, and tribunals were formed to dispose of disputes. However, no further progress appears to have been made.³⁹

Under the 1957 Lands Act, provision was made for the compilation of records of tenants protected under the Act by Patuwaris in the Tarai, and by Talukdars in the hill districts. The Act also stated that such records, with necessary periodic adjustments, should be submitted to the Mal offices within 35 days at the end of each year.⁴⁰ The new measure was thus less comprehensive than the Lands and Cultivators' Records Compilation Act, and was probably expected to be complementary in character. But there is no evidence indicating that either of these measures has been implemented so far in any part of the country.

Thus the most conspicuous feature of the system of land survey and assessment records in Nepal is its outmoded character. The existing assessment records do not constitute a reliable index either of the total area under cultivation or the total land revenues that should accrue to the state, or even of the total number of taxpayers. Because of the long intervals between surveys in some districts, it is likely that a considerable amount of cultivated land has remained outside the ambit of land taxation.

LAND RECORDS OFFICE

Until recently, there were no arrangements to maintain land and land tax assessment records in a central land

records office. Records relating to Kathmandu valley and the hill districts were maintained at three separate offices in Kathmandu, one of which was solely responsible for the maintenance of Birta records. Mal offices in the above-mentioned areas were required to submit their Moth and Nambari records periodically to these offices. Assessment records relating to the Tarai were submitted to the Kumarichok (audit office) for purposes of audit, but these were not kept up-to-date. Recently these three offices have been amalgamated to form the Lagat Phant (land records office).⁴¹ Measures have also been taken to systematize the compilation and maintenance of land and assessment records in the Tarai. According to the 1962 Maintenance of Land Records in the Tarai Rules, promulgated under the 1956 Administrative Procedure Regulations Act, Jimidars and Patuwaris in the Tarai have been directed to compile records mentioning the class, area, and boundaries, as well as particulars relating to land reclamation and land mutations, and submit them to the Mal office within 35 days at the end of every year. The Mal office on its part is required to scrutinize these returns and submit them to the Lagat Phant within six months. Similarly, the Survey Department is required to submit one copy of its land records to this office as early as practicable. The Lagat Phant has thus been made the central land records office in the kingdom.⁴² However, no such provisions have been made with regard to Kathmandu valley and the hill districts, where the existing state of land and land tax assessment records appears to be more chaotic than in the Tarai.

THE CADASTRAL SURVEY PROGRAM

In recent years the need for a more complete and scientific land survey system has been realized, not only to increase the government's income from the land, but also to ensure tax equity. In the words of the first Five Year Plan: Traditionally, land revenues in Nepal have been ascertained on the basis of crude chain surveys of holdings or by some ratio to the quantity of seeds expected to be needed for sowing, or to the area of ground that a pair of bullocks would plough in one day, or to the area that might be dug with a spade in a day. As a result land records have not been properly kept; acreages are not known while titles and boundaries are not always clear. When, as often happens, actual holdings are larger than the registered acreages, the Government loses revenues. Without knowledge of the quality of the land--as indicated by its market values, or slope, or erosion evidence, or suitability for producing certain crops, it is difficult to develop an equitable land tax.⁴³

Accordingly, starting from the first Five Year Plan period, the government attempted to complete a plane table survey of

the entire country and to complete the compilation of cadastral maps in about eight years. It was expected that by 1961, a little less than half the country would be surveyed, with maps prepared and tabulation completed.⁴⁴ Work under the Cadastral Survey program commenced in 1956. So far the survey has been completed in Kailali, Kanchanpur, and part of Surkhet district. Between 1958 and 1961, 1,085,883 acres (i.e., 633,037 bighas and 584,194 ropanis) in Kathmandu valley, Makbanpur, Bara, Parsa, Rautahat, Morang, Jhapa, Saptari, Nabalpur, Syangja, and Pokhara, were surveyed at a local cost of Rs. 4,818,976.00, but in none of these areas has the entire operation been completed. Only five survey zones out of a projected eight were created during this period, and only 1,027 surveyors were available as against a target of 4,812. The achievement has thus fallen far short of the target, primarily on account of "technical and administrative difficulties." According to an official report:

The program has not been implemented satisfactorily because of various difficulties. Birta holdings had to be converted into Raikar before being entered in the records, but Birta holders did not come forward for this purpose. Jimidars and Patuwaris did not provide land records in time. Old orders and regulations which had been promulgated for particular areas, were not suitable to the new requirements. In several cases there were alterations in the usual area or grade of lands. Numerous complaints were filed with regard to ownership. As a result of all these factors, the survey operation has not proceeded systematically. There have been carelessness and lethargy in work.⁴⁵

In several cases complaints of misrepresentation of the actual area have necessitated fresh measurement.⁴⁶ The overall impression which the above account creates is one of administrative inefficiency rather than technical difficulty. It seems futile to complain that in several cases there were alterations in the area or grade of lands, and that numerous complaints were filed with regard to ownership, since it is precisely because of such discrepancies that a cadastral survey has to be conducted. Obviously, suitable regulations have not been formulated to facilitate the implementation of the program, as a result of which Birta holders and even Jimidars and Patuwaris have apparently been able to ignore with impunity the directions of the survey officers to provide land records. The government has recently formed a committee to revise the entire program and submit "concrete and practicable" proposals for ensuring early implementation. Meanwhile the time limit has been extended to 1966.⁴⁷

The present policy appears to be misconceived in that little attention has been paid to the real factors involved in the course of its implementation. The Cadastral Survey program has been unrealistic in attempting to complete a survey of the entire country in eight years. It might have been more useful and practical to attempt to operate with a smaller and more compact organization which could initially concentrate on areas where land surveys are the most outdated, and then gradually move on to other areas. In this way it would have been possible to implement the program more efficiently by accumulating experience in the process. As it is, work has been commenced in several districts, but completed in only two or three, and the program has in fact little to show for its expenditure of nearly five million rupees.

Although the Cadastral Survey has been completed for over a million acres, particulars of land rights have been recorded only in respect to 336,467 acres, or roughly one third of the total area surveyed.⁴⁸ A cadastral survey is not complete without such particulars, and the unsatisfactory pace of progress in this regard considerably reduces the value of the achievement made so far. In addition, even when such particulars have been compiled, no attempt has been made to make adjustments on account of land mutations during the pendency of the survey is considerably outdated by the time it is completed.

THE GOALS OF A PROPER CADASTRAL SURVEY PROGRAM

In view of the generally obsolete character of land surveys and records in Nepal, the importance of a cadastral survey cannot be overestimated. However, the program has to take note of the existing administrative and technical resources, so as not to be overly ambitious. In many areas, particularly those in which land surveys have been conducted in comparatively recent years, a mere revision of existing land records will result in considerable improvement. The survey program can then concentrate on areas where surveys were conducted approximately a century ago. In ignoring these factors, the present Cadastral Survey program has adopted an unrealistic approach. For example, the last survey was conducted in Bhaktapur in 1930, and in Dailekh in 1889. As such, there is no conceivable reason why a fresh survey should be conducted in Bhaktapur first rather than in Dailekh. Transport and communication difficulties may be responsible for such a decision, but it must be borne in mind that sooner or later the entire country will have to be covered by the program.

Moreover, a cadastral survey will yield the best possible results only if accompanied by several long overdue administrative reforms, such as the introduction of a system

of land mutations registration in the hill districts and the abolition of the Thekka Thiti system. Since the entire land tax administration system is characterized by outmoded practices and institutions, a cadastral survey is not merely a technical or legal reform; it raises basic questions concerning the kind of land system that should be established. A comprehensive land policy is thus the sine qua non of a sound cadastral survey program.

X. THE RATIONALE OF LAND TAXATION POLICY

Land taxation has a significant bearing on the use of land resources and the distribution of income and wealth in a major sector of the national economy in a predominantly agricultural country such as Nepal. In several countries land taxation is regarded not only as a source of revenue to the state, but also as a means of redistributing income and wealth, or of directing productive resources to predetermined ends. We shall now discuss to what extent these objectives have influenced, and are likely to influence, land taxation policy in Nepal.

IMPORTANCE OF THE LAND TAX

Land taxation policy has been primarily determined by the fact that the land tax occupies a very important place in Nepal's public finance system. Mobilization of other sources of revenue, especially customs, has in recent years progressively reduced the proportion of its contribution to the general budget, but even then one-third to one-fifth of the total state income is yielded by the land tax. The following figures will make this clear:

TABLE 48

Percentage of Land Revenue to Total Revenue

<u>Year</u>	<u>Total Revenue</u>	<u>Land Revenue</u>	<u>Percentage of Total Revenue</u>
1960-61	Rs. 97,400,000.00	Rs. 20,000,000.00*	20.5
1961-62	Rs. 90,990,000.00	Rs. 28,234,000.00†	31.2
1962-63	Rs. 103,216,000.00	Rs. 28,234,000.00§	27.3

The total increase in revenue estimated to accrue as a result of the 1962-63 land taxation proposals amounts to Rs. 25.6 million or 90.6 per cent of the usual land revenue. Land taxation is thus expected to provide Rs. 53,834,000.00 or 78.4 per cent of the total revenue. The nature of the land taxation policy all along, therefore, has been governed

*Revised estimates for 1960-61. (Government of Nepal, The Budget Speech, 1961, p. 17.)

†Revised estimates for 1961-62. (Government of Nepal, The Budget Speech, 1962-63, Appendix 1A.)

§Estimates for 1962-63. (Ibid.)

more by revenue considerations than by the usefulness of the land tax as a multipurpose weapon to set the course of land development or redistribution programs.

ADMINISTRATIVE PRACTICES AND THE MAXIMIZATION OF REVENUE FROM THE LAND

In the past, the government often appears to have resorted to, or at least condoned, various questionable practices in order to augment revenues to the maximum extent possible, even while maintaining assessments at relatively low levels. Settlement officers, for example, tended to upgrade lands, although downgrading was not permitted in the course of subsequent settlements. Instances in which figures of the area of the land have been deliberately increased in the course of measurement are said to be common, particularly in the Tarai districts. For example, the cultivated area in a Jimidari holding in Palhi-Majhkhand district, which did not contain any waste land, was recorded as 241 bighas in 1895, 321 bighas in 1908, and 324 bighas in 1921. The author of this report asked:

How can land within definite boundaries thus differ in area in the course of different surveys? This is possible only if the unit of measurement is different or if it is a deliberate attempt to augment the land revenue.

The report further stated that in many instances the measuring chain was only 8.25 or 8.5 cubits long, instead of 9, "because the surveyors were responsible to the Government and wanted to please it."² Thus there arose a considerable discrepancy (narghatti) between the registered area and the actual area of the taxable holding. Not infrequently it is claimed that taxable holdings may even be fictitious (akashkitta). We find official notice of such practices in the Morang Survey Regulations, which note that only in Morang district are exemptions provided for narghatti, waste, and forest land.³ Moreover, according to existing law, taxes on land taken up in the construction of irrigation works on a nongovernmental basis are remitted only if the waste land reclaimed as a result of the new irrigation facilities fetches double the amount of tax usually paid on the former.⁴

There are innumerable examples indicating that only on rare occasions has the government been prepared to forgo what has been accruing to it in the form of revenue. For example, if a plot of Khet land in the hill districts is found in the course of a subsequent settlement to contain less land than what was represented in the tax records, this has no effect on the assessment thereon. But the assessment is increased if the quantity of land is found to be more. With regard to taxes on Pakho holdings, existing regulations pre-

scribe that these may be increased if necessary, but that "the existing taxes shall on no account be reduced," even on account of adjustments on caste considerations.⁵ Moreover, if in the course of a subsequent survey a Hale holding appears to be actually of Pate category, the regulations prescribe that it should not be downgraded, but if a Pate holding appears to belong to the Hale category there is no restriction on upgrading.⁶ In many cases the government appears to have followed the policy of making good lands compensate for the loss which the landowner has to incur in paying taxes on inferior lands. For example, in the Tarai districts, if a Jimidar owns both inferior and good lands and sells the former, both the old and new owners are held jointly liable for any arrears of revenue thereon for a period of five years. This guarantees the government against any loss of revenue as a result of the transaction, and also that the inferior holding is profitable enough to ensure the regular payment of taxes. Similarly, if a landowner defaults in the payment of taxes, the requisite amount of land to cover the taxes on both good and inferior grades is auctioned. According to the report on land tenure conditions in the western Tarai, this practice is designed to safeguard government revenues on inferior, waste, or forest lands in a holding. It assumes added significance because Jimidari holdings in the Tarai are said to include large areas of land in nonagricultural categories, such as roads and ponds. As the report states:

The reason for the framing of such strange regulations which safeguard only the interest of the Government, is that the revenues on unprofitable land can be realized from out of the other assets of the Jimidar.⁷

However, in recent years, a more equitable policy appears to have been followed in this respect. For example, in 1932 it was recognized in Sheoraj and Khajahani districts that the inclusion of ponds in the cultivated area for tax assessment purposes involved hardships on the people, and therefore remissions were granted.⁸ In Saptari, in 1948, tax remissions were granted for narghatti and akashkitta lands, as well as for lands covered by roads, bridges, ponds, wells, irrigation channels, dams, and even homesteads.⁹ By prescribing a de novo classification and gradation of agricultural lands and limiting tax assessment to the actual cultivated area, the Cadastral Survey program has made an attempt to create a more equitable basis for tax assessment. At the same time, since revenue settlements in many districts have not been revised in recent years, the existing discrepancies between the total taxable area as represented in the assessment records and the actual cultivated area continue as usual.

LOW RATES OF ASSESSMENT

Although the land revenue has long occupied an important place in Nepal's public finance system, attempts to increase the general level of taxation have seldom proven popular in Nepal. Such increases as were made from time to time in particular areas were generally of moderate proportions. The government tended to follow the line of least resistance and sought to avoid antagonizing the people through enhanced rates of taxation. Increases recommended by settlement authorities were very often relinquished by the government. As the Bardiya Assessment Order (1950) states:

The Government does not conduct surveys in order to enhance its income. Its sole objective is to benefit the people . . . and tax the land in accordance with its quality.¹⁰

Similarly, in Saptari, in the same year:

Although the existing situation justifies an increase in assessment rates, such a step will put the people to hardship. In order to ensure convenience for all, therefore, it has been decided not to make any such increase.¹¹

In Makbanpur, in 1940, the settlement officers recommended an increase in the total assessment on 1,195 bighas of land to Rs. 3,705.96. The government, however, contented itself with only Rs. 2,390.90.¹² These, and numerous similar cases, show that the Government of Nepal has always followed a cautious policy insofar as the question of increasing land tax assessments was concerned.

The evident unwillingness of the government to seek more revenue through increased assessments was probably motivated by political considerations. In view of the role that land ownership has always played in the economy of the country, it is easy to understand the objections to a general increase in assessments which would affect a large section, or in any case the economically powerful and politically articulate section, of the people. Static land assessments and the increasing value of agricultural produce and land has, as already noted, created a new class of vested interests which has opposed a general increase in assessments. Although the government's real income from the land has fallen disproportionately low over the decades and there would appear to be considerable justification for the introduction of measures designed to re-establish a more reasonable balance, the strength of the opposition has long obstructed the introduction of measures in this direction. This new class of vested interests often has been classified as the "middle class," and any encroachment upon its economic privileges would lead to a "politically explosive

situation," it is claimed. Simultaneously, attention has been focussed on the hardships that would devolve on small landowners. This conservative position has been summed up very succinctly by the Royal Taxation Commission:

. . . From the point of view of equity, it may not be advisable in the existing circumstances to take measures for increasing land tax assessments, while ignoring lands which are paying little or even no taxes at all, and thus can easily yield increased revenues without creating any opposition . . . For a long time the people have been accustomed to paying taxes at the present level, and the Commission does not feel that any big increase in the land tax will be justified until a proper method of reforming the country is followed and the people are impressed thereby.¹³

EXTENSION OF THE CULTIVATED AREA

Measures to increase land revenue in the past have usually taken the form of an haphazard extension of the area of cultivation, rather than the imposition of high rates of assessment on land already under cultivation. In an effort to encourage settlement, assessments in areas with adverse agricultural conditions have been maintained at a comparatively low level. Frequently the government even reduced the existing rates with a similar objective. For example, in the course of the 1937 revenue settlement in Ilam district assessments were considerably reduced from the level that had been determined in the 1912 settlement.¹⁴

Measures taken in the past with this objective included the attachment of virgin land on a tax free basis to the cultivated holdings of Birta owners and Jagirdars.¹⁵ In some cases tax-exemptions were provided for as long a period as 10 years.¹⁶ The government encouraged settlers from India and Sikkim, and sometimes also undertook to provide the necessary irrigation facilities at its own cost.¹⁷ Settlers on Jagir and Birta land were encouraged to come over to Raikar land, while Jagirdars and Birta holders were under obligation not to invite settlers from Raikar land.¹⁸ This policy was probably initiated after 1769 by King Prithvi Narayan Shah, who directed that "land which can be converted into a field shall be reclaimed even if a homestead has been constructed thereon, and the homestead shall be shifted elsewhere."¹⁹ In 1799, in keeping with this policy, revenue officers were instructed "not to increase the rates of collections, (but to) invite foreigners to settle down and convert irrigable land into Khet."²⁰

The extent to which this policy was followed by the government in subsequent decades is indicated by the fact that murderers and other criminals were allowed to settle

unmolested in highly malarial areas, such as Surkhet.²¹ In Kailali and Kanchanpur, criminals crossing over from Indian territory and settling on new land were free from any restrictions, and no ferry dues were charged for them or for their bullocks.²²

In an effort to extend the area under cultivation, people were allowed to reclaim such land as they could even without official permission, although subsequently they were required to have it entered in the records for taxation purposes. Such practices led to the indiscriminate extension of cultivated areas, and it was only as recently as 1939 that orders were issued making prior permission necessary in the case of the hill districts and Kathmandu valley.²³ A similar order was issued for the Tarai only 10 years later.²⁴

In spite of this policy, it is surprising that efforts to bring new land under cultivation were for the most part haphazard and perfunctory. In general, the government appears to have relied on indirect methods, such as remission of taxes for an initial period, for the implementation of this policy, although from time to time efforts were also made on a large scale to achieve this objective. For example, in 1922-23, plans were formulated to provide for large scale reclamation in Morang and Hetaunda. In Morang the target was to reclaim 900 bighas of waste land every year, and settle peasants from Dhankuta, Bhojpur, and Ilam districts thereon. In both cases, offices were created to furnish necessary credit facilities to the settlers, and special provisions were made to provide for initial tax exemption. In Hetaunda emphasis was given to the settlement of landless peasants, who were entitled to credit facilities even if they could not provide any security. The regulations even prescribed that if such persons could not be settled, the chief of the government office concerned should be considered inefficient.²⁵ These plans were not overly successful, apparently, for in 1953 we find an FAO expert describing the Hetaunda region as containing only a few cultivated patches totalling about 400 acres, set among forests.²⁶ One of the major obstacles to these programs in the Tarai and the inner Tarai was the prevalence of malaria.²⁷ Legal provisions presently in force continue to encourage the extension of the cultivated area in this manner. Tax exemptions are still granted for an initial period after the land is brought under cultivation. In the hill districts and Kathmandu valley, the period of exemption is ordinarily four years, although no such facility is provided to land which was once cultivated but subsequently turned to waste.* In

*But it should be noted that tax remission is not granted on cultivated land, except when the land is rendered

the Tarai, the ordinary period of exemption is four years. In contradistinction to the practice prevailing elsewhere, even waste land which was previously cultivated and included in the tax records and which is brought under cultivation once again, is granted an exemption for a period of two to four years, depending on the length of time the land has remained waste. Facilities for extending the area under cultivation are more generous in the relatively under-populated districts of the Tarai region. According to law, cultivators of new land allocated for this purpose by the government in Morang, Kailali, Kanchanpur, Banke, and Bardiya are given tax exemption for 10 years.²⁸ In the district of Chitaur, landowners are permitted to change their holding for a more convenient location without any additional tax liability,²⁹ even if the new holding is larger in area than the previous one. In view of this facility no remission is provided if land is affected by riverine action.³⁰ In recent years the government has also been able to implement large scale resettlement projects such as the Rapti Valley Multipurpose Development Project with foreign technical assistance. Under this project, a total of 5,233 families have been rehabilitated in 19,484 bighas of land in this area so far, although only 15,224 bighas have been actually reclaimed.³¹ The project has led to an increase in the land revenue, no doubt, but the primary aims have been to increase food production and provide employment to poverty stricken farm workers and flood refugees.³² However, according to an Israeli agricultural survey team:

These beginnings were on a limited scale, retained the usual farm pattern, and envisaged no innovations and no improvement in the farmers' standard of living.³³

OTHER OBJECTIVES OF LAND TAXATION POLICY

It will be misleading to conclude from the above that revenue has been the sole motive of the government's land policy. In many cases the government did not rest content even though it was deriving revenue from the land. Like a good landlord, it was concerned not only with bringing waste land within the ambit of the land taxation system, but also ensuring that it was cultivated and settled. With regard to Pakho land on which there is no homestead, for instance, preference is given to the person cultivating the holding if he is prepared to set up a homestead. If not, then any other person who is willing to do so is given occupation rights notwithstanding the fact that the former cultivator may have

uncultivable, temporarily or otherwise, owing to physical factors such as riverine action or washouts.

been paying the taxes due thereon.³⁴ We have already noted that the state does not remit taxes even when the land remains uncultivated, inasmuch as its intention is to make nonutilization of land a burden on the owner. But these provisions seldom have been adequately enforced.

In fact, the success with which land taxation can be used in Nepal to influence the course of land development or redistribution programs is limited by an administrative machinery which for centuries has been solely preoccupied with revenue. It will take some time to reorient and redirect the administrative structure to a point where it is capable of implementing more sophisticated land taxation policies. The surcharges on the land tax that were imposed under the 1959 Land Taxation Act represented an attempt to mold the policy of the land taxation system into an instrument through which the redistribution of landownership could be effected. Irrespective of the necessity for landownership redistribution, it must be admitted that such fiscal measures alone are not likely to meet with much success in a country like Nepal where the land administration machinery is obsolete and ill-equipped. Unless consolidation of holdings is achieved, and land records improved and maintained on an up-to-date basis, it is impossible to determine the extent of individual landownership. The 1959 Land Taxation Act has in fact led to large-scale evasion through fragmentation of individual ownership units and little, if any, actual redistribution of ownership has been achieved thereby. As a matter of principle, land taxation policies cannot be dealt with in isolation, because they form an integral part of the wider problems of land tenure and land administration.

THE RATIONALE OF FUTURE LAND TAXATION POLICY

Since the land tax is one of the Nepali Government's major sources of revenue at present, land taxation policy in the future will necessarily be guided by this primary consideration. Although the enhancement of revenue has long been the main motive of land taxation policy, political and administrative factors had made the government hesitant in tapping the potential source of revenue created by the disparity between the level of land taxation and the current value of agricultural produce. There was a marked change in this situation in 1961. Opinion may differ as to the adequacy of recent measures in draining off surpluses appropriated by the landowning classes consequent to such disparity, but it must be admitted that these steps constitute a major break-through in the tradition of limiting land taxation policy to "picking the goose where it squawks the least." However, in Kathmandu valley and the hill districts, where the land taxation system is still characterized by an extreme lack of uniformity, pro rata increases cannot ensure

tax equity, since existing inequalities tend thereby to be accentuated.

Uniformity of taxation on at least the district level is an urgent need, not only to ensure tax equity but also to maximise the land revenue. Such a reform does not require a major administrative effort, if the government merely selects any one of various schedules of assessments prevailing within a single district and prescribes that all assessments not in conformity with it should be raised to the next higher level and thus made uniform. For example, in Kathmandu division, if the schedule of assessments applicable on newly cultivated land since 1934 is accepted as the standard, a holding at Tupyak subdivision, which now pays a tax of five pathis of paddy and Rs. 0.20 as Ghiukhane tax on two muris of land (which means a rate of Rs. 2.40 per ropani), will now pay at the next higher rate in the above mentioned schedule, Rs. 3.36. Similarly, a holding of one muri at Bhulbu in the same area, which now pays a tax of Rs. 1.04 (i.e., Rs. 4.16 per ropani), will now pay Rs. 4.28 according to this schedule. This measure will not only ensure extra revenue to the government, but also ensure uniformity of assessments all over the revenue division and at the same time considerably simplify tax records by putting an end to the virtually obsolete system of assessments in kind. This example, however, is intended more to illustrate the process of reform than to indicate the desired extent of enhancement of the level of land taxation. Certainly the existing disparity between tax rates and the value of agricultural produce would justify higher increases in the general level of assessments than have been made so far. However, political and administrative considerations would hardly permit the full absorption of the surplus at one stroke. More revolutionary steps such as elimination of the intermediary class between the state and the cultivator, which would make it possible for part of the agricultural income now being paid in the form of rent to be paid to the state as tax, would no doubt bring more satisfactory results, but it is doubtful whether the government is financially, politically, or administratively capable of initiating such steps at the present stage.

Suggestions have been made from time to time that fiscal measures should be initiated to mobilize the surplus resources now unproductively concentrated in the rent receiving classes. For this purpose progressive taxes on agricultural incomes have been proposed. Such taxes would undoubtedly be ideal from the viewpoint of tax equity, but for the time being lie far outside Nepal's administrative capacity. We have already noted the difficulties in ascertaining even individual landownership. In such a situation, the administrative problems of assessing and collecting progressive agricultural income taxes would be formidable.

A general increase in the level of land taxation along with a widening of the tax base by the inclusion of nontaxable or undertaxed lands (such as Jagir, Rakam, Birta, or even Guthi and Kipat) appear to be the only practicable policy for tapping the revenue potential of land in Nepal for the time being. At the same time, reforms in the administrative system and procedures also would contribute much to the state treasury. For example, there appears little justification at present in continuing the Thekka Thiti system, which deprives the government of income from the net extension of cultivated areas. Even if such a drastic measure is not considered expedient for the time being, at least it might be possible to conduct settlements in such areas more frequently, so as not to delay adjustments in the land records. Another reform in this category would be the general application of the principle of homesite taxation.

The Cadastral Survey program can also help increase land revenues by disclosing land which has not been entered in the tax records, or is in excess of the registered area. Since in many parts of the country the last survey was held in 1868, when the system of land measurement itself was different,³⁵ and since it was the general practice to avoid actual measurement and depend on rough estimates, a new survey will definitely help prevent the leakage of revenue.

But the major cause for leakage in revenue at the present time in Nepal is the weakness of the administrative machinery. We have already pointed out that arrears are chronic and have been for a long time past. Remissions of overdue arrears or the provision of special facilities to such defaulters may be justified from the viewpoint of expediency, but it is definitely a self-defeating policy from the long-range viewpoint, since it encourages tax delinquency. Indeed, under prevailing conditions, tax delinquency is hard to understand. Since the land tax forms an insignificant percentage of the total value of the agricultural produce at current prices, and since tax defaults are penalized by withdrawal of the title deed, such tax delinquency should have been at a discount. That it is not so, even in these circumstances, suggests that the administrative machinery is weak and ill-equipped to take timely and strict action against defaulters. Even today, collection according to the time schedule prescribed in the regulations is an exception rather than the rule. Neither the taxpayer nor the Talukdar or Jimidar takes such matters seriously, while the Mal office is too understaffed and saddled with multifarious responsibilities that have no connection at all with its land tax collection duties to be able to take immediate action against the offenders.

At the village level too, the responsibilities placed upon the Talukdars and Jimidars appear to have been miti-

gated because they have never been exercised. It hardly seems reasonable to employ nonofficial tax collection machinery when the sole objective of such a measure, the full collection of the land tax, is not being fulfilled. And yet these village functionaries have been notorious for mismanaging land records and exacting unpaid labor and illicit levies from the people. The disadvantages inherent in the system are far too obvious and much outweigh any advantages.

It is easy to suggest, as has been done from time to time, the abolition of the intermediaries employed for purposes of tax collection. To be sure, many of the conditions which led to the establishment of this system, such as limitation of landownership to local residents, difficulties of transport and communications, the easy availability of cultivable land, and the consequent low value of land already under cultivation, no longer exist, or at least have been greatly modified. At the same time, care should be taken in tampering with the existing system from top to bottom, when the governmental machinery itself is weak and ill-equipped. Practical considerations necessitate the strengthening of the existing governmental machinery before action to abolish the Talukdari and Jimidari systems can be taken, no matter how desirable such action might be. It is only on the basis of an efficient governmental machinery that the abolition of the nonofficial tax collecting machinery at the village level can be effective.

Measures to strengthen the governmental administrative machinery should best be taken at three levels: central, zonal, and district. At the district level, such measures might include the reorganization of the Mal office on the basis of area, population, and the size of revenue collections, and the transfer of all functions not directly connected with the collection of taxes to the district office or other appropriate offices in the district. This will enable the Mal office to concentrate on land tax collection functions in a compact area. On the basis of the Development Districts and Zones Demarcation Scheme, it might be advisable to have one Mal office in each development zone and subordinate offices in each of the 75 development districts. The prime responsibility of the zonal Mal offices should be to ensure that the subordinate district Mal offices act promptly in collecting the land tax, and that the required standards of efficiency are maintained. They should not be directly responsible for collecting the land tax. It might be possible in this way to ensure that immediate action is taken against defaulters. The zonal Mal offices will then take over some of the functions presently handled by the Department of Land Revenue at the center, which will then be better equipped to concentrate on problems of policy and general supervision. It might be better to implement such a scheme in one or two zones in the beginning on an experi-

mental basis. Once the governmental machinery has been strengthened in this way, it would then be possible to proceed with the abolition of Talukdars and Jimidars without disrupting the entire administrative structure.

The political changes of 1950-51 and the consequent liberalization of all aspects of national life in Nepal have created among the people the desire for far-reaching reforms in the land system, but these expectations have not been met as yet. Political instability and the unscrupulous machinations of party leaders have frequently been cited as the reason for this state of affairs, but the causes go deeper. For centuries government policy has tended to follow the line of least resistance, and the people have tended to acquiesce. Kathmandu has long demonstrated a reluctance to interfere in peasant-landlord relations and in the traditional privileges of the landowning class. In such a situation, measures such as Birta abolition or enhancement of the level of taxation naturally take time to be grasped in their proper character and perspective by various classes of the people. What appears to be lack of progress in the implementation of reform measures and formulation of realistic programs is in fact the result of a process of adjustment and transition. That the inevitability of changes in the traditional land system has come to be widely accepted is an indication that the period of transition and adjustment is now nearing its end. The decade following the 1950-51 changes was needed, perhaps, to give the country an opportunity to prepare for such transition and adjustment. The new decade has ushered in new hopes of progress and reform. According to a recent royal proclamation:

As Nepal is predominantly an agricultural country the standard of living of the majority of the people can not be raised without adequate reforms in the present system of land tenure. The ownership of land is vested in a very small number of people and the majority of cultivators are exploited. Such a situation is a great obstacle to economic development and to democracy. The Government will make a thorough study of all the problems connected with the land system and will certainly take necessary steps to end exploitation in the land as soon as possible.³⁶

It is not too much to hope, therefore, that as a result of this awareness of the need for overhauling Nepal's land system, the next decade will bring realistic and comprehensive reform measures in this vital sphere of the national economy.

APPENDIX A

ADMINISTRATIVE DISTRICTS IN NEPAL
(With Area and Population Figures)

<u>Hill Region</u>	<u>Area</u>	<u>Population*</u>
1. East No. 1	1,522	407,290
2. East No. 2	1,282	255,396
3. East No. 3	2,037	292,137
4. East No. 4	926	252,452
5. Dhankuta	3,817	558,167
6. Ilam	530	124,219
7. West No. 1	1,917	371,071
8. West No. 2	971	152,534
9. West No. 3	2,633	375,743
10. West No. 4	734	341,157
11. Palpa	874	172,307
12. Gulmi	962	302,005
13. Baglung	4,640	230,778
14. Salyan	3,281	365,340
15. Pyuthan	975	212,700
16. Dailekh	1,774	300,971
17. Jumla	5,662	181,346
18. Doti	3,424	344,342
19. Baitadi	1,414	158,612
20. Dandeldhura	566	82,261
<u>Inner Tarai Region</u>	<u>Area</u>	<u>Population</u>
21. Chisapani	2,163	222,763
22. Udayapur	1,829	169,630
23. Dang Deukhuri	714	148,447
<u>Eastern Tarai Region</u>	<u>Area</u>	<u>Population</u>
24. Birganj	1,370	602,182
25. Mahottari	1,299	652,934
26. Saptari	912	510,810
27. Biratnagar	961	324,356
28. Jhapa	573	119,752
<u>Western Tarai Region</u>	<u>Area</u>	<u>Population</u>
29. Palhi-Majhkhand	989	255,166
30. Sheoraj-Khajahani	600	162,363
31. Banke-Bardiya	1,346	162,930
32. Kailali-Kanchanpur	1,497	108,604

*Population figures are taken from the 1961 census.

<u>Kathmandu Valley</u>	<u>Area</u>	<u>Population</u>
33. Kathmandu	105	221,512
34. Lalitpur	71	144,170
35. Bhaktapur	42	88,551
TOTALS	54,362	9,385,468

Under the Development Districts and Zones Demarcation Scheme, the entire country will be divided into 14 zones with 75 districts as follows:*

Mechi Zone (2,799 square miles)†

Taplejung
Panchthar
Ilam
Jhapa

Koshi Zone (3,176 square miles)

Sankhuwa Sabha
Terhathum
Dhankuta
Sunsari
Morang

Sagarmatha Zone (4,873 square miles)

Solokhumbu
Okhaldhunga
Khotang
Bhojpur
Udayapur
Siraha
Saptari

Janakpur Zone (3,920 square miles)

Dolakha
Ramechhap
Sindhuli Gadhi
Sarlahi
Mahottari
Dhanusha

*Government of Nepal, Vikas Jilla Ebam Anchal Vibhajan Samiti ko Report (Report of the Development Districts and Zones Demarcation Committee), pp. 23-26.

†Figures of area are approximate estimates.

Zones and Development Districts, cont.Bagmati Zone (3,665 square miles)

Rasuwa
Dhading
Nuwakot
Sindhupalchok
Kabhre
Kathmandu
Lalitpur
Bhaktapur

Narayani Zone (3,192 square miles)

Makbanpur
Chitaun
Bara
Parsa
Rautahat

Gandaki Zone (4,688 square miles)

Manang
Parbat
Kaski
Syangja
Lamjung
Tanahum
Gorkha

Dhaulagiri Zone (4,612 square miles)

Dolpo
Mustang
Myangdi
Baglung

Lumbini Zone (3,650 square miles)

Argha-Khanchi
Gulmi
Palpa
Kapilvestu
Rupandehi
Nabal-Parasi

Karnali Zone (5,205 square miles)

Humla
Mugu
Jumla
Tibrikot

Rapti Zone (3,913 square miles)

Salyan
Dang Deukhuri
Rukum
Rolpa
Pyuthan

Bheri Zone (3,606 square miles)

Dailekh
Jajarkot
Surkhet
Bardiya
Banke

Seti Zone (4,861 square miles)

Kailali
Doti
Bajhang
Bajura
Achham

Mahakali Zone (2,753 square miles)

Kanchanpur
Dandeldhura
Baitadi
Darchula

APPENDIX B

MAL OFFICES IN NEPAL
(With Dates of Last Revenue Settlement)

<u>Location of Mal Office</u>	<u>Date of Last Settlement</u>	
	<u>Rhet</u>	<u>Pakho</u>
<u>Hill Region</u>		
1. <u>East No. 1 district</u>		
Sindhupalchok	1895	1948
Kabhrepalanchok	1895	1948
2. <u>East No. 2 district</u>		
Dolakha	1868	1947
Ramechhap	1868	1947
3. <u>East No. 3 district</u>		
Okhaldhunga	1868	1946
4. <u>East No. 4 district</u>		
Majhkirat	1899	1945
5. <u>Dhankuta district</u>		
Chhathum	1940	1940
Terhathum	1893	1893
6. <u>Ilam district</u>		
Ilam	1937	1937
7. <u>West No. 1 district</u>		
Dhading	1868	1868
Nuwakot	1868	1868
8. <u>West No. 2 district</u>		
Gorkha	1938	1938
9. <u>West No. 3 district</u>		
Pokhara	1933	1933
Kunchha	1933	1933

<u>Location of Mal Office</u>	<u>Date of Last Settlement</u>	
	<u>Khet</u>	<u>Pakho</u>
<u>Hill Region</u>		
10. <u>West No. 4 district</u>		
Syangja	1868	1868
Bandipur	1868	1868
11. <u>Gulmi district</u>		
Gulmi	1868	1868
12. <u>Palpa district</u>		
Palpa	1896	1896
13. <u>Baglung district</u>		
Baglung	1868	1868
14. <u>Salyan district</u>		
Salyan	1868	1868
Jajarkot	1938	1938
15. <u>Pyuthan district</u>		
Pyuthan	1868	1868
16. <u>Dailekh district</u>		
Dailekh	1889	1889
17. <u>Jumla district</u>		
Jumla	1889	1889
18. <u>Doti district</u>		
Doti	1892	1892
Achham	1928	1928
Bajhang	1938	1938
Bajura	1896	1896
19. <u>Baitadi district</u>		
Baitadi	1938	1938
20. <u>Dandeldhura district</u>		
Dandeldhura	1892	1892

Location of Mal OfficeDate of Last SettlementInner Tarai Region21. Chisapani district

Chitaun	1922
Makbanpur	1936

22. Udayapur district

Udayapur	1949
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23. Dang Deukhuri district

Dang Deukhuri	1912
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24. Dailekh district

Surkhet	1958
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25. Birganj district

Bara	1909
Parsa	1909
Rautahat	1909

26. Mahottari district

Mahottari	1927
Sarlahi	1927
Raghunathpur	(not available)
Gudigaun	1949

27. Saptari district

Siraha	1949
Hanumannagar	1949

28. Biratnagar district

Biratnagar	1917
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Eastern Tarai Region29. Jhapa district

Jhapa	1938
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<u>Location of Mal Office</u>	<u>Date of Last Settlement</u>
<u>Western Tarai Region</u>	
30. <u>Palhi-Majhkhand district</u>	
Sakrun	1922
Palhi	1922
Majhkhand	1922
31. <u>Sheoraj-Khajahani district</u>	
Sheoraj	1932
Khajahani	1932
32. <u>Banke-Bardiya district</u>	
Banke	1949
Bardiya	1949
Malbara	(not available)
33. <u>Kailali-Kanchanpur district</u>	
Kailali	1956
Kanchanpur	1958

<u>Location of Mal Office</u>	<u>Date of Last Settlement</u>	
	<u>Khet</u>	<u>Pakho</u>
<u>Kathmandu Valley</u>		
34. Kathmandu I*	1868	1868
Kathmandu II	1868	1868
(Sankhu division)	1919	1919
35. <u>Lalitpur district</u>		
Kirtipur	1868	1868
Lalitpur I	1868	1868
Lalitpur II	1868	1868
36. <u>Bhaktapur district</u>		
Bhaktapur I	1930	1930
Bhaktapur II	1930	1930

*Kathmandu, Bhaktapur, and Lalitpur have two Mal offices each. This measure was taken to cope with the increased volume of business after the abolition of the Birta system in 1959. (Gorkhapatra, Chaitra 26, 2016 (April 8, 1960).)

APPENDIX C

THE NATIONAL PANCHAYAT SYSTEM*

"The step, which His Majesty the King took on December 15, 1960, to meet the situation which, in the name of parliamentary democracy, was worsening from day to day, has a historic significance. As the unsuitability of the parliamentary democratic system to the present circumstances of Nepal has been proved by actual practice, it became imperative to create a new system. In those countries too where the parliamentary system has been adopted, the democratic institutions have not followed an even course of development. It is therefore essential to build democracy layer by layer with patience and perseverance from the foundation of the Panchayat upwards.

. . . .

". . . the National Panchayat has been set up in the form of a nationwide organization. Every Nepalese citizen who has attained the age of 21 will be a member of the Panchayat. In this way every adult citizen becomes a part and parcel of the above-mentioned nationwide organization.

"This organization will grow up from the district and city levels. Every citizen will participate in the election of the Village Panchayat. Every village, district and city will have a Village, District and City Panchayat respectively.

"The Village Panchayat will elect the District Panchayat. Zone Panchayats will in course of time be organized on top of the District Panchayats. The District Committee will elect the Zone Panchayat Committee members. Election of one-third of the Panchayat Committee members will be held every two years. A Panchayat member elected to the higher level of the Panchayat will automatically tender his resignation from his former incumbency, and to fill up the seat thus falling vacant, fresh election will be held. Village and District Panchayats will be invested with powers to deal with administrative and development matters to the maximum extent possible. As for the Zone Panchayats, they are conceived as a rung of the ladder to move up to the National Panchayat and therefore the attention of the members at this level is designed to be devoted to the economic, political and social problems of the country. The

*Extracts from Government of Nepal, The National Panchayat.

Zone Panchayat Committee will from time to time deliberate on the different problems of the country and thus it will pave the way for exchange of mature views in the National Panchayat.

"Every Village Panchayat will study the needs of the area and will also study the ways and means of promoting political, economic, social and cultural development. This shall be the joint endeavour of the electors and the elected. Along with endeavours of the central and local governments within their jurisdiction, this shall be considered a local effort. In the local Panchayats every member enjoys the right to give expression to such opinions and thoughts as he deems proper. The members are also entitled to submit their views for consideration in the higher organization. The formation of the National Panchayat and the different meetings and conventions which it will hold will provide a forum for exchange of views at different levels. Every Village Panchayat will convene the Committee meeting at least twice a month and will also supervise whether the subcommittees are meeting from time to time as prescribed. Panchayats of the higher denomination will also function in the same way and there will be exchange of views between different levels. In this way, unity, co-operation and awareness will be achieved for public welfare.

"At every level the Panchayat will establish close relations with the Government department of equivalent level and through this mutual contact most of the local problems will be immediately solved. Other problems will be submitted to the higher level for solution. Resolutions and programs passed at the session of the Panchayats of different strata will be taken into account by the National Panchayat and it will pass resolutions on international problems like world peace, disarmament, peaceful co-existence, non-aligned and independent policy, and national problems of various kinds. National unity can be achieved by social solidarity. The Panchayats will therefore give particular attention in this direction.

"At the conclusion of the session of the Zone Panchayats, the National Panchayat will meet in session according to predetermined schedule under the Chairmanship of His Majesty.

"Membership of the National Panchayat, which is to be held under the Chairmanship of His Majesty, will include representatives of Zone Panchayats, the highest level of class organizations and professional organizations of the highest level and a certain number of nominees of His Majesty's Government. Thus the National Panchayat will be an assembly of able people drawn from the Panchayat level and also of those who belong to the highest level of class

organization. This National Panchayat will make recommendations to His Majesty's Government on different problems facing the country."

APPENDIX D

WEIGHTS AND MEASURES

A. SYSTEMS OF LAND MEASUREMENT

Three different systems are used for the measurement of agricultural land for purposes of tax assessment, the bigha in the Tarai, and the ropani and the muri in the hill districts and Kathmandu valley. Attempts appear to have been made from time to time in the latter areas to replace the muri unit by the ropani. For example, the 1919 Sankhu Survey Regulations prescribed that the ropani unit should be used in all cases on the ground that calculation on the basis of the muri unit is more complicated.* This attempt, however, appears to have been limited to Kathmandu valley. The exclusive use of the ropani unit in the standard rates of assessment fixed in 1934 for application on newly cultivated land in some hill districts and Kathmandu valley constitutes evidence of an attempt to extend this policy elsewhere. But since these measures failed to provide for conversion of existing assessments on the basis of the muri unit into the ropani, uniformity still remains an objective.

The Bigha System

4.5 x 4.5 yards	1 dhur
20 dhurs	1 kattha
20 katthas	1 bigha
1 bigha	8,100 square yards or 1.6 acres

The Ropani System

4 dam	1 anna
16 annas	1 ropani
1 ropani	0.13 acres or 5,476 square feet

The Muri System

10 muthis	1 mana
8 manas	1 pathi
20 pathis	1 muri or
	1,369 square feet
100 muris	1 khet
1 khet	25 ropanis†

*Government of Nepal, Law Ministry Records, Sankhu Survey Regulations, 1919, Section 15.

†Government of Nepal, "Jagga Jamin Goshwara ko" (On Miscellaneous Land Matters), Muluki Ain (Legal Code), (2nd ed.), Part III, Sections 8-10, pp. 63-64.

There is a fourth system of land measurement for residential sites in the urban areas of Kathmandu valley,* but it has no significance from the viewpoint of tax assessment.

Prior to 1907, the muri varied with the grade of the land. Thus a muri of land of Chahar grade exceeded the one muri of land of Abal grade by one-third, while the figures in the case of Dim and Doyam grades were one-fifth and one-ninth respectively.† Obviously the aim was to regard the unit of the land revenue or the value of the land as the constant factor and to determine the area with reference to it. In other words, the area was so determined in respect to each grade of land as to yield approximately the same amount of land revenue, or be of the same value for all the four grades. It was only after April 28, 1907, that the muri came to represent a standard unit of area for all the four grades of land.§ Such variation of the unit of measurement in accordance with soil and other physical factors was practised in other countries also.

In the far western Tarai districts of Banke, Bardiya, Kailali, and Kanchanpur, the bigha formerly represented an area of 1,350 square yards. It was measured by a chain 15 cubits long, and one square chain measured one mandi while 24 mandis represented one bigha. This system was replaced in Banke and Bardiya in 1910 by the present bigha system "as in the eastern districts," and in Kailali and Kanchanpur in 1925.**

B. VOLUMETRIC MEASUREMENT

(in Kathmandu valley and the hill districts)

10 chyuntis††	1 muthi††
10 muthis	1 mana
8 manas	1 pathi
20 pathis	1 muri or
	2.40 bushels

*Ibid., Section 11, p. 64.

†Ibid., Section 7, p. 63.

§Ibid.

**Government of Nepal, Law Ministry Records, Kailali Kanchanpur Assessment Order, 1925.

††A chyunti is any quantity of grain which can be held between the thumb and the closed forefinger. A muthi represents a closed handful.

C. AVOIRDUPOIS WEIGHT

(in Kathmandu valley and the hill districts)

8 lals	1 masa
12 masas	1 tola
4.5 tolas	1 kanuwa
4 kanuwas	1 pau
4 paus	1 seer
1.5 seers	1 bisauli
2 bisaulis	1 dharni or approximately
	5 pounds*

(in the Tarai)

10 lals	1 masa
10 masas	1 tola
5 tolas	1 chhatak
4 chhataks	1 pau
4 paus	1 seer
40 seers	1 maund or approximately
	8 pounds

*Government of Nepal, "Khota Chalan ko" (On Counterfeit Coins, Weights and Measures), Muluki Ain (Legal Code), (3rd ed.), Part IV, Sections 9 and 11, p. 121.

APPENDIX E

CURRENCY SYSTEMS

The lack of uniformity in Nepal's land tax systems is further aggravated by the prevalence of different currency units over various parts of the country. The decimal currency, with 100 pice to one rupee, is the official unit used in most of the hill districts and Kathmandu valley for purposes of tax assessments, but in a number of revenue divisions such as Terhathum, Dandeldhura, Jumla, Dailekh, and Majhkirat, the 16 anna unit has been in use for some time.* Assessments based on this unit in these areas without exception date back to the latter part of the 19th century. Often in the course of later assessments, the decimal unit has been introduced rather haphazardly, thus further complicating the land assessment system.

Occasionally, in a few hill districts such as Majhkirat, Chhathum, Terhathum, Ilam, Dailekh, Jumla, Doti, Baitadi, and Dandeldhura, where assessments are calculated in the Nepali 16 anna or decimal rupees, collections were allowed in Indian currency at exchange rates fixed from time to time by the government.† Later this facility was extended to all areas in the hills and the inner Tarai region.§ In the Tarai districts, until recently, Indian currency was used exclusively for purposes of both assessment and collection, but

*One anna is equal to four pice. According to Perceval Landon, this system "was not actually a currency but a fictitious subdivision used in accounts, the silver coinage corresponding to it not being usually employed in the bazaar transactions. As its name implies, the 'Sorahgandi' or 16 anna system is a multiple of four, and as the subdivisions of bazaar weight are also based on multiples of four, the adoption of it in accounts naturally followed. The Government accounts also were formerly kept in the 'Sorahgandi' system." Landon states that the government accounts were all converted into the decimal system during the regime of Prime Minister Chandra Shumshere. (Perceval Landon, Nepal, Vol. II, p. 306.) (See also Harilal, Pahad Mal Bishaya (On Revenue Offices in the Hills), p. 36.) This unit should be carefully distinguished from the Indian rupee which, until recently, also consisted of 16 annas.

†Harilal, op. cit., p. 37.

§Government of Nepal, "Notification of the Finance Ministry," Nepal Gazette, Vol. VI, No. 1, Chaitra 4, 2013 (April 16, 1956).

recent currency reform measures have changed this practice.* All Indian currency assessments in this area were converted into Nepali currency at 128 Nepali rupees to 100 Indian rupees in 1956. It has been pointed out that this conversion rate has involved loss of revenue to the government because the Land Revenue accounts in the Tarai regions were converted from an Indian to a Nepalese currency basis at the rate of 128 N.C. for 100 I.C. at a time when the Kathmandu market rate of I.C. was 160 N.C.†

Furthermore:

Owing largely to the neglect of publicity and the timing of the announcement, which was made at a moment when most of the land taxes had already been collected by the landlords and officials from the cultivators, the extensive circulation of the Nepalese currency among a large section of the people could not be achieved as desired.§

The rate for converting the assessments was subsequently changed into 150:100 and this rate has been maintained for the purpose of revenue collections even though the official exchange rate is 160:100 at present.

In the present study, all assessments in the Indian currency and the 16 anna Nepali currency have been converted into the decimal unit to facilitate comprehension and comparison, while fractions of a pice have been ignored. The 100 pice decimal rupee is the standard currency unit in Nepal at present.

*Ibid.

†Nepal Rashtra Bank, Annual Report of the Board of Directors to His Majesty's Government, p. 10.

§Ibid.

APPENDIX F

CROPS IN NEPAL

According to the Cadastral Survey Regulations,* crops in the Tarai include the following:

Jethuwa (summer) crops

millet	lentils
melons	paddy
cucumbers	vegetables
maize	

Bhadaiya (monsoon) crops

paddy	jute
ginger	peas
maize	vegetables
millet	sweet potatoes
lentils	oilseeds

Agahani (autumn) crops

paddy	wheat
ginger	sugarcane
wheat	potatoes
millet	melons
lentils	cumin seed
peanuts	sugarcane
vegetables	

Rabi (winter) crops

wheat	peas
barley	potatoes
lentils	tobacco
oilseeds	sugarcane
garlic	red pepper
turmeric	cumin seed
onions	coriander seed
vegetables	

*Government of Nepal, Department of Survey Records, Kailali Survey Regulations, 1952, Section 23.

In the hill districts the cropping pattern may be illustrated by the following systems which are said to be widely practiced in the eastern hill region:*

Besi region. Khet (paddy land)

March-June	maize
June-November	paddy
December-March	fallow
or	
April-January	sugarcane
March-June	maize
July-November	paddy
November-March	fallow

Besi region. Pakho (unirrigated land)

July-November	maize
December-June	fallow

Mid-hill region. Khet (paddy land)

June-October	paddy
December-April	wheat and mustard
or	
April-May	maize
June-November	paddy
December-April	wheat
or	
March-June	paddy
July-November	paddy
December-March	fallow
or	
April-June	maize
June-November	paddy
December-March	buckwheat
or	
April-May	fallow
June-November	paddy
December-March	buckwheat
or	
February-July	potatoes
July-November	maize or paddy
or	
March-June	maize
June-November	paddy
December-March	fallow

*C. B. Gurung, Report on the Study of Agricultural Conditions of the Eastern Nepal Hills, East No. 1 to Ilam, pp. 23-25.

or	
July-November	paddy
December-June	fallow

Mid-hill region. Pakho (unirrigated land)

April-July	maize
August-December	kodo (millet)
February-March	fallow
or	
August-November	maize or kodo
December-April	wheat
or	
August-November	maize or kodo
December-July	fallow

Lekh region. Khet (paddy land)

February-August	potatoes
August-November	maize or paddy
December-January	fallow
or	
July-November	paddy
December-June	fallow

Lekh region. Pakho (unirrigated land)

March-July	maize
July-November	potatoes or kodo
December-March	fallow
or	
April-October	maize
November-April	wheat or paddy
or	
September-January	mustard
March-July	potatoes
or	
March-September	maize
September-January	mustard
or	
March-July	fallow
August-November	kodo
November-March	potatoes

Rotation of crops, as the above table will show, is not common. Similarly, "no place is given for leguminous and green manuring crops which are very essential in crop husbandry."*

*Ibid., p. 25.

Greater attention to the cultivation of forage crops and vegetables has therefore been recommended.*

*Goran Knutsson, Report to the Government of Nepal on Crop Production and Soil Fertility, pp. 5-7.

APPENDIX G

FORMS OF ASSESSMENT IN KIND

A. KATHMANDU VALLEY MAL OFFICE*

<u>Form of Assessment</u>	<u>Unit</u>	<u>Rates of Conversion</u>	
		<u>Inside</u> <u>Kathmandu</u> <u>Valley</u>	<u>Outside</u> <u>Kathmandu</u> <u>Valley</u>
Paddy	per Rs. 1.00	5 pathis	6 pathis
Semi-milled rice	per Rs. 1.00	3 pathis	4 pathis
Rice	per Rs. 1.00	2.12 pathis	3 pathis
Crushed rice	per Rs. 1.00	3.12 pathis	3.12 pathis
Wheat	per Rs. 1.00	3.12 pathis	4 pathis
Maize	per Rs. 1.00	4 pathis	5 pathis
Millet	per Rs. 1.00	5 pathis	6 pathis
Buckwheat	per Rs. 1.00	3.75 pathis	3.75 pathis
Barley	per Rs. 1.00	3.50 pathis	5 pathis
Blackgram	per Rs. 1.00	2.12 pathis	3 pathis
Soybeans	per Rs. 1.00	3 pathis	4 pathis
Peas	per Rs. 1.00	2.12 pathis	3 pathis
Lentils (Gahat)	per Rs. 1.00	3.12 pathis	4 pathis
Sesame	per Rs. 1.00	1.50 pathis	2 pathis
Mustard seeds	per Rs. 1.00	1.87 pathis	3 pathis
Wheat flour	per Rs. 1.00	3.75 pathis	4.25 pathis
Wheat flour	per dharni	Rs. 0.26	Rs. 0.24
Maize flour	per Rs. 1.00	4 pathis	5 pathis
Maize flour	per dharni	Rs. 0.22	Rs. 0.22
Millet flour	per dharni	3.37 pathis	X
Barley flour	per dharni	4 dharnis	4 dharnis
Straw	per load	Rs. 0.64	X
Straw mats	each	Rs. 0.24	Rs. 0.24
Potatoes	per dharni	Rs. 0.12	Rs. 0.12
Gourds	each	Rs. 0.10	Rs. 0.10
Vegetables (three kinds)	per bundle	Rs. 0.01	Rs. 0.01
Fruits	each	Rs. 0.04	Rs. 0.04
Bananas	big bunch	Rs. 0.20	Rs. 0.15
Bananas	small bunch	Rs. 0.06	Rs. 0.06
Maize pods	two	Rs. 0.015	Rs. 0.01
Sugarcane tops	four bundles	Rs. 0.01	X
Brown sugar cakes	per dharni	Rs. 0.81	Rs. 0.81
Curd	wooden vessel	Rs. 0.08	Rs. 0.08
Curd	earthen pot	Rs. 0.12	Rs. 0.12

*It may be noted that the two schedules of conversion rates are for areas inside the Kathmandu valley and outside it, since the jurisdiction of the Kathmandu Mal office extends beyond Kathmandu valley as an administrative unit.

<u>Form of Assessment</u>	<u>Unit</u>	<u>Rates of Conversion</u>	
		<u>Inside</u>	<u>Outside</u>
		<u>Kathmandu</u> <u>Valley</u>	<u>Kathmandu</u> <u>Valley</u>
Ghee	per mana	Rs. 0.50	Rs. 0.40
Ghee	per dharni	Rs. 2.50	Rs. 2.00
Oil	per mana	Rs. 0.35	Rs. 0.30
Oil	per dharni	Rs. 3.00	Rs. 3.00
Oilcakes	per Rs. 1.00	4 dharnis	5.25 dharnis
Red pepper	per Rs. 1.00	4 dharnis	4 dharnis
Fish	package	Rs. 0.04	Rs. 0.04
Eggs	per Rs. 1.00	45	45
Legs of mutton	each	Rs. 0.16	Rs. 0.16
Buffalo liver	each	Rs. 0.08	X
Buffalo legs	each	Rs. 0.08	X
Birds	each	Rs. 0.04	Rs. 0.04
Sheep	each	Rs. 3.75	Rs. 3.25
Goats	each	Rs. 4.00	Rs. 3.25
Chickens	each	Rs. 0.34	Rs. 0.34
Chickens	per dharni	Rs. 1.00	Rs. 0.60
Turmeric powder	per dharni	Rs. 0.15	X
Bamboo poles	each	Rs. 1.50	Rs. 1.50
Garden produce (Walak)	per load	Rs. 0.16	Rs. 0.16
Fuelwood	per load	Rs. 0.25	Rs. 0.14
Leaves	per load	Rs. 0.12	Rs. 0.10
Iron	per dharni	Rs. 0.25	Rs. 0.25
Caps	each	Rs. 0.04	Rs. 0.04
Leather shoes	per pair	Rs. 0.40	Rs. 0.40
Laborers	per day	Rs. 0.16	Rs. 0.16*

In the hill districts, generally, the list is not so large. For example, in Sindhupalchok:

<u>Form of Assessment</u>	<u>Unit</u>	<u>Rates of Conversion</u>
Paddy	per Rs. 1.00	7.5 pathis
Wheat	per Rs. 1.00	4 pathis
Rice	per Rs. 1.00	4 pathis
Bishop's week seed	per Rs. 1.00	4 pathis
Maize	per Rs. 1.00	8 pathis
Blackgram	per Rs. 1.00	4 pathis
Millet	per Rs. 1.00	10 pathis
Mustard seeds	per Rs. 1.00	4 pathis
Oil	per Rs. 1.00	5 mana
Iron	per Rs. 1.00	4 dharnis
Ghee	per dharni	Rs. 1.05

*Government of Nepal, Law Ministry Records, Kathmandu
Revenue Regulations, 1934, Section 16.

<u>Form of Assessment</u>	<u>Unit</u>	<u>Rates of Conversion</u>
Nalu (cane)	per dharni	Rs. 0.50
Goats	each	Rs. 2.00
Garden produce (Walak)	per load	Rs. 0.10
Unpaid labor	per day	Rs. 0.08
Straw	per load	Rs. 0.64
Straw	per sheaf	Rs. 0.04*

Thus the conversion rates are higher in the districts than in Kathmandu valley and, in fact, appear to depend mainly on the distance from the capital of the area concerned. For purposes of comparison, the conversion rates for paddy, maize, wheat, and millet, the principal forms of assessment in the hill districts, are given below for other Mal office areas:

B. CONVERSION RATES IN HILL DISTRICTS

Rates per Rs. 1.00

<u>Mal Office Area</u>	<u>Paddy</u>	<u>Maize</u>	<u>Wheat</u>	<u>Millet</u>
	<u>(in pathis, except as otherwise shown)</u>			
1. Bhaktapur	5	3.25	3.12	5
2. Kabhrepalanchok				
Bhaktapur area	5.50	3.05	5.50	7
Kabhrepalanchok area	7.50	4	6	7
3. Dolakha				
Dolakha town	1 muri	X	X	X
Outlying areas	9	5	6	10
Sanga and Kitti Kot villages	15	X	X	X
4. Ramechhap	9	5	6	10
5. Okhaldhunga	7.50	4	8	10
6. Dhading				
26 villages, including Jhiltung	8	6	8	10
24 villages, including Lamidanida	6	X	X	X
7. Nuwakot	7	4	6	8
8. Gorkha	10	10	10	10
9. Bandipur	12	12	1 muri	1 muri
10. Syangja	12	12	1 muri	1 muri

*Government of Nepal, Law Ministry Records, Sindhupalchok Revenue Regulations, 1934, Section 29.

Rates per Rs. 1.00

<u>Mal Office Area</u>	<u>Paddy</u>	<u>Maize</u>	<u>Wheat</u>	<u>Millet</u>
	(in pathis, except as otherwise shown)			
<u>11. Gulmi</u>				
Galkot	11	12	16	16
Gulmi	10	12	16	16
Other areas	12	12	16	16
<u>12. Palpa</u>				
54 villages, including Madi	6	4	7	7
49 villages, including Bhilyan	10	6	14	14
10 villages, including Dising	8	5	10	10
<u>13. Salyan</u>	10	6	10	12
<u>14. Pyuthan</u>	10	8	15	15
<u>15. Achham</u>	16	X	X	X

The outdated character of these schedules may be judged from the average prices of a few commodities in Kathmandu during the period January-June, 1961, as given below:

<u>Commodity</u>	<u>Average Price, January-June, 1961</u>	<u>Percentage of Present Price in Relation to Scheduled Rates in Kathmandu</u>
Rice (Touli)	2.08 manas per Rs. 1.00	816.00
Blackgram	2.50 manas per Rs. 1.00	680.00
Maize	3.57 manas per Rs. 1.00	896.00
Maize flour	4.76 manas per Rs. 1.00	672.00
Wheat flour	3.84 manas per Rs. 1.00	980.00
Ghee	Rs. 20.30 per dharni	812.00
Oil	Rs. 2.06 per mana	588.00
Potatoes	Rs. 0.93 per dharni	775.00

Thus the scheduled rates of conversion of assessments in kind into cash for purposes of tax collection have increased by six to nine times. The real value of the land tax to the government has fallen proportionately.

APPENDIX H

RATES OF THE SAUNE FAGU OR SUKUMBASI TAX*

<u>District</u>	<u>Rates (per homestead)</u>
Kathmandu, Lalitpur and Kirtipur	Rs. 0.04, 0.06, or 0.08
Dhading, Pokhara, Kunchha, and Salyan	Rs. 0.04
Nuwakot	Rs. 0.04, 0.08, or 0.16
Kabhrepalanchok, Sindhupalchok, Ramechhap, Okhaldhunga, Majhkirat, Gorkha, Syangja, Palpa, Ilam, and Terhathum	Rs. 0.06
Gulmi	Rs. 0.06, or 0.07
Bandipur	Rs. 0.04, or 0.06
Chhathum	Rs. 0.07
Jajarkot, Jumla, Bajhang, Pyuthan, and Dandeldhura	Rs. 0.12
Jumla and Dailekh	Rs. 0.08

*Source: Assessment registers of different dates for the above-mentioned districts, available at the Revenue Department of the Government of Nepal.

APPENDIX I

GRADATION AND ASSESSMENT IN BARDIYA DISTRICT (Extracts from the Bardiya Assessment Order, 1950)

1. As Malbara subdivision contains the best land in Bardiya district, and as it has been represented that the average yield per bigha of land varies between 30 and 40 maunds, the assessment shall be fixed at Rs. 8.62 per bigha.

2. Although the soil in Amatedi subdivision resembles that of Malbara, since it has been represented that average yields are lower, the assessment shall be fixed at Rs. 8.25 per bigha.

3. In Phena subdivision, although irrigation facilities are not available to the same extent as in Malbara, adequate water is available from streams, and the soil, too, is of good quality. In 18 villages (moujas) of Padnaha subdivision also, conditions are similar. The assessment shall therefore be fixed at Rs. 6.57 per bigha.

4. Although water from irrigation channels is available all the year round in Madhola and Patuwa subdivision, it has been represented that yields are very low. The assessment for this subdivision shall therefore be fixed at Rs. 7.12 per bigha.

5. Although land in Rajahat subdivision is of good quality, it has been represented that water for irrigation purposes is not available. The assessment shall accordingly be fixed at Rs. 5.62 per bigha.

6. The Pouda subdivision contains only 13 villages. Irrigation facilities are as scarce as in Majahat. The assessment shall therefore be fixed at Rs. 5.62 for this subdivision also.

7. Not all villages in Padnaha subdivision are of the same quality. This subdivision shall therefore be divided into three parts. In 16 villages other than those joined to Mewa and Pakariya subdivisions, although some irrigation facilities are said to be available, it has been represented that no such facilities are available in some villages situated near the border, and that yields, too, are low. The assessment in these villages shall be fixed at Rs. 6.00 per bigha.

8. In Pakariya subdivision, as well as in those villages which have been taken away from Padnaha subdivision and joined to it, the tenants do not cultivate their lands on a crop-sharing (Bataiya) basis with the Jimidar as in

other subdivisions, but pay taxes in cash for the land held by them. Irrigation facilities are said to be unavailable, and yields low. The assessment in 18 villages, including such areas as have been transferred from Padnaha subdivision, shall be fixed at Rs. 5.62 per bigha.

9. With regard to the recommendation that the assessment on 1,305 bighas of waste land, which had been entered in the assessment records in 1910 but has continued as waste, and which had been included in existing holdings according to the survey regulations, should be remitted by 50 per cent for a period of five years because it will take four or five years to reclaim them fully. Since the above-mentioned lands are not virgin but had been cultivated once, no remissions are permissible according to existing revenue regulations and taxes are to be collected with effect from the year in which they are brought under cultivation. Nevertheless, since peasants and tenants will have to devote labor on such lands, in order to ensure that they do so and bring the land under cultivation, 50 per cent of the assessment shall be remitted for a period of five years. With effect from the sixth year, taxes shall be collected at full rates in accordance with the assessment schedule.*

THE GRADATION SYSTEM

Even though the assessments mentioned above do not take into account the grade of the land, the Bardiya Survey Regulations, 1946, prescribe detailed formulae for the gradation of both Dhanahar and Bhith land. The system applicable to Bardiya district may be quoted as a fairly representative example of the gradation system prevalent in the Tarai districts prior to the introduction of the new Cadastral Survey formulae. According to this system, gradation as Abal, Doyam, Sim, and Chahar on both Dhanahar and Bhith land is determined as follows:

Abal

1. At least three-fourths of the mouja can be irrigated by means of tanks, irrigation channels, or otherwise. As the land is level, water once used stays on it for 15 or 20 days.
2. The yield exceeds 35 maunds of paddy and 10 maunds of Bhadaiya crops per bigha. Only one-fifth or one-sixth of the land is situated at a

*Government of Nepal, Law Ministry Records, Bardiya Assessment Order, 1950.

high level and the village is situated near the railway station.*

3. The produce is readily marketable, and even in the event of drought the loss is compensated by ready sales.
4. Even if no paddy is cultivated, the yield is at least 35 maunds per bigha with Rabi and Bhadaiya crops.
5. Even if only two crops are grown, irrigation facilities are readily available from wells, rivers, and irrigation channels, and poppies or vegetables can be grown.
6. Even if irrigation facilities are available, tobacco, poppies, jute, castor beans, and vegetables are grown, and the yields are not less than if paddy had been grown.

Doyam

1. Three-fourths of the mouja can be irrigated from springs, rivers, and tanks during the rainy season only. If irrigation channels are used to bring water from rivers and streams, one-fourth of the land is affected by an influx of sand and there is consequent reduction in yields.
2. The yield exceeds 30 maunds of paddy and 10 maunds of Bhadaiya crops per bigha.
3. One-fourth of the land in the mouja is situated at a high level or is shaded. Decaying matter from forests enters into it. Markets and fairs are near, and the produce can be readily sold.
4. Even if no paddy can be grown, the yield exceeds 30 maunds per bigha with Rabi and Bhadaiya crops.

*The railway station mentioned here is situated on the Indian side of the border. It is interesting to note the extent to which Nepal's economy is influenced by conditions prevailing in India. The same regulations prescribe that if land near the railway station is of good quality, taxes thereon should be assessed at higher rates. (Government of Nepal, Law Ministry Records, Bardiya Survey Regulations, 1946, Section 16.)

Sim

1. One-third of the land within the mouja is suitable for double cropping.
2. The yield of paddy exceeds 20 maunds per bigha.
3. About half of the land within the village is situated at a high level.
4. About two-thirds of such high land can be irrigated by means of channels and tanks or rainfall, but the water runs off quickly.
5. The mouja is situated far from the railway station, markets, and fairs for selling grains.
6. Where no paddy can be cultivated, the yields of Rabi and Bhadaiya crops are less than 20 maunds per bigha.
7. The village adjoins forests and wild animals destroy crops.

Chahar

1. The area comprises only one or two moujas in the midst of forests. The land is uneven and even rain water flows off quickly through ravines. Not even 15-20 per cent of the land owned by the people can be sold. Though the land appears to be level, there are numerous places where the soil is inferior and unproductive. The land is eroded by rainfall at some points, and tanks do not stay intact. The land is therefore dry and yields are very low.
2. There are only a few villages situated near rivers and in the midst of forests. Although water is plentiful, wild animals cause constant fear of depredation. The yield is not even 20 maunds per bigha with both winter and rainy season crops.
3. Only about one-fifth or one-third of the land can be cultivated. The rest of the land is uneven and marshy and only some Rabi or Bhadaiya crops can be grown.
4. The railway station and markets are very distant and produce cannot be sold.*

*Ibid., Section 25.

APPENDIX J

EXTRACTS FROM LAW ON RECLAMATION OF WASTE LAND

No. 1. Water shall not be available for others until the requirements of the person who constructed the irrigation channel at his own expense or with his own physical labor are first met. In places where water has been shared in the past, no one shall be allowed to withhold the usual share of the water, thus making a field uncultivable. After the field at the source of the water is irrigated, the next field shall use the water. If the owner of the field at the source is confronted with any difficulty, the owner of the next field shall use the water for cultivation. A new irrigation channel may be constructed at a point higher than the existing one only if the amount of water available to the field irrigated by the old channel is not reduced.

No. 2. If an irrigation channel tumbles down or the field is damaged by streams or washouts, the landowners (Mohi) themselves shall repair it as far as possible, or do so by jointly providing laborers. They shall not share in the water supply unless they themselves make repairs or provide laborers. If the strength or resources of the landowners prove inadequate, the Talukdar shall ascertain the resources required to repair it and report to the Government office. He shall have an order issued and then repair the channel. When the channel is repaired with means provided by the Government, the existing landowners shall not be evicted. If the irrigation channel is not repaired by either the Government or the tenant for three years, and the local Talukdar repairs the land or the channel at his own cost after reporting the matter to the central Government office, he may take eviction measures. The existing landowner shall not be allowed to complain that he has been evicted from the land. If any person offers to repair any land damaged by streams and washouts, and to pay the taxes due thereon, the existing landowner shall be made to sign a document vacating the land, which then shall be given to the person repairing it. In the Tarai districts, action shall be taken after representation through the Government officer.

No. 3. Dams or irrigation channels may be constructed on any land, cultivated or uncultivated, Raikar or Birta, to bring into cultivation any land, Raikar or Birta. No obstruction shall be caused. The owner of the land shall be compensated with the value of the cultivated land taken up by the dam or irrigation channel, or given other land in exchange. But if the land that is thus taken up is uncultivated land not liable to taxation, no compensation shall be paid. When landowners incur expenditure on irrigation works to bring waste land into cultivation, if the tax on the

newly cultivated waste land is double that being paid on the cultivated land taken up by the dams or irrigation channels, the tax for the land taken up by the dams or irrigation channels shall be remitted.

No. 4. No person shall bring, or cause to be brought into cultivation, roads and paths used by the people of the villages from ancient times, courtyards of houses, land adjoining houses, land used in transit by village cattle, water sources, land adjoining lakes and ponds, meadows and village pastures, main roads and highways, and big or small plots of land that should be left or rendered waste by order of the Government.

No. 5. With effect from the date of commencement of this law, in all areas, whether in Kathmandu Valley, the hills, or the Tarai, tax exemption shall be made in the following manner, both when the land is brought into cultivation by order of the Government or is given away for this purpose by the Government offices themselves according to existing laws and regulations. In case people agree to enjoy tax exemption for a shorter period, they should be made to sign an agreement, and exemption shall be made according to the terms of the agreement. Payment of taxes shall then be made at the requisite place, and the land shall be utilized accordingly. No person shall cultivate, or direct the cultivation of, land to which some other person is entitled, whether by means of an order or otherwise, by representing it as uncultivated land for any reason.

FOR KATHMANDU VALLEY AND THE HILL DISTRICTS

No. 1. When land which had once been cultivated but subsequently turned to waste is brought into cultivation, the land tax shall be realized with effect from the year it is brought into cultivation.

No. 2. When cultivated Pakho land, on which the land tax is being paid, or waste land adjoining rivers is brought into cultivation, the tax shall be exempted for a period of four years and levied with effect from the fifth.

FOR THE TARAI

No. 3. When virgin forest land in districts such as Morang, Kailali-Kanchanpur, and Banke-Bardiya is brought into cultivation in areas demarcated by the Government for the purpose, the land tax shall be exempted for a period of ten years. When land in areas selected by the people themselves is brought into cultivation, the land tax shall be exempted for a period of five years. When virgin land, or land covered by bushes of catechu or berries is brought into cul-

tivation, the land tax shall be exempted for a period of four years. Taxes shall be levied subsequently.

No. 4. In all districts other than those mentioned in subsection 3 above, when virgin forest land, or virgin land, or land covered by bushes of catechu or berries, is brought into cultivation, the land tax shall be exempted for a period of four years. It shall be levied with effect from the fifth year.

No. 5. In every district, if land listed at the end of the assessment records as having once been cultivated but subsequently turned to waste is brought into cultivation within a period of five years after cultivation was discontinued, the land tax shall be exempted for a period of two years. If it is brought into cultivation after the expiry of a period of five years after cultivation was discontinued, the land tax shall be exempted for a period of four years and levied with effect from the subsequent year.

No. 6. If people from Kathmandu Valley, the hills, and the Tarai appear before the chief of the nearest district office and state that they have no land to settle on, a note shall be sent to the highest officer of the district where they are willing to go, who shall provide for land tax exemption for the new settlers as laid down in subsection 5 above and submit a report to the central Government.

No. 7. Only waste land, apart from that which is prohibited by law from being cultivated, Charkosh* forest, and big forests inhabited by elephants and rhinoceros, shall be given away for cultivation. No land which has been prohibited from being cultivated shall be given away for cultivation.

No. 8. No person shall, except in the case of land the cultivation of which would affect other people adversely, as mentioned in subsection 4 above, or of waste land adjoining his homestead and garden or his homestead, stop, or cause to be stopped, the cultivation of other waste land, neither cultivating it himself nor allowing others to do so, on the ground that it is included in the area for which he is paying tax, or that its cultivation will affect him adversely. He shall either himself bring it into cultivation, or let other persons, who come forward for this purpose, do so. In case he does not act according to this law, and if he is the Talukdar or Jimidar, he shall be fined an amount ranging from Rs. 1.00 to Rs. 10.00 at the discretion of the government officer. If he is a landowner, he shall be fined Rs. 1.00.

*The forest belt situated at the foothills of the Churia Range.

The land shall be given away for reclamation to the person who comes forward to take it up. The land tax on any land thus reclaimed shall be entered in the assessment records and collected under subsection 5 of this law.

(Nos. 9-16 of this law provide for fines and punishment for persons violating the above-mentioned provisions.)

APPENDIX K

LAND TENURE STATISTICS

No survey has ever been held by the Government of Nepal to ascertain the total cultivated area under various tenure categories, such as Raikar, Birta, Guthi, or Kipat.

Figures on Birta land which have been published by the government from time to time are apparently based on particulars of Birta ownership submitted to the Birta Khariji Bandobast Adda (Birta Abolition Office) and other government offices since 1951. In view of the fact that the Birta abolition measure has met with considerable opposition, it is doubtful how far such estimates provide an accurate index of the situation.

According to figures published by the government, the total area of cultivated land under Birta tenure amounts to 22,855 khets, 1,756,725 ropanis, and 853,059 bighas.^{*} Since all private forests have been nationalized, it is not necessary to take such land into account at present. As the total cultivated area in Nepal has been estimated at 5.9 million acres, Birta land thus forms 28.2 per cent of the total, on the basis of figures which should be regarded as conservative.

In 1937 and 1940, the government undertook a survey of Kipat land in Ilam and Dhankuta respectively. The survey was left incomplete owing to the stiff resistance of Kipat holders in the Terhathum revenue division to the proposal. However, in Chhathum and Ilam divisions the government succeeded in getting the following quantities of Khet land under Kipat tenure:

Ilam	17,687 muris
Chhathum	127,791 muris†

This is equivalent to approximately 4,728 acres. The figure would definitely be considerably larger if land under Kipat tenure in Terhathum and elsewhere in the country, and Pakho

^{*}Government of Nepal, "Budget Report, 1957-58," Nepal Gazette (Extraordinary), Vol. VII, No. 15, Chaitra 29, 2014 (April 11, 1958). This makes a total area of 1,667,547 acres.

†Government of Nepal, Revenue Department Records, Assessment Registers for Ilam, 1937, and Chhathum, 1941.

land also were taken into account. A large area must also have been reclaimed since the above figures were compiled.

As similar estimates of land under Guthi and other forms of tenure are not available, it is risky to hazard an approximation of the proportion of Raikar land to the total cultivated area. However, on the basis of the above-mentioned figures, it may be presumed that, prior to the commencement of the Birta abolition program, Raikar land was limited to approximately half of the total cultivated area.

¹S. Theuvenet, Report to the Government of Nepal on Irrigation, p. 10.

²Government of Nepal, Nepal Adhirajya ko Rashtriya Janaganana, 2018 ko Prarambhik Natiya (Preliminary Results of the National Population Census of the Kingdom of Nepal, 1961), p. 10.

³Statistics regarding age distribution, occupational status, etc., are taken from the 1952-54 census figures, as equivalent figures are not available for the 1961 census.

⁴Government of Nepal, Census of Population in Nepal, 1952-54 A.D., p. xiii.

⁵See Appendix A. Cf. Government of Nepal, Vikas Jilla Ebam Anchal Vibhajan Samiti ko Report (Report of the Development Districts and Zones Demarcation Committee), pp. 51-55.

⁶See Appendix C.

⁷Cf. E. Rauch, Report to the Government of Nepal on Farm Enterprises, p. 2.

⁸Ibid.

⁹Cf. C. B. Gurung, Report on the Study of Agricultural Conditions of the Eastern Nepal Hills, East No. 1 to Ilam, p. 10.

¹⁰Thir Bahadur Rayamajhi et al., Audhyogik Survey Report, Purba Ek Nambar (Industrial Survey Report of East No. 1), pp. 1-2.

¹¹C. B. Gurung, op. cit., p. 26.

¹²S. Theuvenet, op. cit., pp. 2-3.

¹³Ibid., p. 7.

¹⁴Government of Nepal, Pancha Varshiya Yojana (2013-18) Pragati Report (Progress Report of the Five Year Plan, 1956-61), p. 35.

¹⁵Government of Nepal, Draft Five Year Plan, A Synopsis, p. 35.

¹⁶Government of Nepal, Pancha Varshiya Yojana (2013-18) Pragati Report (Progress Report of the Five Year Plan, 1956-61), p. 36.

¹⁷Government of Nepal, Department of Agriculture, Nepalese Agriculture at a Glance, p. 4.

¹⁸Government of Nepal, Pancha Varshiya Yojana ko Gat Dui Varsha ko Pragati (Progress Report of the Five Year Plan for the Last Two Years), p. 2.

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²⁰Ibid., p. 2.

²¹Figures for countries other than Nepal obtained from United Nations, Land Reform, Defects in Agrarian Structure as Obstacles to Economic Development, Appendix I.

²²Government of Nepal, Pancha Varshiya Yojana (2013-18) Pragati Report (Progress Report of the Five Year Plan, 1956-61), p. 139.

²³Government of Nepal, Pancha Varshiya Yojana ko Gat Dui Varsha ko Pragati (Progress Report of the Five Year Plan for the Last Two Years), p. 2.

²⁴C. B. Gurung, op. cit., p. 11.

²⁵Goran Knutsson, Report to the Government of Nepal on Crop Production and Soil Fertility, p. 36.

²⁶C. B. Gurung, op. cit., p. 11.

²⁷Goran Knutsson, op. cit., p. 8.

²⁸Ibid., p. 3.

²⁹C. B. Gurung, op. cit., p. 10.

³⁰See Appendix F.

³¹E. Rauch, op. cit., p. 5.

³²Ibid., p. 9.

³³Ibid., p. 5.

³⁴M. C. Regmi, Some Aspects of Land Reform in Nepal, pp. 29-30.

³⁵Y. P. Pant, Planning for Prosperity in Nepal, p. 8.

³⁶A. N. Sett, Land Reform Problems in Nepal, p. 7.

³⁷Thir Bahadur Rayamajhi et al., Audhyogik Survey Report, Paschim 2 Ra 3 Nambar West Nos. 2 and 3), p. 17.

³⁸Thir Bahadur Rayamajhi et al., Audhyogik Survey Report, Saptari Ra Biratnagar (Industrial Survey Report of Saptari and Biratnagar), pp. 10-11.

³⁹Nepali Congress, Kisan Haru ko Nimti Nepali Congress Le Ke Garyo? (What Has the Nepali Congress Done for the Peasants?), pp. 19-22.

⁴⁰Government of Nepal, Ministry of Law, "Bhumi Sambandhi Ain, 2014" (Lands Act, 1957), Nepal Gazette (Extraordinary), Vol. VIII, No. 5, Shrawan 24, 2014 (August 8, 1957).

⁴¹Government of Nepal, Ministry of Law, "Bhumi Sambandhi (Samsodhan) Ain, 2016" (Lands (Amendment) Act, 1959), Nepal Gazette (Extraordinary), Vol. IX, No. 19, Section 5, Poush 1, 2016 (December 15, 1959).

⁴²Government of Nepal, The Budget Speech, 1961, p. 8.

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²A. S. Altekar, State and Government in Ancient India, p. 268.

³Vincent A. Smith, The Early History of India, p. 137.

⁴K. P. Jayaswal, Hindu Polity, p. 330.

⁵Government of Nepal, "Jagga Pajani ko" (On Land Evictions), Muluki Ain (Legal Code) (2nd ed.), Part III, Section 2, p. 27.

⁶Loc. cit.

⁷A. Granott, Agrarian Reform and the Record of Israel, p. 125.

⁸Cf. Government of Nepal, "Danda Sajaya ko" (On Fines and Punishment), Muluki Ain (Legal Code) (3rd ed.), Part I, Section 40, p. 206.

⁹Government of Nepal, "Jagga Pajani ko" (On Land Evictions), Muluki Ain (Legal Code) (2nd ed.), Part III, Sections 7-8, pp. 29-30.

¹⁰Ibid.

¹¹Government of Nepal, "Balika Jhagada ko" (On Rent Disputes), Muluki Ain (Legal Code) (2nd ed.), Part III, Section 20, p. 57.

¹²Harilal, op. cit., p. 204.

¹³Government of Nepal, Ministry of Law, "Bhumi Sambandhi (Samsodhan) Ain, 2016" (Lands (Amendment) Act, 1959), Nepal Gazette (Extraordinary), Vol. IX, No. 19, Section 2, Poush 1, 2016 (December 19, 1959), pp. 227-28.

¹⁴Government of Nepal, Krishi Sammelan ko Report (Report of the Agricultural Conference), p. III.

¹⁵Government of Nepal, Ministry of Planning and Development, "Pradeshik Vikash Yojana (Rapti Dun ko Jamin Bikri Bitaran) Niyan, 2013" (Regional Development Projects (Rapti Valley Land Sale and Distribution) Rules, 1956), Nepal Gazette, Vol. VI, No. 37, Magh 8, 2013 (January 21, 1957).

¹⁶Government of Nepal, "Jagga Pajani ko" (On Land Evictions), Muluki Ain (Legal Code) (1st ed.), Part III, Section 27, p. 31.

¹⁷Chittaranjan Nepali, Janaral Bhimsen Thapa Ra Tatkalin Nepal (General Bhimsen Thapa and Contemporary Nepal), pp. 255-63.

¹⁸Government of Nepal, Revenue Department Records, Order to the Syangja Bakyauta Tahasil Adda (Order to the Bakyauta Tahasil of Syangja), 1900.

¹⁹Perceval Landon, Nepal, Vol. II, pp. 206-07.

²⁰Government of Nepal, "Notification of the Finance Ministry," Nepal Gazette, Vol. I, No. 12, Kartik 12, 2008 (October 28, 1951).

²¹Government of Nepal, "Jagga Pajani ko" (On Land Evictions), Muluki Ain (Legal Code) (2nd ed.), Part III, Section 11, p. 30.

²²Ibid., Sections 12-16, pp. 30-31.

²³Government of Nepal, Law Ministry Records, Okhaldhunga Revenue Regulations, 1934, Section 45.

²⁴Government of Nepal, "Jagga Michne ko" (On Encroachment on Land), Muluki Ain (Legal Code) (2nd ed.), Part III, Section 1, p. 41.

²⁵Government of Nepal, "Jagga Jamin Goshwara ko" (On Miscellaneous Land Matters), Muluki Ain (Legal Code) (2nd ed.), Part III, Section 3, pp. 61-62.

²⁶Government of Nepal, Draft Five Year Plan, A Synopsis, p. 33.

²⁷For documents concerning such financial transactions leading to the emergence of Suna Birta, refer to Shankarman Rajbanshi, Puratattwa Patra Sangraha (Collection of Ancient Documents).

²⁸Cf. Itihas Prakash Mandal, Itihas Prakash (Light on History), Vol. I, p. 75.

²⁹Government of Nepal, "Jagga Pajani ko" (On Land Evictions), Muluki Ain (Legal Code) (2nd ed.), Part III, Section 20, pp. 33-34.

³⁰Itihas Prakash Mandal, Itihas Prakash (Light on History), Vol. I, p. 89.

³¹Government of Nepal, "Jagga Jamin Goshwara ko" (On Miscellaneous Land Matters), Muluki Ain (Legal Code) (2nd ed.), Part III, p. 61.

³²M. C. Regmi, Some Aspects of Land Reform in Nepal, p. 12.

³³Government of Nepal, Ministry of Finance, "Arthik Ain, 2014" (Finance Act, 1957), Nepal Gazette (Extraordinary), Vol. VII, No. 15, Section 3, Chaitra 29, 2014 (April 11, 1958), p. 74.

³⁴Government of Nepal, Ministry of Law, "Birta Unmulan Ain, 2016" (Birta Abolition Act, 1959), Nepal Gazette (Extraordinary), Vol. IX, No. 19, Poush 1, 2016 (December 15, 1959).

³⁵Ibid., p. 221.

³⁶Government of Nepal, The Budget Speech, 1961, p. 8.

³⁷Government of Nepal, "Guthi ko" (On Guthis), Muluki Ain (Legal Code) (2nd ed.), Part III, Section 15, p. 5.

³⁸Ibid., Sections 2-4, p. 1.

³⁹M. C. Regmi, op. cit., p. 3.

⁴⁰Government of Nepal, Report of the Land Reform Commission, p. 25.

⁴¹Gorkhapatra, Bhadra 20, 2012 (September 5, 1955).

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⁴⁴Government of Nepal, Revenue Department Records, Assessment Register for Dailekh, 1936.

⁴⁵United Nations, Land Reform, Defects in Agrarian Structure as Obstacles to Economic Development, p. 28.

⁴⁶Government of Nepal, Revenue Department Records, Land Administration Regulations for Kathmandu Valley, 1799.

⁴⁷Government of Nepal, Law Ministry Records, Chhathum Revenue Regulations, 1934, Section 73.

⁴⁸Government of Nepal, Law Ministry Records, Ilam Revenue Regulations, 1934, Section 60.

⁴⁹Gajendra Bahadur Pradhananga, Limbuwan ko Kipat Samasya (The Kipat Problem of the Limbuwan Area), p. 2.

⁵⁰Ibid.

⁵¹B. B. Chemjong, Pallo Kirat Limbuwan Ka Maghaharu (Demands of the Limbuwan Pallo Kirat), p. 24.

⁵²Government of Nepal, Law Ministry Records, Chhathum Revenue Regulations, 1934, Section 75.

⁵³Gajendra Bahadur Pradhananga, op. cit., p. 3.

⁵⁴Government of Nepal, Law Ministry Records, Chhathum Survey Regulations, 1938, Section 68.

⁵⁵Government of Nepal, Revenue Department, miscellaneous records.

⁵⁶Government of Nepal, "Notification of the Finance Ministry," Nepal Gazette, Vol. I, No. 12, Kartik 12, 2008 (October 28, 1951).

⁵⁷Government of Nepal, Revenue Department Records, Assessment Register for Kathmandu, 1937.

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¹E. Rauch, Report to the Government of Nepal on Farm Enterprises, p. 3.

²Government of Nepal, Survey Department Records, Rapti Valley Survey Regulations, 1956, Section 19.

³Government of Nepal, Madhesh Mal ko Sawal (Tarai Revenue Regulations), Section 128, p. 53.

⁴Ibid., Section 400, pp. 171-72.

⁵Ibid., Section 157, p. 65.

⁶Government of Nepal, Law Ministry Records, Bardiya Survey Regulations, 1946, Section 45(ii).

⁷Government of Nepal, Law Ministry Records, Sankhu Survey Regulations, 1919, Section 18.

⁸Government of Nepal, Survey Department Records, Kailali Survey Regulations, 1952, Section 17.

⁹Government of Nepal, "Jagga Biraune ko" (On Reclamation of Waste Land), Muluki Ain (Legal Code) (2nd ed.), Part III, Section 8, pp. 24-25.

¹⁰Government of Nepal, Madhesh Jilla Jilla ko Jimidar Patuwari Ka Naun ko Sawal (Regulations for Jimidars and Patuwaris in the Tarai Districts), Section 51, p. 26.

¹¹Government of Nepal, Bhaktapur Mal Office Records, Bhaktapur Talukdari Regulations, 1935, Section 33.

¹²Government of Nepal, Land Tenure Conditions in the Western Hill Districts, p. 33.

¹³Government of Nepal, "Jagga Biraune ko" (On Reclamation of Waste Land), Muluki Ain (Legal Code) (2nd ed.), Part III, Section 4, p. 23.

¹⁴Government of Nepal, Bhaktapur Mal Office Records, Bhaktapur Talukdari Regulations, 1935, Section 22.

¹⁵Government of Nepal, "Jagga Jamin Bare ko" (On Land Matters), Muluki Sawal (Administrative Code), Section 22, p. 143.

¹⁶Government of Nepal, Madhesh Mal ko Sawal (Tarai Revenue Regulations), Section 426, p. 183.

¹⁷Ibid., Section 155, p. 64. See also Government of Nepal, "Jagga Biraune ko" (On Reclamation of Waste Land), Muluki Ain (Legal Code) (2nd ed.), Part III, Section 7, p. 24.

¹⁸Government of Nepal, Madhesh Mal ko Sawal (Tarai Revenue Regulations), Section 426, p. 183.

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²⁵Government of Nepal, Ministry of Law, Bardiya Survey Regulations, 1946, Section 29.

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²⁸S. V. Badoux, Report to the Government of Nepal on Pasture and Fodder Development, p. 4.

²⁹Government of Nepal, Madhesh Mal ko Sawal (Tarai Revenue Regulations), Section 389, p. 167.

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GLOSSARY OF NEPALI TERMS

Abal	First grade of land for purposes of tax assessment; paddy land, equivalent to Khet or Dhanahar (in some western Tarai districts).
Adhiyan	System of tax assessment on the basis of half of the produce.
Akashkitta	An entry in the land tax assessment records which does not, in fact, correspond to any actual holding.
Amali	The head of the village council in Nepal's ancient village administrative stem.
Amanat	System of direct collection of land taxes by the Mal office, without the assistance of Jimidars (in the Tarai).
Amanati	A system of land tax collection under which adjustments on account of alterations in the cultivated area or failure of crops is made every year (in the hill districts and Kathmandu valley).
Asmani	A tax levied occasionally on the homesteads in some hill districts.
Athapriya	A branch of the Limbu community.
Athasattha	Assessment records prepared for each mouja in the course of a revenue settlement in the Tarai.
Badahakim	The administrative head of a district in the hill districts and the Tarai.
Bakyauta Tahasil Adda	Land tax collection office prior to the establishment of the Mal office.
Bal Bithauri	A tax levied on urban land in some Tarai districts.
Bard Gandi	Assessment on the basis of the ox team (in the Tarai).
Besi	River valley lands (in the hill districts).

- Bethi A tax levied occasionally on homesteads in some hill districts and Kathmandu valley, being the commuted value of unpaid labor.
- Bhadaiya Monsoon crops (in the Tarai).
- Bhatha The lowest zone, adjoining the Indian frontier, for purposes of tax assessment in some eastern Tarai districts.
- Bigahatti A special assessment levied on each bigha of land (in the Tarai).
- Bij Seed.
- Bijan A system of tax assessment based on the quantity of seeds of maize estimated to be needed for sowing.
- Birta Land grants made by the state in favor of individuals, often taxable and conditional.
- Budhyauli A member of the village council, at present found only in the Kipat areas of Dhankuta and Ilam.
- Chahar Fourth grade of land for purposes of tax assessment.
- Chardam Theki A special assessment in cash, levied occasionally on Khet holdings (in the hill districts and Kathmandu valley).
- Chari Rakam A tax on cattle grazed on pasture lands (in the hill districts and Kathmandu valley), abolished in 1929.
- Chari Rakam A tax on cattle grazed on pasture lands (in the Tarai).
- Charsa Rakam A tax levied to compensate the government for the loss of revenue resulting from the abolition of the hides and skins monopoly.
- Chaudhari A nonofficial functionary appointed for the collection of land taxes prior to the establishment of the Jimidari system (in the Tarai).

Chhalahi	A tax levied on the homestead of a leather worker (in the hill districts). (Chhala = leather.)
Damai	A tailor (untouchable caste).
Darta Guthi	Guthi lands registered as such in the official records, but operated privately.
Dashain	A festival celebrated on the 10th day of the bright half of the moon, in the month of Aswin or Kartik (October-November).
Dekhajanch	A system of land survey under which the land is not actually measured, but the area, the size, or the amount of seeds needed for sowing is estimated.
Dhanahar	Paddy land, equivalent to Khet or Abal (in the Tarai).
Dharni	An avoirdupois measure equal to approximately five pounds.
Dhushi	Unirrigated land equivalent to Pakho or Bhith (in some western Tarai districts).
Dole	A tax levied occasionally on homesteads in some hill districts.
Doyam	Second grade of land for purposes of tax assessment.
Duniya Guthi	Guthi lands privately endowed without governmental recognition or approval.
Fadke	A plot of Pakho land which does not contain a homestead (in the hill districts).
Farse	Relinquishment of rights on Birta land by process of sale.
Futkar	A tax levied occasionally on homesteads in some hill districts.
Ghaiya	A variety of paddy which can be grown on unirrigated or Pakho land.

Ghardar	A system of enumerating homesteads and Pakho holdings every 10 years for purposes of tax assessment (in the hill districts and Kathmandu valley).
Ghargandi	Homestead tax (mostly in the Tarai).
Ghiukhane (Ghiu)	A cash assessment on Khet land in some hill districts and Kathmandu valley, in addition to assessments in kind.
Godayat	A village peon who assists the Jimidar and the Patuwari in the collection of land taxes (in the Tarai).
Gumasta	A village functionary who assists the Jimidar and the Patuwari in the collection of land taxes (in the Tarai).
Guthi	Land alienated by the state or by individuals for the performance of charitable, religious, or philanthropic functions.
Hal	Ox team.
Hale	A Pakho holding which can be ploughed by an ox team in one day (in the hill districts and Kathmandu valley).
Halebij	Land capable of being ploughed by an ox team, for purposes of tax assessment under the Bijan system.
Hale Pakho	Pakho land of good quality, yielding at least 15 pathis of grains per ropani (in Bhaktapur).
Hasil	A tax levied occasionally on the homestead in some hill districts.
Ijaradar	Contractor.
Jagera	Land other than Jagir, which was retained by the state for direct appropriation of revenue, sometimes also called Khalisa.
Jagir	Land assigned to government employees as emoluments; abolished in 1951.
Jagirdar	A government employee; the owner of a Jagir holding.

Jammabandi	Assessment register (in the Tarai).
Jeth Raiyat	A village functionary appointed for the collection of land taxes prior to the emergence of the Jimidari system (in the Tarai).
Jhara	Forced labor; a tax levied on the homestead as the commuted value of such labor in some hill districts.
Jimidar	Nonofficial tax collection functionary (in the Tarai).
Jimidari	Pertaining to a Jimidar.
Jirayat	Taxable land attached to a Jimidari holding as part of the remuneration of the Jimidar (in the eastern Tarai).
Kagate Hulaki	Land assignments to mailcarriers under Rakam tenure; abolished in 1914.
Kamchahar	Fifth grade of land for purposes of tax assessment (in Saptari district).
Kami	A blacksmith (untouchable caste).
Kanugoye	A village tax collection functionary in the Tarai, prior to the emergence of the Jimidari system.
Karobari	A member of the village council in the Kipat areas of Dhankuta and Ilam.
Karta	A member of the village council in the Kipat areas of Dhankuta and Ilam.
Khalisa	See Jagera.
Khambu	A branch of the Limbu community.
Khangi	Rents on Jagiri lands.
Karchari	A tax on pasture land (in the hill districts).
Khatri	A variation of the Kshatriya caste in the Hindu four-caste hierarchy.

- Khet A measure of land equal to 25 ropanis or 100 muris. Irrigated land on which paddy and wheat can be cultivated (in the hill districts and Kathmandu valley).
- Khurpa Thek A variation of the Thek Tiro tax.
- Khuwa An assignment of a Pakho holding as Jagir.
- Kipat A form of communal land tenure, prevalent among such ethnic groups as the Limbus of Dhankuta and Ilam.
- Kirana Land on which commercial crops such as sugarcane, tobacco, and poppy were grown (in some Tarai districts) before the standardization of the Dhanahar-Bhith system of land classification.
- Kodale Under the Hale system, a Pakho holding which can be dug only with a spade.
- Kodalebij For purposes of tax assessment under the Bijan system, a Pakho holding which can be dug only with a spade.
- Kodale Pakho Inferior Pakho land which yields less than 15 pathis of grain per ropani (in Bhaktapur).
- Kodalo Spade.
- Kushle Players of windpipe instruments on ceremonial occasions.
- Kute A tiny plot of Pakho land, which can be dug only with a hoe (in some western hill districts).
- Kuto Hoe.
- Lekh Land situated at high altitudes in the hill districts.
- Limbu An ethnic group of Kirati origin, mainly inhabiting Dhankuta and Ilam districts.
- Mafi Tax-exempt, usually used to denote tax-exempt forms of Birta land.

Mahaldar	A nonofficial land tax collection functionary (before the emergence of the Jimidari system (in the Tarai).
Mahasulekhet	Land on which assessments are fixed in cash at a low level on a contractual basis (in the hill districts and Kathmandu valley).
Majh	The middle zone for purposes of tax assessment (in some eastern Tarai districts).
Majhi	A boatman, a member of the Majhi community.
Majhiya	A branch of the Limbu community.
Mal	Revenue office.
Mana	See Muri.
Megjin	A tax levied on the homesteads of beef eating castes in some hill districts.
Mijhar	A village headman of the Majhi community, who is also the nonofficial tax-collector.
Mijhari	A tax levied on the homesteads of Mijhars.
Mohi	Tenant, usually used to denote the tenant who holds land from the state (i.e., the landowner).
Mohinaike	A nonofficial land tax collection functionary in some hill districts and Kathmandu valley, prior to the emergence of the Talukdari system.
Mokaddam	A nonofficial tax collection functionary before the emergence of the Jimidari system (in the Tarai).
Moth Lagat	Tax assessment register (in the hill districts and Kathmandu valley).
Mouja	A village as the primary unit of land tax administration in the Tarai; a revenue subdivision, consisting of a group of villages, in some hill districts and Kathmandu valley.

Mukhiya	Nonofficial land tax collection agents on Pakho land (in the hill districts and Kathmandu valley).
Muluki Ain	Legal Code of Nepal.
Muluki Sawal	Administrative Code of Nepal.
Muri	A volumetric measure for grains, equivalent to 2.40 bushels. (A muri is equal to 20 pathis, with 8 manas to a pathi); a measure of land equal to 1,369 square feet (since 1907; see p. 189) (in the hill districts and Kathmandu valley).
Nambari	Taxable (Raikar) land which is listed in the assessment register; annual assessment records showing alterations in the cultivated area.
Napikhesra	A field map prepared in the course of a survey.
Narghatti	The discrepancy between the lower actual area and the higher registered area of a taxable holding.
Pagari	A member of a village council in the Kipat areas of Dhankuta and Ilam.
Pakho	Unirrigated land on which only maize, millet, ghaiya, and other dry crops can be grown (in the hill districts and Kathmandu valley).
Panchayat	A village council.
Parganna	A revenue subdivision consisting of a group of villages (in the eastern Tarai).
Pate	A Pakho holding which is half of a Hale holding.
Patuwari	A village functionary who assists the Jimidar in the maintenance of tax records and accounts.
Pauni	Untouchable castes (in some western hill districts).

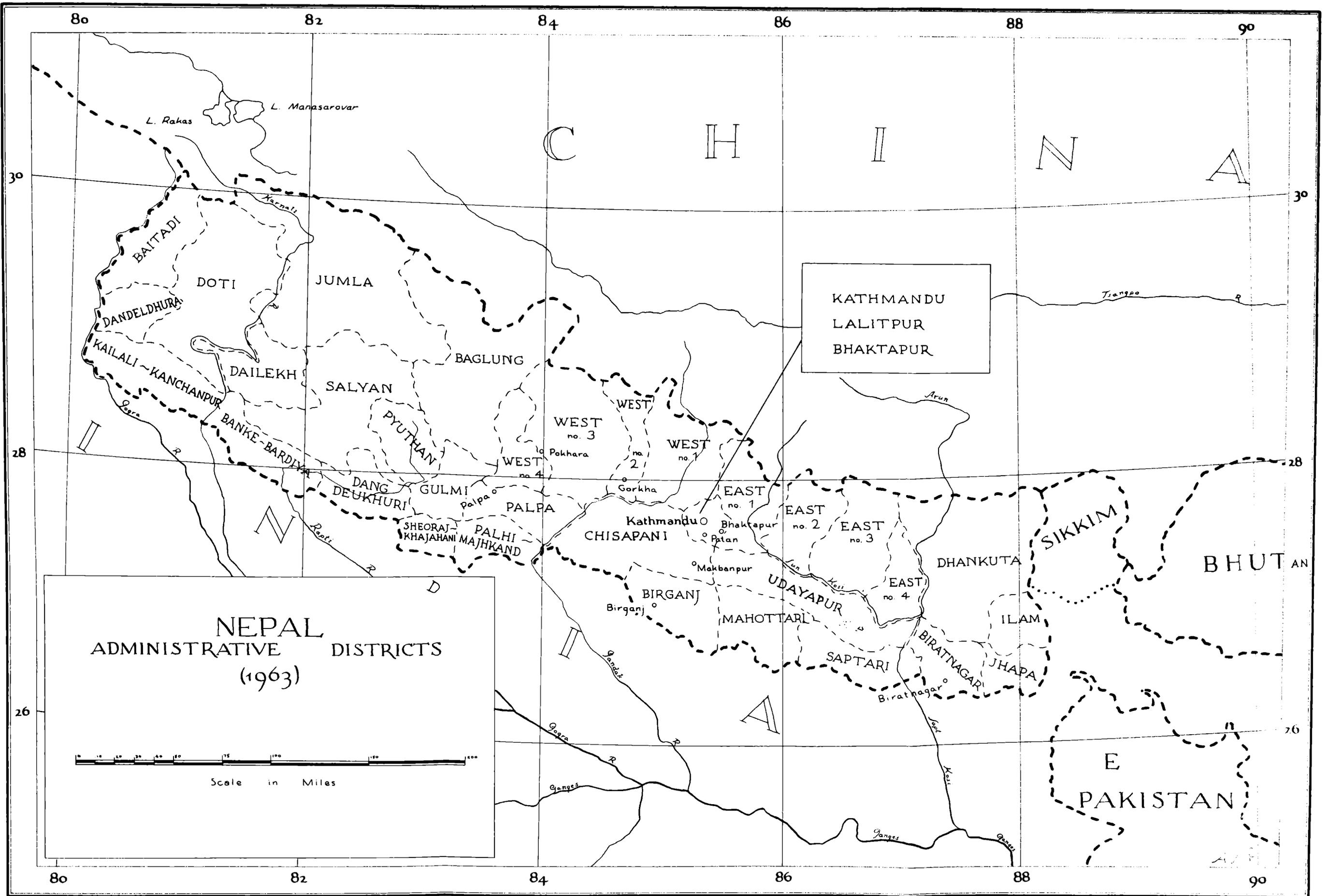
Pota	A tax levied on certain categories of Birta land (in the hill districts and Kathmandu valley).
Rabi	Winter crops (in the Tarai).
Rai	A village headman in the Majhkirat district; a member of the village council in the Kipat areas of Dhankuta and Ilam.
Raikar	State landlordism; land on which taxes are collected and appropriated directly or through intermediaries by the state.
Raitan Tahasil	A system of land tax collection directly by the Mal office without the assistance of Talukdars (in Kathmandu valley).
Raj Guthi	Guthi lands which are directly administered by the state.
Rajinama	Relinquishment of rights on Raikar land by process of sale.
Rajya	Formerly independent principalities that were incorporated into the kingdom of Nepal by agreement rather than conquest. Ruling families retained, until 1961, limited administrative and judicial powers and paid a proportion of the land revenue to the central government as tribute.
Rakam	Assignments of land for the performance of specific services, mostly of a manual character.
Ropani	A measure of land equal to 5,476 square feet or 0.13 acres (in the hill districts and Kathmandu valley).
Sarbachandrayan	A tax levied occasionally on the homesteads in some hill districts and Kathmandu valley.
Sarbangamafi	A Rajya which is exempt from the payment of all taxes.
Sarki	A leather worker (untouchable caste).
Sarpat	Chain measurement of land.

Saune Fagu	Homestead tax (in the hill districts and Kathmandu valley).
Serma	Tax on unmeasured Pakho lands (in the hill districts and Kathmandu valley).
Shripanchami	The fifth day of the bright half of the moon in the month of Magh (February).
Sim	Third grade of land for purposes of tax assessment.
Sir	The upper zone, for purposes of tax assessment (in some eastern Tarai districts); taxable land attached to a Jimidari holding as part of the remuneration of the Jimidar (in the western Tarai).
Sirto	Tribute payable by a few categories of vassal states to the government.
Sorhagandi	The 64 pice (Nepali) rupee currency system.
Subba	The village headman of the Kipat areas of Dhankuta and Ilam.
Sukumbasi	A homestead which does not contain any agricultural land; a landless peasant.
Suna Birta	Land sold as Birta by the king to his subjects on payment in the form of gold. (Sun = gold.)
Tahasildar	Tax collector appointed by the government in the absence of a Talukdar.
Tal	A tax levied on the homesteads of blacksmiths (in the hill districts).
Talukdar	A generic term used to denote land tax collectors (in the hill districts and parts of Kathmandu valley).
Tappa	A revenue subdivision comprising a group of villages (in the western Tarai).
Thakuri	A high ranking variation of the Kshatriya caste.

Thani	A nonofficial tax collection functionary in Nepal's ancient land tax collection system (in the hill districts).
Thari	A nonofficial tax collection functionary (in the hill districts).
Thek Tiro	A fixed cash assessment on land (in the hill districts and Kathmandu valley), on which no remissions are allowed.
Thekka Rajya	A Rajya which is under obligation to pay a stipulated amount annually to the state as land revenue.
Thekka Thiti	A system of land tax collection on a contractual basis in some hill districts.
Thingo	A homestead in Dailekh, probably equivalent to a Kute.
Thum	A revenue subdivision comprising a group of villages in some hill districts.
Tika	A tax on homesteads levied occasionally in some hill districts.
Tiladhupe	A tax on homesteads levied occasionally in some hill districts.
Tip	A tax levied occasionally on the homesteads of untouchables in some hill districts and Kathmandu valley.
Toana	A tax levied occasionally on homesteads in some hill districts.
Ukhada	Part of the Sir lands of Jimidars which is let out to tenants on low cash rents (in Palhi-Majhkhand).
Umrao	Local chieftain.
Walak	A tax levied occasionally on homesteads in some hill districts and Kathmandu valley.
Yakha	A branch of the Limbu community.

GENERAL LOCATION IN ADMINISTRATIVE DISTRICTS
OF FORMER DISTRICTS AND REVENUE DISTRICTS DISCUSSED IN TEXT

Achham	Eastern Doti
Bajhang	Northwestern Doti
Bajura	Northeastern Doti
Bandipur	Subdivision in southeastern West No. 3
Banke	Eastern Banke-Bardiya
Bara	Central Birganj
Bardiya	Western Banke-Bardiya
Butaul	Former district comprising Palhi- Majhkhand and Sheoraj-Khajahani
Chhathum	Southern Dhankuta
Chitaur	Western Chisapani
Dang	Northern Dang-Deukhuri
Deukhuri	Southern Dang-Deukhuri
Dolakha	Western East No. 2
Gorkha	West No. 2; also subdivision including Gorkha village
Hanumannagar	Eastern Saptari
Jajarkot	Subdivision in northwestern Salyan
Kabhrepalanchok	Subdivision in west-central East No. 1
Kanchanpur	Subdivision in western Kailali-Kanchanpur
Khajahani	Eastern Sheoraj-Khajahani
Kirtipur	
(subdivision)	Eastern Chisapani
(town)	In southwestern Kathmandu district
Kunchha	Subdivision in central West No. 3
Majhkhand	Western Palhi-Majhkhand
Majhkirat	Eastern East No. 3
Makbanpur	Northeastern Chisapani
Morang	Former district comprising Biratnagar and Jhapa
Nabalpur	Former district, between Palpa and Chitaur
Nawakot	Sometimes written Nuwakot
(subdivision)	Important eastern subdistrict of West No. 1
(town)	In valley in central West No. 1
Nuwakot	Subdivision in West No. 4
Okhaldhunga	Former district in southwestern East No. 3
Parsa	Western Birganj
Pokhara	Western West No. 3
Ramechhap	Subdivision in southeastern East No. 2
Rautahat	Eastern Birganj
Sarlahi	Western Mahottari
Siraha	Western Saptari
Syangja	West No. 4
Sindhupalchok	Northern East No. 1
Surkhet	Southern Dailekh
Terhathum	Northern Dhankuta



NEPAL
ADMINISTRATIVE DISTRICTS
(1963)

